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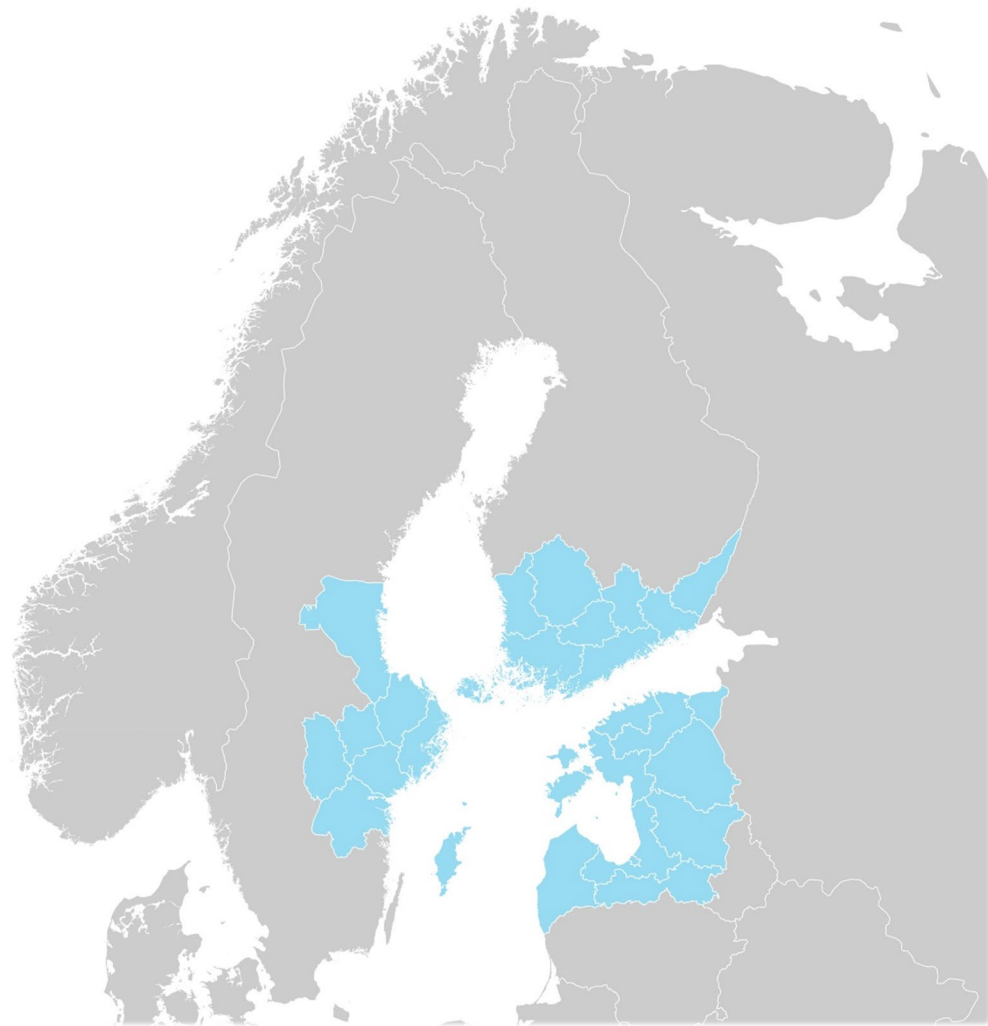
# Project Applicant Webinar

## Budget and Planning

5.9.2023, Online

# Aim of the event

- to provide information for potential 3<sup>rd</sup> call small project applicants and 2<sup>nd</sup> call second step applicants about the requirements set for the projects
  - Budget planning
  - Activity planning



# Agenda

13:00 - 14:30 I SESSION

- Budget planning including
  - Eligibility of cost
  - Cost categories
  - Simplified Cost Options
  - Budget quiz

BREAK 15 min

14:45 - 16:00 II SESSION

- State Aid in our projects
- Activity planning in work packages
- General Tips and submitting the application in Jems

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# Project Applicant Webinar

## Budget planning

**Pille Laaksonen**  
5.9.2023, Online

# Eligibility topics

1. Eligibility of costs
2. Project and partner budget
3. Real costs and Simplified Cost Options (SCO)
4. Cost categories
5. General rules

# 1. Eligibility of costs

# Budgeting and eligibility basics

- ERDF up to 80% of the costs
- Minimum 20% own contribution
- Funding based on 6-months reporting periods
- No advance payments
- Costs paid by project partners, ERDF share reimbursed after report is approved
- Wide use of Simplified Cost Options (SCO)
- Budgets are made in euros

# Eligibility of costs

- All costs must follow the principles of sound financial management.
- All costs must be free from partiality and conflict of interest.
- Requirements for documentation, tendering or any other relevant rules apply for all partners.



# Eligibility of costs - timing

- Only costs incurred and paid during the project duration (between the start and end date) or within the preparation period (lump sum) are eligible
- Project duration is fixed in the application
- Starting and ending dates will be defined in the contracting phase
- Project can start implementation on the date agreed with MA before Subsidy Contract is signed on their own risk

# NOT eligible:

- Costs incurred and/or paid outside project duration (except for preparation cost);
- Fines, financial penalties and expenditure on legal disputes and litigation;
- Costs of gifts including awards;
- Costs related to fluctuation of foreign exchange rate;
- Advance payments not foreseen in the contract;
- Partner organisation employees as external experts, other services between partners;
- Internal invoices, invoicing between partners, sharing invoices between partners;
- In kind costs.

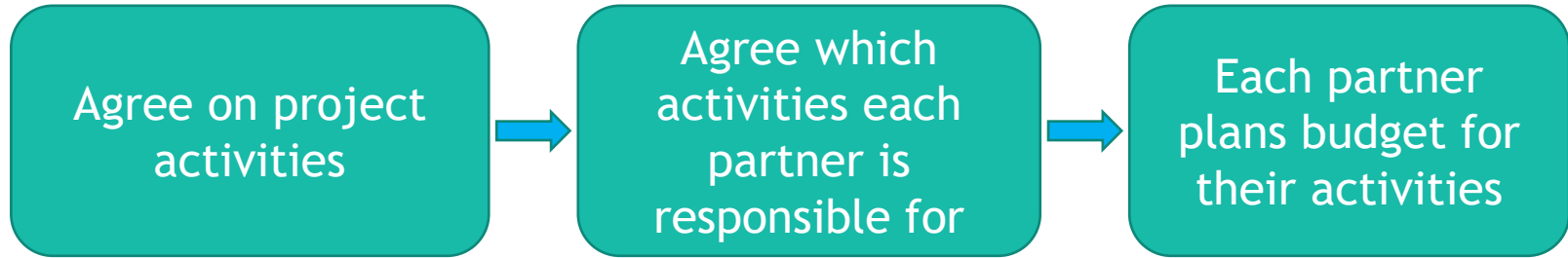
## 2. Project and partner budget

# Project budget

- Realistic, relevant to the activities
- Planned cost-efficiently
- 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

If project total budget is under 200 000 € only SCOs can be used and no real costs can be budgeted

# Project budget



- Project budget consists of partner budgets
- Partner budgets are broken down by
  - cost categories
  - reporting periods

# 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.

# Small projects

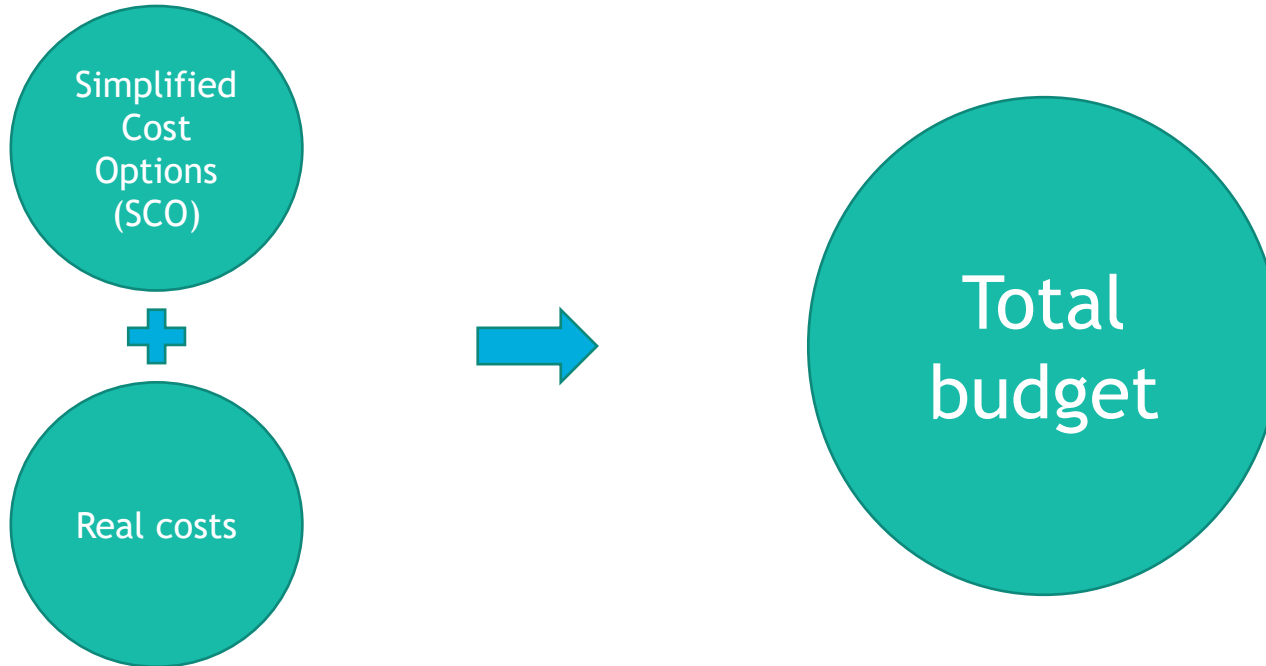
- Total budget max 213 550 €
- Max duration 18 months
- One-step application process: all required fields in the application must be filled in
- Particularly relevant for Programme Objectives 6 and 7

If project total budget is under 200 000 € only SCOs can be used and no real costs can be budgeted

# 3. Real costs and simplified cost options



# Project budget



# Real costs and SCO basics

- Real costs must be visible in the partner bookkeeping on a separate project account.
- The Simplified Cost Options are reported based on pre-defined calculation methods.
- Costs covered by a Simplified Cost Option cannot be reported under any other cost categories as real costs.

# Simplified Cost Options (SCO)

- Preparation costs - lump sum
- CC Staff costs - hourly rate unit cost
- CC Office and administration - flat rate 15% of the staff costs
- CC Travel and accommodation - flat rate 15% of the staff costs
- CC External expertise and services - face-to-face event unit cost
- CC Equipment - project management equipment unit cost

**Using simplified cost options is mandatory!**

# Real costs

Real costs necessary for achieving project results can be budgeted:

- CC External expertise and services
- CC Equipment

# Preparation cost

- € 13 550 (total cost) preparation cost lump sum must be budgeted in Jems section *Project lump sums*
- Can be divided between partners or paid to one partner
- Preparation cost will be paid to all contracted projects
  - Only in case the project has received seed funding to directly prepare the application, the preparation cost lump sum would not be applied

Using simplified cost options is mandatory!

# 4. Cost categories

# Cost category: Staff costs

- Hourly rate unit cost:

Estonia	Finland (including Åland)	Latvia	Sweden
29 €	36 €	24 €	501 SEK

- For each employee working for the project - regardless of position - in one country the same hourly rate will be calculated.
- Budgets are always made in euros, for Sweden 50 € per hour is budgeted

Using simplified cost options is mandatory!

# Staff costs

- Staff members employed by the partner organisation (employment contract or equivalent) and directly working on the project
- Paid only for hours actually worked on project tasks
- Hourly rate includes salary payments and other costs directly linked to salary payments and paid by the employer
- Maximum 1 720 hours per calendar year/860 hours per reporting period can be budgeted per full time employee
- Pro-rata of 1 720 hours calculated for employees working part-time



# Cost category: Office and administration

- **Flat rate 15% counted of the eligible staff costs**
- Covers office rent, IT systems, telephones etc. - see full list in the Programme manual
- Items listed in Programme manual under CC office and administration cannot be budgeted under any other cost categories
- Any real costs cannot be budgeted on CC Office and administration

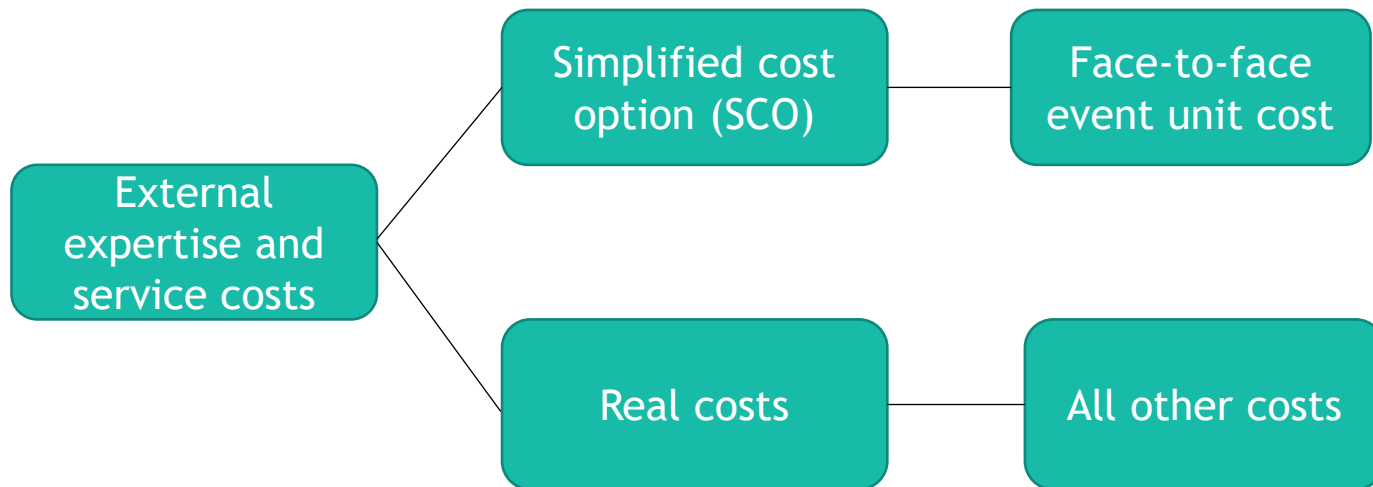
Using simplified cost options is mandatory!

# Cost category: Travel and accommodation

- **Flat rate 15% counted of the eligible staff costs**
- Covers travel and accommodation costs of **staff of the project partners**
- Any real costs cannot be budgeted on CC Travel and accommodation
- Travel and accommodation costs of external experts, target group and steering group members are budgeted on CC External expertise and service

Using simplified cost options is mandatory!

# Cost category: External expertise and service



# Cost category: External expertise and service

## Face-to-face event unit cost

Estonia	Finland (including Åland)	Latvia	Sweden
55 €	81 €	51 €	87 €

- **Mandatory for face-to-face events organized by project** within the programme area and including participants outside the partner organization

# Face-to-face event unit cost

- Covers catering service and room rent, including regular conference room equipment
- Any **real costs cannot be budgeted** for catering service and room rent, including regular conference room equipment
- **Real costs can be budgeted** for: expert costs for example moderator, external speaker, training provider; marketing; specific event equipment and materials.

# Face-to-face event unit cost

- Calculated per event day per participant
- Defined according to the country where the event takes place

Example: two day seminar in Sweden for 20 participants including project target group

$$2 \text{ (days)} \times 20 \text{ (participants)} \times 87 \text{ (euros)} = 3480 \text{ €}$$

# Face-to-face event unit cost

## Cannot be claimed for:

- Event consisting of only evening programme with a dinner or similar get-together
- Evening programme with a dinner or similar get-together which is followed by an actual event on the next day
- Meeting with external experts with only a partner organisation, e.g. external project management, book-keeping, content expert
- Meetings with programme bodies (National Controllers, JS, MA, national Contact Points), with only a partner organization
- Above mentioned meeting costs are financed from CC Office and administration

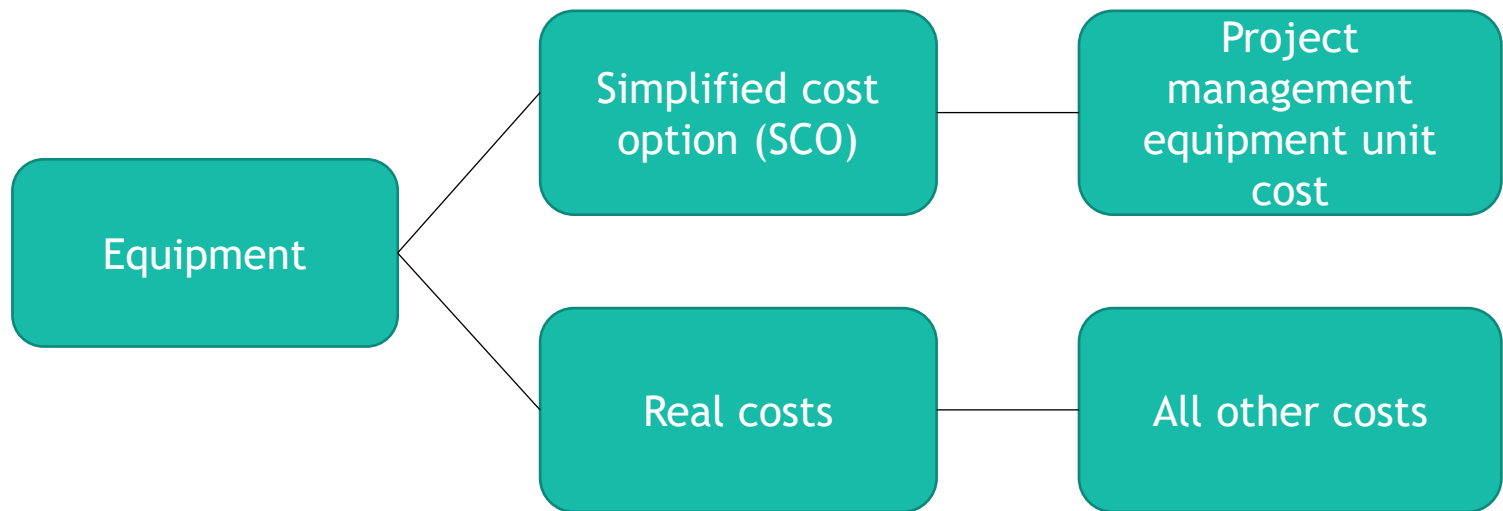
# Cost category: External expertise and service

## Real costs:

- External experts and service providers essential to the project
- Travel and accommodation for external experts, speakers, chairpersons of meetings and service providers, target group
- Participation in events (registration fees)
  
- All costs are subject to public procurement procedures
- Sub-contracting between project partners is not allowed



# Cost category: Equipment



# Project management equipment unit cost

Covers equipment to implement the project:

- laptops and computer/tablet with accessories such as the basic software, mouse, keyboard, headset, camera, docking station and a screen(s)
- other office equipment, which are needed to successfully carry out the implementation of a project
- **Any real costs cannot be budgeted** for those items

**Using simplified cost options is mandatory!**

# Project management equipment unit cost

- Calculation is based on the staff cost hours worked for the project
- The unit cost is 0,23 EUR per hour
- Maximum 1 720 hours per calendar year/860 hours per reporting period can be budgeted per full time employee
- Budgeted as one amount for all staff of the project partner

**Example:** Partner has planned staff for project implementation: project manager (total 2000 hours), researcher (1000 hours), expert (1000 hours).

Total unit cost budgeted for project management equipment is

$$2000 + 1000 + 1000 = 4000 \times 0,23 \text{ €} = 920 \text{ €}$$

# Cost category: Equipment

## Real costs

- Only fixed investments in equipment and investments in infrastructure which remain in use by the partners and/or target groups after completion of the project can be budgeted as real cost
- Real costs for equipment must be directly identified in the Application Form to be eligible
- Full cost is eligible for budgeted equipment items
- All costs are subject to public procurement procedures

# 5. General rules

# Value Added Tax (VAT)

- VAT is an eligible cost for all partners, despite the partner VAT status.
- *The exception is project partners to whom the funding is granted as State Aid under the General Block Exemption Regulation (GBER) Article 20:*
  - *If the partner cannot recover VAT, then it is part of the eligible cost*
  - *If the VAT can be recovered by the partner, the VAT is not an eligible cost*

# Public procurement

- For costs that are estimated to exceed 10 000 EUR (excluding VAT) a price comparison must be made and documented. If national public procurement level applies with lower limits, those must be followed.
- In case Simplified Cost Options cover procured costs, the procurement documents will not be checked as part of the check of the SCO. Still, the public procurement rules should be followed.
- **Public procurements should always be done according to national rules or following EU rules, depending on the thresholds.**

# Flexibility rule

- 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.
- Using flexibility rule must be agreed with the lead partner in advance
- The project or partner total budget may never be exceeded.
  - If the basis cost of a flat rate (staff cost) is increased or decreased, it will also affect the flat rates!
- The flexibility rule does not apply to the predefined calculation methods of Simplified Cost Options.



# Communication rules

- The Interreg logo of the Central Baltic Programme and the flag of the EU with the textual reference 'Co-funded by the European Union' must be displayed correctly
- Info about project on partners' websites
- Information poster displayed in partners' organisations'
- Plaque or billboard, when required
- In case the communication rules aren't respected, and the situation cannot be corrected, up to 2% of the project partner budget can be considered ineligible

# Audit trail

- 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.

# 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)

## Second level audit and financial corrections

- Second level audit - Audit Authority and group of auditors, European Commission, other controls
- If a cost is found ineligible at any time during or after the project duration, a correction will be made.
- If the basis cost of a flat rate (staff cost) is found ineligible, it will also affect the flat rates.
- A project with investments may have to repay the ERDF contribution if the productive activity ceases or is relocated outside the programme area

# Main documents:

- Programme manual
- Guide for Applying for a Project
  - **Guide for Applying for a Project 3.0** (2<sup>nd</sup> call, regular projects)
  - **Guide for Applying for a Project 4.0 (small projects)** (3<sup>rd</sup> call small projects)
- [www.centralbaltic.eu](http://www.centralbaltic.eu)

Always refer to the last version of the documents on [www.centralbaltic.eu](http://www.centralbaltic.eu)

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# Project Applicant Webinar

## State Aid in our projects

**Ivo Volt**

5.9.2023, Online

# Why we talk about the State Aid?

Public money (our Programme support) to organisations operating on the market can influence as:

- Economic advantage
- Distortion of competition
- Effect on trade between Member States

# Is the beneficiary an undertaking?

The first and most important question is:

Is there an economic activity?

No matter what is the organisation's legal status or ownership

- Private companies: always “yes” -> undertaking



# Economic activity?

- Public organisations: municipalities, state owned companies, departments, etc.
- NGOs

Assess the nature of supported activities and developed products or services: are these freely available to general public? do they have a character of public services? are they meant for general interest?

If yes -> no economic activity -> not undertaking

Will organisation provide goods or services available on the market? will it compete with profit-oriented companies?

If yes -> economic activity -> undertaking

# CB Programme uses GBER scheme

- General Block Exemption Regulation
- Commission Regulation (EU) 651/2014 of 17 June 2014, amendment 2023/1315 of 23 June 2023
- Articles 20 and 20a

# Aid limits

GBER aid limits:

- Art 20: max 2.2 million € to the partner **per project**
- Art 20a: max 22 000 € to non-partner beneficiaries per project
- Art 20a is mainly used for business development (PO 1 & PO 2) projects

- Possible state aid relevance must be assessed by applicants in early stages of project preparation as it may influence the partner budget.
- Don't plan more than 22 000 € support for indirect beneficiaries.

- If state aid relevant project, partner can not use available national co-financing sources because maximum support rate can not exceed 80%.
- If state aid relevant project, the refundable VAT is not eligible.

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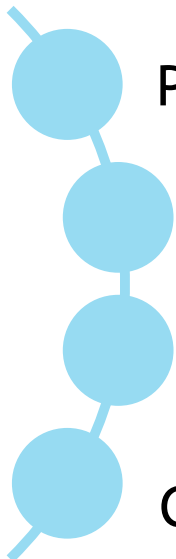
# Project Applicant Webinar

## Activity planning in work packages

**Tiina Keinänen**

**5.9.2023, Online**

# Content

- 
- Planning of the activities
  - Structure of the work plan
  - Programme output indicators
  - General tips and remarks

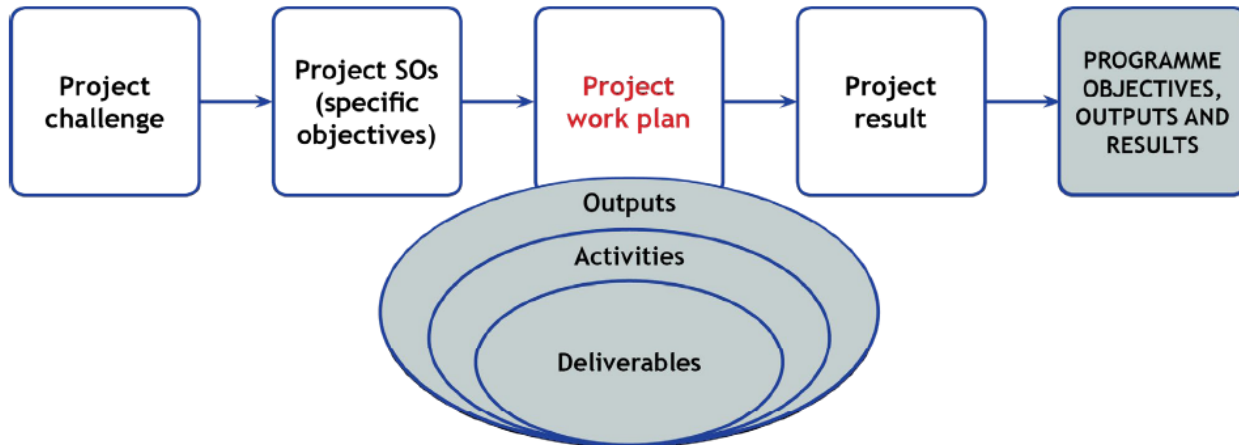
# Planning of the activities

- Involve partners and other relevant people
- Broad involvement of partners: content experts, administration etc.
- Consider stakeholders' and end users' needs and opinions
- Plan realistic and clear, focus on results, but do not be too detailed
- Remember risk assessment
- Plan for the sustainability of project results



# Planning of the activities

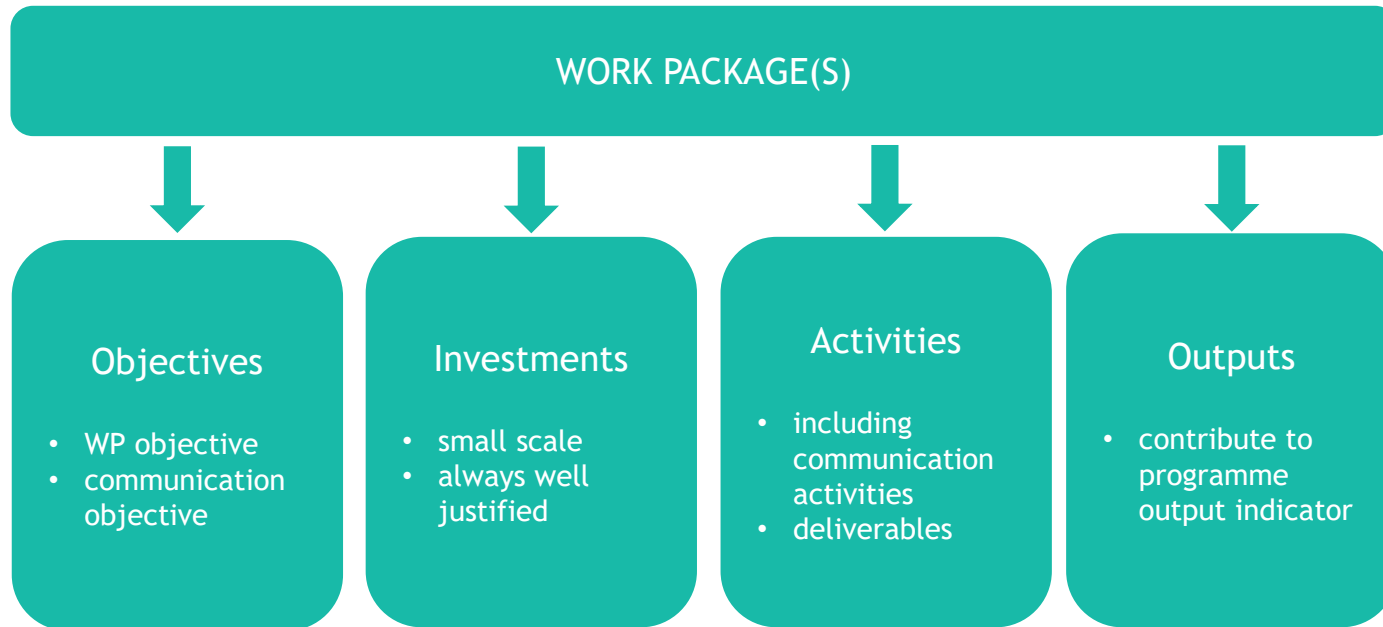
- Be coherent and plan only the activities which help you to reach planned project and programme level outputs, results and objectives



# Planning of the activities

- **The quality of planning will reflect to project implementation**
- Small projects do their full work plan at the same time than all other parts of the application form
- Regular projects do their full work plan in the second step of the call for applications

# Structure of the work plan - Jems



# Structure of the work plan - Work package

- The basic unit of the work plan is a work package (WP)
  - Logical entity of activities within the project
  - Consider also generation and reporting of programme output indicators
- Only one type of WP for the project activities
  - Define one project objective that will be achieved when all activities in this WP are implemented, and outputs delivered
  - Define one communication objective (and target audience) that will contribute to the achievement of the specific objective

# Structure of the work plan - Investments

- Small scale investments can take place within work packages of regular projects
- The need for investment must be well justified, considering the cross-border aspects
- Risks must be elaborated, and documentation (permissions etc.) provided

# Structure of the work plan - Activities

- Different types of actions or tasks which must be implemented to achieve the WP objectives and outputs
- Include only activities which are directly relevant and necessary for achieving the WP objective
- Make a structure for activities, deliverables, and outputs, ensuring their clear interlinkage
- No separate project management actions
  - Reporting, project team meetings, SG meetings etc.

# Structure of the work plan - Activities

- Plan also communication activities
  - Activities to reach your target groups and stakeholders, but also general public
  - No need for separate project webpage, as the Programme will provide a platform for this
- Do not go into too specific details when defining the activities; create set of activities to limit the number of separate ones
  - E.g. planning of the training programme, implementation of the training programme, selecting relevant equipment for water treatment pilot, recruitment process of participating SMEs

# Structure of the work plan - Outputs

- An output is the main achievement of a set of activities (= WP)
- List the output(s) that will be delivered during the implementation of the WP and describe it
- The output(s) must be connected to a programme output indicator
- A realistic target value for the output(s) must be indicated



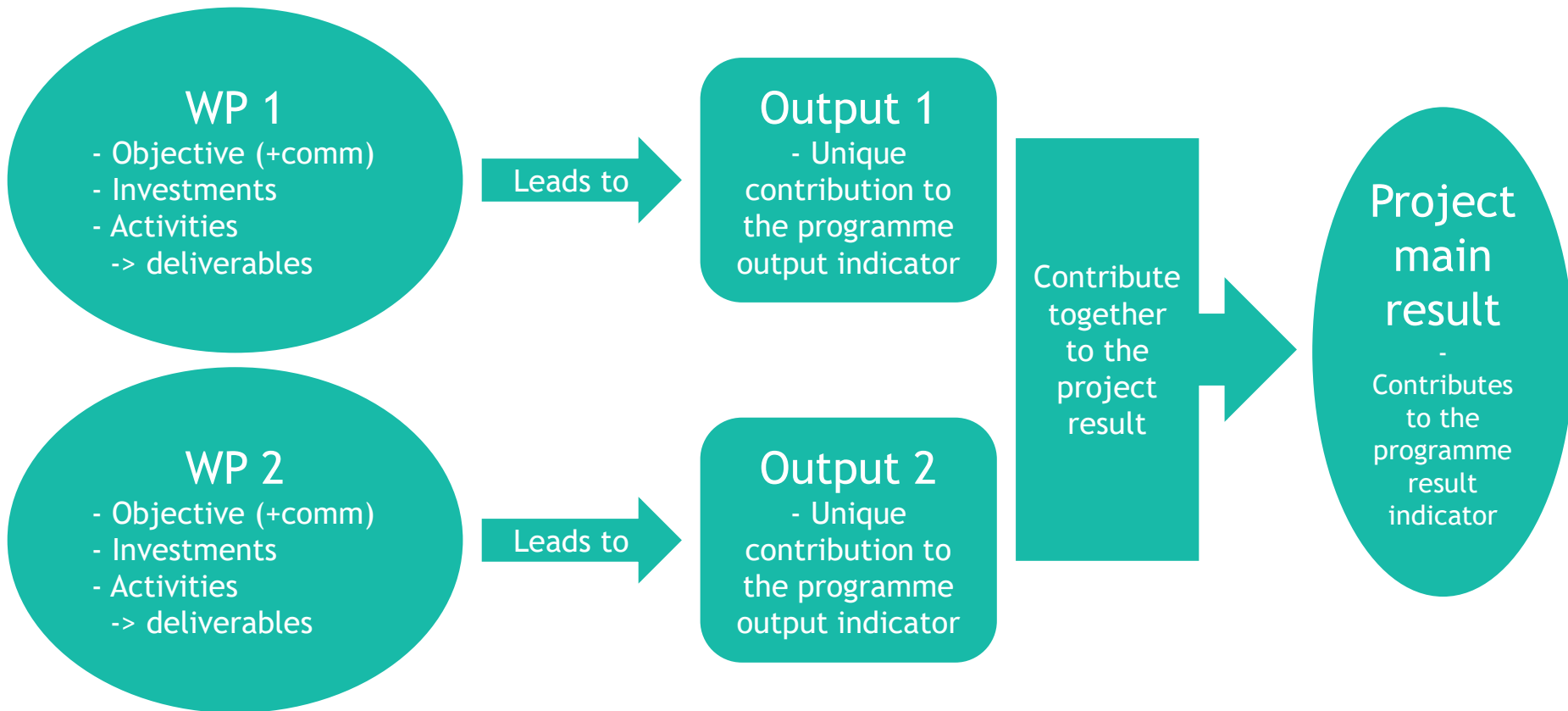
# Structure of the work plan - Time plan

	Period 1	Period 2	Period 3	Period 4	Period 5
<b>WP 1 – Training programme for the target group</b>					
A1.1 Drafting and compilation of training materials	D1.1.1				
A1.2 Recruitment and selection of the target group	D1.2.1 D1.2.2				
A1.3 Training course, part 1		D1.3.1			
A1.4 Elaboration of training material based on part 1		D1.4.1			
A1.5 Training course, part 2			D1.5.1		
A1.6 Elaboration of training material based on part 2			D1.6.1		
A1.7 Contracting training places for work-based learning and work-based learning period for target group with feedback collection			D1.7.1 D1.7.2		
A1.8 Finalisation of training material handbook				D1.8.1	
Result indicator: XXX				O1.1 R1	

# Programme output indicators

- Each WP should contribute to programme output indicators
- Do not duplicate the programme output indicators in your WP structure
- Be realistic when defining the target values for the outputs
  - Compare also with Programme level output indicator targets (Programme Document)

Central Baltic Programme



# General tips and remarks

- Take the necessary time to prepare the work plan jointly
  - Remember that the electronic monitoring system Jems is not a planning tool
- Have clear roles for each partner
- Focus on achieving the results
- Do not plan too many activities for the first months of your project
- Remember closure period (1 month)
- Remember coherence between the work plan and budget

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# Project Applicant Webinar

## Tips and practicalities

Ivo Volt

5.9.2023, Online

# Programme requirements

- Know the basics of the programme, be aware of what we need
  - Geography, support rate, budget limits etc.
  - Contribution to the programme indicators
  - Cross-border added value
  - Logical work plan
  - Budget: understand SCOs
  - Impact to the programme area
- Do not apply just to get money, but to make a change!
- If anything is unclear, **refer to the written guidance** or contact the JS

# Tips for applying

- Register as a Jems user of the Central Baltic Programme
- All partners must register as Jems users
- Lead Partner will give user rights for other partners to have an access to the project application
- Project application can be submitted only via Jems

## Better together!

We are improving the lives in our region by solving common problems and working on joint opportunities – together and across borders.

[Read more](#)

## Jems portal

Welcome to the joint electronic monitoring system Jems!  
All information and documents will be submitted in the system.

[jems.centralbaltic.eu](https://jems.centralbaltic.eu)

## Our projects

Discover the positive change created by project partners from Estonia, Finland (including Åland), Latvia, and Sweden.

[Project workspace](#)





### Central Baltic Programme

Welcome to the monitoring system of Central Baltic Programme 2021-2027!

Here you can find our latest calls and manage your applications. Just login or create a new account and get started!

## Jems - Login

\* Email  
ivo.volt@centralbaltic.eu

\* Password  
.....

By logging in, I agree to the [Terms of service](#), [privacy policy](#) and [cookies usage policy](#).

Login

[Create a new account.](#) [Forgot password.](#)

Jems is partially compliant with WCAG 2.1 AA Web Accessibility Standard. Please follow [this link](#)



## Tips for applying (2)

- Jems is not meant to be a planning tool
- Keep the application texts short, clear and concise: your plans, aim and results must be understandable for people who are not experts in your field
- Work plan/activities must be coherent with the budget
- Check that you have all (but only) necessary attachments added
- Submit early, not during the last days
- Read the guidance materials!

# Attachments to the application

- Confirmation Letter from the LP in both steps (scanned original)
- Document verifying the right to sign on behalf of the lead applicant
- Partner Contribution Statements
- Declaration of Financial Capacity to Undertake Project Activities (by NGOs and non-public equivalent partners)
- Supporting documentation for investments

All attachments must be submitted in an electronic format,  
.pdf files are preferred

# Pre-submission check

- NB! You can submit the application only after the application pre-submission check is done!

## Pre-submission check

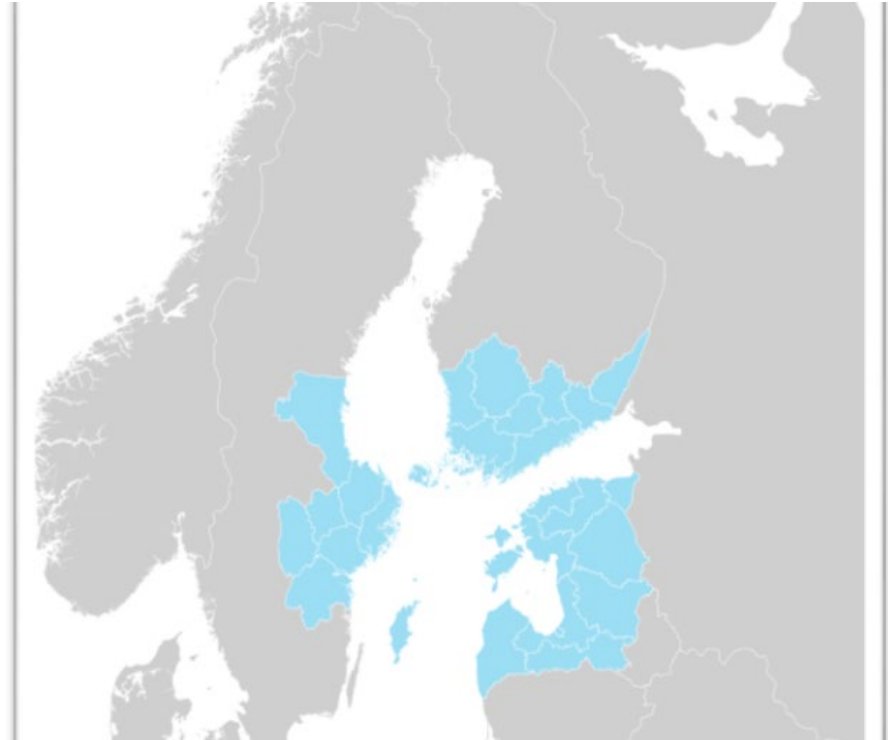
Before you can submit your application, the validation check needs to be valid. This ensures that your application is semantically correct. The check will provide you with an overview of missing or inconsistent data. Results do not update automatically. Run the check again after changes to your application.

Run pre-submission check

Submit project application

## Deadlines

- 2<sup>nd</sup> call 2<sup>nd</sup> step: Jems will be open on 25.09-16.10.2023
- 3<sup>rd</sup> call for small projects: 25.09-16.10.2023
- Submission deadline is at 12:00 Eastern European Time (12:00 in Finland, Åland, Estonia, Latvia; 11:00 in Sweden)
- Start of project activities from March 2024



# Supporting materials

- Central Baltic programme website - [www.centralbaltic.eu](http://www.centralbaltic.eu)
- Programme Manual
- Guide for Applying for a Project
  - **Guide for Applying for a Project 3.0** (2<sup>nd</sup> call, regular projects)
  - **Guide for Applying for a Project 4.0 (small projects)** (3<sup>rd</sup> call small projects)
- <https://centralbaltic.eu/for-applicants/key-documents/#application-documents>
- FAQ - <https://centralbaltic.eu/for-applicants/frequently-asked-questions/>

# Contact information

1. More exports by SMEs
2. More new scaled-up growth companies

3. Joint circular economy solutions
4. Improved coastal and marine environment
5. Decreased CO2 emissions

6. Improved employment opportunities

7. Improved public services

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**Thank You!**



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