



# Programme Manual

## LIST OF ABBREVIATIONS

CBC	Cross-border Cooperation
CPR	Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy
DNSH	'Do no significant harm' principle
EC	European Commission
ERDF	European Regional Development Fund
EU	European Union
GBER	Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC
Interreg Regulation	Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments
LIP	Large Infrastructure Project
Programme website	<a href="http://www.pl-ua.eu">www.pl-ua.eu</a>
Programme	Interreg NEXT Poland – Ukraine 2021-2027 Programme
Small project	Action of limited financial volume, implemented within the Small Project Fund
SPF Beneficiary	Operator of the Small Project Fund
SPF	Small Project Fund – Programme operation aimed at the selection and implementation of projects, including people-to-people actions, of limited financial volume;
TFEU	Treaty on the Functioning of the European Union

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# 1. MAIN INFORMATION ABOUT THE PROGRAMME AND PROJECTS

The Programme was adopted by the European Commission on 30 November 2022 and is available on the [Programme website](#).

## 1.1. Background

Poland and Ukraine have been cooperating across their border for many years and in spite of the existing adversities, joint actions have been undertaken and common solutions have been sought by both countries.

In 2004-2006 the Neighbourhood Programme Poland-Belarus-Ukraine INTERREG IIIA / TACIS CBC 2004-2006 was established. It continued as the ENPI Poland-Belarus-Ukraine CBC Programme 2007-2013. For many years, such trilateral cooperation was fruitful and successful. Nevertheless, due to i.a. human rights violations, stirring up crisis at EU's external borders and use of migrants for political purposes, which was initiated by Belarus in 2021, the involvement of Belarus in Russia's unprovoked and unjustified military aggression against Ukraine of 24 February 2022 and a gross violation of international law, the CBC cooperation with Belarus has been suspended. Therefore, the 2021-2027 Programme is bilateral: Interreg NEXT Poland – Ukraine.

The overall aim of the Programme is to support cross-border development processes in the borderland of Poland and Ukraine, in line with the Interreg objectives laid down in Interreg Regulation (2021/1059). As its predecessors, the Programme is directed at Polish and Ukrainian border regions and all non-profit oriented institutions coming from these regions.

## 1.2. The Programme area

The Programme is addressed to the Polish and Ukrainian border regions and covers NUTS3 units (subregions) on the Polish side and territorial units at the level of oblasts in Ukraine.

The geographical coverage of the Programme is as follows:

- **Poland:** Podlaskie, Mazowieckie (Ostrołęcki and Siedlecki subregions only), Lubelskie and Podkarpackie voivodeships;
- **Ukraine:** Volyn, Lviv, Zakarpattia, Rivne, Ternopil and Ivano-Frankivsk oblasts.

The Programme covers 177 128 km<sup>2</sup>, of which 57% is in Ukraine and 43% in Poland.



### 1.3. Programme institutions

The main Programme institutions are:

**Joint Secretariat** – the main contact for applicants and beneficiaries. It assists the Managing Authority in the daily management of the Programme. The Joint Secretariat supports applicants during calls for proposals and beneficiaries during the implementation of the contracted projects. The Joint Secretariat is located in the Center for European Projects in Warsaw.

#### **Joint Secretariat of Interreg NEXT Poland – Ukraine Programme**

Center of European Projects  
180 Puławska St., 02-670 Warsaw  
tel.: +48 22 378 31 79  
e-mail: [js@pl-ua.eu](mailto:js@pl-ua.eu), website: [www.pl-ua.eu](http://www.pl-ua.eu).

In Ukraine, the Joint Secretariat is assisted by its branch located in Lviv:

**Branch Office of the Joint Secretariat in Lviv**

14 Vynnychenka St., Lviv, Ukraine

tel.: +380 67 707 67 60

e-mail: [branch.lviv@pl-ua.info](mailto:branch.lviv@pl-ua.info)

Information about the Programme can also be obtained in Regional Contact Points of the Programme:

– **Regional Contact Point in Białystok**

Marshal's Office of the Podlaskie Voivodeship

Kardynała Stefana Wyszyńskiego St. 1

15-888 Białystok

tel.: +48 85 665 42 88

e-mail: [RPKBialystok@podlaskie.eu](mailto:RPKBialystok@podlaskie.eu)

– **Regional Contact Point in Lublin**

Marshal's Office of the Lubelskie Voivodeship

Artura Grottgera St. 4

20-029 Lublin

tel.: +48 81 478 14 87

e-mail: [RPKLublin@lubelskie.pl](mailto:RPKLublin@lubelskie.pl)

– **Regional Contact Point in Rzeszów**

Marshal's Office of the Podkarpackie Voivodeship

Księcia Józefa Poniatowskiego St. 6

35-026 Rzeszów

tel.: +48 17 743 32 69

e-mail: [RPKRzeszow@podkarpackie.pl](mailto:RPKRzeszow@podkarpackie.pl)

**Monitoring Committee** – main decision-making body of the Programme, responsible i.a. for the selection of projects for financing. It is composed of representatives of national, regional and local governments from both Poland and Ukraine as well as socio-economic partners from both countries. The full list of Monitoring Committee members can be found on the [Programme website](#).

**Managing Authority** – executive body of the Programme, represented by the Ministry of Development Funds and Regional Policy of the Republic of Poland. The Managing Authority signs Grant Contracts with projects, approves reports and makes pre-financing and balance payments.

**National Authority** – body responsible for coordination of the Programme management in Ukraine. This role is performed by the Secretariat of the Cabinet of Ministers of Ukraine.

**Controllers** – verify the expenditures declared by Project Partners:

– in **Poland**:

- for Project Partners from Podlaskie Voivodeship – Podlaskie Voivodeship Office in Białystok;

- for Project Partners from Lubelskie and Mazowieckie voivodeships – Center of European Projects, Control Department, Podlaskie Voivodeship Office in Białystok;
- for Project Partners from Podkarpackie Voivodeship – Podkarpackie Voivodeship Office in Rzeszów;
- in **Ukraine**: State Audit Service of Ukraine.

**Audit Authority** – provides different types of audits of the Programme and projects, it is located in the Ministry of Finance of Poland (Head of the National Revenue Administration of Poland).

**Group of Auditors** – assists the Audit Authority on the territory of Ukraine. It is located in the Accounting Chamber.

#### 1.4. Thematic scope and budget

The 2021-2027 Programme strengthens the existing links between Poland and Ukraine and builds new ones in the fields of:



which constitute **priorities** of the Programme. The priorities are further divided into **specific objectives** as presented in the table below.

- Large infrastructure projects are to be implemented under priorities ENVIRONMENT, HEALTH, TOURISM, ACCESSIBILITY and BORDERS.
- Regular projects - under priorities ENVIRONMENT and HEALTH.
- Small projects - under ENVIRONMENT and COOPERATION priorities.

A detailed description of the Programme specific objectives, related types of action, indicators and main target groups is provided in Chapter 2 below and in Chapter 2 of the Programme document.

The Programme's total budget amounts to 262.1 M EUR. It is co-financed in 90% (235.8 M EUR) by the European Regional Development Fund (ERDF) and the Neighbourhood, Development and International Cooperation Instrument (NDICI). Remaining 10% will come from Polish and Ukrainian contributions. The budget allocation for all types of projects under the Programme equals 214.4 M EUR.

**Table 1. Thematic scope and budget allocated to projects**

<b>PRIORITIES</b>	<b>SPECIFIC OBJECTIVES</b>	<b>BUDGET FOR PROJECTS (EUR)</b>
<b>1. ENVIRONMENT</b>	1.1. Promoting climate change adaptation and disaster risk prevention and resilience, taking into account ecosystem-based approaches	33 925 234
	1.2. Promoting access to water and sustainable water management	42 089 706
	1.3. Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	18 391 578
	1.4. Promoting the transition to a circular and resource efficient economy	5 111 345
<b>2. HEALTH</b>	2.1. Ensuring equal access to health care and fostering resilience of health systems, including primary care and promoting the transition from institutional to family-based and community-based care	53 354 433
<b>3. TOURISM</b>	3.1. Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	3 875 625
<b>4. COOPERATION</b>	4.1. Build up mutual trust, in particular by encouraging people-to-people actions	5 111 345
<b>5. BORDERS</b>	5.1. Other actions to contribute to a safer and more secure Europe	10 721 644
<b>6. ACCESSIBILITY</b>	6.1. Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility	41 851 960
<b>TOTAL</b>		<b>214 432 871</b>

## 1.5. Types of projects

### 1.5.1. Regular projects – main characteristics

TOTAL PROGRAMME FINANCING FOR REGULAR PROJECTS	121.8 M EUR
SELECTION	call for proposals
PRIORITIES	ENVIRONMENT (specific objectives 1.1, 1.2, 1.3), HEALTH
CO-FINANCING VALUE	200 000 – 2 500 000 EUR
CO-FINANCING RATE	up to 90% of total eligible costs
DURATION	up to 24 months
SCOPE OF ACTIVITIES	soft, investment, infrastructure
IMPLEMENTATION AREA	the Programme area ( <a href="#">p. 1.2</a> above). Some activities may be carried out outside of it but with clear benefit to the Programme area

Classification of the regular projects based on scope of activities:

#### Infrastructure project

- Project which requires building permission or its equivalent (e.g. notification of works component – zgłoszenie robót budowlanych, declaration on the beginning of construction works etc.) according to the national legislation in force for the country where works take place or
- Project including infrastructure activities (defined in the Budget heading *Infrastructure and works*) with a total value over 50 000 EUR.

The infrastructure component shall include the total costs of:

- Works and services related to (re)construction, renovation, installation of infrastructure and its supervision;
- Other activities related to planned works like e.g.: costs of preparation of the technical documentation, costs of supplies including purchase of fixed assets;

The total amount of costs foreseen in the infrastructure component (Budget heading *Infrastructure and works*) shall be lower than 2 500 000 EUR.

#### Investment project

Project with supplies of fixed assets within the budget category for equipment (e.g. equipment like computers, machines, tools, licences etc.) worth more than 50 000 EUR.

If a project can be defined at the same time as infrastructure and investment, its categorisation should be decided basing on the costs proportion in the budget (i.e. if more costs are related to works or to purchase of equipment). Nevertheless, any project which meets the definition of infrastructure project is obliged to submit all relevant annexes to the Application form (please see [p. 6.1.3.](#)).

### Soft project

Other projects not defined as “infrastructure” or “investment” are regarded as soft.

### 1.5.2. Large infrastructure projects (LIPs) – main characteristics

TOTAL PROGRAMME FINANCING FOR LIPs	82.3 M EUR
SELECTION	direct award procedure
PRIORITIES	ENVIRONMENT HEALTH TOURISM BORDERS ACCESSIBILITY
CO-FINANCING VALUE	over 2 500 000 EUR
CO-FINANCING RATE	up to 90% of total eligible costs
DURATION	up to 30 months (with possible extension in exceptional cases, but all activities must be completed by 31 December 2029)
SCOPE OF ACTIVITIES	acquisition, construction, modernisation of infrastructure, cross-border cooperation activities
IMPLEMENTATION AREA	Programme area; at least 20% of EU funding must be allocated to activities of the cross-border partner

### 1.5.3. Small Project Fund (SPF) – main characteristics

TOTAL PROGRAMME FINANCING FOR SPF	10.22 M EUR
SELECTION	dedicated call (pre-defined beneficiaries)
PRIORITIES	ENVIRONMENT (specific objective 1.4: Promoting the transition to a circular and resource-efficient economy)

	COOPERATION (specific objective 4.1: Build up mutual trust, in particular by encouraging people-to-people actions)
SPF BENEFICIARIES	ENVIRONMENT: Ternopil Regional Development Agency (UA) COOPERATION: Association of the Carpathian Euroregion (PL)
CO-FINANCING VALUE	5.11 M EUR per each SPF 20 000 – 90 000 EUR (per project within SPF)
CO-FINANCING RATE	up to 90% of total eligible costs
DURATION	For project within SPF: up to 12 months (possible extension to 18 months in exceptional cases) – the SPF Project shall be settled no later than June 30, 2028
SCOPE OF ACTIVITIES	Small project implementation, project management
IMPLEMENTATION AREA	Programme area; equal access to all eligible beneficiaries on both sides of the border. Regardless of fact, that potential SPF Beneficiaries are institutions, that operate on one side of the border and on a limited area, they shall ensure equal access to all eligible potential Small Project Beneficiaries from the entire Programme area, on both sides of the border.

## 2. DETAILED DESCRIPTION OF PRIORITIES, ELIGIBLE ACTIVITIES AND TARGET GROUPS

### 2.1. PRIORITY 1. ENVIRONMENT



#### Specific objective 1.1.

Promoting climate change adaptation and disaster risk prevention and resilience, taking into account ecosystem-based approaches

As part of this specific objective the following initiatives could be implemented:

1. Joint promotion and implementation of activities related to resilience to climate change - natural disasters and fires

2. Joint actions aimed at risk prevention and resilience to other local threats and disasters caused by anthropogenic activities

#### The indicative list of eligible cross-border activities:

- building systems, infrastructure and purchase of equipment for disaster management;
- developing and implementing strategies, solutions, programmes related to raising awareness and protection of the population;
- forest management, verification of infrastructure sensitive to climate risks;
- promotion of climate change adaptation measures among the inhabitants of the Programme area;
- joint trainings of uniform services, rescue services and firefighting units;
- strengthening resistance to the effects of anthropogenic disasters (e.g., industrial accidents and risk management regarding this topic).

#### Related Programme indicators:

Output indicators:

- RCO24. Investments in new or upgraded disaster monitoring, preparedness, warning and response systems against natural disasters

- RCO81. Participations in joint actions across borders
- RCO116. Jointly developed solutions

Result indicators:

- RCR36. Population benefiting from wildfire protection measures
- RCR37. Population benefiting from protection measures against climate related natural disaster (other than flood and wildfires)
- RCR104. Solutions taken up or up-scaled by organisations

**Main target groups of support:**

- units of state, regional and local administration, associations of these units and institutions subordinate to them
- rescue units, fire protection units (including fire brigades), police and border services
- other public law entities (e.g., chambers, government administration bodies)
- units of higher education and research institutions
- non-governmental organisations

The examples of projects addressing the abovementioned issues and realised under the Programme Poland-Belarus-Ukraine 2014-2020 can be found on the Programme [website](#), under Priority 3.2.

Specific objective 1.2.

Promoting access to water and sustainable water management

As part of this specific objective the following initiatives could be implemented:

1. Joint actions aimed at protection and improvement of water resources' condition as well as sustainable water management

2. Joint actions aimed at development of sewage infrastructure and improving wastewater management

3. Joint actions aimed at improvement of public water supply network

**The indicative list of eligible cross-border activities:**

- water management, including management of river basins, development of rainwater retention systems, infrastructure and other activities related to the improvement of water quality;

- developing strategies, solutions, programmes and innovative projects, which will enable activities in the field of water resource protection and will promote sustainable water management in the Programme area;
- redirecting and purifying drain water (grey water) in households;
- development of sewage infrastructure;
- rational management of water resources;
- improvement of public water supply network in the Programme area.

#### **Related Programme indicators:**

##### Output indicators:

- RCO30. Length of new or upgraded pipes for the distribution systems of public water supply
- RCO31. Length of new or upgraded pipes for the public network for collection of wastewater
- RCO81. Participations in joint actions across borders
- RCO116. Jointly developed solutions

##### Result indicators:

- RCR41. Population connected to improved public water supply
- RCR42. Population connected to at least secondary public wastewater treatment
- RCR104. Solutions taken up or up-scaled by organisations

#### **Main target groups of support:**

- units of state, regional and local administration, associations of these units and institutions subordinate to them
- other public law entities (e.g., chambers, government administration bodies)
- units of higher education and research institutions
- non-governmental organisations

The examples of projects addressing the abovementioned issues and realised under the Programme Poland-Belarus-Ukraine 2014-2020 can be found on the Programme [website](#), under Priority 1.2 and 3.1.

#### Specific objective 1.3.

Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution

As part of this specific objective the following initiatives could be implemented:

1. Joint actions aimed at protection, regeneration and sustainable use of valuable protected natural areas, with particular emphasis on cross-border areas

2. Joint actions aimed at protection of biodiversity and development of green infrastructure

#### **The indicative list of eligible cross-border activities:**

- protection, regeneration and sustainable use of valuable protected natural areas (including the Natura 2000 and Emerald networks);
- improving connectivity of the cross border ecological corridors on the Programme area;
- support for expanding the existing and creation of new protected areas;
- protection and preservation of biodiversity in the Programme;
- development of green infrastructure;
- common monitoring of the condition of the environment;
- improving the condition of areas with low environmental quality standard;
- raising the environmental awareness of the inhabitants;
- education and shaping positive attitude to the nature.

#### **Related Programme indicators:**

Output indicators:

- RCO37. Surface of Natura 2000 sites covered by protection and restoration measures
- RCO81. Participations in joint actions across borders
- RCO116. Jointly developed solutions

Result indicators:

- RCR104. Solutions taken up or up-scaled by organisations

#### **Main target groups of support:**

- state, regional and local administration units, associations of these units and institutions subordinate to them
- other public law entities (e.g., chambers, government administration bodies)
- administrations and managements of nature protection areas, such as national parks, nature parks, landscape parks, biosphere reserves, etc.
- entities administering forest areas and state forest holdings with their organisational units
- units of higher education and research institutions

- non-governmental organisations

The examples of projects addressing the abovementioned issues and realised under the Programme Poland-Belarus-Ukraine 2014-2020 can be found on the Programme [website](#), under Priority 1.2.

Specific objective 1.4. (SPF only)

Promoting the transition to a circular and resource efficient economy

As part of this specific objective the following initiatives could be implemented:

1. Joint initiatives for the improvement of household waste management and residual waste treatment and promoting innovative solutions related to the transition to a circular economy

2. Promoting rational waste management (minimizing generation, promoting segregation, increasing recycling and repurposing) and raising awareness of challenges concerning environmental issues

#### The indicative list of eligible cross-border activities:

- small-scale innovative environmentally positive solutions and infrastructure addressing specific visible improvements of local environmental conditions, raising awareness in the general population on the matter;
- promotion of innovative solutions related to the transition to a circular economy and cross-border initiatives related to the technology transfer, utilisation of research outcomes and adaptation to local needs and capacities of local and regional authorities, public utility providers and professional associations practitioners, related to product design, waste management, resource efficiency and recycling;
- initiatives creating conditions and specific solutions for the promotion of eco-friendly lifestyles, monitoring, assessment, prevention and solving of the common issues of local communities concerning waste management and environmental protection.

#### Related Programme indicators:

Output indicators:

- RCO81. Participations in joint actions across borders
- RCO116. Jointly developed solutions

Result indicators:

- RCR85. Participations in joint actions across borders after project completion
- RCR104. Solutions taken up or up-scaled by organisations

**Main target groups of support:**

- units of state, regional and local administration, associations of these units and institutions subordinate to them
- other public law entities (e.g., chambers, government administration bodies)
- administrations and managements of nature protection areas, such as national parks, nature parks, landscape parks, biosphere reserves, etc.
- entities administering forest areas and state forest holdings with their organisational units
- units of higher education and research institutions
- non-governmental organisations

## 2.2. PRIORITY 2. HEALTH



### Specific objective 2.1.

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

As part of this specific objective the following initiatives could be implemented:

1. Joint actions improving access and infrastructure development of diagnostic and prophylactic tools and resources in various areas of medicine

2. Joint actions improving access to specialist medicine, in particular medicine related to cardiovascular diseases, cancer (development of health infrastructure, purchase of new equipment for health care facilities) and emergency medicine

3. Joint actions improving access to long-term care, especially infrastructure development for geriatric care, palliative and hospice care as well as family addressed actions in this context and community-based services

4. Joint actions preventing the occurrence and effects of adverse events such as epidemics or military conflicts (with particular emphasis on local phenomena)

5. Joint actions aimed at development of digitisation in healthcare (including the development of telemedicine)

6. Joint actions improving the qualifications and effectiveness of medical and rescue personnel

#### The indicative list of eligible cross-border activities:

- purchase of equipment, reconstruction, expansion, renovation of facilities providing health services (prevention and diagnostics, specialised health services, long-term care);
- improving efficiency of patient registration;
- improving the diagnostics/prophylactic and its functioning;
- development of a joint cross-border offer of care facilities providing services in the field of prevention and diagnostics in the entire Programme area;
- improving access to specialist medicine (in particular medicine related to cardiovascular diseases, cancer, emergency medicine, mental diseases and disorders);
- creation of fields of study related to medicine (for medical universities);
- development of a joint cross-border offer of healthcare institutions and hospitals;
- improving access to long-term care (geriatric care, palliative and hospice care);
- adaptation of health services to the need of elderly people and people with disabilities;
- increasing availability of care services for people in economic disadvantage and excluded people;
- supporting activities addressing families struggling with issues such as care of elderly and/or dependent, persons demanding care as well as community-based services (support for residential care facilities, however, is not foreseen);
- preventing the occurrence and effects of adverse events such as epidemics or military conflicts;

- developing and implementing strategies, action plans, solutions, innovative programmes and projects, as well as working out solutions to the issue of volunteering in rescue services and working out cross-border rescue procedures;
- digitalisation in healthcare (including the development of telemedicine) – IT devices, software (incl. telemedicine services), storage and service of medical records in digital form, employee training in the field of system operation;
- joint operations of medical personnel across the border;
- creation of an integrated information system about the possibilities and principles of using health care in the neighbouring country;
- improving qualifications and effectiveness of medical and rescue personnel (organisation of joint meetings to exchange good practices, trainings and workshops).

#### **Related Programme indicators:**

##### Output indicators:

- RCO69. Capacity of new or modernised health care facilities
- RCO116. Jointly developed solutions

##### Result indicators:

- RCR73. Annual users of new or modernised health care facilities
- RCR104. Solutions taken up or up-scaled by organisations

#### **Main target groups of support:**

- state, regional and local administration units, associations of these units and institutions subordinate to them that deal with medical care
- public entities providing medical services and long-term care services
- medical personnel, including rescue services (e.g., mountain rescue services)
- entities of higher education, e.g., medical universities, educational entities in the field of health protection, etc.
- non-governmental organisations dealing with issues tackled under specific objective (including rescue organisations and associations)
- institutions organizing vulnerable groups or taking care of them
- institutions taking care of migrants and refugees

The examples of projects addressing the abovementioned issues and realised under the Programme Poland-Belarus-Ukraine 2014-2020 can be found on the Programme [website](#), under Priority 3.1.

## 2.3. PRIORITY 3. TOURISM



### Specific objective 3.1.

Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation

Joint actions aimed at protection, development and promotion of cultural heritage and services in the field of culture, including development of tourist infrastructure

#### The indicative list of eligible cross-border activities:

- creating new and renovating existing cultural heritage sites (e.g., museums);
- increasing the accessibility to the existing sites of cultural heritage (e.g., for people with disabilities);
- development of tourist infrastructure and investments;
- establishment of long-term, cross-border cooperation between institutions dealing with particularly valuable heritage objects and cultural institutions;
- strengthening of the social integration and promotion of the cultural heritage of the area with the help of involvement of local authorities, entrepreneurs and local leaders.

#### Related Programme indicators:

Output indicators:

- RCO77. Number of cultural and tourism sites supported
- RCO115. Public events across borders jointly organised
- RCO116. Jointly developed solutions

Result indicators:

- RCR77. Visitors of cultural and tourism sites supported
- RCR104. Solutions taken up or up-scaled by organisations

#### Main target groups of support:

- state, regional and local administration units, associations of these units and institutions subordinate to them

- other public law entities (e.g., chambers, government administration bodies)
- units of higher education and research institutions
- administrations and managements of nature protection areas, such as national parks, nature parks, landscape parks, biosphere reserves, etc.
- personnel development institutions
- non-governmental organisation

The examples of projects addressing the abovementioned issues and realised under the Programme Poland-Belarus-Ukraine 2014-2020 can be found on the Programme [website](#), under Priorities 1.1 and 1.2.

## 2.4. PRIORITY 4. COOPERATION



Specific objective 4.1. (SPF only)

Build up mutual trust, in particular by encouraging people-to-people actions

As part of this specific objective the following initiatives could be implemented:

1. Integration of residents of the Programme area in the fields of art and culture

2. Cross-border cooperation in education

3. Integrational initiatives and capacity building in the field of healthcare and safety

### The indicative list of eligible cross-border activities:

- conduction of events and initiatives engaging target audiences for the joint cultural and creative leisure, especially based on joint cultural heritage of the area cooperative actions between cultural and art institutions and NGOs across the border;
- joint preservation and promotion of cultural and art heritage objects;

- joint socio-cultural and art inclusion of the people with special needs;
- adaptation of innovative educational and scientific technologies and solutions in the cross-border region;
- joint creation of a new, accessible, cross-border educational offer for people of all age groups;
- establishing official institutional cooperation initiatives, exchange of youth, trainings, seminars;
- development and implementation of systemic solutions and measures facilitating the integration of Ukrainian children and students in Polish educational and care settings;
- joint initiatives on promotion of regular medical check-ups/examinations and actualization of the aspects of hygiene and public health;
- actions raising awareness and capacity building for local communities on the matter of first aid for distant cross-border territories, small scale practical solutions and synergies on the crossing of topics of healthcare, emergency situations.

#### **Related Programme indicators:**

##### Output indicators:

- RCO85. Participations in joint training schemes
- RCO87. Organisations cooperating across borders
- RCO115. Public events across borders jointly organised

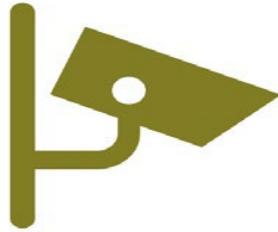
##### Result indicators:

- RCR81. Completion of joint training schemes
- RCR84. Organisations cooperating across borders after project completion
- RCR85. Participations in joint actions across borders after project completion

#### **Main target groups of support:**

- state, regional and local administration units, associations of these units and institutions subordinate to them
- other public law entities (e.g., chambers, government administration bodies)
- schools and educational institutions
- other entities conducting cultural or educational activity
- units of higher education and research institutions
- non-governmental organisations
- institutions organizing vulnerable groups or taking care of them
- institutions taking care of migrants and refugees

## 2.5. PRIORITY 5. BORDERS



### Specific objective 5.1.

#### Other actions to contribute to a safer and more secure Europe

As part of this specific objective the following initiatives could be implemented:

1. Improving the border-crossing infrastructure, necessary for supporting the EU-Ukraine Solidarity Lanes initiative

2. Increasing the cross-border mobility and the use of railways for the transport of people and goods between Ukraine and the EU

3. Ensuring safety and flow of cross-border traffic, as well as transportation of goods across the border

4. Increasing the level of safety and efficiency of infrastructure of cross-border importance

5. Ensuring the access to rail infrastructure for people with disabilities and other low-mobility groups

6. Common training of border services, customs services, other services related to the operation of border crossings and services ensuring security in the border area

#### Related Programme indicators:

Output indicators:

- RCO85. Participations in joint training schemes
- RCO50. Length of rail reconstructed or modernised - non-TEN-T
- RCO53. New or modernised railway stations and stops

Result indicators:

- RCR81. Completion of joint training schemes
- RCR58. Annual users of newly, built, upgraded, reconstructed or modernised railways
- RCR62. Annual users of new or modernised public transport
- RCR101. Time savings due to improved rail infrastructures

**Main target groups of support:**

- state and regional administration units and institutions subordinated to them
- border and customs services, other services related to the operation of border crossings

## 2.6. PRIORITY 6. ACCESSIBILITY



### Specific objective 6.1

Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility

As part of this specific objective the following initiatives could be implemented:

Improving the quality of cross-border road infrastructure, including aspects of sustainable transport

### The indicative list of eligible cross-border activities:

- Reconstruction, development or renovation of road sections;
- Reduction of the nuisance of transport for the environment (e.g., protection against excessive noise, vibration, pollution);
- Construction of culverts for safe migration of animals;
- Improving road safety (e.g., by operating on sections with poor visibility or dangerous sections in inadequate technical condition);
- Removal of traffic bottlenecks (e.g., increasing the load capacity of bridges and roads);
- Increasing the pedestrians and cyclists' safety throughout reconstruction;

- Development or renovation of accompanying infrastructure;
- Initiatives aimed at creating accessible barrier-free environment.

**Related Programme indicators:**

Output indicators:

- RCO43. Length of new or upgraded roads - TEN-T
- RCO46. Length of roads reconstructed or modernised - non-TEN-T

Result indicators:

- RCR56. Time savings due to improved road infrastructure

**Main target groups of support:**

- state, regional and local administration units, associations of these units and institutions subordinated to them

### 3. HOW TO ENSURE RELEVANCE OF THE PROJECT

In order to be relevant for the Programme, the project needs to:

- contribute to the Programme’s priorities and specific objectives in the strongest possible way;
- contribute to the strengthening of cross-border cooperation (see [Chapter 4](#) below);
- be implemented in a Polish-Ukrainian partnership;
- implement its activities in the Programme area (some activities may be carried out outside but with clear benefit to the Programme area);
- comply with all EU horizontal principles and contribute to their implementation.

More information on each of the abovementioned topics is provided in this and the following Chapters. Particular aspects of eligibility of projects and criteria for projects selection can be found in [Chapter 4](#) and [Chapter 7](#).

#### 3.1. Contribution to the Programme’s priorities and specific objectives

Basing on the socio-economic analysis of the Programme area, in its strategy (p. 1.2. of the Programme document available on the Programme website), the Programme sets concrete priorities divided into specific objectives and list of eligible actions ([Chapter 2](#) above) which were identified as crucial challenges the Programme would like to address. Having that in mind, the Programme Monitoring Committee (the body that selects projects for financing) will look for the projects having the greatest potential for ensuring the success of the Programme.

All projects financed under the Programme shall contribute to the achievement of one selected priority and its specific objective. This is verified basing on the project intervention logic and the contribution to the achievement of the Programme indicators specified for each of the specific objectives (see Annexes 2.1., 2.2., 2.3. Application form assessment grid).

#### **IMPORTANT**

The stronger the contribution to the Programme’s objectives and related indicators, the more important the project will be for the Monitoring Committee and the higher the score it will obtain in the assessment.

#### 3.2. Problem analysis

The analysis of the problems and needs that justify the necessity of the project implementation is a crucial aspect at the planning stage. The problem shall be precisely defined and described in order to provide an adequate answer to it in further stages of the project preparation.

The analysis of the problem shall always be done in connection with the analysis of the following:

- Programme's strategy;
- regional strategies (of the regions addressed by the project);
- target groups that will directly benefit from the results of your project.

In your project application you shall prove that the project:

- is relevant to particular identified problems/ needs;
- is relevant to particular constraints of the target regions (references to regional strategies);
- is likely to have a tangible impact on its target groups.

#### **IMPORTANT**

- In order to ensure the importance of your project to the Programme, start its preparation from analysing the Programme's strategy and description of the Priorities, specific objectives and indicators.
- Only then move to the thorough analysis of the cross-border problem/challenge you would like to address together with your partner(s) and look for the strongest links binding that problem/challenge with the Programme.

### **3.3. Compliance and contribution to EU horizontal principles**

Throughout the whole Programme implementation, the respect to principles mentioned in Article 9 of p. 1-3 of the CPR should be ensured, including the compliance with the Charter of Fundamental Rights of the European Union. Regardless of the selected Priority and the relevant specific objective, each project application should respect these horizontal principles. The principles of equal opportunities and non-discrimination (including accessibility for persons with disabilities), gender equality and sustainable development, including environment protection, shall be of particular importance during the whole project lifecycle – its preparation, selection and implementation.

#### **IMPORTANT**

All types of projects supported by the Programme **must comply with all EU horizontal principles** and contribute to their implementation. The Project Partners are obliged to respect the horizontal principles during the project preparation and implementation.

#### **Respecting fundamental rights and compliance with the Charter of Fundamental Rights of the European Union**

Fundamental rights – dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities – are the most important values on which the EU is founded<sup>1</sup>. The explanation of the meaning of the fundamental rights can be found in the Charter of Fundamental Rights of the European Union. The rights set out in that document should be respected at every stage of the project.

#### **The principle of equal opportunities and non-discrimination, including accessibility for persons with disabilities**

The principle of equal opportunities and non-discrimination, including accessibility for persons with disabilities, implies that all persons, irrespective of sex, race, racial, ethnic, or social origin,

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<sup>1</sup> Article 2 of the Treaty on the Functioning of the European Union

genetic features, language, religion or belief, political views or any other views, membership of a national minority, property, birth, disability, age or sexual orientation, should be able to fairly and fully participate in all areas of life on equal terms<sup>2</sup>.

The obligations to ensure equal opportunities and non-discrimination, including accessibility for persons with disabilities are laid down in the CPR<sup>3</sup> and in the Interreg Regulation<sup>4</sup>.

The funds should not be spent to support actions that favour any form of segregation or exclusion (in particular, exclusion of funding to projects with beneficiaries representing municipalities or entities controlled or dependent on them that have taken discriminatory measures such as signing the anti-LGBT declarations)<sup>5</sup>, while for the financing of infrastructure they should guarantee accessibility for persons with disabilities. This concerns both the project participants, recipients of project actions and products, as well as the staff and external service providers under the project (e.g., public procurement). Caring for equal opportunities involves above all active actions and planning of solutions that contribute to the reduction of barriers faced by different social groups in terms of free access to goods, services, information, and infrastructure.

The Project Partners are obliged to include the needs of persons with disabilities in the project intervention logic and to consider the needs of these persons at each stage of the project implementation.

During **the project preparation** applicants are recommended to:

**1. Analyse the barriers and needs of persons with disabilities** or other groups that are particularly exposed to discrimination in terms of the subject matter and scope of the project.

It should be assumed that the target groups and project stakeholders (e.g., those taking part in trainings, workshops, concerts, patients) or those benefiting from the project effects (a new digital service, a newly opened exhibition) may include people with disabilities. For this reason, applicants should identify whether and, if so, to what extent the problem that will be mitigated or resolved by the implementation of the project concerns persons with disabilities and plan such actions that will make the project and its effects accessible to all end users.

When analysing the need to implement a project, applicants should review the situation of persons with disabilities in the context of the project area/theme and identify their needs, which may vary considerably depending on the type of disability.

Different forms of support are required by the following persons: the blind and visually impaired, the deaf and hard-of-hearing, the deaf-blind, persons with mobility disabilities, with intellectual disabilities, with mental disorders or diseases, age-related restrictions, etc.

The analysis of the situation of a group in the context of a project may be based on both quantitative and qualitative data, depending on the subject matter of the project and the

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<sup>2</sup> Guidance on ensuring the respect for the Charter of Fundamental Rights of the European Union when implementing the European Structural and Investment Funds

<sup>3</sup> Articles 9 and 73 of the CPR

<sup>4</sup> Article 22(2) of the Interreg Regulation

<sup>5</sup> EU Partnership agreement with Poland states: „Cohesion policy support will only be provided to projects and beneficiaries that comply with the anti-discrimination provisions referred to in Article 9(3) of Regulation (EU) 2021/1060. Where the beneficiary is a local government unit (or an entity controlled by or dependent on it) which has taken any discriminatory action contrary to the principles referred to in the above-mentioned article, support under cohesion policy cannot be granted”. In order to confirm, that Project partners applying for funds in the Programme follow this obligation, they shall attach to the application respective annex (Annex A9).

availability of data. The applicant should provide the data sources used in the analysis and, if it refers to their own studies, describe their assumptions.

**2. Consider the principle of equal opportunities and non-discrimination**, including accessibility for persons with disabilities, for the purposes of the project (if applicable):

- the support for persons with disabilities is an important element for justifying the implementation of a project (e.g., developing an IT solution for persons with poor eyesight), or
- the project implementation may contribute to improving the situation of persons with disabilities in the area of the project implementation and project theme (e.g., conducting of trainings for persons with hearing impairment), it is then necessary to consider the focusing of the project on supporting persons with disabilities in the project objectives.

**3. Ensure that project actions are accessible** to all interested parties regardless of sex, race, origin, genetic features, language, religion or belief, political or any other views, membership of a national minority, property, birth, disability, age or sexual orientation, with particular focus placed on the needs of persons with disabilities.

The activities planned in the project should be accessible to all interested parties regardless of the type and degree of disability. When designing actions, the applicant should, among others:

- a) provide access to project and recruitment information to all interested parties (e.g., project information on a website compliant with the WCAG 2.1 standard, or later, information on the project provided to local/regional non-governmental organizations supporting persons with disabilities, accessible information materials, a recruitment process with at least two application channels: – electronically and in person or by post/telephone);
- b) differentiate the manner of providing support and adapt it to the individual needs and capabilities of individual project participants (e.g., the materials for visually impaired persons should be printed in a larger font; a sign language interpreter or assistant of a person with a disability should be provided);
- c) break down stereotypes and causes of segregation in different spheres of life (e.g., including the image of persons with disabilities in media messages);
- d) ensure that the project management is compliant with the equality principles (e.g., the recruitment process for a project position should be accessible to all interested parties - the place or manner of delivering work should be adapted to the needs of persons with disabilities, the inclusion of social clauses in public procurement).

**4. Ensure that products comply with the principle of universal design or are accessible** to persons with disabilities.

The project products must be accessible, which means compliance with the concept of universal design. The products, working environment, programmes and services should be designed in a manner that they are useful to everybody as far as possible, without the need to adapt them or prepare a specialist design<sup>6</sup>. One of the overriding objectives of universal design is to promote

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<sup>6</sup> Convention on the Rights of Persons with Disabilities: [www.un.org](http://www.un.org)

equality and to ensure that persons with disabilities fully participate in social life by removing the existing barriers and preventing the emergence of the new ones.

Numerous and detailed examples of how to ensure the availability of project activities and products (in line with the universal design principle) can be found by Project Partners in the *[Recommendations concerning accessibility for applicants and beneficiaries of Interreg programmes](#)*. Recommendations are available on the [Programme website](#).

During the project implementation partners should carry out their actions as described in the Application form as well as describe these actions in the progress report by including the aspect of accessibility for persons with disabilities. It should be indicated what was done to ensure access for persons with disabilities and how the actions have mitigated the disability inequalities.

### **The principle of equality between women and men and integrating the gender perspective**

The principle of equality between women and men is to ensure that women and men are given equal social value, equal rights, and equal obligations, and that they have equal access to the resources they can benefit from (financial resources, development opportunities). This principle guarantees a possibility to choose a way of life without restrictions arising from gender stereotypes. Its implementation also involves the consideration of the gender perspective in development, performance, and evaluation of EU-funded programmes.

The obligations to ensure equality between women and men are embedded in the CPR<sup>7</sup> and in the Interreg Regulation<sup>8</sup>. The Project Partners are obliged to consider the gender perspective at each stage of the project preparation and implementation.

Strengthening equality between women and men includes building information and promotional message on the basis of stereotype-free communication (language, graphics, images). It is recommended to use gender-sensitive language, that is male and female or neutral forms (e.g., 'we are hiring' or 'we are looking for a person with experience in the area...').

During the project implementation process in the progress reports the partners shall describe what has been done to promote and manage the project by considering the principle of equality between women and men.

### **Sustainable development principle**

In accordance with Article 9 of the CPR, all projects supported by the Programme shall be pursued in line with the:

- objective of promoting sustainable development,
- the Paris Agreement
- the 'do no significant harm' principle.

**Sustainable development** is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Important aspects of sustainable development include not only economic, but also social as well as environmental considerations. Each project should, as appropriate to its nature, take into account matters that

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<sup>7</sup> Articles 9 and 73 of the CPR

<sup>8</sup> Article 22(2) of the Interreg Regulation

regard preserving, protecting and improving the quality of the environment; protecting human health; prudent and rational utilisation of natural resources; combating climate change.

A new approach in the 2021-2027 financial perspective is the **'do no significant harm' (DNSH) principle**. It encompasses the prohibition of doing significant harm in the following six areas: climate change mitigation, climate change adaptation, water resources, the circular economy, pollution prevention, biodiversity.

An activity does significant harm when at least one of the six situations presented in the table below takes place.

When assessing existing circumstances, both the environmental impact of activities itself and the environmental impact of the products and services provided by these activities throughout their life cycle shall be taken into account.

**Table 2. Significant harm to environmental objectives.**

	<b>An activity does significant harm if<sup>9</sup>:</b>	<b>Environmental objective violated:</b>
1	it leads to significant greenhouse gas emissions	climate change mitigation
2	it leads to an increased adverse impact of the current climate and the expected future climate	climate change adaptation
3	it is detrimental to: <ul style="list-style-type: none"> <li>- the good ecological status of surface water (e.g., a river, a lake, an artificial reservoir) and groundwater; or</li> <li>- the good environmental status of marine waters</li> </ul>	the sustainable use and protection of water and marine resources
4	it leads to: <ul style="list-style-type: none"> <li>- a significant inefficiency in the use of materials or natural resources such as non-renewable energy sources, raw materials, water and land at one or more stages of the life cycle of products, including in terms of durability, reparability, upgradability, reusability or recyclability of products;</li> <li>- a significant increase in the generation, incineration, or disposal of waste, with the exception of the incineration of non-recyclable hazardous waste; or</li> <li>- the long-term disposal of waste may cause significant and long-term harm to the environment</li> </ul>	the circular economy, including waste prevention and recycling

<sup>9</sup> Article 17 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

5	it leads to a significant increase in the emissions of pollutants into air, water or land, as compared with the situation before the activity started	pollution prevention and control
6	<ul style="list-style-type: none"> <li>- it is significantly detrimental to the good condition and resilience of ecosystems; or</li> <li>- it is detrimental to the conservation status of habitats and species, including those of Union interest</li> </ul>	the protection and restoration of biodiversity and ecosystems

#### IMPORTANT

- The 'do no significant harm' principle **applies to all projects**.
- The Programme support may be provided only to such projects that **respect the sustainable development principle** (including DNSH principle).

The sustainable development principle should be logically linked with the project's objectives, results and activities. It should be implemented at all stages of project implementation:

- 1) **preparation:** at this stage, it is important to analyse alternative solutions, i.e., other ways of implementing the project (e.g., selection of other activities), in order to choose one that is the most advantageous in terms of the principle of sustainable development. All potentially relevant environmental and health issues should be identified and considered during preparation of the project;
- 2) **implementation:** all project activities shall respect the principle in question, including e.g., promotional activities;
- 3) **completion:** the project outputs and results shall be used in accordance with the principle.

In case of non-infrastructure projects, no negative impacts on the environment are expected, but even the soft projects must be implemented in line with the sustainable development principles.

For projects involving an element of investments in infrastructure, the principle of sustainable development is particularly important and imposes additional requirements. These additional requirements are stipulated in the Article 22(4)e and 22(4j) of the Interreg Regulation and should be met by projects with infrastructure and investment components.

In some cases, relevant for projects with infrastructure components, the climate change impact should be taken into account in accordance with the "[Technical guidance on the climate proofing of infrastructure in the period 2021-2027](#)" (2021/C 373/01) issued by the European Commission.

Examples of project's activities including sustainable development principle:

- efficient management of resources (e.g., energy, water),
- use of fully recyclable materials and environmentally friendly technologies,
- waste minimisation,
- taking environmental issues into account when developing and purchasing technologies,

- selecting venues for the meetings that can be reached by means of public transport, and communicating this in the invitation,
- when organising events, selecting venues that care for environment protection, pursue corporate social responsibility and sustainable development strategies (with relevant certificates), including venues where:
  - access for persons with disabilities is ensured,
  - waste segregation is conducted,
  - energy efficiency measures have been put in place,
  - energy-efficient equipment and installations are provided,
- minimising the quantity of printed materials (i.e., by using double-sided printing, toner saving mode, recycled paper), and preferring electronic form,
- catering service which uses local, seasonal, organic, and fair-trade products, prepared by social economy entities (e.g., social co-operatives, sheltered workshops etc.),
- raising ecological awareness,
- using sustainable modes of transport as much as possible (e.g., railway instead of air transport), or using ways of interaction that do not require travelling whenever possible.

### **3.4. Other principles, initiatives, EU and national strategies**

All projects should be coherent with relevant EU, national and regional strategies. More information on Programme's coherence and complementarity with the EU, national and regional strategies could be found in p. 1.2.7.2. of the Programme document.

#### **New European Bauhaus**

With relevance to the European Green Deal, the projects should envisage the contribution and alignment to the New European Bauhaus (NEB) initiative that brings to action such values as sustainability, aesthetics and inclusion.

Being compliant with the NEB these value aspects should be addressed by projects in the following manner:

#### **- Sustainability (Sustainable)**

Together with the core social and economic function of the infrastructure harmonious interaction with the nature and environment should become an integral part of the project implementation. While searching for solutions, making choices regarding locations, products, materials, functionalities the reduction of the impact of human activity should be among the highest priorities.

#### **- Aesthetics (Beautiful)**

The approach to the project implementation is expected to contain improvement of the quality of experience with the elements inspired by art and relevant promotion of the aesthetical angle of view on the common spaces and objects. Public spaces arranged or infrastructure elements

developed should reference to the local cultural heritage and be an organic addition to the natural landscape.

#### **- Inclusion (Together)**

More opportunities should be created for people representing different ages, social groups, cultures, levels of abilities and disadvantages, inspiring participation in integrational activities, and exchange of experience.

The **key NEB principles** are considered for the project implementation in the following manner:

The principle of the **Participatory process** is expected to be realised by the comprehensive public engagement process organised by the project partners which are mainly public sector entities and local authorities with adequate resources, capacity and communication experience among the citizens and communities.

The principle of **Multi-level engagement** may be addressed by the involvement and integration of all scales of project owners and counterparties both on the programme level and within the large infrastructure projects, gaining experience exchanges, networking and widening the scope for cooperation.

A **Transdisciplinary approach** is foreseen by projects developing e.g. rehabilitation infrastructure across borders, combined technical and medical research, social and cultural functionalities for public facilities.<sup>10</sup>

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<sup>10</sup> Detailed information on the NEB initiative may be found in the Communication from the European Commission and NEB Investment Guidelines

## 4. HOW TO ENSURE A CROSS-BORDER CHARACTER OF THE PROJECT AND PARTNERSHIP

The Programme achieves its objectives through the cross-border cooperation. It is its crucial aspect and main potential. Consequently, only projects having strong cross-border character can be supported by the Programme.

### 4.1. Contribution to the strengthening of cross-border cooperation

All projects co-financed under the Programme must generate a cross-border effect. Except for the contribution to the Programme's objectives, it is a key value of the project in the Programme. The idea of the cross-border project relates to a joint cross-border cooperation, joint cross-border facing of common challenges and joint cross-border development of the borderland potential (more on the cooperation criteria see [p. 4.5](#) below).

Every project should address a problem or a challenge important for both sides of the border – in the territory covered by the Programme. Depending on the situation on Polish and Ukrainian side, that problem may have various faces, and it may concentrate on various aspects. Nevertheless, it is important to find its common denominator and commonly approach it in the project. Without that, the project will not have a truly cross-border character and will not be able to have the cross-border impact.

The cross-border character of the project means:

- the project addresses the problem important for both sides of the Polish – Ukrainian border;
- the project has objectives of common interest important for both sides of the border;
- the problems identified cannot be solved without a cross-border cooperation;
- all partners actively participate in the project in order to achieve the project results;
- solutions are jointly developed by organisations from both countries working together in a project, thereby showing a clear cross-border added value going beyond the results independently achievable in the involved regions/areas;
- project outputs reflect the cross-border, joint approach;
- project results are available on both sides of the border and they benefit both sides;
- the cross-border cooperation generates synergy effect;
- the project creates the basis to develop cross-border cooperation.

#### **IMPORTANT**

**Only projects proving strong cross-border character** may be financed under the Programme.

Projects are not considered as cross-border if they produce and/or just consist of a series of actions on one side of the border or solutions linked only through a vague thematic relationship and/or an ex-post exchange of experience or information among partners without any joint implementation.

## Cross-border cooperation in practical terms

The examples of projects with a strong cross-border component realised under the Programme Poland-Belarus-Ukraine 2014-2020 can be found on the Programme [website](#), below we present some of these projects.

- **[Project “SOS-Rescue – the training centre for organizing and operating cross-border rescue actions”](#)**. The SOS-Rescue Foundation together with its partners: Mountain Volunteer Search and Rescue – Bieszczady Group, Ustrzyki Dolne Commune and the Lviv Regional Control and Rescue Service of Tourist-sports Association of Ukraine implemented the project aimed at joint creation of emergency centres and procedures followed by trainings that allow to increase the effectiveness of trans-border rescue actions. In the consequence the operations' mobilization time is shorter translating directly into a higher level of security and protection for people in the cross-border region of Bieszczady in Poland and Ukraine.
- **[Project “Strengthening the Volunteer Fire Brigades' potential in saving victims of accidents on the roads of the Lublin Province and the Volyn Oblast”](#)**. The project was implemented within the Thematic Objective SECURITY. The Lead Beneficiary of the project was the Association of Local Governments of Euroregion Bug (PL). Together with Project Partners they decided to face the problem of low level of the road safety in the cross-border area in Lublin Voivodeship and Volyn Oblast. To this end, they decided to expand and improve the rescue and firefighting systems in the scope of first aid rendered to victims of road accidents by the Volunteer Fire Departments (VFD) in Poland and the newly created structures of municipal Fire Departments in Ukraine.
- **[Project “Rzeszów and Vynohradiv – animal-friendly cities”](#)**. Center of Investment and Development Vynohradiv City Council of the Transcarpatian Region (UA) together with the Animal Protection Organization in Rzeszów (PL) and Vynohradiv City Council (UA) created the conditions to prevent the spread of infectious diseases among local residents through the control of the stray animals' population and their immunization. Moreover, the exchange of experience between the partners and educational campaign within the project improved the level of services and possibility of finding owners for homeless animals.
- **[Project “The twin monasteries: Węgrów and Rava Ruska - using the potential of the heritage of Reformati Order for development of tourism and socio-cultural life in Poland and Ukraine”](#)**. The Roman Catholic Parish Church of St. Peter of Alcantara and St. Anthony of Padua in Węgrów (PL) and Religious Organization "Curia of Lviv Archdiocese of the Roman Catholic Church" in Ukraine implemented the project within the thematic objective HERITAGE. Partners jointly undertook actions to increase the tourist attractiveness of the border areas developing cultural dialogue, mutual exchanges of young people, organizing conferences and cultural events, and promoting the rule of the Franciscan Order - love for the people in need.
- **[Project “Invisible heritage: exchange and implementation of good practices in access to cultural for persons with a visual impairment”](#)** implemented by the John Paul II Catholic University of Lublin (PL) and Vasyl Stefanyk Precarpatian National University in Ivano-Frankivsk (UA). The project gave persons with visual impairments in both cities a possibility to participate more in cultural life. Now they are able to visit museums and have the access to works of art. Moreover, the project was a start of long-term cooperation between cultural institutions in the

area and raised the awareness of the challenges faced by such persons on both sides of the Ukrainian – Polish border.

## 4.2. Partnership relevance

In order to successfully implement a project under the Programme, to achieve tangible project results it is essential to involve partners who are relevant and have competencies for the development and implementation of the project activities, as well as for ensuring achievement and sustainability of the planned output and results.

In this respect, all partners should:

- have good knowledge of the challenges in the targeted area and of the needs of the target groups;
- have the adequate expertise and thematic competence to implement their activities in the project;
- be involved in a way that demonstrates the joint implementation of the project.

### IMPORTANT

The minimum requirement for the partnership in the project requires **two Project Partners, one coming from Poland and one from Ukraine.**

## 4.3. Lead Partner, Project Partners and Partnership agreement

### Lead Partner

The partnership is governed by the **Lead Partner principle**<sup>11</sup>. This means that among the partners implementing the project, one institution is appointed as a Lead Partner acting as the project interface and having full legal responsibility in relation with the Programme (Managing Authority/ Joint Secretariat) for the implementation of the entire project. Other organizations implementing the project are Project Partners. The Lead Partner and the Project Partner(s) shall actively cooperate in the development and implementation of projects. The Lead Partner and the Project Partner(s) are legally and financially responsible for the activities that they are implementing and for the share of the grant they receive.

The Lead Partner represents the partnership and shall:

- submit the Application form via information system<sup>12</sup>;
- sign a Grant Contract with the Managing Authority<sup>13</sup>;
- create a well working consortium ensuring the proper and sound implementation of the project;

<sup>11</sup> As provided for in Article 26 of Interreg Regulation

<sup>12</sup> Lead Partner has overall responsibility for the application preparation and submission in the IT system. However, for the sake of transparency and in order to ensure fluency of common preparation of the application, Lead Partner can assign certain rights (access to the application, modification etc.) to the partner's representative(s)

<sup>13</sup> Grant Contract form is presented in Annex 6.1., 6.2.

- lay down the partnership arrangements with the Project Partner(s) in the Partnership agreement (see below) including provisions for financial recovery in case of unduly paid funds;
- be responsible for any action taken by the Project Partner(s) or failure to take action by them which results in a breach of the obligations imposed by the Grant Contract and the Partnership agreement;
- receive the grant from the Managing Authority for the implementation of the project (in the case of LIP, the total grant amount);
- transfer an appropriate part of the grant to the other Project Partners in the amount which results from the partial payment requests, in accordance with the provisions of the Partnership agreement, without undue delay and without deductions;
- ensure that the expenditures presented by the Project Partner(s) have been incurred for the purpose of implementing the project and correspond to activities set in contract and agreed between all Project Partners;
- Assume responsibility for ensuring the successful implementation of the entire project.

The Lead Partner is responsible before the Managing Authority for the correct and timely implementation of the entire project.

Detailed obligations of the Lead Partner are described at §8 of the Grant Contract (regular projects/LIPs: Annex 6.1., SPF: Annex 6.2. to the Programme Manual).

The possibility to initiate projects and to act as a Lead Partner is open to all eligible organisations (see [p. 4.6](#) below).

The Lead Partner will acknowledge to the principles of good partnership practice and obligations imposed on this institution by signing the **Declaration by the Lead Partner** which constitutes part of the Application form (Annex A2).

### **Project Partners**

Project Partners participate in designing and implementing of the project. The costs which Project Partners incur are eligible in the same way as those incurred by the Lead Partner. They must therefore satisfy the same eligibility criteria as applicable to the Lead Partner themselves, listed in [p. 4.6](#).

Project partners have the following obligations and tasks to fulfil:

- 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 Partner;
- cooperation with the Lead Partner in the implementation of the project, reporting and monitoring;
- delivering project outputs planned in the application and agreed in the Partnership agreement;
- ensuring durability (see [Chapter 22. Durability](#));
- assuming responsibility of any irregularity in the expenditure which it has declared;

- repaying the Lead Partner any amounts unduly paid in accordance with the Partnership agreement signed between the partners;
- 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 project. In particular they shall keep reports, supporting documents, as well as accounts, accounting documents and any other documents relating to the financing of the project;
- signing a Partnership agreement.

In order to ensure that the cooperation between Project Partners and Lead Partner during application stage and project implementation runs smoothly, all project partners (including Lead Partner) have to acknowledge their responsibilities within the project by signing a separate Partnership statement (see Annex A3).

#### **IMPORTANT**

The Lead Partners and Project Partner(s) have the possibility to award equipment, supplies and service contracts within project activities. In such cases contractors are not regarded as Project Partners and are subjects to the tendering rule.

#### **Partnership agreement**

The Partnership agreement sets out the liabilities and rights of the Lead Partner and the Project Partners with regard to project implementation, allowing the Lead Partner to extend the arrangements of the Grant Contract to the partner level. A template of the Partnership agreement that includes mandatory clauses is available in Annex 5.

Partnership agreement sets out the mutual rights and obligations of the Lead Partner and the Project Partners in the implementation of the project. It covers in particular the following areas:

- activities of each partner during project implementation;
- obligations of each partner during project implementation;
- partner budget (including budget per work package and cost categories);
- financial management provisions (accounting, reporting, financial control etc);
- provisions for the recovery of funds (for amounts incorrectly reported or received), in particular, provisions for handling financial corrections, if imposed;
- obligation to store project-related data and documents in a safe and proper manner during the period set forth in the subsidy contract;
- information and publicity requirements and responsibilities.

## IMPORTANT

Not later than **60 days** after conclusion of the Grant Contract the Lead Partner shall submit to the Joint Secretariat the Partnership agreement for the implementation of the respective project. It shall be drafted in English and signed by all Project Partners. It may be also supplemented with a national translation. The payments of the grant from the Managing Authority to the project will be possible only after submission of relevant Partnership agreement (more on payments see [Chapter 11](#)).

The Project Partners can start implementing their activities before signing the Partnership agreement. The costs of those activities are eligible and can be reported in the first reporting period.

## 4.4. SPF Beneficiaries

The call for the SPF Beneficiaries was dedicated, that means that beneficiaries were pre-defined as follows:

- Priority COOPERATION: Association of the Carpathian Euroregion (PL);
- Priority ENVIRONMENT: Ternopil Regional Development Agency (UA).

The main tasks of the SPF Beneficiary are:

- elaboration and update of the Manual for the small projects, its submission to the JS for consultation and to the MA for approval. The Manual shall be elaborated by each of the SPF Beneficiary. At the same time, **the JS may request an amendment of the Manual provisions in order to align approaches in both SPF Projects;**
- conducting calls for small projects, open to both Polish and Ukrainian institutions, by carrying-out:
  - information and promotion activities in national languages, organized on both sides of the border as well as online,
  - training and consultations for potential applicants in the national languages, organized on both sides of the border as well as online, ensuring equal treatment of potential applicants from the entire programme area,
  - operating the IT system for the submission and implementation of small projects,
  - organizing calls for proposals and evaluating applications (including the assessment of the draft budget and the presence of de minimis, if necessary involving external experts),
  - convening and organizing meetings of a Polish – Ukrainian Small Project Fund Committee;
- implementation of small projects
  - concluding contracts with beneficiaries of small projects from Poland and Ukraine (and amending them, if necessary) and supervising the implementation of these contracts, including keeping them on schedule,

- analysis, verification and approval of changes in small projects,
- support for Polish and Ukrainian beneficiaries at all stages of the implementation of small projects, in national languages,
- providing information and aid concerning the IT system for management of small projects,
- (if applicable) providing and monitoring de minimis aid granted to small projects beneficiaries,
- applicable for the SPF Beneficiary located in Poland only: in the case of applying for funding for small projects and the costs of managing the SPF Project from the state budget, the SPF Beneficiary are responsible for obtaining and accounting for funds from the state budget in accordance with the applicable national procedures. Polish beneficiaries obtain and settle funds from the earmarked reserve of the state budget for all eligible Polish beneficiaries or partners of small projects (including Polish beneficiaries who have received funding, also in a project with a Ukrainian SPF Beneficiary)<sup>14</sup>;
- implementation and settlement of SPF
  - use and settlement of the pre-financing payments from the Programme,
  - returning the amount due in the process of recovery of funds. If in an SPF Project or a small project, a grant has been paid for ineligible expenditure, expenditure incurred incorrectly or the provisions of the grant contract have been breached, or if funds have been collected unduly or in an excessive amount, then the SPF Beneficiary shall return the unduly paid grant to the programme account, in whole or in part, respectively;
  - ensuring that the expenses presented by the small project beneficiaries for reimbursement are correct and eligible and that lump sums have been calculated correctly, i.e.:
    - confirmation of achievement of indicators specified for a given small project, verification of documents presented by the small project beneficiaries as confirmation of the tasks' implementation (and relevant lump sum amounts),
    - monitoring visits for small projects (in the case of sample checking – based on the risk analysis prepared by the SPF Beneficiary),
    - accounting for SPF management costs (simplified methods only),
  - ensuring the adequate audit trail for all the tasks being the responsibility of the SPF Beneficiary,
  - monitoring the implementation of small projects and the entire SPF Project, maintaining a database for monitoring small projects – preparing monthly information for the MA on the status of implementation of small projects,

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<sup>14</sup> [Rezerwa celowa - Ministerstwo Funduszy i Polityki Regionalnej - Portal Gov.pl \(www.gov.pl\)](http://Rezerwa_celowa - Ministerstwo Funduszy i Polityki Regionalnej - Portal Gov.pl (www.gov.pl))

- if applicable, submitting partial payment claim from the SPF Project containing a summary of expenses incurred as part of small projects and expenses incurred as part of management costs to the appropriate controller in the CST2021 system,
- submitting payment claim for the project from the SPF Project to the JS in the CST2021 system,
- maintaining entries in the CST2021 system,
- fulfilling informational and promotional obligations for the SPF,
- performing the tasks of the Personal Data Administrator in relation to the collection of personal data regarding small projects, processed in documents or electronically, in accordance with the Personal Data Protection Act.

#### 4.5. Cooperation criteria

For each project partnership **at least three** of the following four cooperation criteria must be met:

##### 1. 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 partner's expectations out of the project realization.

##### 2. Joint project implementation (obligatory)

- The Lead Partner is responsible for the implementation of the entire project. Project Partners assume responsibility for parts of the project implementation;
- Each Project Partner responsible for some part of the project shall ensure the coordination and implementation of planned activities, reaching the objectives and solvency of unexpected problems.

##### 3. Joint project staff (optional)

- All Project Partners take over some roles in the project and engage staff for this purpose;
- Employees of Project Partners coordinate their tasks among themselves and exchange information on a regular basis;
- Unnecessary duplication of functions in partner institutions shall be avoided.

##### 4. Joint project financing (optional)

- The project has a joint financial plan with funds allocated for Project Partners according to their participation in the project;
- At least one Polish and at least one Ukrainian Partner contribute to the financial plan through their own contributions;

- The financial plan shall include the responsibilities of the Project Partners.

#### 4.6. Eligibility of partners

The eligibility of institutions in the projects financed under the Programme is assessed under two criteria:

1. Organisational/legal type.
2. Geographical location.

##### Organisational/legal type

Only following types of organizations may play the role of the Lead Partners and Project Partners and receive grant within the Programme:

- 1) **institutions of national, regional, local governments** or association of such institutions;
- 2) **bodies governed by public law or by private law**
  - a. established for the specific purpose of meeting needs in the general interest, not having industrial or commercial character, and
  - b. having legal personality and
  - c. - 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;
- 3) **non-governmental organization** with legal personality.

In case of **Polish institutions** falling within the 1<sup>st</sup> type above, 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 Partner/Project Partner 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 nationals<sup>15</sup> of any of the participating countries, or legal persons who are effectively established<sup>16</sup> in the Programme area or international organisations, and
- not be included on lists of bodies and persons encompassed by the restrictive measures or must not be associated with to bodies and persons mentioned on the afore-mentioned lists included in the attachments to the EU regulations:
  - a) COUNCIL REGULATION (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine.);
  - b) COUNCIL REGULATION (EC) No 765/2006 of 18 May 2006 concerning restrictive measures against President Lukashenko and certain officials of Belarus.

Partners that do not meet establishment requirement shall fulfil all following conditions:

- a) they are established in Poland or Ukraine;
- b) their participation is required by the nature and by the objectives of the project and as necessary for its effective implementation.

### Geographical location

Institutions coming from the following locations are eligible under the Programme:

1. **Programme area (referring to the legal address of the organisation).**
2. In justified cases, organisations that are located **in Poland/Ukraine outside the Programme area** but have a recognisable impact and/or functional links with the Programme area.

In such case it shall be proven in the application that organization contributes to the benefit and bring added value to the Programme area. All its activities shall be dedicated to the good of that area and its participation is necessary for the achievement of the project goals.

3. The Polish/Ukrainian national/regional authorities (located outside of the Programme area) which have **territorial jurisdiction over the Programme area**, if necessary for the achievement of the project goals.

### Special restrictions

Financial support will not be granted to any organisation – Partner or the Lead Partner, who was or has been involved directly or indirectly in the Russian military aggression on Ukraine. The list of entities excluded from possibility to receive grants may be checked:

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<sup>15</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.

<sup>16</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 organisations.

- Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine;
- art. 7.1 of Act as of 13.04.2022 on special solutions in the field of counteracting supporting aggression against Ukraine and serving the protection of national security;
- list of persons and entities against whom sanction measures will be applied on the website of the Public Information Bulletin of the Minister of Internal Affairs and Administration;
- publicly available national data bases to verify if bodies are associated with entities supporting aggression against Ukraine (if established nationally).

The examples of potential Lead Partners/Project Partners could be found in [Chapter 2](#).

## 5. PROJECT PREPARATION PROCESS

Preparation of the cross-border project requires several steps which are necessary to form a project proposal relevant to the Programme.

### 5.1. 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 ([Chapter 2](#)).

### 5.2. Project phases

Each project in the Programme can generally be divided into three main phases: preparation, implementation, and closure. Each phase has a predefined end, and a specific result that is expected to be developed and delivered in the end of each respective phase.

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#### Preparation phase

covers the process of the project proposal development and submission of the Application form and ends on the last day of the Call for proposals to which the developed Application form was submitted.

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#### IMPORTANT

As a result of the call, following the decision of the Monitoring Committee on project financing, a Grant Contract for the project is being prepared by Joint Secretariat. At this stage, the project may be subject to some modifications if decided so by the Monitoring Committee.

Depending on their nature, some projects may be also requested to provide additional documents before signature of the Grant Contract.

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#### Implementation phase

covers the period of realization of all activities planned in the Application form. Projects must deliver all outputs and achieve their objectives by the end the implementation phase. The end date of the project is identified basing on the chosen project duration specified in the Application form. At the same time, all projects have to be finalised not later than 31 December 2029.

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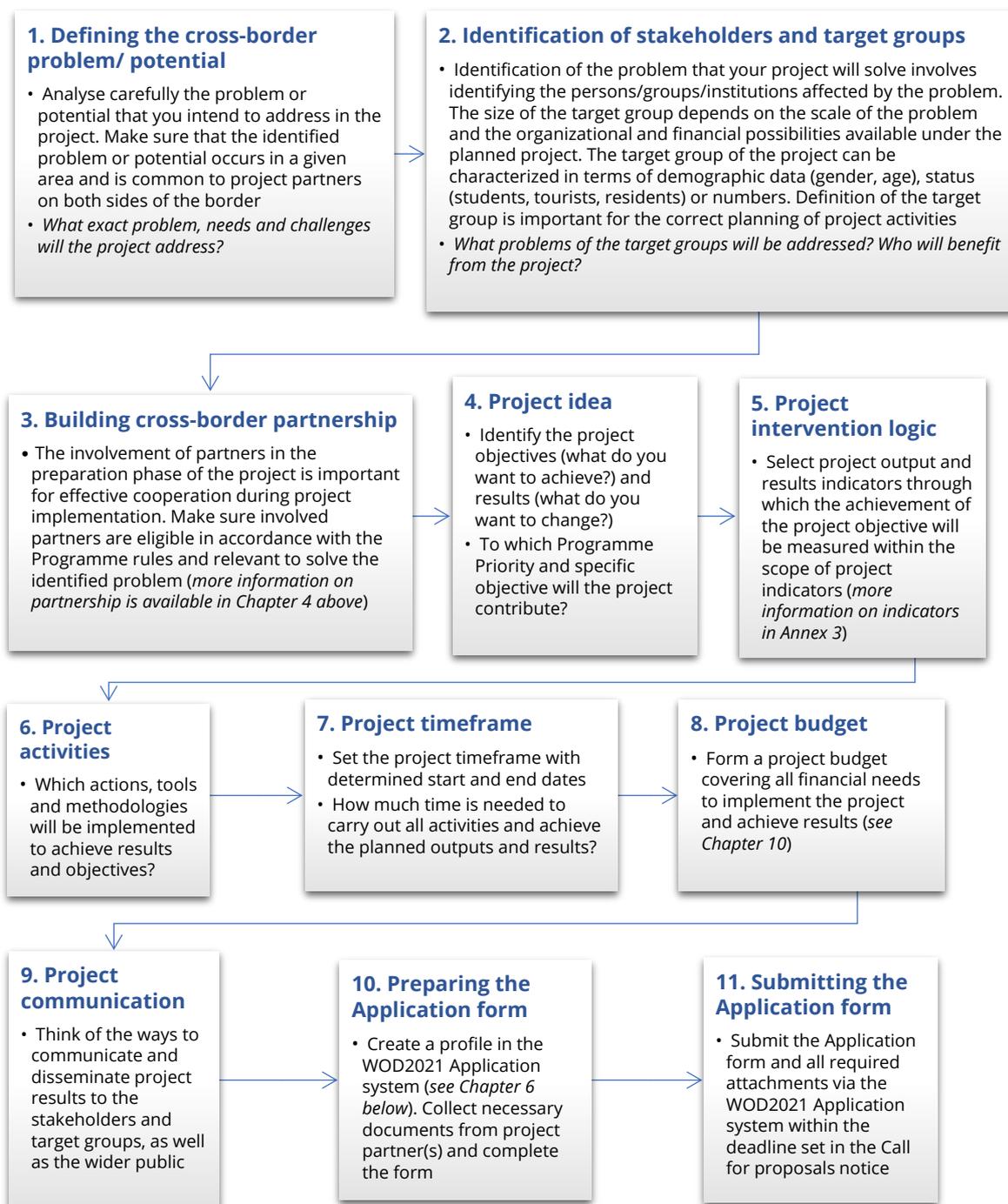
#### Closure phase

covers the period from the day after the end of the implementation phase until the submission of the final project progress report to the Joint Secretariat. This period is fully dedicated to administration of the project finalization and concentrates on preparing the final project progress report.

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### 5.3. How to prepare a project step by step

Figure 1. How to prepare a project step by step.



### 5.4. Project intervention logic

The coherence of the project intervention logic with the targeted specific objective of the Programme is a key factor for a quality project.

When designing a project, the following aspects have to be considered:

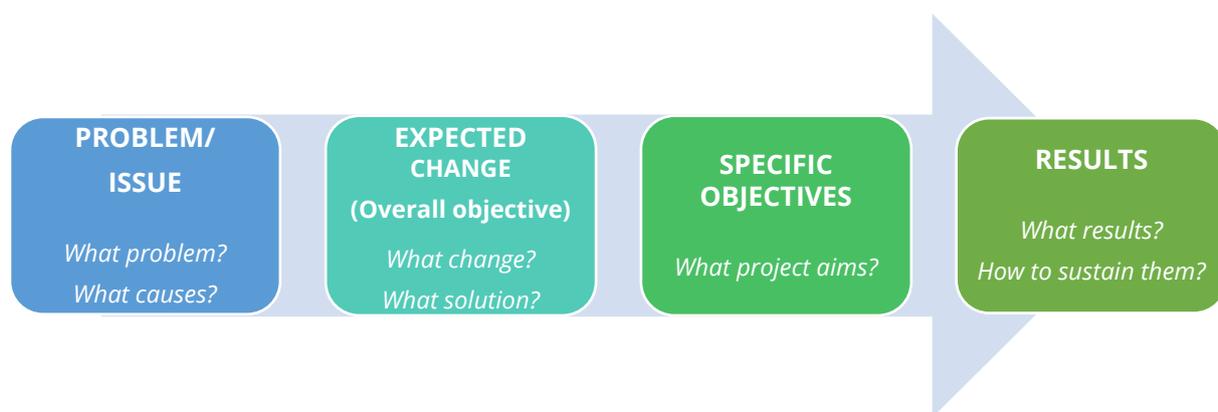
- project overall objective clearly targets one single Programme specific objective within the chosen priority;

- project corresponds to relevant type(s) of action of the selected specific objective;
- activities and outputs are logically linked to the targeted Programme specific objective;
- project clearly contributes to the Programme result indicator(s).

The project intervention logic has to show how a desired change will be achieved. It should reflect the current situation (e.g., a problem, a need), its causes and the change/improvement which the project seeks to achieve by implementing the planned activities.

The project intervention logic should be built according to the process displayed in the figure below which also includes related basic questions to be addressed during this process.

**Figure 2. How to develop the project intervention logic.**



The meaning of the main terms used for the intervention logic should be understood as follows:

- **Project overall objective** – describes what the project contributes to achieve for the benefit of the involved regions and derives from the planned project results.
- **Project specific objective** – defines an immediate goal that the project can realistically achieve within the project lifetime through its planned activities and related outputs. The project specific objective needs to contribute to the overall project objective.
- **The project activity** is the main implementation step or task that need to be to be implemented in order to deliver its outputs and results and to achieve its objective.
- **The project output** is the product that results from the implementation of one or more project activities, the overall outcome of a set of project activities. All project activities and outputs need to be consistent with and contribute to the project specific objectives. All project outputs need to contribute to the Programme output indicators<sup>17</sup>.
- **The project result** is the immediate effect and change compared to the initial situation in the regions subject to cooperation, which the project intends to achieve through its outputs. All project results are to contribute to the Programme result indicators<sup>18</sup>.

<sup>17</sup> All indicators are presented in Annex 3. Full list of indicators

<sup>18</sup> All indicators are presented in Annex 3. Full list of indicators

## IMPORTANT

Make sure you define **SMART** Project objectives:

**S** – SPECIFIC – what? In whose advantage?

**M** – MEASURABLE – can be measured?

**A** – ACHIEVABLE – can it be reached?

**R** – REALISTIC – can it be achieved with the given resources?

**T** – TIME-BOUNDED – can it be achieved within the envisaged project duration?

Before formulating your project idea, you should check if your project meets the requirements for Interreg projects:

- cooperation of two or more partners from both sides of the Polish-Ukrainian border who combine their resources in the project;
- solving common problems or developing the common potential of the border area, in line with the local or regional development strategies;
- result-oriented project activities, including achieving beneficial and measurable changes compared to the initial situation;
- targeting the products/results of the project to a specific target group.

For further information that can help you develop your project idea and prepare your project, you may refer to Interact's "[Project Idea Generation](#)" and "[Project Development](#)" materials.

## 5.5. Project activities and results

As indicated under [p. 4.1](#) above, the project activities shall have a cross-border character. This means that cooperation must concern common problems and related needs, specific to neighbouring areas on both sides of the border.

The results of every project financed by the Programme shall also have a cross-border character. It means that they:

- could not be achieved without the cooperation of partners from both sides of the border and/ or
- ensure a greater effect thanks to the partners' cooperation than in the case of their independent actions (the positive effect of cooperation resulting from joint action, pooling of resources, expressed in increased effects – synergy effect);
- benefit target groups from both sides of the border.

More information on ensuring the cross-border effect in the project can be found in [p. 4.1](#).

## IMPORTANT

In order to ensure the cross-border effect, the Project Partners shall jointly agree on what they plan to achieve together (change), where (area) and for whom (target groups).

## 5.6. Project indicators

The project indicators are the documentations of the implementation of project activities, the indicators provide information on project outputs and results. They are used to assess the project's progress towards achieving of its outputs and the project objective. They define the contribution of the project to the implementation of the Programme objectives and allow to evaluate the effects of the Programme.

The projects may select indicators only from closed list of project indicators which is presented in Annex 3 (no other indicator(s) can be included in the project).

Appropriate indicators are assigned to each specific objective in a given Programme Priority. Indicators are divided into output and results indicators, but also into two basic categories:

- **Programme indicators (mandatory)** – these are indicators crucial to the Programme performance. Each project shall contribute to at least one of the Programme's output and one result indicators.

In order to confirm its importance for the Programme, the project should prove its significant input to achievement of the Programme indicators. The stronger and more convincing this input is, the greater relevance of the project to the Programme;

- **Additional indicators** – they enable projects to measure additional aspects of their implementation.

### 5.6.1. Output indicators

The project outputs are the “products” of the projects that contribute to the achievement of the project objective (e.g., solutions, organisations supported, organisations cooperating across borders). Project outputs shall capture the most important outcomes of the projects.

Project output indicators shall be defined basing on the closed list of Projects' indicators only. Each project shall contribute to at least one Programme output indicator.

The progress in achieving the project output indicators is monitored in the project progress reports. Each project shall report the completed outputs in the final project progress report at the latest.

Programme output indicators identify the project's contribution to most important aspects for the Programme. Additional project output indicators provide additional information about the effects achieved in a given project. Additional output indicators should be chosen when the Programme indicators do not cover all the products of your project.

### 5.6.2. Result indicators

Result indicators measure the utilisation and the effect of the developed outputs. They are directly derived from output indicators; thus, the projects shall not define them separately. Nevertheless, when defining the project outputs and developing the project intervention logic the projects shall bear in mind the connection between output and result indicators and the fact that achievement of project result indicators will be monitored by the Programme. Each project shall contribute to at least one Programme result indicator.

Data on result indicators will be collected from the projects in the final project progress report the latest. The Lead Partner will be required to inform the Joint Secretariat about the achieved value of the indicators and provide evidence related to the achievement.

#### **IMPORTANT**

- All indicators shall be logically interlinked with each other and coherent with the entire project
- Selected by the project output indicators shall clearly lead to the achievement of its result indicators

## **6. APPLICATION PROCESS**

### **Central Information and Communication Technology System 2021**

The electronic and paperless implementation of the Programme, in accordance with the EU provisions, is one of the simplifications continued and developed from previous programming periods. The Central Information and Communication Technology System 2021 (CST2021, Polish: *Centralny System Teleinformatyczny 2021*) will serve this purpose covering electronic data exchange between applicants, Project Partners and Programme management bodies on different levels. All applicants and Project Partners including the Lead Partner are obliged to use CST2021. The responsibility for building, developing, and maintaining the system rests on the Managing Authority.

CST2021 is a central system that provides for the handling of:

- 1) processes related with the calls for proposals and assessment of Application forms,
- 2) projects from the moment of selection for co-financing, including project settlement,
- 3) projects' control,
- 4) processes related with certification of expenditures to the European Commission.

### **Applications included in CST2021**

CST2021 includes the following applications **for the use of the Project Partners:**

1. **SZT2021** – Single Sign On application: Identity Management System, common login gateway that enables logged-in users to switch between the CST2021 system applications to which they have been granted access.
2. **WOD2021** – applying for funds: an application that facilitates the process of applying for and selecting projects for co-financing including: announcing calls for proposals, preparing and submitting Application forms, recording the outcomes of project assessments, and transferring data to SL2021.
3. **SL2021** – project management application from the moment of selection for co-financing, covering updates/changes in projects; correspondence between Project Partners and Programme institutions; reporting at the partial and project level; recording data on financial schedules, public procurements and contracts, and project personnel.

4. **BK2021** – supports the implementation of the competitiveness principle → for Project Partners from Poland only, bidders and Programme bodies.

#### **CST2021 Data assessment**

Data stored in CST2021 can be accessed by:

1. Applicants (WOD2021) as regards data on the Application forms they prepared and submitted;
2. Project partners (SL2021), as regards data on their respective projects, as well as persons authorised by Project Partners to carry out project reporting on their behalf under applicable subsidy contracts;
  - a. Project Partners from Poland in BK2021: contracting authorities and bidders/contractors in tenders, as regards data on announcements they add and offers they create;
3. Employees of authorities involved in implementing the programmes (i.e., the Managing Authority, Joint Secretariat, controllers, Audit Authority, external assessors, and others) to the extent necessary for the performance of their tasks.

#### **CST2021 Work Guidelines**

1. It is obligatory to work in the system. All processes related with calls for proposals and projects settlement will take place entirely in CST2021.
2. The CST2021 work rules, including all technical, formal and content-related requirements, are laid out in applicable user manuals available on the [Programme website](#). The responsibility for preparing the manuals and making them available rests on the Managing Authority and Joint Secretariat.
3. All system users are under obligation to observe the provisions of applicable user manuals.

Furthermore, after conclusion of the respective subsidy contracts, beneficiaries shall be subject to applicable provisions of the contract regarding the CST2021 work rules, in particular designating persons to represent Project Partners, communication rules as well as CST2021 error and failure reporting.

#### **WOD2021**

This is one of the applications included in CST2021 and dedicated to applying for funds.

WOD2021 facilitates the process of applying and selection of projects for co-financing including: announcing calls for proposals, preparing and submitting Application forms, recording the outcomes of projects' assessment.

The features of the WOD2021 Application system:

- A simple procedure for registration;
- Access to the Application form can be assigned to Project Partners by the Lead Partner;
- Results of the Call for Proposals are available in the system.

Each Application form as well as all supporting documents within the timeframe of the respective Call for proposals should be submitted **only in English**<sup>19</sup> via the WOD2021. Application forms submitted in language(s) other than English **will be rejected**.

The application procedure is described in detail in the PL-UA 21-27 WOD2021 Applicant Manual – Application form (Annex 8).

## 6.1 Regular projects

### 6.1.1. Call for Proposals

Project proposals under the Programme are collected within the Calls for Proposals. When a Call for Proposals is launched, an announcement with detailed information (including the application package) is published on the [Programme website](#).

Each separate Call has a defined timeframe (start and end date and time). Promotion activities linked to the launch of Calls for Proposals are carried out by the Joint Secretariat in co-operation with Branch Office and Contact Points.

The announcement of any Call for Proposals will include the following information and documents:

- applicable Programme Priorities/specific objectives;
- partnership requirements;
- set timeframe (start and end date and time);
- timescale of the selection procedure (announcement of the results);
- the Programme funding allocated to each respective Call for Proposals;
- guidelines on preparation, eligibility, assessment and selection procedures.

Information sessions on each Call will be held after its launch. The details concerning the information sessions and other relevant information on the Call will always be provided on the Programme website.

Questions in writing may in addition be sent to the Joint Secretariat by e-mail (no later than 21 calendar days before the deadline for the submission of the Application form) indicating clearly the reference of the Call.

Joint Secretariat/Managing Authority 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 forms.

### 6.1.2. Assistance to applicants

During each Call a number of different tools and events will be provided by the Programme in order to support the applicants.

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<sup>19</sup> Does not apply to fields where proper names in national languages are requested.

## **Programme website**

The Programme website [www.pl-ua.eu](http://www.pl-ua.eu) is the main source for information about the Programme including access to all documents, FAQ, announcements on calls for proposals etc.

All the Programme documents necessary for submitting the Application form are available on the Programme website upon the opening of the Call for proposals. 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 factsheets which explain in detail the most important aspects of the cross-border cooperation projects. These factsheets highlight the information which should be considered by the applicants when designing their projects. Also, the e-self assessment of the project idea will be available for the applicants. At the same time, the website will offer the answers to frequently asked questions, as well as a timeline, news and information on events. It is therefore highly recommended to regularly consult the Programme website in order to be informed about questions and answers published.

The Joint Secretariat will also publish information concerning the consecutive steps in the Call organization as well as its results.

## **Partner search**

**Partner search tool** – an online form where registered members can find relevant organizations to form a future Polish-Ukrainian partnerships for projects. It is available on the Programme website.

**Partner Search Forum(s)** devoted to particular Call for proposals will be organised by the Programme in Poland and Ukraine (if possible). Forum(s) will aim at creating new partnerships for projects under the Programme. It will be open to all interested institutions that register on the Programme website and provide short description of their project idea/fields of interest. Information on the forum and registration form will be published on the Programme website.

## **Training for 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 training organised in each eligible region of the Programme area. It will also provide the information on the so-far experiences and lessons learnt. The open registration will be organised on the Programme website. These trainings will be conducted in national languages. Where possible, the trainings will be web-streamed.

## **Open Days**

Information on the Call for proposals, Programme requirements as well as other national specific requirements may be also received during the Open Days which will be organised during the Call for proposals by the Joint Secretariat (in its premises in Warsaw) as well as by the Joint Secretariat's Branch Office in Lviv. Relevant information and registration to Open Days will be available on the Programme website.

**IMPORTANT**

Applicants are strongly advised to participate in training and Open Days preparing them for the call<sup>20</sup>.

**6.1.3. Annexes to the Application form**

Each Application form (Annex 1.1.) should be provided with the following supporting documents:

**Annex A1.** Communication plan. See more in [Chapter 18. Communication](#).

**Annex A2.** Lead Partner's declaration.

**Annex A3.** Partnership statements of Project Partners.

**IMPORTANT**

A separate Partnership statement shall be signed and dated by Lead Partner and each Project Partner.

**Annex A4.** Applicable only for non-public institutions: Statutes or other relevant documents e.g., internal regulations of the Lead Partner and all Project Partners included in the project. If necessary for conducting a reliable evaluation – the Joint Secretariat and the Monitoring Committee may ask for additional clarifications/documents regarding the legal status of each Lead Partner/Project Partner.

**Annex A5.** Applicable only for non-public institutions: Copies of the profit and loss account and the balance sheets or other relevant fiscal documents for the last 3 years (if available) for the Lead Partner and all Project Partners with financial contribution to the project, showing their financial standing.

**Annex A6.** If applicable, authorisation from the Lead Partner/Project Partner that the person has the right to sign the declarations and statements to be annexed to the Application form (if the abovementioned documents 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.

**Annex A7.** The Lead Partner's declaration on ensuring the funds necessary for project implementation.

**Annex A8.** Register document applicable for the Lead Partner/ Project Partners:

For Polish Lead Partners/partners:

- effective (up to date) extract from the National Court Register – Krajowy Rejestr Sądowy (not applicable for public institutions).

For Ukrainian Lead Partner s/partners:

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<sup>20</sup> Or during the time presumed in the state aid provisions, if applicable

- copy or the original of an extract (витяг) from the Unified State Register of legal entities and individuals, certified as true to the original by the beneficiary, or:
- copy or the original of excerpt (виписка) from the Unified State Register of legal entities and individuals, as true to the original by the beneficiary.

And for non-public institutions additionally:

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

**Annex A9.** Declaration of Compliance with the Charter of Fundamental Rights;

**Annex A10.** Applicable only for infrastructural projects as mentioned in p. 1.5.1. Declaration on the building permission.

#### **IMPORTANT**

The building permission or its equivalent (Polish Partners) as well as positive decision of expertise (Ukrainian Partners) **shall be submitted not later than 5 months after the date of the award notification letter.**

For Polish Lead Partners/Project Partners:

Declaration that either the building permission or its equivalent (e.g., notification of construction works – zgłoszenie robót budowlanych) will be submitted in case of the project award not later than **5 months** after the date of the award notification letter. If the project implementation does not require a building permission or its equivalent a declaration with the reference to the relevant national regulation should be annexed that the works activities are not the subject of a building permission or its equivalent.

For Ukrainian Lead Partners/Project Partners:

Declaration that the following documents (depending on the construction object complexity as listed below) will be submitted in case of the project award not later than **5 months** after the date of the award notification letter:

- for construction objects falling under CC1 category of complexity: positive Decision of expertise should be provided not later than **5 months** after the date of the award notification letter, and after the Grant Contract signature once available a registered Declaration on the beginning of construction works should be provided;
- for construction objects falling under CC2 and CC3 category of complexity: positive Decision of expertise should be provided not later than **5 months** after the date of the award notification letter, and after the Grant Contract signature once available a Building permission should be provided.

If the project implementation does not require a building permission or its equivalent (Declaration on the beginning of construction works) a declaration with the reference to the relevant national regulation should be annexed that the works activities are not the subject of a building permission or its equivalent.

**Annex A11.** Applicable for all investment and infrastructural projects as mentioned in p. 1.5.1. Declaration of the Lead Partner/Project Partner on the right for the land/real estate disposal for the construction/supplies' purposes.

**Annex A12.** Applicable for infrastructural project as mentioned in p. 1.5.1.

For Polish Lead Partners/Partners:

Decyzja o środowiskowych uwarunkowaniach.

In case of construction works not being the subject of the obligatory environmental assessment:

- a written statement issued by relevant institution or
- a self-declaration of the relevant Project Partner with the reference to the applicable law

should be submitted.

For Ukrainian Lead Partners/Partners:

1. Environmental Impact Assessment (EIA) according to the national legislation in force, as the part of Technical Documentation according to National Construction Standards A.2.2-1-2021 (ДБН А.2.2-1:2021) (EN) – Оцінка впливу на навколишнє середовище як частина технічної документації згідно ДБН А.2.2-1:2021 (UKR).

In case of construction works not being the subject of the obligatory environmental assessment:

- a written statement issued by relevant institution or
- a self-declaration of the relevant Project Partner with the reference to the applicable law

should be submitted.

**ADDITIONAL REMARK FOR UKRAINIAN LEAD PARTNERS/PROJECT PARTNERS:**

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 Project Partners 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.

**Annex A13.** Applicable for all infrastructural and investment projects as mentioned in p 1.5.1. Declaration of the Lead Partner/ Project Partners on maintaining the projects results and objectives for at least five years after project completion<sup>21</sup>.

**Annex A14.** Applicable for projects including an infrastructure component of at least 1 million EUR, described in budget as infrastructure component – Budget heading *Infrastructure and works*. Assessment of expected impacts of climate change.

**Annex A16.** State aid form – if applicable.

**Annex A17.** De minimis aid form – if applicable.

**Annex A18.** Declaration on de minimis aid form for Polish Partners – if applicable

**Annex A19.** (For priorities ENVIRONMENT, HEALTH only) Full feasibility study – Applicable for projects including an infrastructure component of at least 1 million EUR, described in budget as infrastructure component – Budget heading *Infrastructure and works*. A full feasibility study to be prepared in line with *Guidelines for drafting Feasibility Study* (see Annex 11 to the Programme Manual). The document shall be submitted in the original language (i.e., Polish, Ukrainian) together with the Summary in English.

## 6.2. Large Infrastructure Projects

The list of all the LIPs proposed for selection without a call for proposals has been included in the final version of the Programme Document. However, the inclusion of the LIPs in the Programme Document does not set the ground for any final approval of these projects by the Monitoring Committee.

### 6.2.1. LIP Project Summary (PS)

The Project Summary (PS) shall be submitted on the relevant form as provided by the JS (Annex 1.2. to this document). If available, together with the PS the Lead Partner can submit additional documents which prove the readiness of the project implementation. Submission of these documents at this stage is not obligatory but shall allow to analyse the stage of project preparation. At any rate, all these documents will be requested at the later stage to be attached to the Full Application Form.

The JS carries out the eligibility and quality assessment of LIPs PS. It may ask additional questions to the submitted documents and may ask for clarifications to ensure that the PS presented to the Monitoring Committee is of the appropriate quality.

The PS will be analysed by the JS regarding their compliance with the criteria approved and the LIP proposal submitted at the earlier stage. The comments of the JS will be sent to the JPC/MC members. The JPC/MC will take a decision on approval of the submitted summaries either via written procedure or during the meeting. The decision may set recommendations to the submitted PS.

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<sup>21</sup> Or during the time presumed in the state aid provisions if applicable

### 6.2.2. LIP full application form (FAF)

Once the LIP PS is approved by the JPC/MC, the appointed Lead Partner will be invited to submit the LIP FAF. The FAF shall be filled in only in English.

The applicants shall fill in their FAF using the dedicated application within CST2021 system i.e. WOD2021. The submission procedure is the same as for regular projects.

The full list of annexes to FAF may be found in Annex 1.3.

### 6.3. Small Project Fund (SPF)

The potential SPF Beneficiary shall submit the Application form and required supporting documents online, using the WOD2021 Application system. The Application form as well as all supporting documents, based on the Programme templates, shall be submitted **in English**<sup>22</sup>.

The Application form template binding for the regular projects shall be used.

The application procedure is described in detail in the PL-UA 21-27 WOD2021 Applicant Manual – Application form (Annex 8 to the current document).

The potential Beneficiary shall refer in its Application to essential aspects of the related priority as well as to organisational and managerial issues connected with the implementation of the SPF, including:

- detailed description of the management structure of the potential SPF Beneficiary institution, explanation of its institutional and financial capacities, justification of institution relevance to the role of SPF Beneficiary;
- presentation of clear and concise mechanism of assurance equal access for all potential beneficiaries of small projects from all Programme regions, especially from the other side of both countries;
- preliminary schedule of conducting calls for the small projects;
- information on the way of keeping information on implemented small projects (database);
- detailed description of the planned promotion and visibility activities, including the event required by article 36.4 of the Interreg regulation.

**The potential Beneficiary shall declare in its Application achievement of the output and result indicators in a full scope, as foreseen in the Programme document.**

#### 6.3.1 Annexes to the Application form

The Application form shall be submitted with the following supporting documents:

**Annex A1.** Communication plan.

**Annex A2.** Declaration of the potential SPF Beneficiary.

**Annex A4.** Statute or other relevant documents e.g., internal regulations of the potential SPF Beneficiary. If necessary for conducting a reliable evaluation – the Joint Secretariat and the

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<sup>22</sup> Does not apply to fields where proper names in national languages are requested.

Monitoring Committee may ask for additional clarifications/documents regarding the legal status of the institution.

**Annex A5.** Copies of the profit and loss account and the balance sheets or other relevant fiscal documents for the last 3 years (if available) of the potential SPF Beneficiary, showing its financial standing.

**Annex A6.** If applicable, authorisation from the SPF Beneficiary that the person has the right to sign the declarations and statements to be annexed to the Application form (if the abovementioned documents 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.

**Annex A7.** The declaration of potential SPF Beneficiary on ensuring the funds necessary for project implementation.

**Annex A8.** Register document applicable for the SPF Beneficiary:

For Polish potential SPF Beneficiary:

- effective (up to date) extract from the National Court Register - Krajowy Rejestr Sądowy.

For Ukrainian potential SPF Beneficiary:

- copy or the original of an extract (витяг) from the Unified State Register of legal entities and individuals, certified as true to the original by the beneficiary, or:
- copy or the original of excerpt (виписка) from the Unified State Register of legal entities and individuals, as true to the original by the beneficiary.

And for non-public institutions additionally:

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

**Annex A9.** Declaration of Compliance with the Charter of Fundamental Rights.

**Annex A17.** De minimis aid form

**Annex A18.** Declaration on de minimis aid for Polish Partners

## 7. PROJECT EVALUATION

Given that the evaluation process varies for Regular Projects, Large Infrastructure Projects, and the Small Project Fund, please refer to the respective subsections for further details. Each type of project follows a distinct assessment procedure, taking into account aspects such as budget size, project objectives, and expected impact. Understanding these differences is crucial for ensuring compliance with the Programme's requirements and preparing a successful application.

Actors involved, roles and responsibilities

- **Monitoring Committee**

the Monitoring Committee has the overall responsibility for the evaluation and selection process. It may also perform the strategic assessment of the projects in accordance with Article 6 of the Rules of Procedure of the Monitoring Committee;

- **Joint Secretariat**

Working under the supervision of the Head of the Joint Secretariat, the employees of Joint Secretariat assess the applications with attached documentation on the basis of evaluation criteria which are provided in the assessment grid (regular projects: Annex 2.1., LIPs: 2.2., 2.3.);

- **External experts**

The external experts may be involved in the quality assessment. They shall be selected via the open call for experts in accordance with the [Guidelines for involving experts in assessment process in Interreg Programmes for the 2021-2027 period](#) (developed by the Managing Authority).

### 7.1. Regular Projects

The evaluation of received applications follows a standardised procedure based on principles of transparency and equal treatment.

Submitted and registered applications are subject to a two-stage assessment:

- 1) Formal assessment consisting of Administrative and eligibility check,
- 2) Quality assessment consisting of strategic and operational assessment.

#### **IMPORTANT**

Only if the application passes the Administrative and eligibility check it can be a subject of the quality assessment.

#### 7.1.1. Stage 1 – Administrative and eligibility check

First, the submitted applications undergo the full Administrative and eligibility check. It is performed by the JS. Only Application forms that have met the deadline for submission will be subject to Administrative and eligibility check. The JS verifies the completeness and correctness of the submitted documents. The Administrative and eligibility check is carried out in accordance with the evaluation criteria by at least two Joint Secretariat's assessors who prepare one joint evaluation

grid. If some of the criteria described in the evaluation grid are not fulfilled, the applicants will be asked to submit clarifications and/or corrections to their Application forms.

### **IMPORTANT**

**Clarifications** to the Application form will be requested from the Lead Partner ONLY when information provided would not allow for the precise assessment of the project, eligibility of activities or partners.

In this case the Lead Partner will be asked to provide clarifications or additional documents within the deadline set by the Joint Secretariat but not later than within 14 calendar days since the request for clarification was sent via e-mail.

The project application **will be rejected**:

- in case the Lead Partner fails to submit the clarification, or the submitted clarification or corrections are not adequate,
- if any potential Lead Partner / Project Partner proves to be ineligible.

The rejected project application will not be further evaluated. Therefore, please make sure that all partners in the project, including the Lead Partner, are eligible (see [p. 4.6](#)) and that your Application form is clear, correct and complete.

The Administrative and eligibility check report is prepared by the Joint Secretariat and sent to the Monitoring Committee for information purposes.

Following the Administrative and eligibility check, the Joint Secretariat will inform the Lead Partners via e-mail, whether their Application forms met all the Administrative and eligibility criteria and whether they will be the subject of the Quality assessment. If the decision is negative, the reasons will be provided to the Lead Partners.

The Lead Partners shall be entitled to file a complaint in case they do not agree with the outcome of the Administrative and eligibility check. For rules regarding complaints please see section Appeals ([p. 7.1.6.](#)).

### **7.1.2. Stage 2 – Quality assessment**

Subsequently, for applications which met previous criteria, the Quality assessment is carried out by the Joint Secretariat's employees and/or external experts (if Head of the Joint Secretariat decides to engaged them) in accordance with the evaluation criteria set out in the assessment grid. Following aspects of the project will be assessed:

#### **Strategic assessment criteria**

1. Project's context (relevance and strategy).

*How well is a need for the project justified?*

2. Cross-border cooperation potential and partnership.

*What added value does the cross-border cooperation and that partnership bring?*

3. Project's contribution to the Programme's expected results and outputs.

*To what extent will the project contribute to the achievement of the Programme's objectives?*

## Operational assessment criteria

1. Overall logic of the project.
2. Action plan and project organisation.
3. Budget.
4. Sustainable development principle.
5. Horizontal principles.
6. Readiness.
7. Durability.
8. Communication.

### IMPORTANT

The maximum score the application can obtain in the quality assessment is 100 points.

In order to be taken into consideration for possible financing, the application has to **positively pass the quality assessment**. To do so, the application shall receive **at least 70 points** and additionally:

- a. at least **36 points** from the strategic assessment;
- b. at least **24 points** from the operational assessment;
- c. at least **12 points** in p. 2 of the strategic assessment: "Cross-border cooperation potential and partnership" (out of 24 points).

Each Application form shall be assessed by at least two assessors (Joint Secretariat's employees, if necessary, external assessors also may be used). The Head of the Joint Secretariat nominates assessors for particular projects assessment. Two independent evaluation grids shall be prepared for each application. The total score is arithmetical average of scores given by two assessors. The assessors are obliged to provide the justification of the scoring for each section of the evaluation grid. The evaluation grids shall be completed in English.

An additional third assessment of the project shall be carried out whenever:

- the total scores given by the initial two assessors diverge by more than 20 points and/or
- only 1 of the total initial scores is above the threshold for overall admissibility of the proposals.

The Head of the Joint Secretariat confirms the necessity of the third assessment and indicates the assessor that will carry it out. In case of the third assessment, the total score for the application is the arithmetical average of scores between the third assessment and that initial assessment which is more similar<sup>23</sup> to the third assessment.

The Joint Secretariat presents the results of the quality assessment in the draft **Report on the evaluation of the Application forms** along with the draft ranking list of all Application forms

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<sup>23</sup> In case of situation in which following the initial assessment, only one of the total initial scores is above the threshold for overall admissibility of the proposals, "more similar" are the assessments with the same final result – admission or rejection of the proposal

(according to their score, within the available allocation for the Call for proposals for the Priority), including the list of reserve Application forms.

### 7.1.3. Monitoring Committee's approval

The Report on the evaluation of the Application forms is presented for the Monitoring Committee approval. The decision on the selection of project proposals is taken by the Monitoring Committee, based on the results of the assessment and selection processes carried out by the Joint Secretariat. During that stage, the Monitoring Committee may carry out its own **strategic assessment** of the selected project(s) if it is convinced that some assessments shall be modified. During the strategic assessment stage the Monitoring Committee may give additionally **maximum 10 points** for each application, which demonstrates the biggest added value for the Programme and that has a great potential to impact the Programme area.

During performing the strategic assessment of the project, the Monitoring Committee shall ensure that justification of the strategic assessment, proving that the project has a clear strategic impact for a cross-border region, is clearly set out in the Monitoring Committee's decision, basing on votes from each national delegation based on the criteria indicated below:

- i. the project corresponds to the guiding principles;
- ii. the project proposes systematic solutions in order to achieve the Programme objectives;
- iii. the project demonstrates strong cross-border-character (results or outputs of the project benefit both sides of border) and/or clear links to the future cross-border cooperation;
- iv. the project shows economic impact (e.g., strengthening competitiveness), social impact (e.g., preservation of the cultural heritage, raising qualifications) on regional level;
- v. the project activities affect and solve the problems of the entire Programme area or its significant part;

The strategic assessment of Monitoring Committee shall be done only towards the projects, which positively passed the quality assessment (see p. 7.3).

Once the Monitoring Committee have agreed on the outcome of the assessment it approves the Report on the evaluation of the Application forms together with the ranking list of projects reflecting the scores and with the division on Priorities and specific objectives. Projects recommended for financing are those that received the highest number of scores and are covered by the budget foreseen for each Priority and specific objective within the Call for proposals. The Monitoring Committee may approve the projects with recommendations.

### 7.1.4. Informing about the decision on selected projects

After Monitoring Committee's decision on the Call results:

- the Joint Secretariat informs applicants via e-mail of the Monitoring Committee's decision. If the decision is negative, the reasons shall be given in the letter. Applicants will have a

possibility to appeal from the results of the quality evaluation to the Managing Authority (for more see [p. 7.1.6](#) below);

- the Joint Secretariat publishes a list of the approved projects on the Programme website within five working days.

In case when the project is approved, but certain conditions are set by the Monitoring Committee, the Lead Partner will be accordingly notified by the Joint Secretariat via e-mail. The Lead Partner is obliged to forward the information received by the Joint Secretariat to other Project Partners (if applicable). The Lead Partner's response shall be done also via e-mail. The project will be finally approved only after the conditions have been fulfilled and all clarifications delivered within the deadline set and accepted by the Joint Secretariat.

Further details regarding the procedures for the whole evaluation process are laid down in the Evaluation and Assessment Manual available on the Programme website.

### **7.1.5. Reserve list of projects**

The Monitoring Committee can create a reserve list of the applications, ranked by the scoring, to use the available funding at later stages of implementation. If the Lead Partner awarded a grant does not decide to follow the recommendations of the Monitoring Committee or decides not to implement its project, the support may be recommended to a reserve project from the same Priority and specific objective, starting from the project ranked on the first place.

If the Monitoring Committee takes a respective decision, projects from the reserve list will receive the Programme co-financing in the event of:

- The availability of funds due to the savings made from previously approved projects;
- Voluntary withdrawal of an approved project;
- Approved project failed to finalize the clarification process within the set deadline.

### **7.1.6. Appeals**

A Lead Partner is entitled to file a complaint when they believe that they have been harmed by an error or irregularity during the assessment or in case they do not agree with the final decision of the Monitoring Committee.

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 Call for Proposals rules or the procedures regulating the evaluation process.

The complaint has to be:

- written in English;

- sent to the Managing Authority via e-mail [appeals@pl-ua.eu](mailto:appeals@pl-ua.eu) not later than 21 calendar days after the respective decision was sent by the JS (any complaint submitted after the deadline will be rejected);
- contain a clear and articulate reference to the nature of the encroachment based on the Programme legal basis, EU Regulations, and procedures for the Call for Proposals.

The Managing Authority shall be responsible for handling the complaints. The answer shall be provided by email within 45 calendar days of the receipt of the complaint. The reply to the appeal represents the final decision of the Managing Authority regarding the application.

## **7.2. Large Infrastructure Projects**

The list of all the LIPs proposed for selection without a call for proposals has been included in the final version of the Programme Document. However, the inclusion of the LIPs in the Programme Document does not set the ground for any final approval of these projects by the Monitoring Committee.

### **7.2.1. Stage 1 – LIP Project Summary**

Project Summary shall be submitted on the relevant form as provided by the JS (Annex 1.2. to this document). If available, together with the Project Summary the lead partner can submit additional documents which prove the readiness of the project implementation, e.g. technical documentation. Submission of these documents at this stage is not obligatory but shall allow to analyse the stage of project preparation. At any rate, all these documents will be requested at the later stage to be attached to the FAF.

The JS carries out the eligibility and quality assessment of LIP Project Summary. It may ask additional questions to the submitted documents and may ask for clarifications to ensure that the Project Summary presented to the MC is of the appropriate quality.

The Project Summary will be analysed by the JS regarding their compliance with the criteria approved and the LIP proposal submitted at the earlier stage. The comments of the JS will be sent to the Monitoring Committee members. The Monitoring Committee will take a decision on approval of the submitted summaries either via written procedure or during the meeting. The decision may set recommendations to the submitted Project Summaries.

### **7.2.2. Stage 2 – LIP FAF**

Once the LIP Project Summary is approved by the Monitoring Committee, the appointed Lead Partner will be invited to submit the FAF. The FAF shall be filled in only in English.

### **7.2.3. Submission and initial assessment**

All documents constituting the Full Application Form must be submitted to the JS via WOD2021. At this stage:

- The JS conducts an administrative and eligibility assessment.
- Additional questions or requests for clarification may be raised to ensure the LIP FAF meets the required quality standards before presentation to the Monitoring Committee.

#### 7.2.4. Quality assessment and cost verification

Once the initial assessment is completed the JS evaluates the quality and verifies the eligibility of costs. The following aspects are considered during the quality assessment:

- **Long-term project sustainability** (organizational, financial, etc.).
- **Budget and economic aspects** (efficient fund allocation, value for money, sufficient sources of finance).
- **Quality of the partnership and Lead Partner's capacities.**
- **Environmental sustainability** (projects negatively impacting the environment are ineligible for funding).

#### 7.2.5. Submission to the Monitoring Committee for approval

After assessment the LIP FAFs, along with assessment results and comments, are sent to the Monitoring Committee for approval, and full project documentation is accessible to MC members upon request. During the Monitoring Committee meeting (or via written procedure, if applicable), the JS presents its remarks on the submitted LIP FAFs. After discussion, the Monitoring Committee makes the final approval decision. The Monitoring Committee's decision may include recommendations regarding the quality and validity of additional documents.

#### 7.2.6. Notification to the European Commission

If the selection of one or more LIPs is on the MC's agenda:

- The Managing Authority must transmit a concept note based on the Project Summary for each project to the European Commission at least two months before the meeting where the LIP FAF will be approved.
- If the concept note is not sent by this deadline, the Commission may request the removal of the LIP approval from the agenda of the MC decision-making process.

#### 7.2.5. Pre-Contract Requirements

Before signing the Grant Contract, Lead Partners of approved projects must submit:

- The final project budget.
- An updated project schedule.
- A Lead Partner's declaration ensuring necessary funds for project implementation (covering all co-financing sources, including other partners).
- Any other annexes required for Grant Contract finalization.

### 7.3. Small Project Funds

#### 7.3.1. Application Submission and Verification

The submitted Application is verified by the JS using the Assessment grid (Annex 2.1). Administrative and quality assessment are conducted in a single stage.

- If further elaboration is needed, the JS provides a list of recommendations to the SPF Beneficiary.
- Corrections to the Application must be made in the WOD2021 Application system.
- After positive verification, the JS and Managing Authority submit the application for the approval of the Monitoring Committee via a written procedure.

Once the Monitoring Committee approves the Application, the Grant Contract with the SPF Beneficiary is prepared for signature (template available in Annex 6.2.). The SPF Beneficiary must announce the **call for applications for the small project co-financing within 60 days** of signing the Grant Contract for SPF.

### 7.3.2. Small Project Fund Committee (SPFC)

Each SPF Beneficiary must establish a Polish-Ukrainian Small Project Fund Committee to oversee small project selection.

- The Small Project Fund Committee chairman is a representative of the SPF Beneficiary;
- The SPFC composition must comply with Article 8 of the Common Provisions Regulation (CPR) and be representative of the entire programme area;
- Representatives (and deputies) of the Managing Authority, National Authority, controllers, and JS participate as observers;
- The chairman and committee members must remain impartial and avoid conflicts of interest when evaluating applications.

### 7.3.3. Responsibilities of the SPFC

The Small Project Fund Committee is responsible for:

- Approving small projects for implementation, including reserve lists and rejected applications;
- Periodic review of progress toward SPF Project goals;
- Analysing results of small project implementation.

### 7.3.4. SPFC Operational Guidelines

- Detailed information on the composition, operations, and meeting organization of the Small Project Fund Committee is outlined in the Rules of Procedure of the Small Project Fund Committee;
- Procedures must be in place to prevent conflicts of interest.

## 8. ELIGIBILITY OF COSTS

This chapter gives a brief outline of the main financial requirements applicants have to consider when developing project applications, as well as when implementing their projects.

### 8.1. Applicable documents

Three levels of rules apply to the eligibility of costs within the framework of the Programme:

- 1. EU rules.** Taking into account that the Programme is co-financed within European Regional Development Fund and Neighbourhood, Development and International Cooperation Instrument, all general rules concerning eligibility of expenditure regarding structural funds are applicable. Importantly, support may be provided only to such projects that respect the sustainable development principle (including the "do no significant harm" principle). The manner in which the sustainable development principle is included in a project should be logically linked with the project's subject and activities. It is important that an application contains not only a declaration of respecting the principle, but also a description of how it is implemented in the project.

EU regulations to be followed:

- Regulation (EU, Euratom) No 966/2012 (financial rules applicable to the general budget of the EU);
  - Articles 63 to 68 of CPR (specific provisions on applicable law as well as on eligibility of costs);
  - Articles 53 to 57 of CPR (specific provisions on the forms of grants);
  - Articles 37 to 44 of Interreg Regulation (specific provisions on eligibility of costs applicable to programmes of the European Territorial Cooperation goal (Interreg)).
- 2. Programme rules.** Additional rules on eligibility of cost for the Programme as a whole, as described in this Programme Manual.
  - 3. National eligibility rules.** Apply to matters not covered by eligibility rules laid down in the abovementioned EU and the Programme rules.

### 8.2. Timeframe for eligibility

**The general rule of the Programme concerning the eligibility of costs incurred and paid by Project Partners apply from 1 April 2022 to 31 December 2029.**

No project can be physically completed or fully implemented before submitting the Application form. For projects started before the 1 April 2022 but not completed before the date of submitting the Application form, only expenditures actually incurred and paid after that date are eligible.

**Eligible costs are costs actually incurred and paid by Project Partners** within the following timeframes:

- 1. Preparatory period**

- Preparatory costs (limited to the expenditures listed in the [p. 8.4](#) of this document) **incurred from 1 April 2022 to the date of the application submission**<sup>24</sup>. Preparatory costs are considered as regular project costs. These costs are incurred on own responsibility of the Project Partners and will be eligible if the Grant Contract is signed.
- For LIP: Preparatory costs related only to infrastructure, as specified in [p. 10.1.6](#) is document.

## 2. Implementing period

- Projects may incur costs from **the next day after the application submission and before signature of the GC. These costs are incurred on own responsibility of Project Partners and will be eligible if the Grant Contract is signed.**

All these costs shall be paid not later than the last day of the project implementation period.

- Costs incurred **during the project implementation period**. Thus, costs relating to services and works shall relate to activities performed during the implementation period. Costs relating 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.

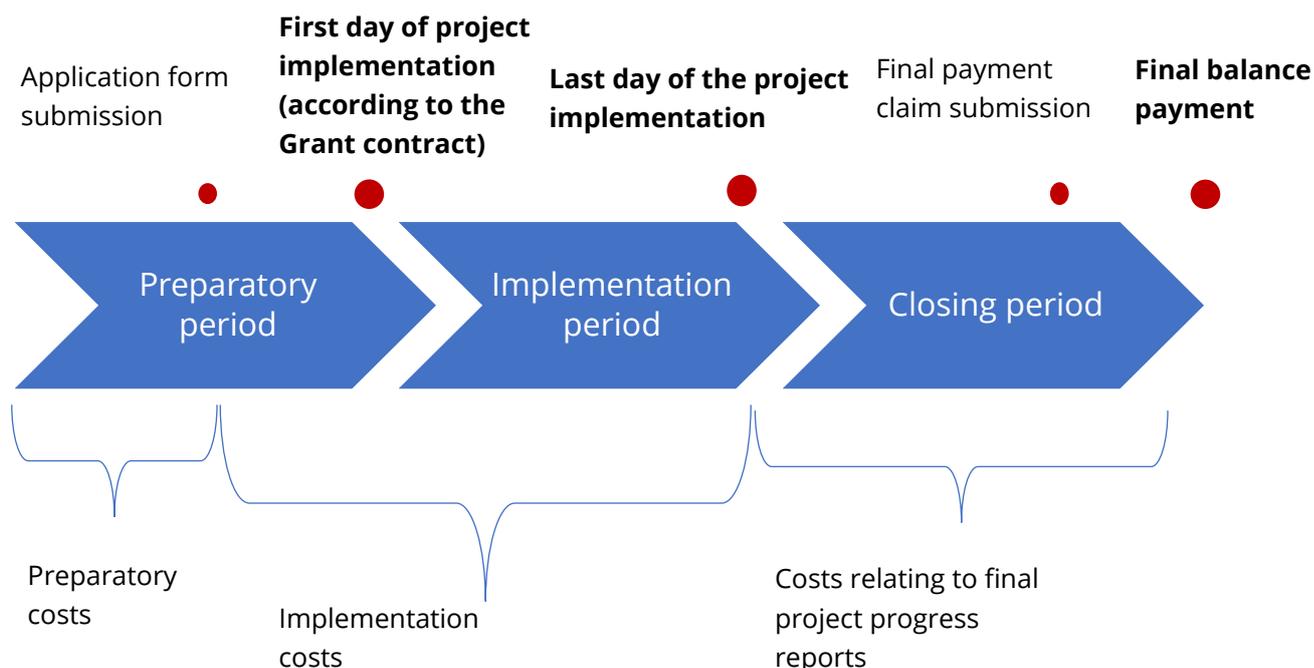
## 3. Closing period

- In case of costs relating to final project reports, i.e., final evaluation of the project, which may be incurred after the implementation period of the project to the date of the final progress report submission. These costs shall be paid not later than before the final progress report submission.

### Figure 3. Timeframe for eligibility of costs

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<sup>24</sup> All the costs must be incurred in line with the applicable public procurement rules set in each country and which were communicated on the Programme website



### 8.3. Eligibility of costs

Only 'eligible costs' can be financed within the Programme. All costs must be indicated in the project budget. The categories of costs considered as eligible and non-eligible are indicated in points [8.4-8.6](#) below.

The costs foreseen within the budget headings 'Staff costs', 'Office and administrative costs' and 'Travel and accommodation', will be settled on the basis on the Simplified cost options. The costs planned under other budget headings will be settled on the basis of the real costs.

Any expenditure eligible shall relate to the costs of initiating and/or implementing a project or its part regardless of whether it is implemented in the Member State (Poland) or in the partner country (Ukraine).

At the stage of assessment of the project application, the eligibility of costs included in the Application form is verified. During project implementation, the eligibility of expenditure incurred is verified by the controller through assessment of the progress report (except first payment claim – in case of projects which choose the option of project pre-financing). Additionally, Project Partners may be subject to audits by the Audit Authority/Group of Auditors or any other EU or national audit/control bodies.

### 8.4. General rules on the eligibility of expenditure settled as real costs

The costs planned under the following cost categories are called direct costs and they are settled on the basis of the real costs:

- External expertise and services,
- Equipment,
- Infrastructure and works.

The costs planned under 'office and administration' budget category are called indirect costs.

Direct costs are those costs which are directly related to implementation of the project by each partner, where the purpose of the cost and link with the project can be clearly demonstrated.

**Eligible costs** are costs actually incurred by Project Partners which meet **all of the following criteria**:

- a) they are incurred and paid during the preparatory, implementation and closing time periods,
- b) they are incurred under the contracts (where applicable) awarded in line with the provisions of Article 58 of Interreg Regulation and according to national and Programme rules and law. In case of preparatory costs, procedures to award contracts may be initiated and contracts may be concluded by Project Partners before the start of the implementation period of the project, provided the provisions of Article 58 of Interreg Regulation and national rules/law have been respected<sup>25</sup>;
- c) they are indicated in the project's estimated overall budget;
- d) they are necessary for the project implementation;
- e) they are identifiable and verifiable, in particular being recorded in the accounting records of Project Partners (separate accounts shall be created for the project purpose) and determined according to the accounting standards and the usual cost accounting practices applicable to Project Partners;
- f) they comply with the requirements of applicable tax and social legislation;
- g) they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;
- h) they are supported by invoices or documents of equivalent probative value.

## **8.5. General rules on the eligibility of costs within Simplified cost options**

Project partners decide at the stage of the project application whether they apply a specific category of Simplified cost options in the project.

It is not possible to settle indicated below cost categories as real costs.

Simplified cost options applied in the Programme include the settlement of expenditures on a basis of flat rate calculated in projects by applying a fixed percentage set at the Programme level.

It is not possible to adjust the percentage to specific project requirements.

Within the Programme the flat rate financing is applicable to the following categories of costs:

- Staff,
- Travel and accommodation,
- Office and administration.

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<sup>25</sup> In case of Polish partners, apart from the Polish Public Procurement Act, the competition rule must be obeyed

Within the Programme the direct costs are applicable under the following categories of costs:

- External expertise and services,
- Equipment,
- Infrastructure and works.

Expenditures settled within Simplified cost options shall meet the following eligibility criteria:

- a) direct costs, which are the basis for the calculation of staff costs, must be submitted by each partner in progress report (in case of Travel and accommodation costs and Office and administrative costs, the basis for the calculation are staff costs);
- b) they are indicated in a budget of the project;
- c) they meet the specific rules for particular costs categories set in this document (see [Chapter 10](#) below);
- d) they do not need to be supported by invoices or documents of equivalent probative value;
- e) particular invoices within Simplified cost options do not need to be recorded in the accounting records of partners related to the project. The expenditure reported might differ from the actual costs registered in the accounting system of the partner. This is a direct and accepted consequence of the use of Simplified cost options. However, the Project Partner is obliged to correctly keep accounting books or simplified accounting records in accordance with national rules.

## 8.6. List of non-eligible costs

The following costs shall not be eligible for financing within the Programme:

- a) interest on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy;
- b) the purchase of land;
- c) duties, taxes (except for VAT of the Polish partners) and charges.
- d) VAT of the Ukrainian partners – Ukrainian partners are exempt from paying VAT due to the obligation of register the project in Ukraine. Thus, VAT of the Ukrainian partners does not apply.
- e) VAT of the Polish partners – only in the projects with the total cost of at least EUR 5 000 000,00 (including VAT) where it is recoverable under national VAT legislation;

**Note:** The eligibility of the VAT in projects involving State aid is defined by the provisions of the GBER and depends on the possibility of its recovery according to national regulations.

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

- a) fines, financial penalties and expenditure on legal disputes and litigation;
- b) costs of gifts;
- c) costs related to fluctuation of currency exchange rate;

- d) costs declared by the Project Partners and already financed by the Union budget;
- e) loans to third parties;
- f) contribution in kind;
- g) other costs specified as ineligible in the budget heading description (see [Chapter 10](#) below);
- h) cash transfers between the Lead Partner or partners may not be considered as costs incurred.

## 8.7. Double financing

Double financing of expenditure **is prohibited**, in particular:

- claiming the same expenditure under different projects co-financed from the EU funds;
- receiving non-repayable financial assistance from several (national, EU or other) sources for expenditure under a given project or a part of the project in the total amount exceeding 100% of eligible expenditure of the project or a part of the project;
- purchasing a fixed asset with co-financing from the EU funds and then claiming the depreciation costs of the fixed asset under the same project or under other projects co-financed from the EU funds;
- claiming expenditure financed from grants in a given project, which have already been covered or are planned to be covered by received loan or by commercial loan, obtained thanks to the Structural Funds warranty/guarantee in the total amount exceeding 100% of eligible expenditure of this project;
- claiming real costs for those categories that are exclusively covered by flat rate or lump sum (i.e., preparation costs, closure costs).

In case of using financial instruments under any Cohesion policy Programme implemented, the partners will declare that they will avoid double financing, will not use financial instruments to pre-finance grants and will not use grants to reimburse support received from financial instruments in a given project.

## 9. TENDERING PROCEDURES

Contracts must be awarded in accordance with the following procurement rules and procedures:

- 1) ensuring sufficient transparency, fair competition and adequate ex-ante publicity;
- 2) ensuring equal treatment, proportionality and non-discrimination;
- 3) avoiding conflicts of interests throughout the entire procurement procedure.

Contracts must not be split artificially to circumvent procurement thresholds.

Tendering procedures at the level of projects depend on the nationality and legal status of the Beneficiary launching the tender.

**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.

Preparing and conducting public procurement, as well as awarding a contract within the project, shall 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.

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.

Beneficiaries in Poland must additionally comply with the **competition rule** while awarding contracts. Specific rules for awarding contracts for the Polish project Beneficiaries are provided in an Annex 9 to this Manual.

**Beneficiaries from Ukraine** have to comply with the requirements of article 58 of the Interreg regulation, of the Financing Agreement (see Annex 12 to this Manual) as well as rules for external procurement provided for in the Financial Regulation<sup>26</sup>.

**NOTE:** Procurements must not be awarded to any entities nor subcontractors involved in or supporting directly or indirectly the aggression on Ukraine. Entities must be consulted with the lists:

- art. 51.1 of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine;
- art. 7.1 of Act as of 13.04.2022 on special solutions in the field of counteracting supporting aggression against Ukraine and serving the protection of national security;
- list of persons and entities against whom sanction measures will be applied on the website of the Public Information Bulletin of the Minister of Internal Affairs and Administration of Poland;
- publicly available national data bases to verify if bodies are associated with entities supporting aggression against Ukraine (if established nationally).

**Please note that beneficiary shall obligatory set the exclusion requirements related to the above, in the award notice.**

**Please note: in case of Polish beneficiaries - the exclusion requirement must be listed in the section related to obligatory requirements.**

Breaching the procurement rules will result in financial corrections – for detailed information please see [p. 16.3](#).

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<sup>26</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council

### IMPORTANT

In order to better implement projects and avoid irregularities, beneficiaries are strongly recommended to consult Annex 10 to this Manual regarding the most common mistakes when awarding contracts!

The regularity of awarding public awards will be verified by national controllers. Beneficiaries are obliged to up-load procurement documents to the SL2021, once the contract has been signed.

### IMPORTANT

Breaches of public procurement law and rules will result in imposing financial correction in line with Commission Decision of 14 May 2019 laying down the guidelines for determining financial corrections to be made to expenditure financed by the Union for non-compliance with the applicable rules on public procurement. See more in chapter 19.

## 10. PROJECT BUDGET

### 10.1. Project budget for regular projects and LIPs

The project's budget includes the following cost categories:

1. Staff costs

2. Office and administration

3. Travel and accommodation

4. External expertise and services

5. Equipment

6. Infrastructure and works

#### 10.1.1. Staff costs

This cost category refers to the costs of staff employed by the Lead Partner or Project Partner for implementing the project.

Staff costs may be settled only as a flat rate of the eligible Partner's direct costs:

- For regular projects the flat rate is **6%**.
- For LIPs the flat rate is **2%**.

The category Staff costs covers expenditures:

- A) related to all maintenance tasks within the project (commonly referred to as project management), **regardless of the form of contracting or employment.**

- B) related to other tasks within the project (not related to project management) performed by:
1. personnel employed by the partner under an employment contract, irrespective of the working time (in Poland and Ukraine: also, other contracts from the Labour Code),
  2. natural persons working for the partner on the basis of a contract other than an employment contract, who are simultaneously employed by the partner under an employment contract (in Poland: all civil law contracts for the implementation of the project, concluded with natural persons who do not conduct business activity, who are also employed by the partner under an employment contract; in Ukraine: civil law contracts for the implementation of the project, concluded with natural persons, who do not conduct business activity as well as natural persons, who are private entrepreneurs (ФОП) who are also employed by the partner under an employment contract),
  3. natural persons conducting a sole proprietorship who are simultaneously employed by the Partner under an employment contract.

#### IMPORTANT

- All expenses incurred under the above-mentioned types A and B may be settled within the project only as a flat-rate based on the Partner's direct costs.
- Ukrainian private entrepreneurs (ФОП) are permitted to participate in open tenders and may be employed by the project partners for project management. In cases where such an entity (ФОП) is contracted for project management, their salary must be paid and settled within the **Staff costs** flat rate allocated in the project budget.

The principles of the costs' eligibility:

- 1) expenditures for staff may not be settled as real costs;
- 2) during the application stage each partner may decide whether to apply for staff costs or not;
- 3) staff costs can be settled only by the partner who foreseen staff costs in the budget;
- 4) all Project Partners, who declared a flat rate for staff costs are obligated to settle these costs within the progress report;
- 5) fixed flat rate may not be increased or decreased by projects partners;
- 6) methodology for the flat rate calculation is not required;
- 7) flat rate is calculated in relation to the partner's direct costs of project;
- 8) partners are not required to provide supporting documents (that the expenditure has been incurred and paid, or that the flat rate corresponds to the reality e.g., employment document, job description, data from the working registration system etc.);
- 9) every Project Partner applying the flat rate for staff costs is obliged to submit a statement on the actual involvement of the staff in the project implementation in the Partnership statement, which should be attached to the Application form.

## IMPORTANT

When using the flat rate for staff costs, each Project Partner is obliged to store original documents confirming the employment of the staff working on the project.

Every Project Partner applying the flat rate for staff costs is obliged to submit a statement on the actual involvement of the staff in the project implementation in the Partnership statement (Annex A3), which should be attached to the Application form.

Documents confirming employment will constitute the proof of legitimacy of using a flat rate (the documents will not be used to compare the real salaries with the amount reimbursed using the flat rate but to prove that the project does indeed have the staff working on the project).

- 10) particular invoices within Simplified cost options do not need to be recorded in the accounting records of partners related to the project. The expenditure reported might differ from the actual costs registered in the accounting system of the partner. This is a direct and accepted consequence of the use of Simplified cost options. However, the Project Partner is obliged to correctly keep accounting books or simplified accounting records in accordance with national rules;

### 10.1.2. Office and administration

The cost category for office and administration covers costs for operating and the administrative expenses of partners who support delivery of project activities. This category represents indirect costs in the project.

Office and Administrative costs may be settled only as a flat rate which equals to **15%** of the Partner's Staff costs (for regular projects and LIPs).

The flat rate shall allow to cover the office and administrative costs, such as:

- office rent, utilities (e.g., electricity, heating water), insurance and taxes related to buildings,
- office supplies (e.g., pens, paperclips, 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, Teams, Zoom or other online applications for communication),
- bank charges.

The principles of the cost eligibility:

- a) expenditures for office and administrative may not be settled as real costs;
- b) during the application stage each partner may decide whether to apply for office and administrative costs or not;

- c) office and administrative costs can be settled only by the partner who foreseen staff costs in the budget;
- d) all Project Partners, who declared a flat rate for office and administrative costs are obligated to settle these costs within the progress report;
- e) fixed flat rate may not be increased or decreased by partners in a project;
- f) methodology for the flat rate calculation is not required; partners are not required to provide supporting documents (that the expenditure has been incurred and paid, or that the flat rate corresponds to the reality);
- g) particular invoices within Simplified cost options do not need to be recorded in the accounting records of partners related to the project. The expenditure reported might differ from the actual costs registered in the accounting system of the partner. This is a direct and accepted consequence of the use of Simplified cost options. However, the Project Partner is obliged to correctly keep accounting books or simplified accounting records in accordance with national rules.

### 10.1.3. Travel and accommodation

Travel and accommodation costs may be settled only as a flat rate of the Partner's Staff costs:

- For regular projects the flat rate is **15%**.
- For LIPs the flat rate is **7%**.

The principles of the travel and accommodation costs' eligibility:

- a) expenditures for travel and accommodation may not be settled as real costs;
- b) during the application stage each partner may decide whether to apply for travel and accommodation costs or not;
- c) travel and accommodation costs can be settled only by the partner who foreseen staff costs in budget;
- d) for travel and accommodation flat rate, the Lead Partner and Project Partners are obligated to declare in the Partnership statement (Annex A3) in the application form, that it is necessary for the project implementation to bear the travel and accommodation costs;
- e) all Project Partners, who declared a flat rate for travel and accommodation costs are obligated to settle these costs within the progress report;
- f) fixed flat rate may not be increased or decreased by partners in a project;
- g) methodology for the flat rate calculation is not required;
- h) travel and accommodation costs of external experts and service providers fall under external expertise and services costs;
- i) partners are not required to provide supporting documents (that the expenditure has been incurred and paid, or that the flat rate corresponds to the reality);
- j) particular invoices within Simplified cost options do not need to be recorded in the accounting records of partners related to the project. The expenditure reported might differ from the actual costs registered in the accounting system of the partner. This is a

direct and accepted consequence of the use of Simplified cost options. However, the Project Partner is obliged to correctly keep accounting books or simplified accounting records in accordance with national rules.

#### **10.1.4. External expertise and services**

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

- a) studies or surveys (e.g., evaluations, strategies, concept notes, design plans, handbooks);
- b) training;
- c) translations;
- d) development, modifications and updates to IT systems and website;
- e) promotion, communication, publicity, promotional items and activities or information linked to a project or to the Programme as such;
- f) services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- g) participation in events (e.g., registration fees);
- h) legal consultancy and notarial services, technical and financial expertise, another consultancy;
- i) intellectual property rights;
- j) the provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by the Monitoring Committee;
- k) travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- l) other specific expertise and services needed for projects.

In this category the following personnel costs may be settled:

- costs of external experts and external services limited to services and expertise provided by public or private entities or natural persons other than partners of the project (in Poland and Ukraine: services providers (companies)), civil law contracts with natural persons who are not simultaneously employees of the project's partner,
- contracts with natural persons conducting business activity who are not simultaneously an employee of the project's partner.

Specific requirements:

- Costs shall be strictly related to the project activities or derive directly from requirements imposed by the Interreg Regulation.
- 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.
- All costs are subject to national procurement law and rules (in case of partners from Poland<sup>27</sup>) or procurement rules set up in Article 58 of Interreg Regulation and all partners are 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 this Manual and the Communication Guide for the Project Partners (Annex 4).
- Service contract cannot be awarded to another project participant (Project Partners).

Ineligible costs:

- outsourcing project management to external companies is non-eligible (project management costs cannot be settled for in this category);
- unpaid voluntary work;
- promotional items/giveaways if the visibility rules were not observed and gifts.

**Sub-contracting between Project Partners is not allowed.**

The following documents must be available for control purposes:

- evidence of the procurement process (announcement, selection, award) in line with the national procurement law and rules (in case of partners from Poland<sup>28</sup>) or procurement rules set up in Article 58 of Interreg Regulation and according to the Programme rules,
- 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 notes,
- proof of payment,
- sample of service contract results (e.g., visibility item, publication, handbook, published article etc.),
- proofs of organised event (e.g., agenda, list of participants signed for each day of event, photos, sample of distributed materials, presentations etc).

**10.1.5. Equipment**

Costs for equipment purchased, rented or leased by the partners of the project other than those covered by budget heading Office and administrative costs shall be limited to the following:

- a) office equipment;
- b) IT hardware and software;
- c) furniture and fittings;

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<sup>27</sup> In case of Polish partners, apart from the Polish Public Procurement Act, the competition rule must be obeyed

<sup>28</sup> In case of Polish partners, apart from the Polish Public Procurement Act, the competition rule must be obeyed

- d) laboratory equipment;
- e) machines and instruments,
- f) tools or devices;
- g) vehicles;
- h) other specific equipment needed for projects.

Costs for the purchase of second-hand equipment may be eligible subject to the following conditions:

- a) no other assistance has been received for it from the Interreg funds or the Funds listed in point (a) of Article 1(1) of CPR Regulation;
- b) this price does not exceed the generally accepted price on the market in question;
- c) it has the technical characteristics necessary for the project and complies with applicable norms and standards.

Specific requirements:

- All costs are subject to national procurement law and rules (in case of partners from Poland<sup>29</sup>) or procurement rules set up in Article 58 of Interreg Regulation and all partners are 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;
- Purchase cost of used equipment is eligible, provided the equipment complies with applicable norms and standards;
- Project partners shall ensure that equipment is used in accordance with the project aims within five years<sup>30</sup> of the final payment made to Lead Partner by the Managing Authority/final settlement by the Managing Authority. Partners 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.

Ineligible costs:

- depreciation of purchased equipment,
- provision of equipment as in-kind contribution,
- renting or purchase of equipment from other partners of the project.

The following documents must be available for control purposes:

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<sup>29</sup> In case of Polish Partners, apart from the Polish Public Procurement Act, the competition rule must be obeyed

<sup>30</sup> In case state aid relevant project, the timeframe will be prolonged according to the type of aid granted, according to the subsidy (grant) contract

- evidence of the procurement process (announcement, selection, award) in line with the national procurement law and rules (in case of partners from Poland<sup>31</sup>) or procurement rules set up in Article 58 of Interreg Regulation,
- supply contract,
- invoice providing all relevant information in line with the applicable accountancy rules,
- delivery note,
- proof of payment.

#### **10.1.6. Infrastructure and works**

Costs for Infrastructure and works shall be limited to the following:

- a) building permits;
- b) building materials;
- c) labour;
- d) technical supervision;
- e) specialised interventions (e.g., soil remediation).

Expenditures for the financing of infrastructure and works cover also costs related to creation of infrastructure that do not fall into the scope of other cost categories. This includes costs for site preparation, delivery, handling, installation, renovation, and other costs related to planned works, e.g.: costs of preparation of the technical documentation (incl. feasibility study) and necessary changes to the documentation at the implementation stage (applicable only in case when both design and execution of works are foreseen in the same project), costs of supplies including purchase of fixed assets etc., when applicable.

##### Specific requirements:

- All costs are subject to national procurement law and rules (in case of partners from Poland<sup>32</sup>) or procurement rules set up in Article 58 of Interreg Regulation and all partners are responsible for ensuring that these rules have been respected.
- Documents specifying the ownership of land and/or buildings where the works will be carried out must be provided.
- 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<sup>33</sup> of the final payment made to the Lead Partner by the Managing Authority/final settlement by the Managing Authority it is subject to a substantial change

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<sup>31</sup> In case of Polish partners, apart from the Polish Public Procurement Act, the competition rule must be obeyed

<sup>32</sup> In case of Polish Partners, apart from the Polish Public Procurement Act, the competition rule must be obeyed

<sup>33</sup> In case state aid relevant project, the timeframe will be prolonged according to the type of aid granted, according to the subsidy (grant) contract

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.

Ineligible costs:

- depreciation of infrastructure.

The following documents must be available for control purposes:

- evidence of the procurement process (announcement, selection, award) in line with the national procurement law and rules (in case of partners from Poland<sup>34</sup>) or procurement rules set up in Article 58 of Interreg Regulation and according to the Programme rules,
- contract laying down the works/infrastructure to be provided, with clear reference to the project and the Programme,
- invoice providing all relevant information in line with the applicable accountancy rules,
- proof of works acceptance (interim and final),
- proof of payment.

**Infrastructure related preparatory costs**

Projects with the infrastructure component may also include into the current heading the infrastructure related preparatory costs, provided that they are incurred in accordance with the period defined in the [p. 8.2.](#) of this Manual.

These costs shall cover expenditures connected with the preparation of the infrastructure related documentation, necessary for the application submission and infrastructure activities start in case it is required by national / EU law.

Infrastructure related preparatory costs shall be limited to the following expenditures: preparation and update of the design and estimate, technical and construction documentation, feasibility study, environmental impact assessment, preparation of documentation for permits obtaining, costs of permits.

Eligibility requirements of infrastructure related preparatory costs are relevant to other cost categories. This includes the requirement to conduct the procurement in line with the national procurement law and rules (in case of partners from Poland<sup>35</sup>) or procurement rules set up in Article 58 of Interreg Regulation or Programme rules (if existing).

The infrastructure related preparatory costs shall be clearly presented in the budget. The budget amount may be decreased by the Programme during the contracting stage and preparation of the Grant Contract for the signature.

The infrastructure related preparatory costs shall be incurred as direct costs.

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<sup>34</sup> In case of Polish Partners, apart from the Polish Public Procurement Act, the rules of competitiveness must be obeyed. For the rules, please consult the Programme website

<sup>35</sup> In case of Polish Partners, apart from the Polish Public Procurement Act, the rules of competitiveness must be obeyed. For the rules, please consult the Programme website

## 10.2. Budget of the SPF Project

SPF Project budgets include both funds for co-financing of small projects (minimum 80% of the budget of a given SPF Project) and funds to cover the costs of managing the SPF Project (maximum 20% of the total budget of a given SPF Project).

In case of both SPF Projects maximum Programme co-financing equals to 5 111 345.00 EUR per project, that constitute 90% of the project total budget.

Thus, management cost limit of this amount is 1 022 269.00 EUR (max 20 % of total eligible costs of the SPF Project), whereas 4 089 076.00 EUR shall be directed for the small projects' implementation. Eligible management costs amount directly depends on the reported and settled expenditures of the small projects.

SPF Beneficiary shall make every effort to make maximum use of the funds' allocation. In case of delays in project implementation and savings occurring in the SPF Project, the SPF Beneficiary shall inform the JS and MA about this fact and take remedial measures. Failure to take such measures may constitute grounds for the MC to reduce the amount of allocation granted to the SPF Project.

The SPF Project budget has a task-based structure. It is composed of two tasks:

1. SPF Project management;
2. Implementation of small projects.

**The SPF Project management task** is settled within three flat rates, constituting a maximum of 25% of eligible expenditures, incurred in small projects (task 2) and approved by the controller. The maximum final rate for the SPF Project management task shall be calculated as follows:

- staff costs – 20% of eligible expenditures, incurred in small projects (task 2) and approved by the controller;
- office and administrative costs – 15% of staff costs;
- travel and accommodation costs – 10 % of staff costs.

**The task of implementation of small projects** – settlement of costs of small projects is described in a section devoted to small projects.

## 11. PAYMENTS

### 11.1. Payments for regular projects and LIPs

Payments in the Programme are made on the basis of a progress report with a payment claim for the project. The progress report for the project shall be submitted by the Lead Partner on behalf of all Project Partners. The Managing Authority transfers the funds in euro to the Lead Partner's bank account indicated in the Grant Contract.

Each Partner may receive a maximum of 90% of EU co-financing of the total eligible expenditure incurred during the implementation of the project. Each Partner's expenditure will be settled in accordance with their individual level of co-financing specified in the Application form.

The process of project settlement, the circulation of financial and accounting documentation and correspondence between the Lead Partner and the Programme institutions will be carried out via the CST2021 IT system.

Partners shall choose one of two project settlement schemes:

- pre-financing
- or reimbursement.

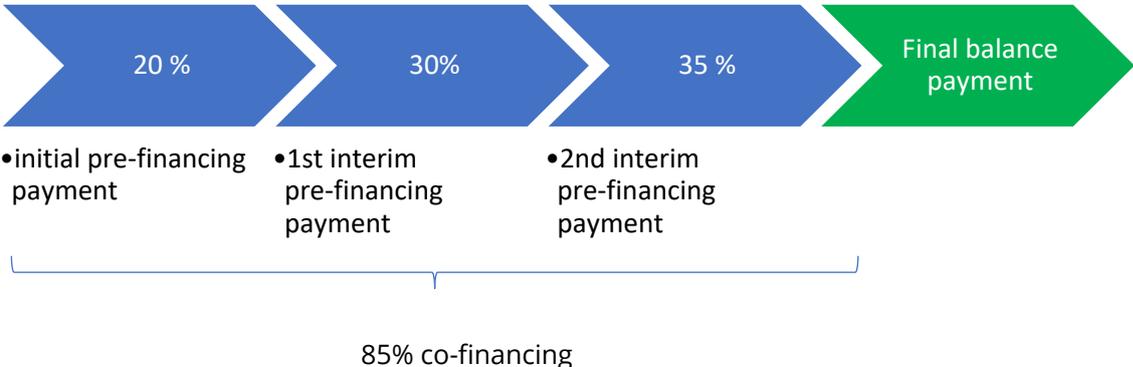
The Grant Contract will indicate one scheme that will be used for all project partners.

**11.1.1. Pre-financing payments for regular projects and LIPs**

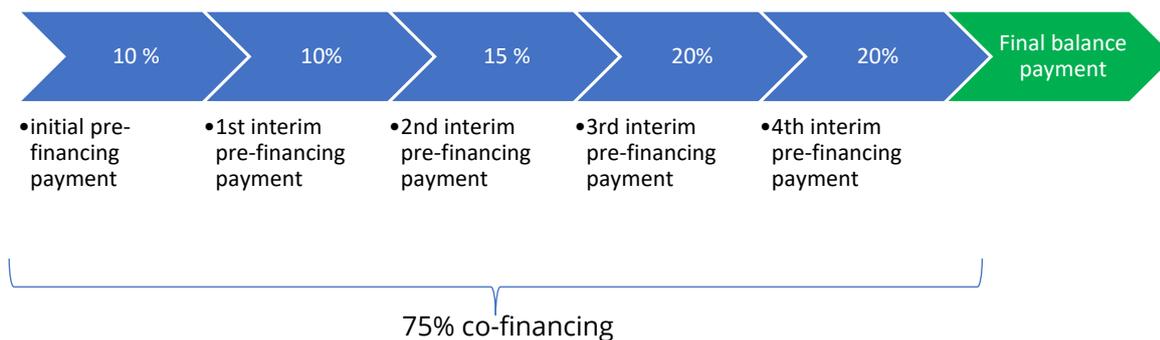
In regular projects Partners will receive pre-financing payments for the implementation of the project up to a maximum of 85% of the EU co-financing for the project. In LIPs the sum of pre-financing payments is a maximum of 75% of the EU co-financing for the project.

The Managing Authority shall transfer pre-financing payments to the Lead Partner. The distribution of the pre-financing payments between the partners takes place on the basis of the Partnership agreement concluded between the Lead Partner and the Project Partners.

In **regular projects** the pre-financing payment for the project is divided into three tranches. The amount of subsequent pre-financing payments increases with the progress of the implementation of the project. The indicated percentages of tranches are maximum and cannot be exceeded, therefore it is possible to set lower tranche values in justified cases.



For **LIPs**, the pre-financing payment for the project is divided into five tranches. The amount of subsequent pre-financing payments increases with the progress of the implementation of the project.



The initial pre-financing payment will be made by the Managing Authority after signing the Grant Contract, on the basis of the first payment claim submitted by the Lead Partner together with all necessary documents:

- 1) Partnership agreement signed by all partners,
- 2) Document confirming registration of the Project by the Secretariat of the Cabinet of Ministers of Ukraine by the Ukrainian Project Partner (applicable for Ukrainian Lead Partner only),
- 3) Current building permission or its equivalent (if applicable)<sup>36</sup>,
- 4) Financial guarantee<sup>37</sup> (if applicable).

The payment claim for the initial pre-financing payment of the Lead Partner shall be submitted directly to the Joint Secretariat via CST2021. Subsequent payment claims (as a part of a progress report) will be prepared by the partners in CST2021 and submitted directly to the relevant controller.

On the basis of the Project Partners' progress reports approved by the controllers, the Lead Partner will prepare a progress report for the project. In general, the progress report for the project shall cover the expenditures of all partners, who incurred expenditures during this period. The Lead Partner will then submit it to the Joint Secretariat. In specific justified situations a progress report for the project may cover the expenditures of individual partners.

If the Project Partner does not present any expenditure for control in a given (maximum 8 months for regular projects or maximum 6 months for LIPs) reporting period, they will be obliged to submit a progress report with a narrative information on the progress made in the reporting period to their relevant controller. If the partner spends the funds from the pre-financing payment earlier than the other partners, they can either wait until the next reporting period agreed between the partners and carry out further activities in the project from their own resources, or, in agreement with the Lead Partner, set an earlier deadline for submitting the payment claim for interim payment.

<sup>36</sup>The initial pre-financing payment may be transferred exclusively to the project beneficiary who has submitted a building permission (or its equivalent) for the implemented part of the project (if such a permit is required). If building permission (or its equivalent) covering the implementation of the entire project have not been submitted (by all beneficiaries), initial pre-financing payment may only be transferred to the participant who has provided such a permit.

<sup>37</sup>Any pre-financing for the NGO which will amount to more than EUR 1 000 000 under the provisions of the grant agreement must be fully covered by a financial guarantee (bank guarantee or bill of exchange with a proper financial guarantee declaration). The Lead Partner financial guarantee is prepared in accordance with the provisions of the Grant Contract

We recommend that Project Partners submit their progress reports to the controller after spending 70% of the funds from the received pre-financing payment, but at least every 8 months (for regular projects) or 6 months (for LIPs) starting from the beginning of the project implementation period specified in the § 5 of the Grant Contract. This means that the reporting periods are flexible. Partners should establish the deadlines for submitting the progress report in accordance with the project implementation schedule, which will be a part of the Grant Contract, as well as the actual implementation and internal arrangements between the Project Partners.

If a Project Partner in the progress report presents expenditures higher than the pre-financing they had received, the Managing Authority will pay:

- the pre-financing payment, in accordance with the Grant Contract;
- and the additional funds representing the difference between the pre-financing at partner level and the due amount of the EU funds clearing the pre-financing payment at partner level.

#### **IMPORTANT**

Please remember that the total amount of payments cannot exceed the amount of co-financing specified in the GC. The amount of reimbursements paid during the implementation of the project reduce the payment of the final balance of the project/ the interim pre-financing.

The final balance payment will be calculated as the difference between the payments made by the Managing Authority and the due amount of the EU funds. The Managing Authority will transfer it on the basis of the final progress report for project.

The pre-financing may be reduced by the Managing Authority if the partner will not use at least 70% of the cumulative pre-financing that they have received.

The Lead Partner should inform the JS about the division of the reduced pre-financing payment between the partners.

#### **11.1.2. Reimbursement**

If Partners can cover their expenditure from their own resources, we recommend that Partners choose a reimbursement scheme.

The expenditure incurred shall be presented in the progress report and the Managing Authority shall transfer the reimbursement once a progress report has been approved. For regular projects we recommend that project submit their progress report at least every 12-month. If needed, the Lead Partner can submit a progress report for a shorter period and more frequently than 2 times in project lifecycle. For LIPs there shall be 3 progress report for every 10-month settlement periods respectively. If needed, LIP's Lead Partner can submit a progress report for a shorter period.

After the 12-month (for regular projects) or 10-month (for LIPs) settlement period, the Project Partners prepare a progress report via CST2021 and submit it directly to the relevant controller. On the basis of the Project partners' progress reports approved by the controller, the Lead Partner will prepare a progress report for the project. It shall cover the expenditure of all partners. The Lead Partner shall submit it to the Joint Secretariat via CST2021.

The Managing Authority shall pay the refund on the basis of an approved progress report for the project.

## 11.2. Payments for SPF Project

### Pre-Financing Payments

Co-financing for a project will be provided in the form of pre-financing payments.

#### 1. First Pre-Financing Payment

The Managing Authority will conduct the first pre-financing payment based on the payment claim for the SPF, which is submitted after the Grant Contract signature. This first payment will not exceed 10% of the total co-financing amount.

#### 2. Subsequent Pre-Financing Payments

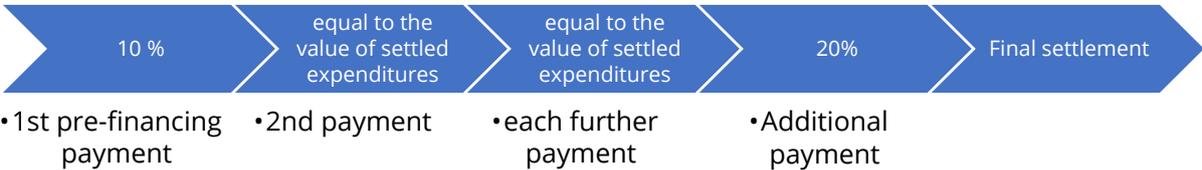
Further payments will be made to the SPF Beneficiary, corresponding to the value of expenditures reported within the submitted payment claims for the Small Project Fund. These payments will be made on a reimbursement basis for eligible costs incurred and settled by the SPF Beneficiary.

#### 3. Additional Pre-Financing Payment

(Applicable if the SPF Beneficiary transfers pre-financing payments to small project beneficiaries)  
In addition to the payments defined in section 3, if the SPF Beneficiary demonstrates through bank statements that at least 70% of the pre-financing amount (as defined in section 2) has been transferred as co-financing to the small project beneficiaries, and these co-financed sums have not yet been settled, the SPF Beneficiary may submit an additional payment claim. This additional payment claim can be submitted up to a maximum amount of 20% of the total co-financing amount.

#### 4. Final Settlement

The final settlement is determined based on the final progress report of the Small Project Fund project. The final amount due is the difference between the total pre-financing payments and the actual co-financing amount owed, which will be calculated once the project is completed and all expenditures are accounted for.



## 12. PROJECT IMPLEMENTATION

### 12.1. Language

The official language of the Programme is English. Therefore, official communication between Beneficiaries – the Lead Partner and all the partners – and the Joint Secretariat or the Managing Authority is carried out in English. For the convenience of the Partners, basic Programme documents have been translated into Polish and Ukrainian.

### 12.2. Grant Contract preparation and signature – for regular projects

The basis for signing a Grant Contract is a decision of the Monitoring Committee on awarding co-financing to a project. The Joint Secretariat informs the Lead Partner about the Monitoring Committee decision by e-mail (sent to the address indicated in the application form). The email includes an electronically signed letter, which presents:

- the information on the decision of the Monitoring Committee regarding the approval of the project for financing,
- the value of the co-financing granted by the Monitoring Committee,
- the deadline for sending the documents necessary to conclude the Grant Contract,
- conditions to be fulfilled by the project partners to obtain Programme co-financing (e.g. update of information, supplementing project documentation, presenting calculations of indicators etc.), together with the information on way of corrections,
- contact information of the Joint Secretariat project manager to be contacted by the Lead Partner on behalf of all project partners,
- adjustment of the project to the requirements of the Monitoring Committee via CST2021 Projects.

After receiving the letter from the Joint Secretariat, the Lead Partner informs the project partners about the decision of the Monitoring Committee.

The Lead Partner shall send to the Joint Secretariat the following documents<sup>38</sup>:

- **Lead Partner's Financial Identification Form** (the template can be found on the Programme website);
- **Lead Partner's Legal Entities Form** (the template can be found on the Programme website) filled in by the Lead Partner's representative eligible for Grant Contract signature.

The submitted documents will be verified by the Joint Secretariat and may be returned for correction. Careful preparation of the necessary documents will streamline the process of their verification and enable the conclusion of the Grant Contract.

The Grant Contract shall be then drafted by the Joint Secretariat and submitted to the Managing Authority for signature. After that, it is sent by the Joint Secretariat to the Lead Partner. The Lead Partner has then 30 days (from the date of sending) to sign the Grant Contract and send it back to the Joint Secretariat either electronically signed or three originals of the Grant Contract that are

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<sup>38</sup> As an alternative procedure all amendments to the FAF may be incorporated into the WOD2021 module prior to submission to JS. Once finalized and approved within the WOD2021 module, the FAF is forwarded to the Project Module for contract signature.

dated, signed and stamped by the authorized representative of the Lead Partner (in case of the traditional signature).

### 12.3. Project state 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 Interreg NEXT Poland-Ukraine Programme must be registered by the Secretariat of the Cabinet of Ministers of Ukraine. The projects are registered after Grant Contract signature.

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

In order to register a project at the Secretariat of the Cabinet of Ministers of Ukraine, the following documents should be submitted:

- **letter-request (лист-клопотання) on the registration of the project from each of the Ukrainian Project Partners** (the Ukrainian Lead Partner and all Ukrainian Partners) in Ukrainian language,
- **letter-request (лист-клопотання) on the registration of the project from the Joint Secretariat** - 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 to the Contract) certified "true to the original" by the Lead Partner 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 Project Partner,
- **a procurement plan** (Annex 5 to the regulation of the Cabinet of Ministers of Ukraine No. 153 of 15.02.2002) – one original **signed by the Lead Partner** written in Ukrainian language or language suitable for the Donor with obligatory translation to Ukrainian.

A detailed step-by-step guide on the State Registration in Ukraine is available in Ukrainian on the Programme website ("Instructions for Ukrainian Beneficiaries on the Registration of International Technical Assistance projects in the Secretariat of the Cabinet of Ministers of Ukraine").

Lead Partner/Project Partner is obliged to inform JS on the ongoing process of project registration and on its completion. Upon completion, the registration card must be uploaded to the CST2021 in the attachments section.

## 13. PROJECT MODIFICATION

As a rule, each project should be implemented in line with the approved application and the Grant Contract. Any modifications to the scope of the project, the planned work packages and to the partnership should be avoided. The planned budget should be as precise as possible. If necessary, modifications of the project after Grant Contract signature are possible. However, they cannot result in substantial changes to the project objectives.

All the requests for changes in the project are submitted by the CST2021 Projects. To introduce the request in CST2021 please proceed in line with information presented in CST2021 Project change management manual.

### IMPORTANT

- Budget reallocations may not concern cost categories settled as flat rates;
- Changes to the project may be introduced only by following the rules set out in the Programme Manual. Any changes introduced contrary to the provisions of the Programme Manual will cause the expenses related to the change ineligible;
- If the change is to be applied in a given reporting period, it needs to be approved in CST2021 Projects before submission of the report, which the change is related to, for the controller's verification. In case the change is approved later – the Lead Partner includes it in the next reporting period;
- Any modifications to the Grant Contract and its integral annexes may only be made (i.e. approved by the relevant Programme body) during the technical and financial implementation period of the project, as referred to in § 5 of the Grant Contract.
- Any project modifications other than mentioned in the point above, can be made (i.e. approved by the relevant Programme body) till the approval of the project final report by the Joint Secretariat at the latest.
- All changes are requested only by Lead Partner which represents all project partners according to provisions of Partnership agreement § 4.

All the request for changes to the projects are submitted by the CST2021 Projects. To introduce modifications in CST2021 please proceed in line with information presented in CST2021 Project change management manual.

### 13.1. Types of modifications

#### 13.1.1. Modifications of the project to be approved by the Joint Secretariat

The following modifications require approval of the Joint Secretariat:

1. Changes having technical character:
  - changes of the Lead Partner's authorized person(s);
  - changes of the Lead Partner's registered office address;
  - changes of the Lead Partner's bank account and SWIFT or IBAN code;
  - changes of the name and address of the bank where the Lead Partner's account is established;

- changes to the remaining annexes to the Grant Contract;
  - changes of the start and end dates of the work packages.
2. Changes having substantive character:
- changes of description of the work packages;
  - insignificant decreasing/increasing of the planned target value of indicators;
  - introduction of the new indicators;
  - changes of description of the project indicators;
  - changes in the project budget related to reallocation of funds between work packages;
  - changes in the project budget related to reallocation of funds between project partners, which do not change the co-financing rate for any of the involved partners;
  - introduction of the new budget positions, deleting or dividing the existing budget positions;
  - changes in the description of budget positions.

### **13.1.2. Modifications of the project to be approved by the Managing Authority or Monitoring Committee**

The following modifications require approval of the Managing Authority or the Monitoring Committee:

- changes in the project budget covering reallocation of funds between the project partners, resulting in change of co-financing rate for any of the involved partners,
- significant changes in description of work packages (e.g. changes of location of implementing infrastructural works, etc.),
- introducing of additional activities/budget positions related to broadening of the initial scope of the project,
- significant decreasing/increasing of target value of the project indicator,
- cancellation of the project indicator,
- changes in the project partnership (adding/deleting/changing of the partner),
- changes in the project implementation period,
- using the savings for broadening the scope of the project,
- increasing the value of Programme co-financing of the project.

Depending on the nature and scope of the requested changes, they would need to be approved by Managing Authority or Monitoring Committee. In case the modifications directly influence the provisions of the Grant Contract, they must be made in a form of an addendum.

### **13.2. Procedure for implementing project modifications**

Depending on the institution initiating the project modifications, the following two types of procedures are foreseen:

- Procedure for modifications initiated by the Lead Partner.

In case any of the project partners faces a situation requiring amendments to the project, they inform the Lead Partner on such necessity without delay (e.g. via email or other way foreseen in the Partnership agreement).

#### **IMPORTANT**

- After being informed on the necessity of changes in the project by any of the partners, the Lead Partner is recommended to consult all the project partners on their potential needs in terms of project amendments, in order to submit one common request for changes, instead of several requests one by one;
- The Lead Partner is recommended to consult the responsible project manager at the Joint Secretariat on the planned project modifications before submitting the request.

To introduce changes to the project, the Lead Partner must submit a change request in CST2021 system. Following the guidelines outlined in Chapter 6 of the *SL2021 user manual – INTERREG Project Management Beneficiary version* (Annex 16 to this Manual) and complete the paper template of the *Request for Changes Form* (Annex 17 to this Manual) with details and justification of the proposed modifications. Additionally, supportive video materials with instructions on changes to the project are located on the Polish version of the Programme website. The completed form should then be submitted as an attachment in CST2021. If applicable, the Lead Partner should also include a relevant annex to the Grant Contract that is affected by the requested changes (e.g., *Legal Entities Form, Financial Identification Form, etc.*).

The JS checks the compliance of the changes submitted by the Lead Partner with the Programme rules (provisions of the Grant Contract and Programme Manuals) within 15 working days. When necessary, the JS shall request a correction of the submitted modification. If the modification complies with the rules of the Programme and has been properly introduced into CST2021 Projects, the JS approves it in CST2021 Projects. The JS may consult the requested changes with other Programme bodies, if needed. In such situation, the JS deadline for verification is suspended until receiving answer from the relevant body. The Lead Partner will be informed by the JS on the approval of the changes.

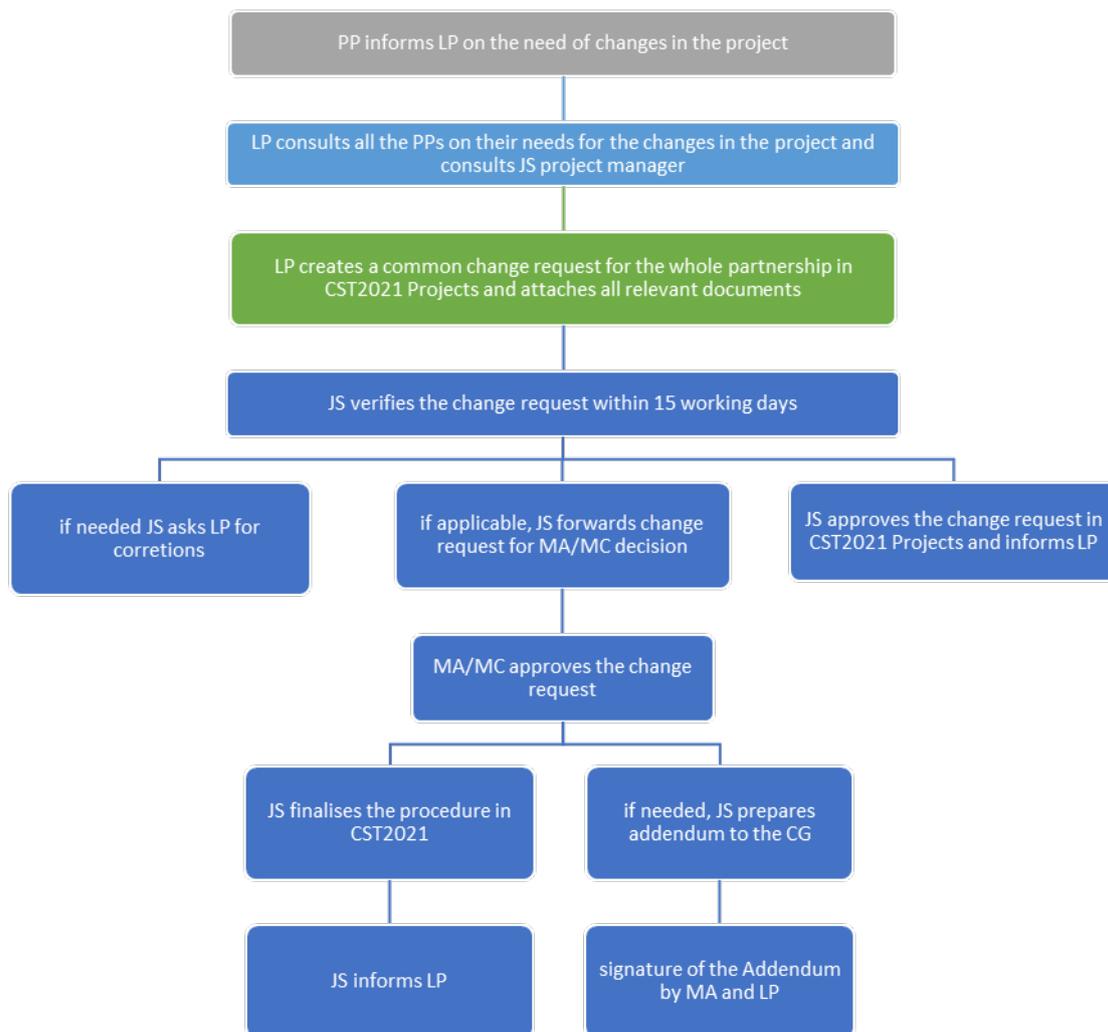
In case the requested changes require approval of the Managing Authority or the Monitoring Committee, the JS forwards the request to the relevant Programme body along with the JS opinion on the requested changes. After the changes are approved by the given body, the JS finalizes the approval of the change request in CST2021 Projects and informs the Lead Partner on that fact.

If needed, the JS prepares an addendum to the Grant Contract introducing the approved changes in the project. The procedure of signing an addendum is the same as for signing the Grant Contract.

All changes are recorded in the *Register of Changes*, maintained by the JS and attached to the CST2021 system.

#### **IMPORTANT**

- In case the modification covers the prolongation of the project implementation period, the change request should be created in the CST2021 Projects at least 30 days before expiration of the current implementation period;
- If applicable, an addendum introducing the changes needs to be signed by both parties before the expiry of the project implementation period.



### 13.2.1. Procedure for modifications initiated by the Programme bodies

In the justified cases, the Programme managing bodies can initiate the certain project modifications, which are considered to be necessary from the Programme’s implementation point of view. The project Lead Partner will be informed on the need of such changes in the project by the JS.

The JS is responsible for creating the changes initiated by the Programme bodies in CST2021 Projects. After creating a change request with the relevant project modifications, it is approved by the JS in CST2021 Projects. The Lead Partner will be informed by the JS on the approval of the changes initiated by the Programme bodies.

### 13.3. Using the project savings to expand the project results

The savings – the significant contracted funds, which were not spent after completion of the tasks within the given work package. **Significant savings** primarily arise from procurement procedures, which conclude at a lower amount than originally planned and estimated.

Savings identified in the project's budget during implementation **may** be used to expand the scope of planned work packages and/or undertake additional complementary work packages. This **might** require prior approval from the Monitoring Committee.

### **IMPORTANT**

- In principle, the use of the savings should cause an increase of values of the planned project's indicators and/or introducing new indicators.
- Reallocation of funds between the project work packages to cover insufficient funds in any of the work packages, is not considered using the project savings.

All the additional work packages to be financed from the savings, 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 use the savings, the Lead Partner shall follow the procedure for project's modification, according to this Manual.

### **13.4. Changes of the Partnership agreement**

When changes introduced in the project and approved by the relevant Programme body needs update of the Partnership agreement, it should be updated in line with procedures described in the Partnership agreement. The updated version of the Partnership agreement needs to be submitted to the JS via CST2021 with the next progress report submission at the latest.

## **14. FINANCIAL MANAGEMENT OF THE PROJECT**

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

Expenditures incurred and paid out by each Project Partner are verified by a number of different institutions. The verifications regard its compliance with the management and control requirements set in the Programme. Therefore, it is important to settle an accurate and transparent accounting system of the project.

The Lead Partner and all Project Partners 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 Project Partner's 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 project must be easily identifiable and verifiable. This can be done by using separate accounts for the project or by ensuring that expenditure for the project can be easily identified and traced to and within the Project Partner's accounting and bookkeeping systems.

The Lead Partner and all Project Partners shall ensure that all progress reports (which include both financial and narrative information on progress within the project) as required under the Grant Contract are properly and easily reconciled to the Partner's accounting and bookkeeping system and to the underlying accounting and other relevant records. We expect accounting records to be kept in accordance with general accounting principles.

Accounting records from the Lead Partner's and Project Partners' accounting system such as general ledger, sub ledgers and payroll accounts, fixed assets registers and other relevant accounting information may include:

- 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 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.

#### **IMPORTANT**

Each partner will be requested to send (via CST2021 Projects) the supporting documents to their controller. Therefore, the afore-mentioned documents must be stored at Project Partner's institution and be sent upon request to the controller.

#### Project bank account

All payments from the programme bank account to the Lead Partner are made in euro. Each of partners needs to have bank account in Euro for the project purposes exclusively.

Any interest on payments made by the Managing Authority to the Lead Partner shall not be due to the Managing Authority and may be used by the Lead Partner or by Project Partners.

#### Transfer of funds to project partners

With each progress report, the Lead Partner is obliged to attach in CST2021 Projects proof of payment of the grant to the partners. Project partners attach proof of receipt of payment from the Lead Partner. Detailed information please find in the Chapter 14 Reporting.

Transfer of funds by the Lead Partner to project partners' accounts should take place without delay, in accordance with the provisions of the Partnership agreement, the project schedule and accepted progress report. When transferring funds to Project Partners, the Lead Partner will take into account justified reductions or financial corrections imposed on the Project Partner's payment application by the Managing Authority. The Lead Partner informs the Project Partners about the imposed corrections. Corrections imposed regarding the Lead Partner cannot affect the value of funds due and paid to the Project Partners.

**Partners have the right to receive the full EU contribution from Lead Partner.** Therefore, the Lead Partner have the obligation not only to perform the payments, but also to keep the proof that they are made in full in line with provisions of the Partnership agreement and partial progress reports.

#### **14.2. 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 Program. 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 Interreg NEXT Poland-Ukraine".

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 Partner's (or Project Partner's) accounting system,
6. Description of expenditure,
7. Tender procedure – in case of Polish Partners respective article number in accordance with the public procurement law shall be indicated, in case of Partners from 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 must be prepared in Polish or Ukrainian or English and placed on the reverse side of the original invoice or other equivalent proof-of-value documents. 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 Partner's or Project Partners' seal.

### **14.3. Exchange rates**

Expenditure paid in another currency shall be converted into euro by each partner using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification.

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

### **14.4. Financial guarantees**

Any pre-financing payment to the Lead Partner, which is a non-governmental organisation and which, under the terms of the Grant Contract, amounts to more than EUR 1,000,000 shall be fully covered by a financial guarantee. By financial guarantee a bank guarantee or bill of exchange with an appropriate financial guarantee statement is meant. The Lead Partner shall draw up the financial guarantee in accordance with the following provisions:

- the Lead Partner shall submit a financial guarantee to the Managing Authority before submitting the payment claim (pre-financing payment will not be done before financial guarantee submission),
- the financial guarantee must be denominated in EUR and, except when otherwise agreed by the Managing Authority, must be guaranteed by an approved bank or financial institution established in one of the European Union Member States,
- the guarantee shall remain in force until it is released by the Managing Authority after the total pre-financing payment provided for in the Grant Contract has been cleared or the final balance payment has been made in the project.

### **14.5. Payment Schedule**

The payment schedule is a module in CST2021 that is intended to provide Programme institutions with information on the dates of submission of subsequent payment claims by the Project Partners

to controllers, the expenditure they plan to report in payment claims, and the requested amounts of co-financing in the form of an advance payment or reimbursement. Its creation and updating is the responsibility of each Project Partner throughout the entire implementation period of the project. The Lead Partner creates a common payment schedule for the project by pasting data from the schedules received from the partners into its schedule file. As a rule, the first schedule is submitted together with the Partnership agreement and updated until the end of every calendar quarter, starting from the next one. Each version shall be approved by the Joint Secretariat.

To create the payment schedule, the partners should follow the 'Beneficiary manual for Interreg programmes' describing the procedure for, inter alia, creating a schedule. The relevant deadlines, sample payment schedules and tips for filling out the form were provided in the 'SL2021 - PAYMENT SCHEDULE INSTRUCTIONS'. Both documents also available on the Programme website in tab FOR PROJECT PARTNERS/ CST2021 / SL2021.

## 15. REPORTING

### 15.1. General reporting rules

Progress reports provide information on the physical and financial status of the project. Regulations regarding settlement and financial flows in the project are specified in the Grant Contract.

#### Reporting periods

The reporting periods are flexible. It means that only the maximum length of the reporting period for the project has been defined and the Project Partners may submit progress report more frequently (in coordination with Project Partners and Lead Partner and in compliance with the procedures for reporting in the IT system).

The flexible reporting period result from the Grant Contract and the Partnership agreement, Partners cannot exceed the maximum periods:

- for regular projects: the maximum reporting period is 8 months and the maximum project duration is 24 months, or
- for LIPs: the maximum reporting period is 6 months and the maximum project duration is 30 months.

In order for the project to be implemented efficiently and without unnecessary delays, it is recommended to report immediately after spending the funds. Partner indicates the period covered by the progress report. It is highly recommended for Partners to submit reports in time to ensure that they have enough funds to implement the project, i.e. that they end the reporting period after spending 70% of the pre-financing payment, so that they have funds for implementation until they receive the next pre-financing payment. Therefore, the Partners have to agree on reporting periods schedule.

In justified cases, if the level of expenditure at the project level is insufficient to receive the next interim pre-financing payment in the full amount foreseen by the Grant Contract, the Lead Partner should ask the JS for permission for submitting the report with narrative part only (without reporting expenditure spent). In such a case, at least 14 days before the end of maximum reporting period concerned, the Lead Partner should send via CST2021 a request to the JS with appropriate justification. After analysis of progress of project implementation and level of expenditure

incurred, the JS may allow for submission of the report with the narrative part only. Submission of the narrative report without prior permission of the JS is not allowed.

## **IT system**

All reports are prepared by Project Partners in CST2021 Projects. Instructions for preparing a progress report can be found in the SL2021 User Guide – Payment Claims area (Version for Lead Partners, SPF Beneficiaries and Project Partners Interreg), Annex 18 to this Manual. Only authorized persons can send a ready progress report to the appropriate institution. Therefore, it is recommended to keep the list of persons authorized to work in CST2021 Projects up to date.

## **15.2. Reporting at partner level and project level**

Progress reports are submitted in two stages.

### **Partial progress report**

Each Lead Partner and Project Partner submits a partial progress report on its own behalf. The submission of the partial progress report to the controller starts the verification process – Project Partners are subject to a verification and are obliged to provide the necessary documents and explanations requested by the controller.

#### **IMPORTANT**

The controller uses the CST2021 Projects communication channel with project partner in the process of explanations and gathering additional documents while carrying out administrative verifications.

The controller will request Partners to provide the supporting documents for indicated items from the list of expenditure. During the verification of the progress report, the controller may ask the project partner for clarification or additional information and documents. The controller may return the progress report for correction. The controller has the possibility to correct obvious mistakes in the report. The procedure of complaints against the decision of the national controller is described in Chapter 20 of this Manual.

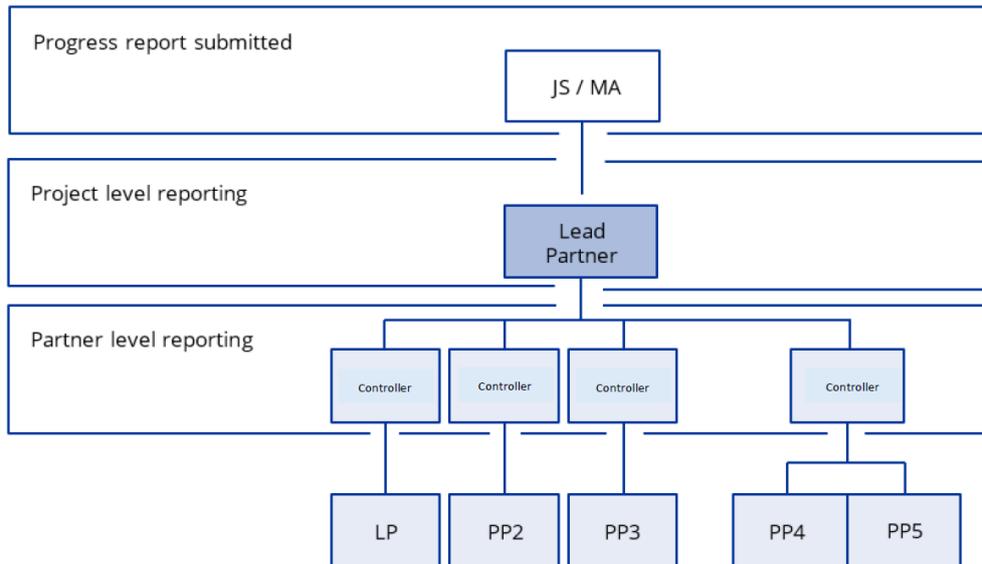
#### **IMPORTANT**

The Managing Authority does not examine objections regarding the results of the National controller verification.

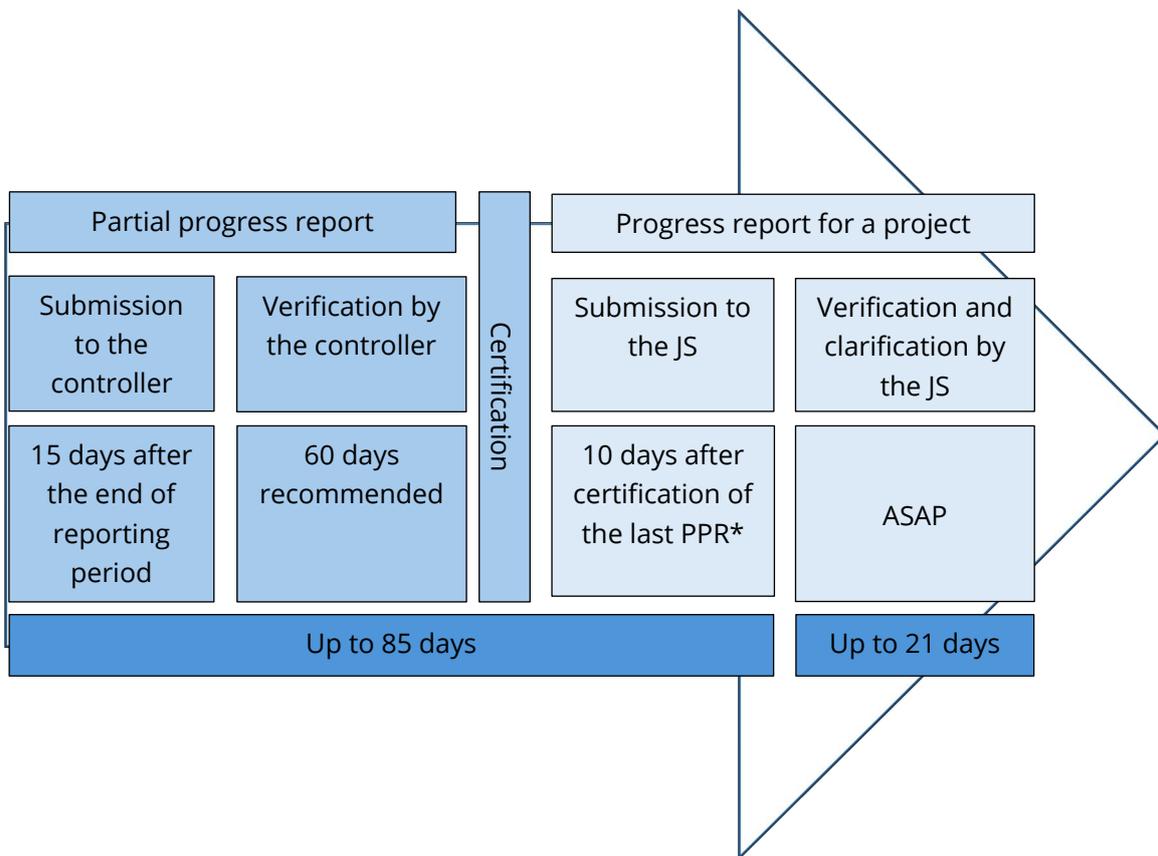
### **Progress report**

The Lead Partner on behalf of all Project Partners is obligated to submit progress reports during the implementation period according to the programme rules. Based on the approved partial progress reports, the Lead Partner prepares one progress report for the project. It covers information presented in all partial progress reports. Each progress report shall be submitted together with relevant documentation. When the pre-financing option chosen, submission of the proofs of transfer/receipt of the pre-financing payment by each partner at the reporting stage is required. This documentation needs to be enclosed with CST2021 Projects by each partner. Additionally the Lead Partner shall submit proof of transfer of the funds to relevant Project Partners.

The reporting scheme on the project and partner level is presented below:



The time schedule and document flow are presented below:



\*PPR – partial progress report

The Managing Authority shall pay the funds within 80 calendar days from the date of submission of the progress report for a project to the JS. The deadline may be extended, as described in § 10 section 14-15 of Grant Contract.

### 15.3. Final report and project closure

The end date for the implementation of the project is indicated in the § 5 p. 2 of the Grant Contract. The end date means the deadline for realization of the following activities:

- implementation of all work packages within the scope of project,
- reception of all works, deliveries, and services,
- payment for all project activities.

**All the costs reported in the final progress report must be paid. As a principle, all expenditures must be paid during the project implementation period. In case of costs relating to final project reports, i.e., final evaluation of the project, which may be incurred after the implementation period of the project to the date of the final progress report submission. These costs shall be paid not later than before the final progress report submission.**

No costs can be reported after the submission of the final project progress report.

The time schedule and document flow are identical as for progress reports.

### 15.4. Reporting in Small Project Fund

#### 15.4.1. Report for small project implementation

**REPORT FOR SMALL PROJECT IMPLEMENTATION** is an essential tool that enable to monitor the progress and effects of the project.

Small Project Beneficiary submits the report in English together with the annexes confirming the implementation of the activities and indicators in the *Application and Report Generator*<sup>39</sup> where Small Project Beneficiary will find guidance on how to complete it.

The report comprises two components:

- technical – concerning the substantive report on project implementation (activities carried out, indicators achieved, objectives, cross-border impact, problems),
- financial – concerning the financial settlement of the project (correctness of the lump sums used and implementation of the activities specified in the grant contract).

**ON BEHALF OF ALL BENEFICIARIES, THE REPORT(S) IS PREPARED AND SUBMITTED** to the generator by the **BENEFICIARY OF THE** small project, i.e. the entity with which the Small Project Grant Agreement was concluded. This also applies if the project has a planned financial participation of a Small Project Beneficiaries. The report must include information on the achievements of the partnership as a whole, including beneficiaries who do not report any expenditure during the reporting period.

**THE NUMBER OF REPORTS, REPORTING PERIOD(S) AND DEADLINE(S) FOR SUBMITTING** progress reports on a small project **WILL BE AGREED** with your institution **INDIVIDUALLY IN THE SMALL PROJECT GRANT AGREEMENT**, as they are linked to the schedule of tasks of your project. As a rule, Beneficiary should account for

<sup>39</sup> For attachments that cannot be attached in the generator for technical reasons, you should physically deliver them to the SPF Beneficiary

the expenses presented in the report for the period in which the task was completed, but no later than in the final report.

If Beneficiary do not manage to submit the report within the timeframe indicated in the Small Project Grant Agreement, ask SPF Beneficiary in writing for an extension. If the small project report is not submitted within the agreed timeframe, SPF Beneficiary will send to Small Project Beneficiary a reminder. If you still do not submit the report, this may be grounds for termination of the Small Project Grant Agreement.

#### **15.4.2. Verification of report for small project implementation**

The SPF Beneficiary verifies the lump sum amount, assigned to each task, submitted for settlement in the report for small project implementation in the "pass/fail" system. The verification of lump sums is carried out on the basis of the data contained in the report for small project implementation and the documents attached to it confirming the implementation of activities and the achievement of indicators specified in § 5(1) of the agreement.

The lump sum amount submitted for reimbursement shall be paid by the SPF Beneficiary only if the given task was completed in accordance with the Small Project Grant Agreement.

Method of settlement lump sums has described in the Manual for small projects.

#### **15.4.3. Partial progress report for the SPF**

The SPF Beneficiary shall prepare partial progress report for the SPF from the reports for small project implementation. The SPF Beneficiary shall submit to the relevant controller partial progress report for SPF.

A partial progress report for the SPF submitted to the controller includes:

- a list of small projects, including an indication of eligible expenditures settled with lump sums and the dates of reimbursement transferred to small projects,
- a flat-rate for the costs of managing the task "SPF project management".

The SPF Beneficiary shall present in progress report for the SPF only eligible expenditures and the expenditures which are in line with the grant contract current as of the date of incurring the expenditures. For this purpose the SPF Beneficiary shall ensure correctness and eligibility of costs, submitted by the small project beneficiaries for settlement, via:

- verification of correct lump sum calculation in draft budgets of the small projects;
- verification of achievement of the indicators, being the condition for lump sum settlement by the small project beneficiaries;
- conduction monitoring visits of small projects.

Only the expenditures incurred by the SPF Beneficiary in connection with the management of the SPF and reimbursements for small projects are included in the partial progress report for the SPF.

The controller shall verify the partial progress report for SPF and the eligibility of the expenditure declared therein. This verification shall be carried out in accordance with the rules, guidelines or procedures established in the state concerned and in accordance with the Programme rules.

The verification of the SPF Beneficiary's expenditure shall be carried out on the basis of the data contained in the progress report for SPF and the documents provided by the SPF Beneficiary.

If, during the verification of the partial progress report for SPF, the controller finds that the national or European Union rules or project implementation rules referred to in the Programme Manual have been breached, they may consider the relevant expenditure in whole or in part as irregularly incurred and reduce the value of eligible expenditure in the partial progress report for SPF accordingly. This shall also apply to the expenditure incurred prior to signing the Grant Contract.

The rules of procedure in the case of finding irregular expenditure are regulated by the Programme Manual, Rules and procedures on management verifications in Interreg NEXT Poland – Ukraine 2021-2027 Programme, by national guidelines on the correction of expenditure and the imposition of financial corrections, if such guidelines exist.

The controller shall communicate to the SPF Beneficiary the result of the verification of the partial progress report for SPF.

#### **15.4.4. Request for payment for the project**

From the partial report for the SPF approved by the controller, the SPF Beneficiary prepares a request for payment for the project in the IT system, which is verified by the JS. No fixed reporting periods are introduced, which means that timetable for submission of progress report for the SPF depends on available funds in the SPF Beneficiary account.

Progress report for SPF for the last reporting period (final progress report) shall be submitted to the JS no later than 2 months after the end of the SPF Project implementation.

The SPF Beneficiary shall provide documents, correct shortcomings in progress report for SPF and give necessary clarifications to the JS within the terms defined.

## **16. OTHER IMPLEMENTATION ASPECTS**

### **16.1. How to deal with project revenues?**

As a general rule project results (e.g. studies, policy recommendations, good practice guides) are expected to be freely available to the public. Following this principle and due to the nature of the activities carried out projects are not expected to generate revenues.

Revenues will not be reported within the Programme.

### **16.2. VAT**

#### **For Polish Lead Partners and Project Partners:**

- **VAT in projects with a total cost below 5 million EUR (including VAT)**

VAT in a project whose total cost (eligible and non-eligible costs) is less than 5 million EUR (including VAT) **is eligible**, whether is not a subject to additional restrictions arising from state aid rules.

- **VAT in projects with a total cost of at least 5 million EUR (including VAT)**

VAT in a project whose total cost (eligible and non-eligible costs) amounts to at least 5 million EUR (including VAT) is ineligible, unless there is no legal possibility of recovering the VAT according to national law.

- **VAT Eligibility Declaration**

Given that the right to reduce the VAT payable by the VAT deductible may arise both during the project implementation period and after its completion, Partners are required to submit a "VAT Eligibility Declaration" with the project funding application. The declaration consists of two integral parts:

- **Part 1:** The beneficiary declares that at the time of submitting the project funding application, there is no legal possibility to recover the VAT amount specified in the relevant section of the project funding application (this fact determines VAT eligibility).
- **Part 2:** The beneficiary commits to refunding the reimbursed VAT portion from EU funds if circumstances arise that allow VAT recovery.

The "VAT Eligibility Declaration" signed by the Partner is attached to the Grant agreement with the Lead Partner.

**IMPORTANT**

The eligibility of VAT in projects involving state aid is determined by the provisions of the GBER and depends on the possibility of its recovery in the light of national regulations.

VAT is actually incurred when it is paid in full (in the price of acquired goods or services). The Partners should be aware of their VAT status in relation to the planned project's work packages.

If the VAT status of the Partners changes during the course of the project implementation, the Partners are obliged to inform the Joint Secretariat and relevant controller about the mentioned change. The partner shall provide updated VAT statement in line with procedures described in the Chapter 15 Project modification.

**For Ukrainian Lead Partners and Project Partners:**

Ukrainian partners are exempt from paying VAT due to the obligation of register the project in Ukraine. Thus, VAT of the Ukrainian partners does not apply.

### **16.3. Irregular expenditures in the project, recoveries and imposition of financial corrections**

Irregularities are detected during, among others:

- verification of partial progress reports submitted by the Lead Partner of the project,
- on-the-spot verifications,
- audit of operations carried by the Audit Authority and Group of Auditors,
- control of other authorized bodies.

Irregularities may be detected in particular by the controller, the Audit Authority, the Managing Authority, the European Commission, the Court of Auditors (ECA), the European Anti-Fraud Office (OLAF), and other entities authorized under separate regulations or on behalf of these institutions.

Irregular expenditures may appear at various stages of project implementation. Detection of irregularities requires reduction of eligible expenditures in the Project Partner's progress reports or recovery of funds. It may also result in the imposition of a financial correction. To determine the effects of irregularities, the moment of identifying irregular expenditures is crucial.

**IMPORTANT**

If the identified irregularity constitutes the basis for the flat rate calculation, then expenditures settled as the flat rate will be proportionally reduced.

**Detection of an incorrect expenditure before it is approved by the Managing Authority in the progress report**

If institutions identify an irregular expenditure before approving the progress report in which the expenditure is indicated, the Partner will be informed about it by the controller.

If the Partner does not raise any objections to the controller's verification results, the verification result is considered final. If the Partner does not agree with the controller's findings, in accordance with the procedure specified in § 20 section 2-8 of the Grant Contract may raise objections to its decision via CST2021 Projects within the time limit and on the terms specified in the Grant Contract.

The controller will respond to the raised reservations and provide the project partner with the verification result. If the controller considers the objections positively, they will issue an updated control result. In the process of providing explanations and collecting additional documents, the controller and the Project Partner communicate via CST2021 Projects. The decision of the controller is final and cannot be appealed against.

The controller then returns the partial progress report to the Partner for correction. The project partner removes the incorrect expenditure from the progress report and may present another eligible expenditure in its place. If the Partner does not correct the partial progress report within the deadline set by the controller, the controller independently corrects and approves the application in the CST2021 Projects.

**Detection of an incorrect expenditure after its approval by the Managing Authority in the progress report**

If the controlling or auditing institution finds irregularities in the project, the Managing Authority will take action to recover the funds in the project.

Details on the types of controls and audits that the project may be subject to, including details of the procedures applicable to specific types of controls and audits, can be found in Chapter 5.1 Management verifications and Audits of the Manual. The available options for the Project Partner to appeal against the results of individual checks and audits can be found in Chapter 5.3 Complaint procedure related to the verification/audit findings of the Manual.

If an incorrect expenditure is identified in the progress report approved by the Managing Authority before being reported to the European Commission, no financial correction is imposed. Then it will be possible to re-use the funds in the project. The Joint Secretariat will notify the Project Partner and the relevant controller about this possibility and provide instructions on how to correct the cumulative values in the project financial summary. Information in this regard can also be found in the CST2021 User Manual - Chapter Progress reports, version for Lead Partners, SPF Beneficiaries and Project Partners, Chapter 3.2.8 Data block Refunds/corrections.

## **Recovery of funds**

In the case of projects that have chosen the pre-financing payment, the Managing Authority initiates the recovery procedure if it has previously approved the progress report in which the expenditure was shown to be correct.

In a situation where the project has chosen a reimbursement, the Managing Authority launches the recovery procedure after payment of the due co-financing as part of the progress report in which the expenditure was shown as correct.

First of all, the amount to be recovered will reduce the payment of the next pre-financing payment or reimbursement or payment of the final balance within the project. The Joint Secretariat will inform the Lead Partner about the reduction in payments.

In a situation where it is not possible to reduce the next payment for the project, the Managing Authority will issue a recovery order to the Lead Partner, in accordance with § 12 of the Grant Contract. The recovery order will contain the necessary legal and technical information regarding the recovery of funds. The Managing Authority will issue a recovery order in electronic form with the option to confirm receipt of the recovery order by the Lead Partner.

The Managing Authority will also start the recovery procedure in a situation where, in the final progress report, the value of pre-financing payments paid for the project exceeds the value of eligible expenditures approved in the project.

Recovery of funds from the Project Partner is carried out through the Lead Partner.

### **Detailed rules regarding the recovery of funds for the Lead Partner**

- The Lead Partner will specify in the Partnership agreement the procedure for recovering unduly paid amounts from the Project Partner. The Lead Partner, in accordance with the Partnership agreement, issues a recovery order to the Project Partner. The Project Partner returns the amount resulting from the recovery order to the Lead Partner, who then transfers it to the Managing Authority;
- If the Lead Partner does not obtain a refund from the Project Partner, he will inform the Managing Authority.
- If the recovery order issued by the Managing Authority concerns an irregularity detected in the Lead Partner expenditures, the responsibility for the return of funds remains solely with the Lead Partner. The Lead Partner may not deduct amounts or withhold pre-financing payments due to the Project Partner.
- The Lead Partner will not be held liable for failure to recover funds from the Project Partner, but it is responsible for proving that it has completed its due diligence in recovering the funds. This means at least that the Lead Partner issued a recovery order to the Project Partner, and after the deadline for return expired, it immediately issued another recovery order.
- If the Project Partner does not return the funds to the Lead Partner, the Lead Partner informs the Managing Authority, which then issues a recovery order to the National Authority appropriate for the registered office of the Project Partner.

### **Detailed rules regarding the recovery of funds for the Project Partner**

- The Lead Partner undertakes that the project partner will receive the due co-financing according to the Grant Contract. The exception is the situation when the Managing Authority deducts from the pre-financing payment/reimbursement resulting from irregular

expenditures identified by the Project Partner. The Lead Partner will then transfer appropriately reduced pre-financing payment/reimbursement to the Project Partner.

- In exceptional cases when the Lead Partner is unable to transfer the pre-financing payment/reimbursement to the Project Partner and this is confirmed by the National Authority, the Programme provides the possibility of making the direct payments to the Project Partner. Please contact the Joint Secretariat in this matter, which will initiate the appropriate procedure.

#### **Non-recovery of funds below EUR 250**

The Managing Authority refrains from recovering irregularities if the amount does not exceed EUR 250 of co-financing from the Programme funds. The Joint Secretariat will inform the Lead Partner about the lack of recovery after receiving information from the Managing Authority.

The threshold of EUR 250 is calculated simultaneously for the project and the financial year. The EUR 250 threshold applies only to the EU contribution. The phrase "up to EUR 250" means an amount equal to or less than EUR 250.

If subsequent project irregularities in a given financial year exceed the total threshold of EUR 250, the Managing Authority will recover all project irregularities in a given financial year from all partners who generated them (including those previously assigned to the EUR 250 procedure in a given financial year).

The Joint Secretariat will inform the Lead Partner about the need to initiate recovery after receiving information from the Managing Authority.

#### **Imposing financial corrections**

If an incorrect expenditure is found in the progress report after the Managing Authority reports the expenditure to the European Commission, the Managing Authority, in accordance with Art. 103 of Regulation 2021/1060 imposes a financial correction in the project. A financial correction consists in cancelling all or part of the co-financing of the Project Partner in the part corresponding to incorrect expenditures or simplified costs calculated on the basis of the Partner's incorrect real costs. The value of the financial correction will be equal to the amount of expenditures incurred incorrectly in proportion to the amount of co-financing.

In such a situation, the Project Partner who has been found to have an irregularity cannot declare other expenses instead of the incorrect expenditures.

The decision taken by the Managing Authority regarding the financial correction is forwarded to the Lead Partner of the project by the Joint Secretariat. The Lead Partner is obliged to inform about the decision the Project Partner affected by the financial correction. It is not possible to raise an objection against the decision regarding financial correction, in accordance with the procedure specified in § 20 section 2-8 of the co-financing agreement.

Please see some special rules for imposing financial corrections within SPF Project in Chapter 17.

#### **16.4. Contractual penalties**

Any payment received by any of the Project Partners or the Lead Partner arising from contractual penalties as a result of a breach of the contract between the respective Partner 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 deducted from the eligible expenditure in the project.

Expenditures relating to contracts, to which contractual penalties were applied, shall be settled in the project progress report in line with one of the following methods:

1. invoices or documents of equivalent probative value issued by the third party includes the value already decreased by the value of a penalty fee.

Expenditure shall be settled in the report in line with the invoice i.e. the real amount of the payment shall be indicated as a total eligible expenditure.

2. invoices or documents of equivalent probative value issued by the third party has the value of initial cost of the contract (without penalty fee).

The expenditure shall be settled in the report in line with the invoice (100% of the invoice). The following terms of payment are available:

- invoice was paid in full amount (100% of expenditure). Penalty fees were paid back separately by the third party.
- invoice was paid in the amount already decreased by the penalty fee. No actual transfer of money was done by the third party.

## **17. SPECIFIC PROVISIONS FOR SPF**

### **17.1. Types of activities in small projects**

Small projects within the COOPERATION priority may contain soft and investment activities.

Small projects within the ENVIRONMENT priority may contain soft and investment activities and also include small infrastructure elements.

#### **Small infrastructure element(s)**

shall be defined as works worth up to 50 000 euro, regardless of necessity to obtain building permission or its equivalent.

Small infrastructure element(s) cannot be the only or main purpose of a small project implementation. Small infrastructure element(s) are allowed in the small project, when all of the following conditions are met:

- the infrastructure shall correspond to the general and/or specific objectives of the small project;
- the infrastructure undertaking(s) shall be logically connected with and related to other activities of the small project;
- infrastructure created as part of small project shall be dedicated to public purposes.

Co-financing of small-scale local initiatives, possible due to the SPF Projects, shall create the foundation for larger, joint cross-border projects.

### **17.2. Eligibility of the Small Project Beneficiaries**

#### **Organizational criteria /legal type**

Only following types of organizations may play the role of the Lead Partners and Project Partners in the small project:

- 1) **institutions of national, regional, local governments** or association of such institutions;
- 2) **bodies governed by public law or by private law**
  - a. established for the specific purpose of meeting needs in the general interest, not having industrial or commercial character, and
  - b. having legal personality and
  - c. - 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;
- 3) **non-governmental organization** with legal personality.

In case of **Polish institutions** falling within the 1<sup>st</sup> type above, 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).

### Geographical location

Institutions from the following locations are eligible:

1. Programme area (referring to the legal address of the organisation).
2. In justified cases, organisations that are located **in Poland/Ukraine outside the Programme area** but have a recognisable impact and/or functional links with the Programme area.

In such case it shall be proven in the application that organization contributes to the benefit and bring added value to the Programme area. All its activities shall be dedicated to the good of that area and its participation is necessary for the achievement of the project goals.

### Special restrictions

Financial support will not be granted to any organisation – Small Project Beneficiary or the Small Project Lead Beneficiary, who was or has been involved directly or indirectly in the Russian military aggression on Ukraine. The list of entities excluded from possibility to receive grants may be checked:

- a) art. 5l.1 of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine;

- b) art. 7.1 of Act as of 13.04.2022 on special solutions in the field of counteracting supporting aggression against Ukraine and serving the protection of national security;
- c) list of persons and entities against whom sanction measures will be applied on the website of the Public Information Bulletin of the Minister of Internal Affairs and Administration;
- d) publicly available national data bases to verify if bodies are associated with entities supporting aggression against Ukraine (if established nationally).

**The SPF Beneficiary may not be a Small Project Beneficiary or a Small Project Lead Beneficiary in a small project, implemented within its SPF ('no own small projects' principle).**

### **17.3. Cross-border impact, cross-border partnership requirement**

Each small project has to demonstrate a cross-border impact – soft activities in a small project shall take place with the participation of representatives from both sides of the border, e.g. joint PL-UA workshops, trainings, rallies, whereas supplies and activities with infrastructure elements shall be built in into undertaking of the cross-border dimension.

To strengthen the cross-border impact of small projects, each small project, supported by the SPF, need to have at least one Small Project Beneficiary from Poland and one from Ukraine as well as activities implemented on the both sides of the border. Furthermore, minimum 20% of the joint small project budget shall be assigned to activities on each side of the border.

All joint small projects shall correspond to cooperation criteria, defined in [p. 4.5](#).

### **17.4. Call for applications for the small project co-financing**

After the signature of the Grant Contract for SPF with the SPF Beneficiary, the latter shall within 60 days announce a call for applications for co-financing small projects. Provided that the SPF project is approved by the MC and the Manual for small projects is approved by the MA, the call may be also announced before the signature of the Grant Contract for SPF.

Information about call shall be published by the SPF Beneficiary on its website and by the JS on the website of the Programme.

The call announcement shall contain at least the following elements:

- name and address of the institution announcing the call,
- subject of the call, name of the Programme and types of small projects to be supported,
- requirements for the applicant;
- core for proposals scope, conditions and available allocation;
- deadline and form for submission of applications,
- link to the application package.

Detailed procedure of submission applications for funding, assessment and selection of the projects shall be presented in the Manual for small projects.

## 17.5. Signature of Small Project Grant Agreement

The SPF Beneficiary (acting as the contracting authority) shall conclude Small Project Grant Agreement on co-financing of small projects within 90 days from the date of the SPFC decision to approve the small project for implementation.

### IMPORTANT

Please note, that the deadline of 90 days may be prolonged in some cases due to the on-the-spot control performed on the SPF Beneficiary just after the Small Project Fund Committee decision. Please also note that the amount of financing approved for small projects may change if the control reveals any irregularities in drafting the draft budget by the SPF Beneficiary.

## 17.6. Small project budget, co-financing level, budget structure

Small projects implemented within the SPF Project shall be co-financed in the amount of up to **90%** of eligible expenses. The minimum limit for co-financing of a small project is **20 000 EUR** and the maximum is **90 000 EUR**. The maximum total budget of a small project may not exceed **100 000 EUR**.

Small projects are settled using simplified cost options. A small project budget may contain one or more lump sums (e.g. by one for each activity or undertaking).

Each lump sum is estimated on the basis of a draft budget.

Each lump sum cost will be settled on the basis of achievement of indicator(s), assigned to it.

The cost categories that can be covered in a small project are as follow:

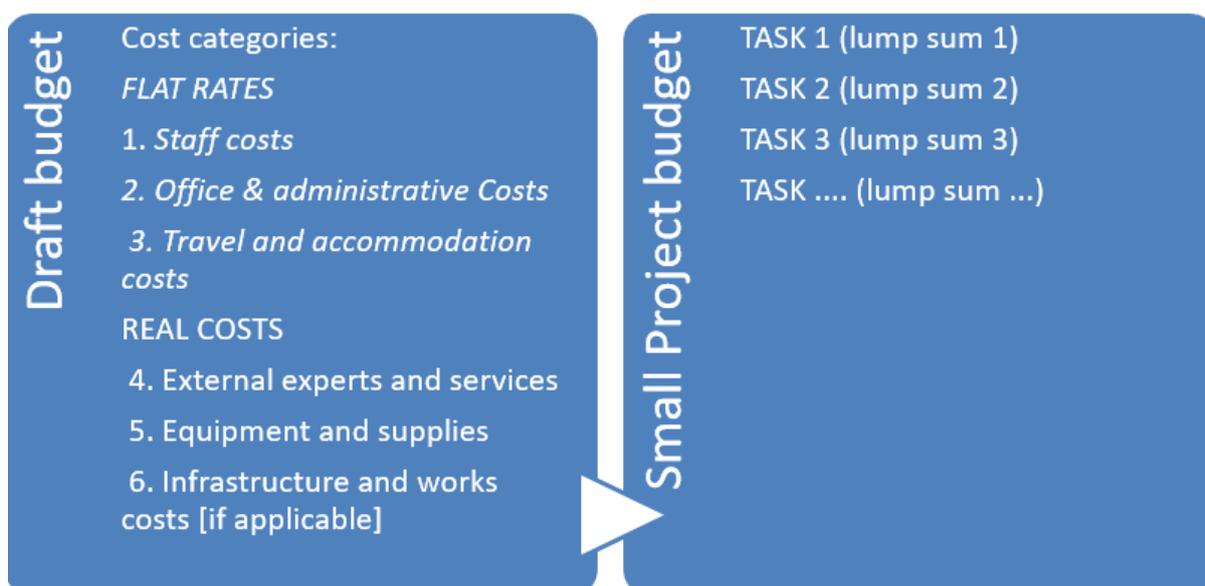
1. Staff costs
2. Office & administrative Costs
3. Travel and accommodation costs
4. External experts and services
5. Equipment and supplies
6. Infrastructure and works costs (applicable only for the SPF within Priority 1. Environment).

The amount of each lump sum (task) is calculated in the draft of the budget basing on real costs of:

1. External experts and services
2. Equipment and supplies
3. Infrastructure costs (if applicable)

In each small project, the staff, travel and accommodation costs, and office and administrative costs included in the lump sum are settled as a fixed flat rate:

1. Staff costs – 20% of the lump sum (task) budget
2. Office and administrative costs – 15% of staff costs
3. Travel and accommodation costs – 7 % of staff costs



A Beneficiary of a small project may either choose to settle staff with a 20% flat rate or not to settle staff costs at all. It is not possible to use a different rate or a different method of settling this category in a small project.

The absence of staff costs in a small project means that the Beneficiary of a small project also does not have to account for office and administrative costs, as well as travel and accommodation costs. It is not possible to use a different amount of flat rates or a different method of settling these categories in a small project.

Detailed provisions of Chapter 10 of the Manual are the relevant source for more detailed information on eligibility of these categories of costs.

When drafting the lump sum, the VAT of the Polish Small Project Beneficiaries shall be included into the lump sum amount as eligible, whereas the VAT of the Ukrainian Small Project Beneficiaries is ineligible. Detailed provisions on VAT eligibility are provided in Chapter 16.

The Small Project Beneficiary shall ensure project compliance with the rules of de minimis aid, described in p. [21.2.](#), [21.9.](#)

### **17.7. Implementation period of the small project**

As a rule, the implementation time of a small project cannot be longer than 12 months. In exceptional cases, at the written request of the Small Project Lead Beneficiary, accepted by the SPF Beneficiary, this period may be extended to 18 months.

The implementation period of each small project is specified in the Small Project Grant Agreement.

### **17.8. Settlement of small projects costs**

The SPF Beneficiary verifies the lump sum amount, assigned to each task, submitted for settlement in the small project payment claim in the "pass/fail" system.

The lump sum amount submitted for reimbursement shall be paid by the SPF Beneficiary only if the given task was completed in accordance with the call for application and Small Project Grant Agreement.

The SPF Beneficiary shall specify in the call for application the scope of documents confirming whether the objectives of the small project have been achieved at a level and in a standard that allow to settle the agreed lump sum amount. These documents may confirm obtaining of the product of a given task (e.g. report, strategy) or the task completion (attendance list, photo documentation, etc.). The most significant documentation for the task shall be listed. The accounting evidence documents shall not be necessary.

The documentation shall confirm not only the quantitative execution of the task, but also that the activities were performed in standard and scope, defined in Small Project Grant Agreement.

If defined documents are not presented in a full scope, the lump sum specified for the task shall be considered ineligible and shall not be paid.

### **17.9. Durability of small projects**

Small projects including infrastructure elements must follow durability rules as defined in art 65 of General Regulation. Small Project Beneficiaries may be subject to the durability verification conducted by the controller.

## 18. COMMUNICATION

### 18.1. Why communication is important?

Communication is used to implement the project effectively. It allows the Project Partners to reach out to various groups by providing them with information about the project in order to:

- encourage them to join the project, e.g., a training organized in the framework of the project,
- attract potential partners for future projects,
- inform and encourage the local community to benefit from its effects,
- interest the media in the project results, and thus build a positive image of itself and the EU that funded the project,
- inspire the local decision makers to take further steps on the project (however without using the EU support measures).

It is therefore so important that communication activities are planned at the stage of project preparation and included in the communication plan being an integral part of the co-financing application.

A good internal communication is also of importance, since it strengthens the mutual understanding and trust among the partners. This in turn affects the effective implementation of the project.

### 18.2. Communication obligations of the partners

#### 18.2.1. Obligations arising from the EU regulations

The communication obligations of each partner are laid down in the Common Provision Regulation and the Interreg Regulation. Belong to them:

- a) use of the Programme logo when implementing visibility, transparency and communication activities,
- b) publishing on own website or own social media (if partners run them) a short description of the project, also including:
  - goals,
  - results,
  - information about receiving financial support from the Programme,
  - Programme logotype,
- c) placing information about the support from the Programme in a visible way in documents and information materials related to the implementation of the project, intended for the general public or participants,
- d) for projects above EUR 100 000 that involve infrastructure, infrastructural component or the purchase of equipment: permanent durable information boards or posters in public places containing the Programme logo. This should take place immediately after the start of the physical implementation of the project or after the installation of the purchased equipment,

- e) for projects that do not fall under point d) placing in public places at least one poster of at least A3 size or equivalent electronic display with information about the project and support from the Programme,
- f) for projects of strategic importance (Large Infrastructure Projects) and the projects whose total budget exceeds EUR 5 million: organizing an information event and involving the European Commission (EC) and the Managing Authority (MA) in it<sup>40</sup>.

In case a Project Partner implements **at the same location** (understood as its premises or the place where the investment is carried out):

- several projects supported by the Interreg NEXT Poland – Ukraine Programme or
- a multi-stage project co-funded by the Programme,

the Partner can display **joint information board** for these projects at the location.

The partners are also obliged to make communication and visibility material available at the request of EU institutions, bodies and organizational units, e.g., the European Commission. The EU should be granted a royalty-free, non-exclusive and irrevocable licence for using the material along with any pre-existing rights arising from such a licence. The licence should give the EU the following rights as a minimum:

- a) the right to reproduce and copy the aforementioned material, and make it available to the institutions and organizational units of the Union and the institutions of the Member States and their personnel (internal use),
- b) the right to reproduce it by any means and in any forms, in whole or in part,
- c) the right to disclose it to the public by any means of communication,
- d) the right to distribute the material among the public, or its copies in any forms,
- e) the right to store and archive the material,
- f) the right to grant sub-licences for the material to third parties.

This obligation will not entail additional costs or administrative burdens for the partners<sup>41</sup>.

### **18.2.2. Reduction of funding for not performing the communication obligations**

Should a Project Partner not perform the obligations mentioned in point 18.2.1 letters a)-e) for regular projects or a)-f) for LIPs and SPF and not take remedial action, the Managing Authority will reduce the amount of co-financing granted to the partner by 2% as a maximum, as indicated in Table 3.

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<sup>40</sup> Points (a) to (f) pursuant to Article 36(4) of the Interreg Regulation

<sup>41</sup> Article 49(6) and Annex IX point 2 to the Common Provision Regulation

**Table 3. A percentage reduction in co-financing for not performing the communication obligations**

<b>Obligation of the partner</b>	<b>Range of reduction in co-financing for the failure to perform an obligation during the project implementation (% of the co-financing amount granted to the Project Partner)</b>
1. Placing a brief description of the project, a statement on its aims and results, the financial support from the Programme on its own website or on its own social media sites (if any),	0.1%-0.4%
2. Placing a statement highlighting the support from the Programme on documents and communication material relating to the implementation of the project, intended for the general public or for its participants	0.1%-0.4%
3. a) displaying durable information boards clearly visible to the public, presenting the Programme logotype - for the projects involving physical investment or the purchase of equipment, with regard to the projects having a value of more EUR 100,000. This should take place as soon as the physical implementation of the project involving physical investment or the purchase of equipment starts or purchased equipment is installed.	0.1%-0.4%
3. b) for projects not falling under point (3 a), publicly displaying at least one poster of a minimum size A3 or equivalent electronic display with information about the project highlighting the support from the Programme.	0.1%-0.4%
4. for the projects of strategic importance (LIP) and the projects whose total cost exceeds EUR 5 million, organizing a communication event and involving the European Commission and the managing authority to participate therein.	0.1%-0.4%
5. Other communication activities (excluding those mentioned in points 1-4): using the Programme logotype including the symbol of the European Union while carrying out visibility, transparency and communication activities.	0.1% per unit failure, maximum 0.4%

### 18.2.3. Additional obligations

The partners are also obliged to submit to the Joint Secretariat:

- a) the photographic and audio-visual documentation on the implementation of the project (inter alia, photographs, films, webcasts, radio and television broadcasts or scans of press articles). The technical and qualitative parameters for the selected material are set out in the Communication Guide for the Project Partners available on the [Programme website](#). The partners are obliged to agree on that this documentation may be used by the Managing Authority or the Joint Secretariat in their information and promotion activities. The documentation will be transferred under separate, royalty-free, non-exclusive licence agreements. A model agreement will be made available on the Programme website.
- b) information on planned and ongoing activities with regard to visibility, transparency and communication in the project (e.g., the organization of conferences) and the completed milestones of the project, including the completed products and results (e.g., a publication). This also applies to products that are developed by external contractors on behalf of the partners (e.g., a study report).

More examples may be found in the Communication Guide for the Project Partners.

The information should be sent to the Joint Secretariat by e-mail, not later than 14 days before the planned action and without unnecessary delay upon the completion of important stages of the project, including the development of a result, the delivery of a product.

#### **Additional obligations for Polish partners of grants from the state budget and special-purpose funds**

The Polish partners, which perform the tasks financed or co-finance from the state budget or special-purpose funds, are obliged to communicate such financing or co-financing accordingly<sup>42</sup>. If the tasks co-financed by the Programme are performed simultaneously, this obligation is to be performed independently of the information activities resulting from the legislation of the European Union and described in this Chapter. Such a combination of different sources of financing may arise where the own contribution a Project Partner contributes to the project comes from a public budget or special-purpose fund.

This implies in practice that the Polish Project Partner implementing a project in the Programme and additionally receiving the so-called state financial support is obliged, to give an example, to prepare two information boards – one board being consistent with the EU regulations and another one being consistent with the Regulation of the Council of Minister.

The Regulation of the Council of Ministers specifies:

- a) the types of information activities,
- b) the manner for their implementation, including the period during which they are to be implemented,

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<sup>42</sup> Regulation of the Council of Ministers of 7 May 2021 on the identification of information activities that are undertaken by the entities performing the tasks financed or co-financed from the state budget or special-purpose funds (Journal of Laws of 2021, item 953) and Article 35a(1) and Article 35b of the Public Finance Act of 27 August 2009 (Journal of Laws of 2021, item 305)

- c) the amount or amounts of financing or co financing from the state budget or public special purpose funds, up to which there exists no information obligation.

### 18.3. How to prepare a project communication plan?

The communication plan describes how information and promotional activities are carried out under the project.

The partners jointly plan the project communication and complement the communication plan that shall be then annexed to the Application form (Annex 4). The plan specifies:

- **Communication objectives** - two as a minimum - at the beginning and at the end of the project. If required so by the specific nature of the project, the communication plan may be extended by adding additional objectives for important stages of the project.
- **Target groups** - being directly linked to the communication objectives.
- **Communication activities** (those resulting from the obligations set out in this Chapter as a minimum). We also recommend identifying additional activities to help implement the planned objective and reach out to the target group.
- **Communication tools** - being tailored for each activity - and the target numerical value (pieces or persons).
- **Partner** - to be responsible for carrying out the communication activity.

Detailed information on the project communication plan along with practical examples can be found in the Communication Guide for the Project Partners.

### 18.4. Logotypes, names, acronyms

**The Programme logotype** contains the Interreg term, the symbol of the European Union and the statement on co-financing. The name of the Programme is placed beneath the Interreg term. The abbreviation 'NEXT' is also placed beneath this term and to the left of the Programme name. NEXT stands for 'neighbourhood external'.

It is mandatory to use the Programme logotype in any information and promotional material. More information on its use may be found in the Communication Guide for the Project Partners.



#### Project name and acronym

We recommend short and catchy project names – they are easier to remember and promote. Every project shall also have its acronym – a one-word name, combining up to max. 15 letters (capital also) and numbers, which reflects the project's content.

Examples of the projects' acronyms used in the previous Programme editions:

CraftNet; LUKASIEWICZ; TouchingThePast; CBCPaths; Songs4Seasons; Promo2Castles; EpidSafe; DcbCforAutism; RESCUE; BugUnitesUs; BCPMonitoring; HealthyCities.

More information on the project name and acronym may be found in the Communication Guide for the Project Partners.

### Project logotype

The basic project logotype shall consist of the Programme logotype and a project acronym. Following three models (and their language variations presented in the Communication Guide for the Project Partners) are equally acceptable in the Programme:

Project logotype. Model 1:



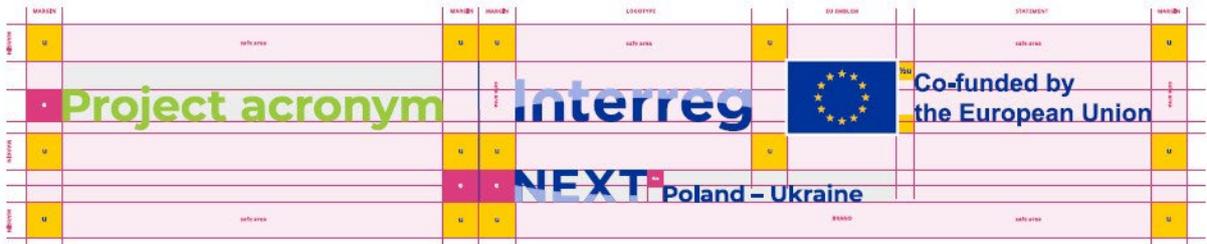
## Project acronym



Project logotype. Model 2:



Project logotype. Model 3:



The project can also create its own additional logotype. The project logotype should be then attached to the Programme logotype as indicated in the Communication Guide for the Project Partners.



Whenever the project name/project acronym or project logotype is used, the Programme logo should also be used.

No other visual elements should be added within the area of the Programme logotype and project logotype/project acronym/name.

The Communication Guide for the Project Partners lays down the principles for communication that allow to use the project logotypes developed under the former editions of the Programme (2014-2020, 2007-2013).

## Colours and icons for the areas of EU support

The tailored made icons in different colours may be used to graphically present the areas of EU support. More information on this matter may be found in the Communication Guide for the Project Partners.



## 19. FRAUD AND CONFLICT OF INTERESTS

The European Commission principle **ZERO TOLERANCE TO FRAUD!**<sup>43</sup> is followed by the Programme.

The projects of the Programme are being co-financed from the funds, derived from the taxes of the European Union citizens. Therefore, institutions of the Programme implementation shall ensure that decisions, related to spending of the European funds, are taken in a transparent, impartial and objective way. The bodies, related to the Programme implementation are Programme institutions, applicants seeking for the co-financing as well as Beneficiaries, being co-financed through expenditure reimbursement. All these bodies shall follow the principles, related to spending of the European funds: both national legislation and European Union regulations, as well as Programme requirements.

Abovementioned principles are applicable on every stage: when applying for the co-financing, during the project implementation as well as within the sustainability period.

Violation of these rules constitutes irregularity or fraud.

### What irregularity and fraud mean?

**Irregularity** means every violation of the EU or national legislation, resulting from actions or omissions of the institutions dealing with European funds, which may result in unjustified expenditure on the Union budget.

**Financial fraud** means action or omission, aimed at the misappropriation or unlawful retention of funds derived from the EU budget. Frauds may include:

- issuing or use of false, inaccurate or incomplete statements or documents,
- non-disclosure of information in violation of a specific obligation,
- misuse of the European funds for purposes other than those for which they were originally granted,
- misuse of legally obtained benefit<sup>44</sup>.

<sup>43</sup> Article 325 of the Treaty on the Functioning of the European Union <https://eur-lex.europa.eu/legal-content/PL/TXT/?uri=CELEX:12016E325>

<sup>44</sup> COUNCIL ACT of 26 July 1995 drawing up the Convention on the protection of the European Communities' financial interests (95/C 316/03) [https://eur-lex.europa.eu/legal-content/PL/TXT/PDF/?uri=CELEX:31995F1127\(03\)&from=PL](https://eur-lex.europa.eu/legal-content/PL/TXT/PDF/?uri=CELEX:31995F1127(03)&from=PL)

The fraud often involves wilful misrepresentation to obtain personal gain, providing benefits to a related person (e.g., a family member) or a third party (e.g., a public procurement contractor), or exposing someone to loss.

The most frequently identified frauds include: conflict of interest, corruption, forgery and violation of public procurement rules.

### What conflict of interest means?

A conflict of interest is a specific case of fraud.

A conflict of interest occurs when the impartiality or objectivity of the decision-maker related to the spending of European funds is compromised for reasons of family, emotional, political, economic or any other direct or indirect personal interest<sup>45</sup>.

This means that a serious risk of a conflict of interest exists, inter alia, in a situation where the contracting authority and the contractor (or authorized representatives of the program institution and the Beneficiary) are related (in particular parents, children, siblings, spouses, parents and siblings of the spouse) or have economic or political relations.

All persons involved in spending European funds are obliged to avoid any conflict of interest.

### Ways of preventing irregularities and fraud

All institutions involved in spending of European funds shall introduce the rules of fraud prevention and procedures to be followed in case of finding or suspecting fraud, including a conflict of interest.

To ensure protection of European funds against fraud, the Programme anti-fraud policy has been introduced. Its rules are described in detail in the Manual "[Combating financial fraud](#)" published on the [Programme website](#).

If an irregularity or fraud on the part of the institutions responsible for the Programme implementation during its execution or during the carrying out of the project that has received Programme co-financing is noticed or suspected, it shall be reported to one of the following institutions:

- Managing Authority,
- National Authority,
- controller,
- Joint Secretariat, or
- on the mailbox: [Nieprawidlowosci.EWT@mfi.gov.pl](mailto:Nieprawidlowosci.EWT@mfi.gov.pl)

If a crime is suspected, it shall be immediately notified to:

- competent investigating authorities – in accordance with national law,

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<sup>45</sup> REGULATION (EU, Euratom) 2018/1046 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 <https://eur-lex.europa.eu/legal-content/PL/TXT/PDF/?uri=CELEX:32018R1046&from=PL>

COMMISSION NOTICE Guidance on the avoidance and management of conflicts of interest under the Financial Regulation (2021/C 121/01) [https://eur-lex.europa.eu/legal-content/PL/TXT/PDF/?uri=CELEX:52021XC0409\(01\)&from=LV](https://eur-lex.europa.eu/legal-content/PL/TXT/PDF/?uri=CELEX:52021XC0409(01)&from=LV)

- Managing Authority (for Polish Beneficiaries),
- National Authority (for Ukrainian Beneficiaries).

Each person who makes decisions related to the spending of European funds is obliged to submit a declaration of impartiality. The purpose of this statement is to reduce the risk of the conflict of interest. This obligation is based on the European Commission's guidelines on the avoidance and management of conflicts of interest.

This means that the Beneficiary must sign and keep a declaration of impartiality in the project documentation for each contractor in the project. If the Beneficiary identifies or suspects a conflict of interest, it shall refrain from making a decision. During the control activities, the controller, Joint Secretariat or Audit Authority, on the basis of the available registers, may check whether the declaration has been submitted and whether it is reliable.

### **Irregularities and fraud in public procurement<sup>46</sup>**

All project expenses must comply with the law. The process of selecting suppliers of goods, services and contractors for construction works must be conducted in a manner ensuring transparency of decisions and equal treatment of all participants.

When acting as a contracting authority in a procurement procedure, the Beneficiary shall avoid situations that may lead to a conflict of interest. The contracting authority shall take immediate action to remedy the situation where there is a conflict of interest. The measures taken in such a situation depend on the stage of the procedure.

For example, at the stage of selecting a contractor:

- a member of the tender committee who declares that he is related to the tenderer must refrain from working in the committee and be replaced by another person,
- the contracting authority that finds a relationship with a tenderer cannot award a contract to this tenderer,
- if a conflict of interest is detected after the contractor selection procedure is completed, the procurement procedure must be cancelled and repeated.

Obligations of the Polish Project Partners related to the conflict of interest are regulated by:

- Public Procurement Law, and
- competition rule.

Obligations of the Ukrainian Project Partners related to the conflict of interest are regulated by:

- the Law of Ukraine "On Prevention of Corruption"

If it is found that the award of public contracts has been irregular or fraudulent, an appropriate financial correction will be applied in line with the current Commission guidelines<sup>47</sup>. According to these guidelines, a conflict of interest that affects the outcome of the procurement procedure

<sup>46</sup> Art. 24 of Directive No 2014/24/UE <https://eur-lex.europa.eu/legal-content/PL/TXT/PDF/?uri=CELEX:32014L0024&from=PL>

<sup>47</sup> COMMISSION DECISION of 14 May 2019 laying down the guidelines for determining financial corrections to be made to expenditure financed by the Union for non-compliance with the applicable rules on public procurement

results in a correction of 100% of the costs incurred in relation to the contract. This means that the controller will consider such expenditure fully ineligible.

Most common mistakes when awarding contracts have been gathered and presented in Annex 10 to this Manual.

### **The financial corrections for non-compliance with the rules on public procurement**

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. The financial corrections will be made 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 laid down in the up-to-date Commission Decision of laying down the guidelines for determining financial corrections to be made to expenditure financed by the Union for non-compliance with the applicable rules on public procurement (applicable from 14 May 2019) and in Programme rules.

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.

#### **IMPORTANT**

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.

## **20. MANAGEMENT VERIFICATIONS, AUDIT TRAIL, AUDIT**

Each partial progress report shall be submitted to the controller for the purpose of its verification.

The aim of the management verifications is to confirm the eligibility of the expenditures declared, their compliance with the Programme rules, European Union and national legislation, information and promotion compliance, achievement of the indicators, and the audit trail

For the purpose of carrying out management verifications, each country has set up a control system according to Article 46 (3) of the Regulation 2021/1059 (Interreg Regulation) and Article 74 of the Regulation 2021/1060 (Common Provisions Regulation).

controllers have been set up:

#### **In Poland:**

- for partners from Podkarpackie Voivodeship – Podkarpackie Voivodeship Office in Rzeszów;
- for partners from Podlaskie Voivodeship – Podlaskie Voivodeship Office in Białystok;

- for partners from Lubelskie and Mazowieckie voivodeships – Center of European Projects – Control Department<sup>48</sup>.

#### **In Ukraine:**

- State Audit Service of Ukraine.

### **20.1. Audit trail**

From the Partner perspective, in order to properly identify each financial operation and correspond it to the physical progress and Programme requirements the Partners group Project documents and data elements into the Audit trail that should be provided to controllers, Audit Authority/Group of Auditors, and/or other Programme institutions in the course of the Project monitoring.

An audit trail is a chronological set of accounting records that provide evidence of the sequence of steps undertaken by the project partners and Programme bodies for implementing project.

The proper keeping of accounting records and supporting documents held by the project partner and its controller ensures an adequate audit trail. In turn, setting up and maintaining an adequate project audit trail is a basic requirement for the eligibility of the expenditure claimed.

At the Project Partner level, the audit trail includes among others:

- Application Form,
- Grant Contract,
- Partnership agreement,
- Progress report for the project,
- Partial progress report from the implementation of their own part of the project with annexes,
- information on the conclusion of the procurement contract or any amendment to it,
- procurement documents on the awarded public procurement contract,
- clarifications to provided documents requested by controller or Joint Secretariat,
- accounting documents (bank statements) confirming expenditure on each budget line of the work package,
- documents confirming each payment obligation resulted to the expenditures: invoices, contracts, acts of work accomplishment, time sheets, etc.
- additional procurement documents such as: internal procurement procedures regulations with amendments, selection protocols, public notifications, etc.
- conclusions of all audits and controls performed,
- other necessary documents upon request of the controller, Audit Authority.

For the Programme perspective the Audit trail will reflect to the controllers and Audit Authority the sequence of measures of both financial and physical progress of the Project and will allow to carry out the management verifications and therefore confirm the eligibility of declared expenditures,

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<sup>48</sup> By the decision of the MA, individual partners may be allocated to a different controller than indicated in this Manual – each partner will be informed about it by the JS.

compliance with EU and National Legislation requirements, Programme rules on Communication and Promotion.

Please remember that all communication with the controller is arranged in the CST2021 Projects.

It is recommended to proactively contact to the controller and clarify in advance the time schedule, scope of control and procedural requirements of the verifications.

## **20.2. Management verifications and audits**

As the key instruments for the Project monitoring the control and management systems of the Programme provides such two main lines of controls for the consideration of the Project Partners as Management verifications and Audits.

### **Management verifications**

Management verification is the process of confirming the eligibility of expenditures and the correctness of the project implemented by the project partner. Management verifications include:

- **administrative** verifications in respect of each partial progress report made by partner, and
- **on-the spot** verifications.

### **Administrative verifications**

Administrative verifications are carried out by the controller with respect to each partial progress report submitted by the project partner.

Scope of administrative verifications:

The controller verifies whether:

- the partial progress report has been correctly filled in according to formal obligations,
- the partial progress report is correct in terms of calculations,
- the partial progress report fairly presents the progress of the project and indicators,
- if expenditures declared are correct and eligible,
- if the project partner and other entities engaged in the project implementation maintain a separate accounting system or adequate accounting code for all transactions relating to the project without prejudice to national accounting rules (does not apply to SCOs),
- /if it results from the Programme documents/ the Grant Contract is correctly implemented in the part relating to the project partner, taking into account the achievement of indicators, if the partner is responsible for the implementation of part or all of a specific indicator,
- if participants of activities carried out in the project meet the participation requirements specified in the project,
- if the communication activities planned by the partner in the communication plan are implemented by them correctly and project is implemented in line with the EU requirements on communication. The above-mentioned requirements are listed in Art. 47 of CPR and in points b) to e) of the article 36 (4) of the Interreg Regulation,
- if eligibility rules have been respected (in particular public procurement and fair competition, environment protection, State aid, VAT, equal opportunity as well as publicity and information requirements),

- if the amounts of the expenditure seem to follow sound financial management and are in line with principles of economy, efficiency, and effectiveness,
- if conditions for payments have been fulfilled for SCOs.

Once the partial progress report is submitted to the controller by the project partner, the controller will ask for delivering documents proving the eligibility of expenditures. The exchange will be done with the use of CST2021 Projects.

The verification will be finalized when the controller approves the partial progress report and sends this information to the project partner.

Please note, that the partner has the right to appeal against the decision of the controller and their findings included in the information on the verification of the partial progress report. For the details see [p.16.3](#).

#### **IMPORTANT**

Verification of public procurement and the competition rule may take place independently from the verification of partial progress report or on-the-spot verification. The partner may be asked by the controller to provide documents related to public procurement “outside” the reporting periods.

The controller will ask partners to provide list of public procurements and changes to them on regular basis. The partner is obliged to timely provide the information to the controller.

#### **On-the-spot verifications**

On-the-spot verifications encompass:

- **On-the-spot** verifications
- **Ad-hoc on-the-spot** verifications
- **Monitoring visits**

#### **On-the-spot verifications**

On-the-spot verifications are carried out by controllers. The aim of the on-the-spot verifications is to provide a reasonable level of assurance that the project is implemented effectively and the objectives are achieved, as well as to prevent errors and irregularities within the project.

The scope of on-the-spot verifications focuses in particular on:

- if the products and services co-financed have been delivered,
- if expenditures declared by the partner are in line with the approved Application Form, the Grant Contract and the Partnership agreement,
- if expenditures declared by the partner in connection with the implemented project were actually incurred (if applicable) and are consistent with the law, the requirements of Programme documents and with EU and national rules,
- /if applicable/ if the partner partial progress report illustrates the progress of the project, including the implementation of indicators (if the partner is responsible for the implementation of a specific indicator),

- if the partner maintains a separate accounting system or adequate accounting code for all transactions relating to the project without prejudice to national accounting rules (does not apply to SCOs),
- if activities regarding visibility, transparency and communication are performed correctly,
- if the accessibility of the project's products for people with disabilities and the concept of universal design are reflected in the implemented project,
- if Lead Partner fulfils the obligation regarding the transfer of funds to the partners as specified in Art. 26 (2) of the Interreg Regulation (applicable for the controller of Lead Partner only),
- if conditions for storing documentation have been met.

The controller decides on the timing (moment) of the control individually for each project.

On-the-spot verifications done by controllers are performed either at the premises of the partner or/and in any other place where the project is being implemented. The partner is obliged to allow access to the premises and/or project implementation place to the controller.

Please note that the partner must be notified on on-the-spot verification in advance. There are however exceptions from this rule, when the controller may perform their activities without notifying the partner. The control may also be carried out with use of e.g. drones, etc. It is allowed however only in well justified cases: suspicion of crime/fraud, etc. The beneficiary will be informed of its results.

When performing the on-the-spot verification the controller uses CST2021 Projects communication module for receiving additional documents or explanations from the controlled partner.

The procedure for this type of control is the following:

- the controller sends the notification on on-the-spot verification minimum 7 calendar days before the envisaged date of the control,
- the controller draws up and send to a partner a Control Report with findings and recommendations for improvement. The controller shall set a deadline for implementing recommendations if such were issued during the control. The deadline is set by the controller taking into consideration the character of findings, i.e. giving partner enough time to implement recommendations and or undertake corrective actions,
- the Partner is allowed to object the findings and present their own opinion/statement. The controller will inform the partner about it in the Control report or in the letter. The so called contradictory procedure shall last 14 calendar days from the date of receiving the Control Report by the Partner,
- if the Partner does not raise objections, the Control Report is deemed final,
- the controller informs about his/her decision not later than in 10 calendar days and informs the partner that the decision is final and may not be further appealed against. The controller sets the deadline for the partner to implement recommendations,
- the controller may undertake additional activities and/or ask for additional documents should he/she find it necessary to present its opinion once the Partner raised objections to the findings. The deadlines are being prolonged in such a case,

- the controller checks if the recommendations were implemented during the follow-up verification. This can be performed either on-the-spot or based on documents (depending on the character of finding),
- if the follow-up verification is carried out as an on-the-spot verification the controller informs the partner about it beforehand, as defined in the first bullet,
- having finalized the follow-up verification, the controller sends a note for information of the partner. The note cannot be appealed against.

### **Ad-hoc verifications**

An ad-hoc verification may be performed by controller to check the actual implementation of the project in the following cases:

- the controller has information on irregularities/failures/deficiencies or fraud in the project or suspicions thereof,
- the Partner does not submit progress reports and/or supporting documents,
- if, basing on their own professional judgement, controller decided that the control will smooth the settlement of the project and/or will minimize risk of irregularities,
- upon request from the Managing Authority for the ad-hoc verification to be performed.

When performing the ad-hoc verification the controller follows mostly the rules and procedure of earlier mentioned on-the-spot verification.

### **Monitoring visits**

Monitoring visits are carried out by the controller 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 more limited. The controllers 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.).

The focus of the monitoring visits is basically the following:

- verification of the progress in project activities (stage of works) and if products have been delivered, services provided, works accomplished,
- verification of the obligations related to communication and visibility,
- verification of the course of the event and confirming the actual number of participants in the project's events.

The procedure of the monitoring visits is the same as for the on-the-spot verifications.

Controllers prepare the post-control information and send it to the Project Partner. The Project Partner has the right to appeal against it. The Partner sends its objections (preferably by the CST2021 Projects) to the controller within 14 calendar days from the day he/she received the outcomes.

### **20.2.1. Special rules for the SPF Project verification**

The SPF Project is subject to the same verification rules as all other projects, however there are some certain specific rules designed for this particular project, which are described in this chapter.

The control of the SPF is carried out by the national controller assigned to the SPF Beneficiary:

- Polish controller is appointed for the SPF, managed by the SPF Beneficiary located in Poland. The controller verifies all Small Projects Beneficiaries of this SPF, regardless of their nationality and place of registration (i.e. both Polish and Ukrainian Small Projects Beneficiaries);
- Ukrainian controller is appointed for the SPF, managed by the SPF Beneficiary located in Ukraine. The controller verifies all Small Projects Beneficiaries of this SPF, regardless of their nationality and place of registration (i.e. both Polish and Ukrainian Small Projects Beneficiaries).

#### **20.2.1.1. Management verifications of SPF Project**

The SPF project is subject for management verifications, which compose of:

- administrative verification of the SPF payment claim for the project – which covers the management costs and the small projects;
- on-the-spot verification of the SPF project.

The verification is carried out based on the documents listed in the Grant Contract, submitted by the SPF Beneficiary together with the partial payment claim via SL2021 or directly during the on-the-spot verification.

#### **20.2.1.2. Administrative verification**

The administrative verification of SPF partial payment claim is carried out by the controller of the SPF Beneficiary and includes:

- a) in relation to the SPF management costs:
  - verification of the correctness of management costs calculation (in accordance with section 2.4),
  - verification of indicators achievement,
  - verification of fulfilment by the SPF Beneficiary of communication and visibility requirements,
  - confirmation of payments for small projects (pre-financing and final balance payments),
  - confirmation of settlement of tranches of pre-financing payments in accordance with the deadlines set in the Grant Contract,
  - formal verification of the partial payment claim.
- b) in relation to the small projects implementation:
  - verification of fulfilment by the Small Project (Lead) Beneficiary of communication and visibility requirements,
  - verification of fulfilment conditions for lump sum payment, defined in the contract for financing of the small project,
  - formal verification.

### 20.2.1.3. On-the-spot verification of the SPF Project

On-the-spot verification of SPF Project is carried out by the SPF Beneficiary's controller and includes:

- a) in relation to the SPF management:
  - establishing a non-discriminatory and transparent selection procedure;
  - use of objective criteria for selection of the small projects, enabling avoidance of the conflict of interest;
  - evaluation of the small projects' applications,
  - selection of the small projects,
  - verification if the amount of support for each small project (so called draft budget) was determined correctly,
  - implementation of the SPF Project,
  - keeping of separate accounting records in accordance with the Programme requirements,
  - publication of the list of the Small Projects Beneficiaries,
  - fulfilment of requirements concerning communication and transparency,
  - fulfilment of requirements concerning the keeping of documentation.
- b) (optional) in relation to the small projects implementation:
  - visit at the place of the small project implementation or at the premises of the small project (Lead Beneficiary). The controller verifies during the visit whether the goods or services have actually been supplied or delivered in accordance with scope and standard defined.

### 20.2.1.4. Special rules concerning timing of on-the-spot verification of the SPF Beneficiary

The on-the-spot verification is performed by the controller of the SPF Beneficiary.

There are two possibilities of conducting the verification. The controller may carry out the control after or before the contracts with Small Projects Beneficiaries are signed.

The two options differ as to the way the corrections or financial corrections for irregularities are determined.

After having been notified by the controller, the SPF Beneficiary is obliged to give access to all documents to the controller. It is advised that the SPF Beneficiary and the controller cooperate closely during the on-the-spot verification.

**NOTE:** the rules of determining the irregularities and the consequences of drawbacks/irregularities, including imposing financial corrections, are described in subChapter 20.2.1.6

The SPF Beneficiary will be asked to ensure that the drawbacks/irregularities alleged during the control are corrected. It is the SPF responsibility. If the SPF Beneficiary does not ensure that the drawbacks are corrected as requested and it will sign the contract with small project, the irregularity will be declared and financial correction will be imposed in line with rules described in subchapter 20.2.1.6.

In case of doubts as to the procedure, the SPF Beneficiary shall contact its controller.

#### **IMPORTANT**

The controller has the right to verify the SPF Beneficiary's project at a later stage as part of ad hoc control, if he/she receives a signal or suspects irregularities him/herself. Please also note that the SPF project may be audited/controlled by other control authorities.

### **Procedure for conducting the on-the-spot verification after signing the contracts with Small Projects Beneficiaries – general rules**

The on-the-spot verification can be carried out also after the contracts with Small Projects Beneficiaries are signed. In this case any drawback that will be identified will be treated as irregularities in the SPF Project. In case the irregularities are alleged, the financial correction will be imposed. The financial corrections are calculated and imposed in line with the general rules for imposing financial corrections described in subchapter 20.2.1.6.1 point 2 and 20.2.1.6.2.

#### **20.2.1.5. Other controls and audits in SPF Project**

The SPF Beneficiary may be subject to the control and audits carried out by other authorised bodies, like the audit authority and the group of auditors, ECA, European Commission, national authorised bodies and is obliged to get themselves subject to these controls and provide documents and access to premises. The rules defined in Chapter 20.

These controls and audits will take place once the contracts with small projects are signed, therefore any drawbacks found during these controls will result in declaring the irregularities and imposing financial corrections for the SPF Project – relevant rules of subchapter 20.2.1.6.1 point 2 and 20.2.1.6.2.

#### **20.2.1.6. Irregularities in SPF**

Irregularities may be identified in connection with the SPF management costs and/or implementation of small projects in relation to the scope of responsibilities, described in [p. 16.3](#).

General provisions concerning irregularities and recoveries of funds are presented in the [p. 16.3](#) of this Manual.

#### **20.2.1.6.1. Special rules for managing irregularities with regard to tasks of the SPF Beneficiary with regard to the determining the draft budget**

If control or audit states incorrectly incurred expenditure(s) in the SPF Project, a financial correction may be imposed on the SPF Beneficiary. The method of correction depends on the stage at which irregularity was stated.

1. For irregularities related to incorrect estimation of the lump sum amount, **identified before concluding contracts** for financing of small projects, the controller calls the SPF Beneficiary to make appropriate corrections. Identified errors in determining the amount of lump sum amounts for individual small projects result in the need to re-submit a revised draft budget of the small project with correct lump sum amounts to the SPF Beneficiary. Financial correction is not imposed on the SPF Project provided that the SPF Beneficiary corrects the small project as requested by the controller. If the SPF Beneficiary does not correct the small project, financial correction will be imposed in line with rules of point 2.
2. For irregularities related to incorrect estimation of the lump sum amount, **identified after**

**the conclusion of contracts** for financing of small projects:

The amount of the irregularity will be deducted from the SPF management costs, NOT from small projects, as it is the SPF Beneficiary responsible for correct lump sum determination.

The amount of irregularity is the difference between the value of the incorrectly approved lump sum amount and its correct value determined by the controller (based on documents submitted by the SPF Beneficiary) as a result of the findings of the control.

The burden of presenting the correct value of the approved draft budget rests with the **beneficiary of SPF Project**, not a controller. If the evidence is not provided – the controller determines an error which results in recognizing the entire value of undocumented /incorrectly documented items from the draft budget as ineligible.

The irregularity may also result from missing or incorrect documentation regarding the determination of the lump sum amount based on the draft budget.

#### **20.2.1.6.2. Irregularities in the SPF Project others than the ones resulting from determining the draft budget**

Irregularities that result from the scope of SPF Beneficiary responsibilities, specified in [p. 4.4.](#) , with exception of:

- ensuring that the expenses presented by the Small Project Beneficiaries for reimbursement are correct and eligible and that lump sums have been calculated correctly, i.e.:
- confirmation of achievement of indicators specified for a given small project, verification of documents presented by the Small Project Beneficiaries as confirmation of the tasks' implementation (and relevant lump sum amounts),
- monitoring visits for small projects (in the case of sample checking – based on the risk analysis prepared by the SPF beneficiary),

**reduce the co-financing of its SPF management costs.**

#### **20.2.2. Audits**

Project Audits are conducted by Audit Authority and the Group of Auditors, Donor (European Commission) and its representatives (European Anti-Fraud Office, the European Court of Auditors) during the entire lifecycle of the Project and cover the scope of the Audit trail and any other documents related to the Project.

Audits may be carried out in the premises of the Project Partner and/or in any other place where the Project is/was implemented.

The audit has a wider purpose and functional coverage and might include both management verifications (administrative verifications and on-the-spot verifications).

The Project Partner 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 Project Partner 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 (also e-files) must be easily accessible and filed to facilitate their examination and the Partner must inform the Audit Authority of their precise location.

The Project Partner shall take corrective action within the time limits set out in the audit recommendations issued during inspections and audits.

### **Audit of operations**

The Audit Authority and the Group of Auditors carry out audit of operations. How the audit is organized depends on the national provisions of each country:

- in Poland<sup>49</sup>: the audit will be carried out at the controller's premises,
- in Ukraine: the audit will be carried out either at the controller's premises or the respective partner (can be both).

How the audit is organized has some implications to the project partner. The project partner should get acquainted with the procedure:

**Audit of operations carried out on the controller**<sup>50</sup> – it will be the controller that will inform the project partner that the audit has been launched. The project partner – if willing to present their explanations or standpoint to findings – will send it to its controller. The controller will send it to the auditors.

**Audit of operations carried out on the project partner** - it will be the project partner that will be directly informed by the auditors that the audit has been launched. The project partner – if willing to present their explanations or standpoint to findings – will send it directly to the auditor. It is however strongly recommended that the project partner informs its controller about the audit being launched and cooperate with the controller while preparing and presenting explanations/standpoint to auditors.

In both cases it is important to timely provide the information/explanations/standpoint, to controller or auditor. Especially during the so-called **contradictory procedure**.

#### **Contradictory procedure**

In case of detected irregularities, audit findings are raised. For each finding the legal bases is provided and requirements for clearance of the finding are provided. All findings are presented to the audited body upon completion of the audit, and this is when **the contradictory procedure** starts. Within the contradictory procedure the project partners and/or controllers have the possibility to comment on each finding. At the end of this procedure, the Audit Authority/Group of Auditors have to confirm or lift the findings. Following this, the audit report becomes final.

**Once the contradictory procedure is finalized, the standpoint of the Audit Authority/Group of Auditors is final and cannot be appealed against.**

When preparing the explanations/standpoint to the audit findings, project partners should also consult the Joint Secretariat for the findings/questions related to the Programme rules.

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<sup>49</sup> The audit is organized in line with the provisions of the Act of 16 November 2016 on the National Tax Administration (Dz.U. 2022 poz. 1079 and Dz.U. 2024 poz. 1717).

<sup>50</sup> Refers to all Polish project partners, and may refer to some Ukrainian Partners.

### IMPORTANT

The cooperation between the project partner and the controller during the audit is crucial. Both, project partner and the controller, shall strive to inform each other about their statements/opinions and provide requested information to each other in timely manner.

## 20.3. Complaint procedure related to the verification/audit findings

### IMPORTANT

The project partner has the right to appeal against the results of each verification and audit results

From the Partner perspective there are possible disputable or appealing reaction to the reviews of the Programme institutions that may arise along the Project Lifecycle that may lead to such measures as Reservations/objections.

Objections regarding the results of the verification/audit results are filed and examined in accordance with the following procedure:

- **For Poland:** The Polish project partner may file objections regarding the results of verifications/audit pursuant to Article 27 of the Act on the rules for the implementation of tasks financed from European funds in the financial perspective 2021–2027. The objections shall be filed within 14 calendar days after the results of the verification/audit were received from the controller/auditor (any complaint submitted after the deadline will be rejected);
- **For Ukraine:** Objections of the Partners from Ukraine shall be based among other national provisions on conclusions of the National Authority on the Project/Programme monitoring and registration measures as set out in the Regulation Nr 153 of the Cabinet of Ministers of Ukraine. The objections shall be filed within 14 calendar days after the results of the verification/audit were received from the controller/auditor (any complaint submitted after the deadline will be rejected).

### IMPORTANT

The Managing Authority does not examine objections regarding the results of the verification/audit.

## 21. STATE AID

### 21.1. The concept of State aid

Each partner, when drafting activities and budget, should take into consideration whether the activities constitute state aid/de-minimis aid, i.e. whether the activities planned constitute economic advantage to the partner. The state aid/de minimis aid should be analysed by the Project Partners on two levels: whether the Partner receives a state aid/de minimis or whether the Partner grants the state aid/de minimis aid to an external contractor.

The Programme has to ensure that it grants funding to projects which comply with the State aid rules. The aid will be granted based on the provisions of the Treaty on the functioning of the

European Union, relevant EU and Polish regulations on State aid as well as applicable Ukrainian provisions.

The basis of the free market in the EU is the principle of competition. Member States are obliged to safeguard this principle. Granting State aid is non-compliant with the internal market since it distorts its functioning and gives privilege to certain entities. However, the EU law allows state support (that is, awarding State aid) on certain terms and conditions.

There is no legal definition of State aid. The source of law and basis for defining what State aid is, constitute Articles 107 and 108 of the Treaty on the Functioning of the European Union (TFEU), in particular: 'Save as otherwise provided in the Treaties, 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 shall, in so far as it affects trade between Member States, be incompatible with the internal market<sup>51</sup>.

State aid is considered to be the support provided from state resources to an undertaking which meets the following **4 criteria jointly**:

- 1. State origin** – support is granted by the state or with the use of state resources (e.g., co-financing from the ERDF, non-repayable grants, subsidies, tax reliefs).
- 2. Selectivity** – support is granted to selected undertakings or in selected sectors (e.g., fiscal measures of a general nature are not selective, whereas tax remission for only one group of undertakings is selective, organising training for a specific group of undertakings from the catering sector in a given region is selective).
- 3. Economic advantage** – support is granted to an undertaking on more favourable conditions than those offered on the market (e.g., in the form of a subsidy, non-repayable financial support, loan or credit with preferential interest, tax exemption or write-off, etc.).
- 4. Competition distortion** – support granted to an undertaking distorts or threatens to distort competition and has an **impact on the exchange of trade between Member States and Ukraine** (e.g., when support is awarded, it has a favourable influence on the catering entrepreneur's position in the border area, where they are competing at this specific time with a foreign entrepreneur in the border region).

#### **IMPORTANT**

State aid **will not be awarded if at least one** of the above-mentioned criteria **is not met**.

An **undertaking** is each entity which conducts economic activity irrespective of its legal form or financing sources, or the objective of the activity (generating profit is not crucial in this case).

An **economic activity** is any activity consisting in offering goods and services on the market.

- An undertaking can also be, e.g., an association, a foundation or a local government unit, if a partner conducts business activity within the project. The legal form of the entity receiving support makes no difference for the assessment of State aid.

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<sup>51</sup> Article 107 par. 1 TFEU

- It is important, whether the activity is performed in conditions of existing or potential competition. In the assessment of the occurrence of State aid, the objective of the activity performed by the specific entity is irrelevant.
- Undertakings not focused on profit can also offer goods and services on the market. Therefore, the fact that a given entity has been established to generate profits is not a prerequisite in deciding on awarding State aid.

## 21.2. State aid in the Programme

The State aid is granted under an aid scheme (Ordinance of the Minister of Development Funds and Regional Policy of the Republic of Poland<sup>52</sup>).

The aid scheme indicates the forms of State aid that are awarded to Polish and foreign partners. These forms are regulated in the following EU regulations:

- Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter, 'GBER')<sup>53</sup>;
- Commission Regulation (EU) No 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid<sup>54</sup>.

The State aid is awarded based on the following measures:

- Article 20 GBER up to the amount of EUR 2.2 million per undertaking, per project<sup>55</sup> (direct State aid);
- Article 20a GBER up to the amount of EUR 22 000 per undertaking, per project (direct and indirect State aid)<sup>56</sup>,
- Article 53 GBER, aid for culture and heritage conservation (direct State aid),
- Article 55 GBER, aid for sport and multifunctional recreational infrastructures (direct State aid),
- Article 56 GBER, investment aid for local infrastructures (direct State aid).

De minimis aid

### IMPORTANT

*De minimis* aid constitutes a special category of aid awarded by the state. It is considered that due to its small value, it does not result in distortion of competition on the EU internal market.

***De minimis* aid can be awarded only by the Managing Authority or by Polish SPF Beneficiary in small projects.**

*De minimis* aid:

- is available in amounts up to EUR 300 000 from one EU Member State;

<sup>52</sup> The document with SA number is available on the [Programme website](#).

<sup>53</sup> The latest consolidated act is available at [EUR-LEX](#).

<sup>54</sup> [EUR-LEX](#)

<sup>55</sup> per undertaking per project means per undertaking (project partner) participating in a project.

- is awarded to the undertaking within the previous 3 years;
- is limited concerning one undertaking (all entities legally influenced by another one are treated as one undertaking).

Restriction to *de minimis* aid granted based on regulation 2023/2831:

- cannot be awarded to undertakings active in the sectors of primary production of agricultural products, fishery, and aquaculture<sup>57</sup>;
- cannot be cumulated with any other State aid given towards the same eligible costs if it means that due to such cumulation, the maximum intensity of aid granted under the GBER is exceeded (see chapter 21.3. Intensity level of aid).

The decision on awarding State aid and *de minimis* aid is taken by signing the Grant Contract.

### IMPORTANT

State aid **can be awarded in two ways:**

- refers to all partners – **directly** by the Managing Authority (in line with GBER or *de minimis* Regulation), or
- refers only to the Polish partners – **indirectly** by the Project Partner to the final recipient(s) (an undertaking conducting economic activity in compliance with the definition of State aid<sup>58</sup>). Indirect aid includes, e.g., participation in a training or workshops implemented within a project. In these workshops, a benefit (e.g., specific knowledge, skills or rights, licences) is received not by the Project Partner but by the final recipient in the project. The so-called final recipient receives economic advantage which would have to be paid for under normal market conditions. Indirect State aid is granted only in compliance with Art. 20a GBER.

**NOTE: Indirect State aid provided by the Ukrainian partners will not be eligible in the Programme** (for more on that please see below).

Cumulation of *de minimis* aid

Project Partners **from the territory** of Ukraine:

- can receive *de minimis* aid from the Managing Authority provided that they have not exceeded the limit of EUR 300 000 received in the period of the previous 3 years from any other Polish state resources. They can cover their own contribution to a project with national *de minimis* aid if exists and awarded by state institutions from their country of origin;
- *de minimis* aid awarded in Poland and in Ukraine do not cumulate.

Project Partners **from the territory** of Poland:

<sup>57</sup> Applicable Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the agriculture sector and Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the fishery and aquaculture sector

<sup>58</sup> Pursuant to the definition of an enterprise adopted in Appendix I to the Commission Regulation (EU) no. 651/2014 (GBER), an enterprise means an entity conducting business activity irrespective of its legal form. It especially refers to persons conducting activity on their own account and family companies dealing with craft or other activity, as well as companies or associations conducting regular business activity.

- can receive *de minimis* aid from the Managing Authority provided that they have not exceeded the limit of EUR 300 000 received in the period of the previous 3 years from any other Polish state resources. If the partner received in advance assistance from a public body to cover the amount of its national contribution to the project, e.g., in the form of a non-refundable national grant, the following options have to be taken into account:
  - the maximum amount of *de minimis* aid awarded from the ERDF would have to be decreased by the amount of the national grant, or
  - the partner would have to cover the national contribution for the project by the partner's own financial means or by taking out a loan on the market.

### 21.3. Intensity level of aid

The intensity level is the maximum amount of all cumulated public funding (e.g., State aid and *de minimis* aid) that a project is permitted to receive in relation to the project budget (the same eligible expenditures). This maximum amount is expressed as a percentage and equals 80% of partners project budget. Breaching the limit may mean that any State aid given in excess of the permissible amount must be returned.

Cumulation of State aid with the maximum aid intensity and *de minimis* aid is possible in the project only when those different aid measures concern different identifiable eligible expenditures.<sup>59</sup>

### 21.4. Assessment of State aid in the project

During the formal assessment of the project, the assessors indicate in the evaluation grid whether the project shall be a subject to further State aid expert's assessment.

In the course of its assessment, the State aid expert takes into consideration whether the partner is an undertaking pursuant to EU law and whether all measures specified in Art. 107 par. 1 TFEU are met (so-called State aid test). The fulfilment of measures for granting State aid or *de minimis* aid is verified individually for every partner in the project.

Partners that apply for state aid/ *de minimis* aid fill in the state aid form or *de minimis* aid form (Annexes A16 and A17 to this Manual<sup>60</sup>). In case of *de minimis* aid copies of certificates or a declaration on *de minimis* (Annex A18) shall be attached, when requested by the Joint Secretariat, following the project's selection for financing (before the Grant Contract signature).

Until the conclusion of the Grant Contract, Partners immediately inform the Joint Secretariat of any changes concerning previously received *de minimis* aid.

#### **IMPORTANT**

Occurrence of State aid in a project **is always assessed before signing the Grant Contract** (for each measure in the project and every partner).

<sup>59</sup> For Polish partners, see also the judgement of the Voivodeship Administrative Court in Rzeszow, no: [LSA/Rz 558/21](#) and the judgement of the Supreme Administrative Court, [no. II FSK 1447/21](#).

<sup>60</sup> Instruction how to fill in the form is presented in Annex 14..

## 21.5. Awarding aid, monitoring, reporting and informing

The Managing Authority awards State aid or *de minimis* aid to Polish and Ukrainian partners and applies procedures and provisions concerning reporting this aid in compliance with Polish provisions.

### IMPORTANT

In compliance with the GBER, the reporting requirement to the European Commission concerns State aid granted under GBER's articles. An exception to this rule comprises granting aid pursuant to Art. 20a GBER.

*De minimis* aid is not subject to reporting to the European Commission.

Please remember that VAT is not eligible for expenditures that are covered with state aid (it does not concern *de minimis aid*). Therefore, declaration on state aid is required to be presented for a verification of the controller.

## 21.6. Indirect aid – Polish partners only

The Polish partners can grant indirect State aid in compliance with Art. 20a GBER only if this is specified in the Grant Contract. They report on awarding such aid in national registration system SHRIMP.

If the Polish Project Partners award State aid to final recipients (indirect aid), they are responsible for:

- proper awarding of aid (including verification of the conditions for state aid awarding);
- collecting and issuing required documents, in compliance with national regulations<sup>61</sup>;
- registering the aid granted in national registration system SHRIMP.

### IMPORTANT

In the case of occurrence of indirect State aid or *de minimis* aid on the side of Ukrainians Partners, the Project Partner providing the support has to eliminate any State aid or *de minimis* aid element **before signing the Grant Contract**.

**Otherwise, costs related to such State aid will not be eligible under the Programme.**

## 21.7. Storing documents concerning State aid/ *de minimis* aid

The period of storing documents related to the project implemented with State aid/*de minimis* aid amounts to at least 10 years from the day such State aid is awarded within the project (exception: State aid awarded under art. 20a GBER).

## 21.8. Control of State aid

The tasks of the controller who conducts management verification in the project (administrative and on-the-spot check) include verification of the compliance of the incurred expenditures with

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<sup>61</sup> State aid form – see Annex A16

the State aid rules set for the programme (based on the checklists). In particular the controller verifies:

- **For direct aid**, if the value of the actually awarded aid has not exceeded the maximum amount of aid specified in the subsidy contract for the given Project Partner;
- **For indirect aid**, in formal terms in the documents concerning the awarded indirect aid (enumerated in the subsidy contract) if the admissible limit of co-financing has not been exceeded.

Moreover, the controller verifies if any changes occurred at the level of project's partner budget could have an impact on the occurrence of State aid, de minimis aid or the correctness of the amount of aid granted.

### 21.9. De minimis aid in SPF Projects

The de-minimis aid may be granted:

- by Polish SPF Beneficiary to Polish or Ukrainian Small Project Lead Beneficiary/Small Project Beneficiary;
- by Polish Small Project Lead Beneficiary/Small Project Beneficiary to any final recipient. In such a situation, the final recipients of the aid receive a benefit e.g., participate in free of charge trainings or workshops carried out as part of the project activities and acquire specific knowledge, skills or qualifications that needs for performing the economic activity.

The de-minimis aid **cannot** be granted by Ukrainian SPF Beneficiary to Small Project Lead Beneficiary/Small Project Beneficiary or by Ukrainian Small Project Lead Beneficiary/Small Project Beneficiary to any final recipient.

De minimis aid is granted based on the Regulation of the Minister of Development Funds and Regional Policy on the granting de minimis and State aid under the Interreg programmes for 2021-2027. It refers to the conditions of Commission Regulation (EU) No 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

The SPF Beneficiary shall assess the presence of de minimis aid at the stage of the Small Project Lead Beneficiary/Small Project Beneficiary based on documents submitted with the application for co-financing of a small project. The SPF Beneficiary shall also assess if there is a risk of de minimis aid at the level of the final recipient in order to include obligations for the Small Project Lead Beneficiary/Small Project Beneficiary to award de minimis aid on the level of final recipients.

If the SPF Beneficiary/Small Project Lead Beneficiary/Small Project Beneficiary award de minimis aid to the final recipients they:

- collect de minimis form filled in by the recipients of de minimis aid (Annex A17 to this Manual),
- register the amount of aid awarded in SHRIMP<sup>62</sup> (<https://uokik.gov.pl/sprawozdawanie-udzielonej-pomocy-publicznej>) and issue the certificate on de minimis that forward to the final recipient of de minimis aid. The certificate can be generated from SHRIMP system.

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<sup>62</sup> <https://uokik.gov.pl/sprawozdawanie-udzielonej-pomocy-publicznej>

The **day of aid granting** is the day of signing the agreement on co-financing of small project or the day **the participant joins small project activities**. On the same day, a **certificate** of de minimis aid should be issued.

The Polish SPF Beneficiary shall provide de minimis aid to Polish and Ukrainian Small Project Beneficiaries, according to the programme rules and relevant Polish national legislation.

The Ukrainian SPF Beneficiary shall not select for financing any small projects nor provide any kind of state aid under their SPF.

The value of de minimis aid granted to one entity cannot exceed EUR 300 000 over a three-year period (regardless of whether de minimis aid is received within the SPF or from other sources). The Small Project Lead Beneficiary/Small Project Beneficiary shall be aware also whether activities within its project will contain de minimis aid to the project activities participants.

Polish SPF Beneficiary shall monitor the compliance of the small project implementation with the regulations on de minimis aid. They verify if:

- the reported value of expenditures covered with de minimis aid did not exceed the maximum amount of aid specified in the agreement on co-financing of a small project for a given Small Project Beneficiary (applicable when the aid is granted directly from SPF Beneficiary to a Small Project Beneficiary),
- Small Project Beneficiary fulfilled the obligations on granting de minimis aid to final recipients,
- any changes in projects budgets might have affected the occurrence of de minimis aid in the project or the correctness of the amount already granted.

## 22. DURABILITY

The implementation of the project should ensure the long-lasting effect of a project's achievements beyond the project duration.

Project partnerships should strive for durable outputs and results whose short- and long-term exploitation will result in tangible impacts for the benefit of individuals, businesses, communities, and the environment.

Those outputs and results achieved by each partnership should be maintained and exploited beyond the lifetime of the funded implementation periods.

Project partners should:

- pay attention to the information declared in the Application form – how will the provided project outputs and results be maintained after project closure?
- monitor the tangible impacts and track the ripple effects (e.g., by means of statistics, individual success stories, testimonials of end users or endorsements by reputable figures) after the project closure.

Special attention must be put to the projects delivering **investment in infrastructure or productive investments**. Outputs and results for these activities must be sustained and will be controlled after project completion.

## Control of durability

Partners should be aware of the special requirements on ownership and durability laid down in Article 65 of the Regulation (EU) No 2021/1060 (Common Provisions Regulation) if delivering **investment in infrastructure or productive investments** as the project's main outputs:

- all equipment and devices, infrastructure, investments should be maintained during the durability period which is counted as 5 years from the final payment /setting final balance to the Lead Partner;
- documents proving the durability of the project outputs and results up to 5 years from 31 December of the year in which the final payment/setting final balance to the project is made to the Lead Partner must be maintained;
- the controllers, the Joint Secretariat or other authorised control institutions with the necessary documents to prove the durability of the project outputs and results must be provided.

In order to sustain the durability in case of infrastructure or productive investments as the project's main outputs it must be ensured that none of the below listed circumstances occur:

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

### IMPORTANT

Projects delivering **investment in infrastructure or productive investments will be subject to control of durability** (art. 65 of CPR).

The Programme bodies will monitor the compliance of the projects with the durability requirements (as set in art. 65 of CPR) from the project completion. This will require contacts with Project Partners selected for durability checks (all Project Partners are obliged to indicate a contact person for the Joint Secretariat for the durability period). The Programme bodies will carry out the control either by sending monitoring questionnaires or performing on-the-spot verifications up to 5 years from the final payment transferred to the Lead Partner/from setting the final balance of the project.

In case of a breach of provisions on durability set out in Article 65 of CPR, ineligible expenditure will be recovered by the Managing Authority in proportion to the period for which the durability requirements have not been fulfilled.

**The exception** to the durability principle is when the Project Partner undergoes cessation of a productive activity due to **a non-fraudulent bankruptcy**.

## 23. PERSONAL DATA PROTECTION

### Processing of personal data

The implementation of the project involves, among others, the necessity to collect and make available personal data. Personal data are necessary to ensure the ongoing contact between applicants/ partners (including the Lead Partners) and institutions at each stage of the project lifecycle, that is, among others, during the submission of the application, conclusion of the co-financing contract, as well as verification of the eligibility of expenditures incurred under the project.

In connection with the project management, personal data will be processed, among others, as follows:

- data of persons representing (or employees of) applicants, beneficiaries and partners, who apply for funds and implement projects;
- data of persons representing (or employees of) entities related to applicants, beneficiaries and partners (in terms of capital, personal relations, supervisory institutions, etc.);
- data of persons representing tenderers, contractors and subcontractors executing public procurement contracts or providing services on the basis of civil law contracts;
- data of employees of tenderers, contractors and subcontractors involved in preparing the tender or in performing the agreement;
- data of owners (or their representatives) from whom real estate for the purpose of implementing projects is purchased, or who are connected to (or who use) the infrastructure created as a result of implementing projects.

### Data controllers

Partners (including the Lead Partner) participating in the project implementation and collecting personal data inter alia for the purpose of project preparation, implementation and settlement are the data controllers within the meaning of the GDPR<sup>63</sup>.

In the course of the project implementation, various types of documents and information containing personal data are being exchanged and transferred. Recipients of personal data from the partners (the Lead Partner) are mainly the Joint Secretariat (the Center of European Projects in Warsaw), the relevant controller and the Managing Authority (Minister of Development Funds and Regional Policy in Poland). This transfer of personal data constitutes a making available of data within the meaning of the GDPR. As a result of the making available of data, the institutions indicated above become independent data controllers of the personal data made available to them, separate from the partners and the Lead Partner.

All data controllers (partners, the Lead Partner, Joint Secretariat, controllers, Managing Authority) are responsible for the processing of personal data and their protection in accordance with the

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<sup>63</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (Official Journal of the European Union L 119 of 4/5/2016 page 1– 88)

applicable provisions of law on personal data and privacy, including, in particular, the GDPR and the provisions of law of the Member State competent for the seat of the data controller.

### **Information obligation**

Data controllers shall fulfil an information obligation towards the persons whose data they obtain. For partners and the Lead Partner, this obligation exists, for example, towards their employees, counterparties and contractors of various orders and agreements connected with the project. To provide these persons with comprehensive and clear information on the principles of processing their personal data and their rights, we hereby share a model information clause to use. It should be used by the partners and the Lead Partner when these data are obtained. The partners and the Lead Partner should exercise the information obligation on behalf of themselves as well as on behalf of the other data controllers, that is, the Joint Secretariat, the controller and the Managing Authority. The information obligation may also be performed on the basis of another form of the information clause used by the partner/Lead Partner as long as it contains all the elements and information included in the submitted form.

Detailed provisions on the processing of personal data in connection with project implementation are included in the Subsidy Contract and in the Partnership agreement.

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**Annex 1.2.** Project summary (LIP)

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**Annex A2.** Lead Partner's/SPF Beneficiary declaration (LIP / REGULAR / SPF)

**Annex A3.** Partnership statement of Project Partners (LIP / REGULAR)

**Annex A4.** Statutes or other relevant documents – to be annexed by the project (LIP / REGULAR / SPF)

**Annex A5.** *Copies of the profit and loss account and the balance sheets – to be annexed by the project* (REGULAR / SPF)

*(if applicable – Annex A6. Authorisation from the Lead Partner/Project Partner/SPF Beneficiary that the person has the right to sign the declarations and statements to be annexed to the Application form/FAF)* (LIP / REGULAR / SPF)

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**Annex A15.** Declaration on the entitlement to the recovery of VAT (applicable only for Polish lead partners/partners in the projects with the total cost of at least EUR 5 000 000,00, including VAT) (LIP)

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