

# Central Baltic Programme 2021-2027

## Dratfting the project budget

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# Plan of the session

- Budget basics in Central Baltic programme 2021-2027
- Making a joint budget and submitting in Jems
- Real costs and Simplified cost options
- Other budget related conditions to remember

## Main documents to check:

- Programme manual
- Guide for Applying

Available on [www.centralbaltic.eu](http://www.centralbaltic.eu)

**118 million  
euros ERDF  
funding**

**35 mil euros  
Innovative  
business  
development**

**52 mil euros  
Improved  
environment  
and resource  
use**

**20 mil euros  
Employment  
opportunities**

**11 mil  
euros  
Improved  
public  
services**

# Budget basics

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Small projects (up to 213550 EUR)\ regular projects

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First financed by the partners, ERDF part received after the report approved

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Up to EUR 4 million total per project\ up to EUR 2 million per partner

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Up to 80% ERDF co-financing from the programme

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## Project budget:

- Realistic, relevant to the activities
- Planned cost-efficiently
- Planned considering funding available for the relevant programme objective
- Application documents and reporting in euros only
- Each partner contributes at least 20% of the partner budget
- The budget is defined in the Application Form and confirmed by the project funding decision. The total ERDF funding, the total project budget and the co-financing rate will be set in the Subsidy Contract.

# Joint budget planning

Agree on  
project  
activities

Agree which  
activities  
each  
partner is  
responsible  
for

Each  
partner  
calculates  
budget for  
their  
activities

In the project Application Form the budget will be broken down in several dimensions (e.g. by partner and cost category).

When planning the project and its activities, make sure that the budget is coherent with the work plan and activities. The work plan and the budget must be planned side by side so that a corresponding resource for the activities is in place.

# How to fill the budget part in application?

## Small projects

- Fill in the budget section of Jems completely as required.

## Regular projects

- For a first step application, include indicative budget (total budget and budget for partner - best estimation) on partner information and to the end of the project summary.
- Full budget to be filled in later at the second step of the application



## Costs used:

Use of pre-defined simplified cost options is mandatory!



## Simplified Cost Options - SCOs

- Preparation costs - lump sum
- Staff costs - unit cost
- Office and administration costs - 15% of the staff costs
- Travel and accommodation - 15% of the staff costs
- External expertise and services - real costs/ unit cost for events
- Office equipment - unit cost
- Other equipment, investments - real costs

Strongly advised to read the Programme Manual chapters 4.5 Eligibility of costs, 4.6 on SCOs and 4.7. Other rules !!!

## Preparation costs - lump sum

- Paid to all succesful projects/ all projects need to budget this contribution
- Amount - 13 550 EUR
- Can be divided or paid to one partner, mark accordingly in Jems application form

## Staff costs - unit cost, rate per hour

| Estonia | Finland<br>(including Åland) | Latvia | Sweden  |
|---------|------------------------------|--------|---------|
| 29 EUR  | 36 EUR                       | 24 EUR | 501 SEK |

- Budgets are always made in euro (Jems changes SEK to EUR)
- Paid based on employment contracts and report of hours
- Max hours for 1 full time employee are 1720 per year, counted pro rata as necessary

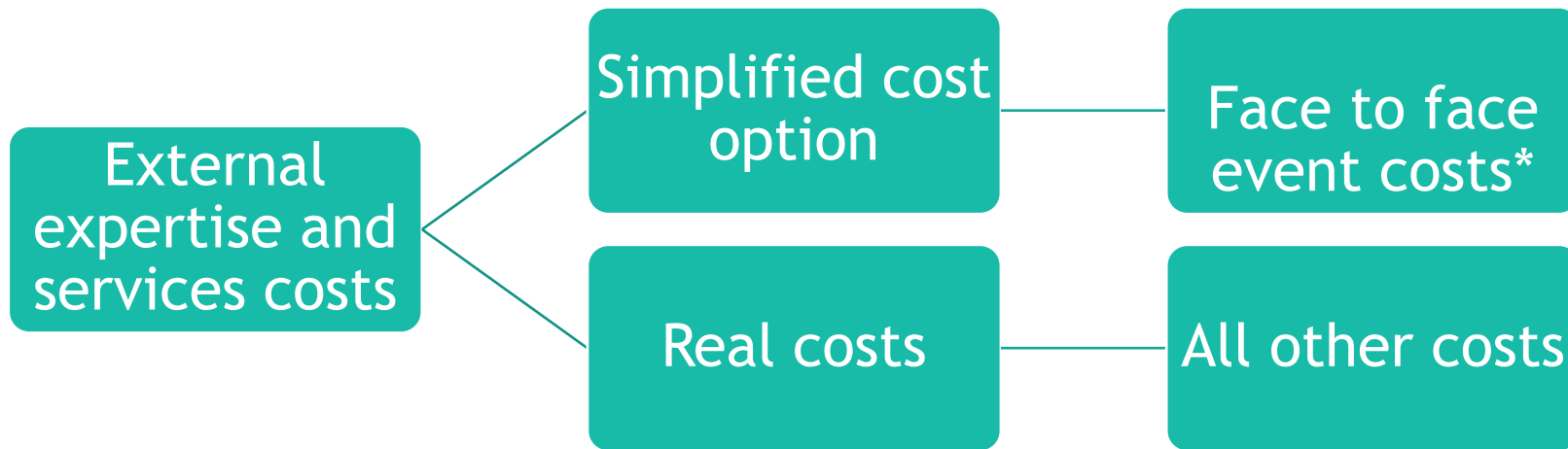
## Office and administration - flat rate

- Calculated by Jems, mandatory
- **15% of eligible staff costs**
- Intended for office rent, IT systems, telephones etc (see full list in the manual)
- Real costs of this category will not be checked, but these items cannot be claimed under any other cost category

# Travel and accommodation - flat rate

- Calculated by Jems, mandatory.
- Cover travel costs, accommodation costs, costs of meals, visa costs, and daily allowances **of staff of the partner organisation** that are assigned to work for the project.
- **15% of the eligible staff costs.**

# External expertise and services



\*Covering always and only catering and room rent including standard conference equipment

## External expertise and services - simplified cost option - FACE TO FACE EVENTS

| Estonia | Finland<br>(including Åland) | Latvia | Sweden |
|---------|------------------------------|--------|--------|
| 55 EUR  | 80 EUR                       | 51 EUR | 84 EUR |

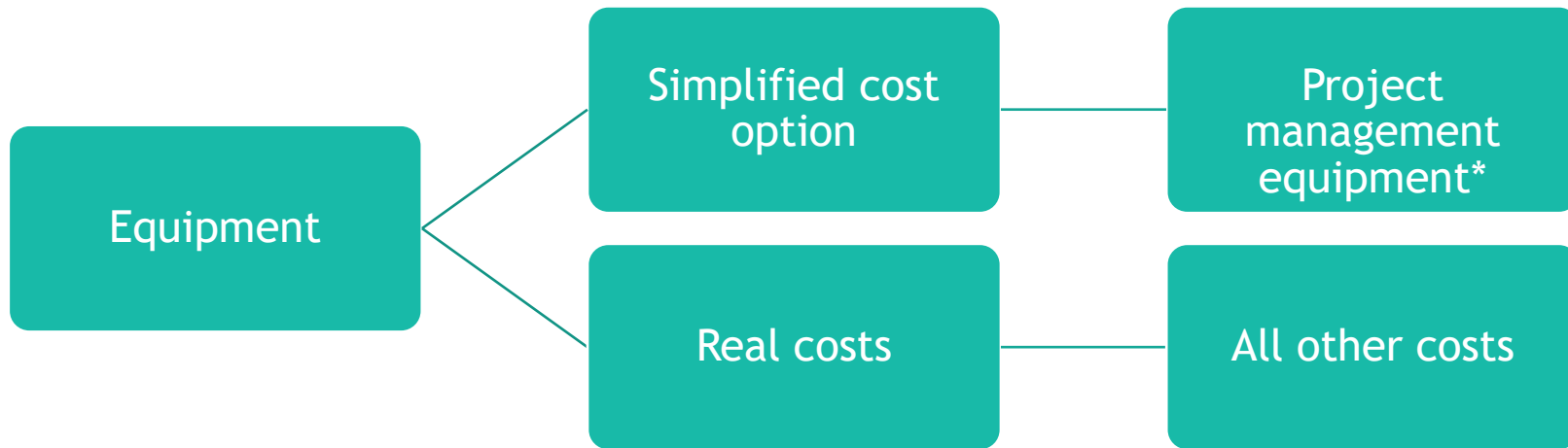
- Costs mentioned above are for 1 day of event
- Costs applied based on location of the event
- Paid based on agendas and signed participant lists (participants have to sign separately for each day!!!)
- Check the manual for full conditions



## External expertise and services - real costs

- Covers travel and accommodation for external experts, speakers, chairpersons of meetings and service providers as well as target group where justified, trainings, other services and operations (check the Manual for full list).
- Costs should be based on contracts or written agreements concluded with external experts and service providers and paid based on invoices or equivalent requests for reimbursement.
- Travel and accommodation costs of external experts and service providers (e.g., speakers, target group, stakeholders, steering group members), are included in this cost category.
- Paid based on procurement documentation, contracts, invoices, proof of payment (see the Manual for full conditions)

# Equipment



\*Covering always and only equipment necessary to implement the project like laptops, computers, tablets with accessories.

## Project management equipment - simplified cost option

- covers office equipment for project staff.
- paid based on the hours worked for the project declared for staff costs in each period and for each employee. **The unit cost is 0,23 EUR/hour.**
- The payment of the unit cost is made based on the Report of hours template for the number of declared hours under staff costs in each progress report.

## Other equipment, investments

- The only real costs that will be allowed are fixed investments in equipment and investments in infrastructure refer to outputs of the project, which remain in use by the partners and/or target groups after completion of the project.
- **These must be directly identified in the Application Form to be eligible. Only costs used solely for the project!!** If something to change or add - modification of the project.
- Procurement, contracts, invoices, proof of payment will be checked (full list of conditions in the Manual).

## Possibility of using small project type

Max 213 550 EUR total (including the preparation cost lump sum), max 1,5 years (18 months).

Note that if the total project budget remains under 200.000 EUR the project can only choose simplified cost options; such projects cannot apply any real cost.

## Other rules (1)

- VAT eligible
- Public procurements should always be done according to national rules or following EU rules, depending on the thresholds - both for real costs and SCOs.
- **Direct state aid** - General Block Exemption Regulation (GBER), Article 20<sup>6</sup>, requirements have been integrated into programme rules.
- In cases of **indirect aid to third parties** the GBER Article 20a is applied. This means that a project partner can grant aid up to 20 000 EUR ERDF per undertaking per project. The partner has to document the calculation of the amount of aid and report it to the MA/JS.

## Other rules (2)

- In case the communication rules aren't respected, and the situation cannot be corrected, up to 2% of the whole project budget can be considered ineligible.
- All documents to be kept in a safe and orderly manner for 5 years after the closure of the project, 10 years in case of state aid or investments.
- The lead partner and the other project partners must ensure that all accounting documentation related to the project real costs is filed separately and that all project related real cost payments have a clearly distinguishable book-keeping code.

## Partner budget

- Each project partner is responsible for its own budget. The partner budgets are based on the jointly agreed activity plan and division of tasks.
- Partner contribution cannot be covered by funding from other projects or programmes.
- The programme accepts both public and private funds as own contribution.
- Summary section of the application form requires to fill in the total budget and the partner budgets. To ensure coherence recommended to fill in last.



## Budget for programme events

The lead partner should reserve funds to be able to participate in up to two events per year, organised by the programme. Also partners may reserve some funding for such activities. Seminars on communication, financial management and project management as well as other meetings among projects funded by the programme will be arranged. All events will take place in the programme area.

## Implementation - flexibility rule

- Can be used when planned activities cost more than originally expected. Projects are allowed to overspend by a maximum of 20% or 40 000 euro (whichever is higher) of the individual cost categories at project level. Increases above that threshold need an official modification process.
- Total budget cannot be changed this way.
- First need to agree with the lead partner.
- Due to the large number of simplified cost options, the real flexibility between remaining cost categories is rather limited. Still, the option has been kept.

# National controls

- Estonia: The State Shared Service Centre (Riigi Tugiteenuste Keskus - RTK)
- Finland: Helsinki-Uusimaa Regional Council (Uudenmaan Liitto)
- Latvia: Ministry of Environmental Protection and Regional Development of the Republic of Latvia (VARAM)
- Sweden: Swedish Agency for Economic and Regional Growth (Tillväxtverket)
- Åland: Åland Government Department of Trade and Industry (Landskapsregering)

## Additional points

- Second level audit - Audit Authority and group of auditors, other controls
- **If a cost is found ineligible at any time during or after the project duration, a correction will be made.**
- The most important issue to keep in mind is that if the basis cost of a flat rate is found ineligible, it will also affect the flat rate!!
- A project with investments may have to repay the ERDF contribution if the productive activity ceases or is relocated outside the programme area.

**Always refer to the last version of the Programme Manual and Applicant Guide and project document templates - [www.centralbaltic.eu](http://www.centralbaltic.eu)**



Thank You!



**Varsinais-Suomen liitto**  
Egentliga Finlands förbund  
Regional Council of Southwest Finland



**European Union**  
European Regional  
Development Fund