

INTERREG V A Italy – Croatia CBC Programme

Restricted Call for Proposals
(IT-HR Clusters)

Factsheet n. 3

Project Development

Version of 5 October 2021

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A. PROGRAMME AREA

The Italy - Croatia CBC Programme covers the coastal areas of the two Countries along the Adriatic Sea including the NUTS III administrative units (province) of Teramo, Pescara, Chieti (Abruzzo), Campobasso (Molise), Brindisi, Lecce, Foggia, Bari, Barletta-Andria-Trani (Puglia), Venezia, Padova, Rovigo (Veneto), Pordenone, Udine, Gorizia, Trieste (Friuli Venezia Giulia), Ferrara, Ravenna, Forlì-Cesena, Rimini (Emilia Romagna), Pesaro e Urbino, Ancona, Macerata, Ascoli Piceno, Fermo (Marche) in Italy and the NUTS III administrative units (županija) of Primorsko-goranska, Ličko-senjska, Zadarska, Šibensko-kninska, Splitsko-dalmatinska, Istarska, Dubrovačko-neretvanska (Adriatic Croatia region), Karlovačka (Continental Croatia region) in Croatia.



B. PARTNERSHIP

In order to be an eligible partner within the Restricted Call for Proposals (IT-HR Clusters), an organization must be a **Lead partner (LP)** or a **Project partner (PP)** of a previously funded

(concluded or ongoing) Standard+ or Standard Project belonging to one of the IT-HR Clusters listed in paragraph C. Thematic Focus.

The same organization cannot be LP or PP in more than one proposal. If more than one proposal includes the same organization as its LP or PP, all involved submitted proposals will be rejected.

Only the following bodies located in Italian or Croatian eligible areas shall be considered as **eligible Lead partners**:

- Public bodies (national, regional or local level);
- Bodies governed by public law.

Each project must involve **at least three partners**, out of which:

- at least one Croatian partner involved in Standard or Standard+ project;
- at least one Italian partner involved in Standard or Standard+ project.

Moreover, the partnership involved shall bring the know-how and experience from **at least 3 different projects belonging to the same IT-HR Cluster from the list** in paragraph C. Thematic Focus.

The maximum number of partners per each project is eight (8).

In compliance to the Programme provisions, for the purpose of the Restricted Call for Proposals (IT-HR Clusters), bodies/institutions interested in being part of a project proposal must fulfil all the following criteria and requirements:

- Be established under the national law of Italy or Croatia (Nationality will be determined based on the organization's statute / articles of incorporation, which should demonstrate that it has been established by an instrument governed by the internal law of Italy or Croatia).
- Have their official seat and their seat of operations in the part of the country included in the Programme area (with the exceptions reported under section Assimilated partners);
- Be endowed with legal personality.

“Legal Personality” is interpreted here as such that the institution has the possibility to acquire rights and obligations (e.g., to conclude contracts, buy property), sue and be sued with no regard to the issue of registration. The bodies concerned are capable of entering into a contract and can be held liable in case of a breach of obligations.

In line with Standard and Standard+ eligibility rules, eligible partners shall either be:

- **National, regional and local public bodies** and associations formed by one or several of such public bodies;
- **Bodies governed by public law**, and associations constituted by one or several bodies governed by public law, as defined in Article 2(4) of Directive 2014/24/EU on public procurement, i.e., bodies that have all of the following characteristics:
 - They are established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;
 - They have legal personality; and
 - They are financed, for the most part, by the State, regional or local authorities, or by other bodies governed by public law; or are subject to management supervision by those authorities or bodies; or have an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.
- **Private bodies**, including private companies, having legal personality and being operational for at least two fiscal years at the time of submission of the candidature; specific **restrictions** for the participation of private bodies are established.
- **International organizations** acting under the Italian or Croatian national law, having legal seat in Italy or Croatia and being operational for at least 2 fiscal years at the time of submission of the candidature.

The following Public Institutions will be considered as per “department”:

- Ministries
- Regions/Counties
- Universities

Each single department within the institution will thus be considered as a separate potential applicant. N.B. department is understood as an organizational unit with financial and administrative autonomy and having technical and administrative staff to ensure its functioning.

Specific restrictions for eligibility of private partners under this restricted Call for proposal:

- For PA1 and PA3 private bodies are eligible but enterprises are eligible only in case of SMEs as defined by EU recommendation 2003/361;
- For PA2 private bodies are eligible but enterprises are not eligible;

- For PA4 all private bodies are eligible including enterprises, irrespective of their size.

Assimilated partners

In order to overcome the Programme's geographical constraints, institutions (**public bodies or bodies governed by public law** established under the national law of Italy or Croatia) that are competent and relevant in their scope of action for all (e.g.: Ministries including their agencies), or parts (e.g. Regional governments including their agencies) of the eligible area, or are anyhow relevant due to specific and exclusive thematic competence and relevance for the eligible area, but which are located outside of it, are considered as assimilated partners with equal rights and obligations to applicants located within the Programme area, and as such **are being considered as full partners, eligible just like those located in the Programme area**.

Competence shall be understood as the quality possessed by an institution that has the legally delegated or invested authority, capacity, or power to perform a designated function. **Relevance** of assimilated partners shall be understood as their capacity to intervene and impact on policy, legislation, decision-making processes as well as to carry out concrete interventions for social, economic and territorial development with reference to the eligible Programme area. The attribution of the status of assimilated partner shall be duly justified in the project application and will be further assessed in the selection process.

In case of **Universities**, they can be considered as assimilated partners if they have a branch in the eligible area and the project activities are carried out by the branch.

In case of Croatian private no-profit bodies acting at national level, they can be considered as assimilated partners given the centralization of competences, interests and capacities which occurs in Croatia according to the legislation in force and provided that it is evident that they are nationally competent for a specific subject.

Competence and relevance of these bodies will also be carefully assessed according to national governance and shall be subject to prior confirmation by the competent Member State.

Other indications regarding the eligibility of partners

All applicants, irrespective of their legal status, must ensure that:

- They have adequate human and technical resources to ensure a sound project implementation and management;
- Their administrative involvement in the project does not undermine their daily activities;

- Their financial commitment within the project is adequate to their size and capacity;
- They have the capacity of advancing payments for the implementation of project activities and eventual delays in reimbursement of EU contributions will not undermine their capacity of implementing the foreseen activities within the project.

Only legal entities eligible for funding and listed in the Application Form (AF) may report their costs. In order to ensure a proper audit trail, the MA needs to know which organizations receive Programme funding and whether they are eligible according to the Programme rules. As a general principle, as far as the role covered by the partners within the project is concerned, private entities whose main scope of activities consists of project coordination, management, communication, knowledge management or other activities that are of a mere executive or supporting character (service providers) cannot be considered as eligible partners/beneficiaries. Compliance with this requirement will be checked during the quality assessment of project proposals which, on a case-by-case basis, could lead even to the exclusion of such partners.

Lead partner responsibilities

According to art. 13 of the Regulation (EU) No 1299/2013, the Programme applies the lead partner principle.

The lead partner assumes the following responsibilities:

1. Is responsible for the coordination of the drafting of the project application and of its submission on behalf of the entire partnership. In case clarifications are necessary during the assessment phase (see Factsheet n. 5 “Project Selection”), the Joint Secretariat (JS) will address the lead partner;
2. Signs a subsidy contract on behalf of the entire partnership with the MA (a template for the subsidy contract is elaborated by the Programme and included in the Application Package);
3. Ensures arrangements with the other partners comprising provisions able to guarantee the sound financial management of the funds allocated to the project and arrangements for recovering the amounts unduly paid;
4. Assumes the responsibility for ensuring the implementation of the entire operation; in this respect it sets the coordination structure through the appointment of key figures (e.g., a project manager, a financial manager and a communication manager) operating for the entire partnership;

5. Ensures that expenditure presented by each partner has been incurred in implementing the operation and corresponds to the activities agreed between all the beneficiaries, and is in accordance with the subsidy contract;
6. Ensures that the expenditure presented by all partners has been verified by the controllers appointed by the country where the partner is located according to the specificities of the national system;
7. Ensures that the promised outputs as in the approved application are delivered in accordance with the set timeline;
8. Receives the reimbursed amount from the Programme on behalf of the entire partnership and transfers the due amounts to its partners as soon as possible without deducting any amount or specific charge;
9. Guarantees the reimbursement of amounts unduly paid to the MA upon receiving a recovery order following the detection of an irregularity on behalf of the affected partner(s) (itself or project partner);
10. Ensures that all project documentation (e.g., progress report, etc.) shall be kept available for a period of four years following the project closure or otherwise required by the specific legislation (e.g., State Aid). The time period referred to shall be interrupted either in the case of legal proceedings or by a duly justified request from the Commission;
11. Coordinates the communication flow towards the MA/JS with regard to the timely submission of the progress reports and requests for reimbursement;
12. Is responsible for the communication flow between the partnership and the Programme (mainly with the JS and the MA), it is in charge of spreading communication and information received by the Programme to its project partners, including the announcements to participate to seminars organized by the Programme;
13. Ensures prompt solutions to management problems (e.g., change of partners, requests for revision of activities, etc.).

Project partner responsibilities

All eligible partners shall be directly responsible for preparation and implementation of their project activities within the partnership, not acting as intermediaries.

Each project partner carries out activities planned in the approved Application Form within the deadline agreed at the Programme and partnership level. Each project partner shall:

1. Assume responsibility towards the lead partner of repaying the received undue amount in case of irregularities in the expenditure it has declared;
2. Carry out information and communication measures for the public about the project activities;
3. Ensure that all project documentation (e.g., progress report, etc.) shall be kept available for a period of four years following project closure or otherwise required by the specific legislation (e.g., State Aid). The time period referred to shall be interrupted either in the case of legal proceedings or by a duly justified request from the Commission.

Obligations of the lead partner and project partners are laid down in the Subsidy Contract and in the Partnership Agreement respectively.

The Subsidy Contract determines the rights and responsibilities of the lead partner – according to the lead partner principle - the conditions for the project implementation, requirements for reporting, financial controls, litigation, etc. The Partnership Agreement transfers rights and responsibilities from the lead partner to the project partners.

CBC feature of Project partners' cooperation

The cross-border approach for the partnership is of extreme importance. The EU Regulations stipulate four cooperation criteria that specifically characterize territorial cooperation projects (art. 12(4) of Regulation (EU) No 1299/2013).

These four cooperation criteria are:

- Joint development. The project idea and scope are jointly developed by the partners.
- Joint implementation. The activities, outputs and results are jointly realized by the partners.
- Joint staffing. All partners assume the necessary role to coordinate and take a part of the responsibility.
- Joint financing. All partners contribute financially to the project resources.

According to the aforementioned art. 12(4), partners of ETC projects shall cooperate in the development and implementation of projects and in financing. In addition, they can cooperate in the staffing.

C. THEMATIC FOCUS

In accordance with the general objective of the Call, which is to enhance the experiences and results achieved by the IT-HR Programme through the implementation of Standard+ and Standard Projects, **five “IT-HR Clusters”** in **five different thematic areas** (one cluster per topic) have been defined, aiming to allow real synergies between the projects and to provide a better visibility and transferability of results.

The IT-HR clusters are:

- IT-HR CLUSTER n. 1: Connectivity from the sea: data driven solution in the sea economy
- IT-HR CLUSTER n. 2: Adaptation to climate changes: governance and capacity building
- IT-HR CLUSTER n. 3: Joint development of thematic cultural routes
- IT-HR CLUSTER n. 4: Marine monitoring as a tool in Maritime Spatial Planning (MSP)
- IT-HR CLUSTER n. 5: Improving quality, efficiency and environmental performance of Adriatic ports

The driving principles in defining the clusters are:

- Contribution to the EU Strategy for the Adriatic and Ionian Region (EUSAIR) and with relevant pillars and flagships (About EUSAIR - adriatic-ionic.eu);
- Alignment to the Specific Objectives (SOs) of the Interreg Italy-Croatia CBC Programme 2021-2027 (<https://www.italy-croatia.eu/web/it-hr-interreg-2021-2027>);
- Connection with the Interreg ADRIION Programme’s Thematic Clusters (TCs) ([ADRIION THEMATIC CLUSTERS – Interreg ADRIION Programme \(adriioninterreg.eu\)](http://ADRIION THEMATIC CLUSTERS – Interreg ADRIION Programme (adriioninterreg.eu))).

Here below a description of each cluster is provided.

IT-HR CLUSTER n. 1: Connectivity from the sea: data driven solution in the sea economy

ELIGIBLE PROJECTS	ADRIREEF, BEAT, BLUE KEP, FAIRSEA, INVESTINFISH, ITACA, PRIZEFISH, SUSHI DROP
DESCRIPTION	This cluster will support the experiences of projects dealing with the application of innovation practices and fostering data-driven solutions in the circular and sea economy. The cluster will be composed of organizations from previous projects with experience in testing and managing specific solutions of data management for the deployment of innovative solutions in the circular economies and the development of solutions to decarbonize all the maritime mobility activities, fishing fleets (e.g., new materials, shore-based). This could include blockchain technology and big data analytics applications in port facilities and maritime supply chains to ensure cost savings and greater efficiency, as well as improvements in the quality of services.

CONNECTION TO:	
EUSAIR PILLAR and FLAGSHIP	Pillar 1 - Blue Growth Flagship: Fostering quadruple helix ties in the fields of marine technologies and blue biotechnologies for advancing innovation, business development and business adaptation in blue bio-economy
SOs 2021-2027	SO 1.1 Developing and enhancing research and innovation capacities and the uptake of advanced technologies SO 1.4 Developing skills for smart specialization, industrial transition and entrepreneurship
ADRION THEMATIC CLUSTERS	TC on Blue Growth and Related Smart Growth

IT-HR CLUSTER n. 2 Adaptation to climate changes: governance and capacity building

ELIGIBLE PROJECTS	ADRIADAPT, ASTERIS, CHANGE WE CARE, iDEAL, Joint_SECAP, MoST, READINESS, RESPONSE
DESCRIPTION	This cluster will support the experiences of projects dealing with climate change and helping the local public administrations to take appropriate decisions related to climate adaptation measures. The cluster will enable increasing knowledge and planning capacity in local communities to develop coherent and adequate climate adaptation plans, strategies and guidelines for climate change and saltwater intrusion, as well as to increase preparedness of Civil Protection and inhabitants from the natural and man-made disasters. Moreover, dissemination, awareness raising, and exchange of experiences and good practices will increase chances for sound implementation of solutions and climate action transformations in coastal areas of Italy and Croatia towards sustainable development and building resilience.
CONNECTION TO:	
EUSAIR PILLAR and FLAGSHIP	Cross-cutting issue: climate change and risk management.
SOs 2021-2027	SO 2.4 Promoting climate change adaptation and disaster risk prevention, resilience, taking into account eco system based approaches
ADRION THEMATIC CLUSTERS	TC on Coastal and marine environment management

IT-HR CLUSTER n. 3 Joint development of thematic cultural routes

ELIGIBLE PROJECTS	ATLAS, ARCA ADRIATICA, HERCULTOUR, HISTORIC, MADE IN-LAND, REMEMBER, REVIVAL, TEMPUS, UnderwaterMuse, VALUE
DESCRIPTION	This cluster will support the experiences of projects dealing with the promotion of common cross-border identity and heritage through the development of sustainable thematic cultural routes to contribute to the distribution of tourism flows in a wider geographical area. The cluster will support the development of new forms of experiential tourism encouraging visitors to actively participate in the local cultures and communities. This could encourage new economic activities and improve local population's quality of living. The cluster will enable the creation of

	innovative diversified tourism products and will bring additional contribution to shared theme and common narrative from previously implemented projects. In addition, the cluster will support the use of innovative and advanced solutions as an opportunity to further develop new experiences.
CONNECTION TO:	
EUSAIR PILLAR and FLAGSHIP	Pillar 4 - Sustainable Tourism Flagship: AIR Cultural Routes – Development of sustainable and thematic cultural routes / connecting cultural routes in EUSAIR
SOs 2021-2027	SO 4.6 Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation.
ADRION THEMATIC CLUSTERS	TC towards sustainability in cultural and natural tourism destinations

IT-HR CLUSTER n. 4 Marine monitoring as a tool in Maritime Spatial Planning (MSP)

ELIGIBLE PROJECTS	AdSWiM, CREW, Dory, ECOMAP, ECOSS, ML-REPAIR, Net4mPLASTIC, SASPAS, SOUNDSCAPE, WATERCARE
DESCRIPTION	This cluster will support the experiences of projects dealing with Maritime Spatial Planning (MSP) as an integrated approach to combine environmental protection and sustainable economic use in highly vulnerable marine ecosystem area. The cluster shall help identifying threats to the quality of sea water and biodiversity and the appropriate actions to manage them. The cluster intends to stimulate innovative monitoring methodology in the sea environment and Integrated management systems (sea, coastal and river environments). It should support the exchange and sharing of know-how on the development at local and regional levels of MSP as identified by the EU's Integrated Maritime Policy. Therefore, one of the main aspects of the cluster is the support to public administrations to take appropriate decisions related to maritime spatial planning and to increase knowledge and planning capacity in the local communities based on reliable data.
CONNECTION TO:	
EUSAIR PILLAR and FLAGSHIP	Pillar 3 - Environmental Quality Flagship: Promotion of sustainable growth of the AI region by implementing ICZM and MSP also to contribute CRF on ICZM of Barcelona convention and the monitoring and management of marine protected area
SOs 2021-2027	SO 2.7 Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution
ADRION THEMATIC CLUSTERS	TC on Coastal and marine environment management

IT-HR CLUSTER n. 5 Improving quality, efficiency and environmental performance of Adriatic ports

ELIGIBLE PROJECTS	ADRIGREEN, DigLogs, E-CHAIN, ECOMOBILITY, INTESA, PROMARES, TRANSPGOOD
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DESCRIPTION	This cluster will support the experiences of projects dealing with the need to improve quality, efficiency and environmental performance of intermodal and multimodal freight and passenger transport with particular focus on the Adriatic ports. This includes the development of supporting (ICT) tools for traffic management, integration, optimization and harmonization of services, interfaces, procedures, and traffic automation systems towards an environmentally sustainable approach. The cluster shall engage the key stakeholders, policy and decision makers in the transport sector who are making an effort at national and cross-border level to improve the multimodality, while favoring the environmentally friendly means of transport.
CONNECTION TO:	
EUSAIR PILLAR and FLAGSHIP	Pillar 2 - Connecting the region Flagship: The Adriatic-Ionian green / smart port hubs concept
SOs 2021-2027	SO 3.2 Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN T and cross border mobility
ADRION THEMATIC CLUSTERS	TC on Integrated Multimodal Sustainable Water and Land Transport

D. HOW TO BUILD THE WORK PLAN

Project activities in the frame of the Programme shall be organized around **work packages (WPs)**, i.e.: a group of related project activities necessary to produce project deliverables and main outputs. The organization of the activities in work packages ensures a shared knowledge about the project's structure and objectives among all partners; additionally, it increases the capacities of the Programme MA/JS to follow up the implementation of the expected activities and facilitates the procedures for reporting and accounting of expenditure.

Each work package, structured in activities, shall provide information on the **partners** involved, the description of the related **deliverables** and expected **outputs**, and the related **budget**.

More specifically, each work package is composed of the following elements:

- **activities:** specific tasks performed for which resources are used; the proposed activities shall have a logical sequence and be planned for the direct benefit of the area concerned by the authorities involved in the project; activities shall be included in the Application Form according to a progressive n. which shall be formed by the number of the WP (e.g., 1 for WP1) and the progressive n. of the activity (e.g., 1.1, 1.2, 1.3, etc.);
- **deliverables:** tangible or intangible products of the project that contribute to the achievement of a project output. More than one deliverable can be necessary to produce

one output; deliverables shall be included in the Application Form under each activity foreseen by the project;

- **outputs:** what has actually been achieved as a result of the funding given to the project. Outputs directly contribute to the achievement of project result(s) and project specific objectives.

Applicants are requested to submit project proposals able to ensure the following goals for the outputs produced and the best practices tested during the implementation of Standard+ and Standard Projects:

- innovative schemes for the sustainability of results;
- transferability of results beyond the IT-HR Programme Area;
- activation of coordination processes with other Interreg (e.g., ADRION Thematic Clusters) and EU initiatives (e.g., EUSAIR structures);
- involvement of other ongoing Standard and Strategic IT-HR projects operating in the same domains in communication and dissemination activities;
- development of project ideas in line with Interreg Italy-Croatia CBC Programme 2021-2027, identification of cross-border obstacles to be solved, proposals to contribute to the implementation of EUSAIR flagships;
- addressing as target groups "policy makers" relevant for the Programming Period 2021-2027.

The **project workplan will have a simplified structure**, with an articulation by **predefined WPs** and with **predefined activities** that each project will have to carry out.

Minimum deliverables will also be envisaged, but each proposal may include additional deliverables which will be evaluated on the basis of their consistency with the objectives of the Call and added value to cooperation, according to the selection criteria approved by MC (see FS 5 annexes).

The project workplan will have the following articulation in WP:

- WP 1: Project Management
- WP 2: Communication and Dissemination
- WP 3: Clustering thematic activities

WP 1 - Project management and coordination of activities

In this work package the activities aim at ensuring a **sound management and coordination of the project**. The overall project management and all aspects linked to the financial management must be clearly described. Proof of how the work within the partnership involved is organized and distributed shall also be provided. The coordination and management activities shall result in the successful implementation of the project as well as in the production and submission of the administrative documents for accounting of expenditure and reporting on the activities implemented.

Structure, responsibilities and procedures for the day-to-day management and coordination (including whether the externalization of the management is foreseen), as well as for the reporting, shall also be included in this work package.

This work package shall also include the activities related to the project closure that refer to the finalization of all the legal and administrative duties and obligations of the LP and PPs related to the granted activities and to the incurred expenditure.

Mandatory activities for WP1 will be:

- **Day-to-day project management, coordination and internal communication:** tools and procedures, including coordination meetings, monitoring of progress of activities and preparation of reports, quality management, project closure
- **Financial management:** monitoring of incurred expenditure, transfer of funds and cash flow management, preparation of necessary documentation in view of the validation of expenditure and of controls/audits

WP 2 - Communication activities

Project communication approach

Communication activities in the framework of the Restricted Call for Proposals (IT-HR Clusters) are essential as they can help making the knowledge generated by projects more accessible, improving its transfer, as well as enhancing the visibility of project results. The projects shall develop innovative communication approaches that are aimed at promoting Standard and Standard+ results and to identify and reach relevant stakeholders of each thematic area addressed. Communication is therefore a crucial aspect of project activities on which their success partly depends. It has to be ensured that knowledge of cluster activities does not remain confined to the documents containing them and is not limited to single partners but is made known first within the cluster and, above all, outside of it.

Self-referential communication activities have to be avoided. In the evaluation of the project proposals, particular importance will be given to the evaluation of communication aspects, which should privilege digital activities and use of innovative communication approaches.

Each project must present its communication approach in the related field of the Application Form (section G of the Application Form); for this purpose, the communication elements to be defined and described in the application are as follows:

- the **communication objectives**: what do you want to achieve with the communication?
- the main **target groups**: whom do you have to target with communication activities in order to achieve the aims?
- the **tactics** selected to interact with target groups
- the **activities** for each of the tactics selected.

Moreover, in the section “Work Plan” of the Application Form, a description of WP activities shall be provided. **Mandatory activities for WP2 will be:**

- **Online and offline events**: Organization of two conferences (kick-off and at least one high-level event) involving thematic experts (different than the partnership representatives) or potential influencers relevant in the project’s area of activity as speakers, in order to attract a wider public and qualified audience. Participation in events organized by the Programme or EU institutions / EUSAIR Thematic Steering Groups / clustering events organized jointly with other projects financed by the Italy-Croatia Programme or other ETC Programmes of the Adriatic area.¹
- **Promotional campaigns and media relations**: activities leading to the publication of information about the project in print and digital news media, such as press releases, press conferences, journalist on-site visits², radio/tv/newspapers space acquisition, etc. It is important to identify relevant media or online magazines for publishing the project articles and possibility to invest in digital promotional campaigns on radio/tv/newspapers and space acquisition rather than printed material.
- **Digital and web-based activities**: for the management of website, social media platforms, electronic newsletter and direct mailings, it is important to produce the content to feed the digital tools, such as (animated) infographics, web-docs, interviews and short videos,

¹ Local Europe Direct Contact Centre (EDIC) and other local stakeholders could be involved to support the promotion of events. In case it is needed, the events can be organized virtually. However, it is recommended to foresee hybrid format (online/offline) of events, as well as live streaming.

² In case the onsite visits of the journalists or the study visits of the partnership should be prevented due to the Covid-19 restrictions, the partners may organize a local onsite visits with streaming on the social media

etc. Different initiatives should be linked with a constant digital activity that transforms communication into a truly integrated one, able to incorporate all the territories and ensure constant dialogue with young people and citizens. For the purposes of the communication and visibility of the implementation of the study visits, video-productions shall be foreseen.

Minimum **deliverables** for WP2 are foreseen as well:

- 1 Kick-off conference with prior event promotion and detailed follow up report
- 1 high-level sectoral event on the main cluster activity with the participation of at least 2 external participants / stakeholders (different then the partnership) invited by each partner as a guest
- 1 participation in events organized by the Programme or EU institutions / EUSAIR Thematic Steering Groups / clustering events organized jointly with other projects financed by the Italy-Croatia Programme or other ETC Programmes of the Adriatic area
- 1 article published on relevant EU or National magazines (in digital or print format)
- 1 digital communication web-based product (e.g., video showcasing cluster's achievements)

All cluster projects shall also provide for:

- Preparation of an editorial Plan per semester for digital communication of the cluster,
- Provision of basic information about the project on all project partners' institutional websites,
- Regular project website updates,
- A project poster (of minimum A3 size) placed at a location visible to the public, such as an entrance area of a building of each involved PP.

Resources to be foreseen

Each project should identify a **communication manager** in charge of communication activities and acting as liaison with the Programme.

All projects will be provided with the **Communication kit** including project logo, office pack, visuals and other design templates which can be easily adapted and implemented.

Project websites will be integrated and hosted on the Programme website thus removing the need for any fixed costs for creating and maintaining the project website.

Evaluation of communication activities should also be foreseen.

General principles and rules for project communication provided in Factsheet n. 8 “Project Communication” shall also be applied, unless differently regulated by the Call Announcement and related Application Package.

WP3 - Clustering thematic activities

This Work package is the heart of the project and describes what the partnership intends to implement to reach the foreseen goals. It also refers to a group of related project activities necessary for the realization of the described project outputs and goals.

Mandatory activities for WP3 will be:

- **Exchange and exploitation of projects’ results:** activities shall foster dissemination and transferability of results in the thematic area of each cluster. Deliverables can include for instance an “Inventory of results” describing the most relevant outputs produced by projects participating in the cluster or “Best Practice Paper” enclosing the most significant experiences developed by projects participating in the cluster or other tools for exploitation;
- **Contributions to next programming period:** activities shall focus on the potential input for the 2021-2027 Programme or to relevant aspects to be enhanced in the next generation of Italy-Croatia projects, in particular as regards the overcoming of cross-border obstacles found in the 2014-2020 project implementation. Deliverables can include for instance a “Flagship Paper” describing the thematic contribution that the cluster project could give in regard to the EUSAIR Flagships or project ideas for future projects to support the 2021-2027 priorities identified by the Programme.
- **Awareness raising and engagement:** activities shall focus on the production of thematic contents able to address stakeholders in the Programme area and demonstrate the relevance of the issues raised by the projects involved. Deliverables can include study visits³ (also virtual) to showcase best practices identified and raise awareness on the topics addressed by the cluster, thematic seminars, masterclasses, peer reviews, dedicated programmes to engage stakeholders and cluster demonstration activities, such as solution testing activities, live exercise activities, etc. Connections with other initiatives and/or EU Programmes shall be foreseen within this activity.

Minimum **deliverables** for WP3 are foreseen:

³ In case the study visits of the partnership should be prevented due to the Covid-19 restrictions, the partners may organize this activity in streaming on the social media for involving other partners and showing the activity.

- Exploitation plan;
- At least 2 project ideas for 21-27 programming period;
- At least 1 study visit;
- At least 1 additional deliverable chosen by the project.

In order to assess and measure each cluster project's foreseen results, a dedicated set of indicators, so called **Cluster Indicators**, has been introduced for this Restricted Call for Proposals (IT-HR Clusters):

N.	Cluster Indicator
1	N. of online/offline events with external stakeholders organized
2	N. of digital campaigns held
3	N. of digital communication activities carried out (excluding events and campaigns)
4	N. of thematic studies / reports aimed at maximizing projects' results
5	N. of project ideas 2021-2027 developed
6	N. of study visits organized
7	N. of joint actions with other Programmes / EU initiatives

Each cluster project shall contribute to at least one Cluster Indicator.

E. IMPORTANT PRINCIPLES RELATED TO BUDGETING

The system of financing is a budget-based grant (eligible costs). The grants are financed through reimbursement of eligible costs and will be calculated on the basis of a detailed estimated budget, clearly indicating the costs that are eligible for ERDF funding. Eligible partners shall secure stable and sufficient sources of finance to ensure both project implementation and the continuity of the organizational activities throughout the lifespan of the project. The EU grant should not have the purpose or effect of producing a profit for the beneficiaries (profit is defined as a surplus of receipts over eligible costs incurred by the beneficiaries). The budget of the project

must fully accomplish the principles of adequacy of costs and sound financial management. As provided under chapter 7 of the Regulation (EU, Euratom) No 966/2012, the principle of sound financial management builds on the following three principles:

- The principle of economy: it requires that the resources used by the beneficiary in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price;
- The principle of efficiency: it concerns the best relationship between resources employed and results achieved;
- The principle of effectiveness: it concerns the attainment of the specific objectives set and the achievement of the intended results.

Location of activities

In line with the requirements for the geographical location of partners, and as a basic principle, the INTERREG V A Italy-Croatia CBC Programme supports project activities taking place in the Programme area.

Assimilated partners have equal rights and obligations as do applicants located within the Programme area and their budget should be developed following the same principles and constraints applicable to Lead partners and Project partners.

The **activities implemented outside the Programme area** (including the participation in study visits and events) can be foreseen if the following conditions are met:

- It must be demonstrated that the activities are of benefit for the Programme area;
- The concerned activities are essential for the implementation of the project;
- The total amount of the concerned activities (the organization of the project's meetings, events and seminars outside of the Programme area) must be under the ceiling of 20% ERDF amount of the Project's budget.

Such activities must explicitly be foreseen in the Application Form or, if not, have to be authorized by the MA/JS previous to their implementation.

Such activities and their related project expenditure should be detailed in a dedicated field of the Application Form on the web-based electronic management and monitoring system – SIU.

According to article 20 of Regulation (EU) No 1299/2013 and to the INTERREG V A Italy-Croatia CBC Programme, the MA/JS must closely monitor all activities located outside the Union part of the Programme area, both in the application and in the implementation phase.

Costs related to such activities must be incurred by a Lead partner, a Project partner located in the Programme area, or an Assimilated partner.

Use of Euro

The budget must be drawn up in Euro. Croatian applicants are advised to draft their budget share using the exchange rate published on the Official Journal of the EU on the date of the publication of the Calls for proposals on the Programme website, keeping in mind that reimbursement – based on actually incurred expenditure - will have to be converted into Euro by the beneficiaries using the monthly accounting exchange rate of the Commission in the month during which such expenditure will be submitted for verification to the FLC.

The exchange rate used for accounting expenditure might be different from the one used for the purpose of drafting the budget. Costs related to fluctuation of foreign exchange rate are not eligible.

Hierarchy of rules on eligibility of expenditure

Eligibility of expenditure is to be considered through different levels of rules:

- the European level: EU regulations
- the Programme level: specific rules decided for the Italy – Croatia Programme
- the National level: National rules applicable in each Member State
- the partner institutional level: internal rules applicable to each partner organization

Generally speaking, to be eligible at project level, costs must:

- relate to activities foreseen in the Application Form, be necessary for carrying out these activities and achieve the project's outputs and results, and be included in the estimated budget;
- be reasonable, justified, consistent with the applicable internal rules of the partner, National, Programme and EU rules and in accordance with the principles of sound financial management;
- be identifiable, verifiable, plausible and determined in accordance with the relevant accounting principles;
- be incurred and paid by the partner organization, debited from its bank account starting from the date indicated as project start in the AF (that cannot be prior to the deadline of the concerned Call for Proposals) and no later than the official end date of the project as indicated in it. As a general rule, once the project is operationally closed, no further

financial commitments (purchase orders, etc.) can be made, nor expenses charged and then be eligible for reimbursement. Only the payment of prior financial obligations against existing invoices and similar are allowed, if made no later than 60 days after the official end date of the project.

- be substantiated by proper evidence allowing identification and checking.

Finally, the practice of **shared costs shall not be allowed**, i.e.: the costs incurred for activities carried out by one Project partner - or under its responsibility by a sub-contractor – and covered by more than one Project partner (the practice of splitting cost items paid by one Project partner among the partnership), even in cases where such activity is for the benefit of the whole project partnership. The budget allocated to a project partner shall fully reflect the activities actually implemented by that specific partner.

In accordance with the scope of support of the Regulation (EU) No 1301/2013 the following activities **shall not be supported**:

- a) The decommissioning or the construction of nuclear power stations;
- b) Investment to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC;
- c) The manufacturing, processing and marketing of tobacco and tobacco products;
- d) Undertakings in difficulty, as defined under Union State aid rules;
- e) Investment in airport infrastructure unless related to environmental protection or accompanied by investment necessary to mitigate or reduce its negative environmental impact.

Without prejudice to the specific Programme rules defined in the next paragraph, the following expenditure is considered **as not eligible** (reference to art. 69 of Regulation (EU) No 1303/2013 and art. 2 of Delegated Regulation (EU) No 481/2014):

- In kind contributions (in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices, or documents of equivalent probative value, has been made)
- Costs for gifts, except those below the amount of 50€ per item and related to promotion, communication, publicity or information;
- Costs related to fluctuation of foreign exchange rate;
- Charges for national financial transactions.
- Interest on debt;
- Value added tax (VAT), except where it is not recoverable under national VAT legislation;
- Fines, financial penalties and expenditure on legal disputes and litigation.

F. BUDGET LINES AND ELIGIBLE COSTS

Simplification is at the core of the legislative package proposed by the European Commission (EC) for 2014-2020. This is to make access to EU funding easier and quicker for all beneficiaries. At the same time, it should lighten the administration linked to the management and audit of EU funding Programmes.

In CPR, the EC promotes a wider use of simplified cost options, as an alternative to the reimbursement based on real costs. Harmonization is also a key aspect. In the past, project partners involved in different Interreg Programmes faced different rules, different formats to be used and even different wording to describe similar things.

The Italy – Croatia Programme has as much as possible tried to streamline its processes and rules with other Interreg Programmes in line with the principles of simplification and harmonization.

Therefore, projects applying to the Restricted Call for Proposals (IT-HR Clusters) have, alongside a budget based on real costs, two simplified cost options to choose from when designing their budgets. During the application phase only one of these three options must be chosen at project level and it must be applied across all cost categories and it cannot be changed during project implementation.

Given the nature of the expected activities, no Equipment or Small Scale Infrastructures and construction works are allowed within this Call.

Project applicants shall choose one of the following three budgeting options:

A. Budget with real costs

This option is the one currently used by the vast majority of Standard and Standard + projects and follows the rules specified in FS6 (Par. C.5). Given the particularity of the activities funded by this Call, it should be remarked that “Real costs” are limited to the following budget lines:

- Staff costs,
- Travel and accommodation costs,
- External expertise and services costs,
- Office and administration costs (in the amount equal to 15% of Staff costs).

B. Flat-rate (40%) financing for costs other than staff costs

This option is a new feature introduced in this call, and it allows for a huge simplification of reporting and budget management. A flat rate of 40 % of eligible direct staff costs may be used in order to cover the remaining eligible costs. “Other costs” can include following budget lines: Office and administration costs, Travel and accommodation costs and External expertise and services costs. Under this option partners have to plan and report only direct Staff costs. A 40% flat-rate of these costs will be calculated and reimbursed to cover all the remaining project costs which, therefore, do not have to be specifically reported. Therefore, two budget lines are available in this option:

- Staff costs,
- “other costs”.

C. Flat rate staff costs as 20% of direct costs

This option is already possible also in the current Standard Call. Staff costs of a project may be calculated at a flat rate of 20 % of the “direct costs” other than the staff costs. “Direct costs” include only the following budget lines: Travel and accommodation costs and External expertise and services costs. A 20% rate of these costs will be calculated and reimbursed to cover Staff costs which, therefore, do not have to be specifically reported. Office and administration costs are also planned, in the amount equal to 15% of Staff costs. Therefore, the following budget lines are available in this option:

- Staff costs,
- Travel and accommodation costs,
- External expertise and services costs,
- Office and administration costs (in the amount equal to 15% of Staff costs).

Applicants can find here below an example of calculation for each of the three available options for budget planning purposes.

OPTION A. – Example calculation (real costs)

BUDGET LINE	UNIT	INDICATIVE BUDGET
STAFF COSTS	REAL COSTS	250 000 EUR
OFFICE & ADMINISTRATION COSTS	FLAT RATE 15% OF STAFF COSTS	37 500 EUR
DIRECT COSTS	REAL COSTS*	312 500 EUR

TOTAL BUDGET	600 000 EUR
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* Limited to Travel and accommodation costs and External expertise and services costs

OPTION B. – Example calculation (40% flat rate for all other costs)

BUDGET LINE	UNIT	INDICATIVE BUDGET
STAFF COSTS	REAL COSTS	428 500 EUR
ALL OTHER COSTS	FLAT RATE 40% OF STAFF COSTS*	171 400 EUR
TOTAL BUDGET		599 900 EUR

* Limited to Office and administration costs, Travel and accommodation costs and External expertise and services costs

OPTION C. – Example calculation (20% flat rate for staff costs)

BUDGET LINE	UNIT	INDICATIVE BUDGET
DIRECT COSTS	REAL COSTS*	487 800 EUR
STAFF COSTS	FLAT RATE 20% OF DIRECT COSTS	97 560 EUR
OFFICE & ADMINISTRATION COSTS	FLAT RATE 15% OF STAFF COSTS	14 634 EUR
TOTAL BUDGET		599 994 EUR

* Limited to Travel and accommodation costs and External expertise and services costs

As regards the budget principles and rules to be taken into account in budgeting and reporting, Factsheet n. 6 "Project Implementation" available on the Italy-Croatia Programme website shall be consulted.

The Factsheet n. 6 shall be applicable to the "IT-HR Cluster projects" with the exception of provisions related to:

- advance payments/pre-financing (subsection B.2.3);
- budget line "preparation costs" (subsection C.5.1);
- budget line "equipment" (subsection C.5.6);
- budget line "small scale infrastructure and construction works" (subsection C.5.7).

G. HORIZONTAL TOPICS

Co-financing rate

Under the Interreg V A Italy – Croatia CBC Programme, **the project activities are co-financed from the ERDF at 85%** (fixed rate). As a general rule, the other 15% has to be provided by the partners themselves as “national co-financing”.

The sources of the partners’ own contribution can be manifold:

- a) Public funding: public co-financing provided by other central or local public bodies;
- b) Own resources of International Organizations: they may be considered as public co-financing, depending on the decision by the National Authorities of the Member State where such organization is located;
- c) Private funding: refers to the amount of own funds provided by private institutions through their involvement, or to the provision of funds from private sources external to the partnership.

For public bodies and bodies governed by public law located in Italy, the 15% is ensured by the State (Fondo di Rotazione).

The Republic of Croatia does not ensure 15% co-financing; co-financing is a responsibility of each individual Croatian project partner.

One organization that is partner in a project cannot be the source of contribution of another organization that is partner in the same project.

It has to be noted that in-kind contributions are not eligible within the Programme, therefore their use of as a source of co-financing is not permitted.

Eligibility in time and duration

The duration of the project implementation is ruled in the “Call announcement”.

Projects that have started the implementation of activities before the application is submitted will not be funded, irrespective of whether related payments have been made by the beneficiaries or not.

Project’s planned activities shall be implemented within the project start and end date indicated in the Application Form.

The project closure phase refers to the finalization of all the legal and administrative obligations related to the granted activities and to incurred expenditure. It includes the preparation of the last progress report, the final report and the reconciliation with the initial granted amount, if necessary. These activities take place after the project official end of activities reported in the AF. Further information is provided in Factsheet n. 7 “Project closure”.

Public procurement

Public procurement refers to the process by which public authorities, such as government departments or local authorities, purchase work, goods or services from companies. All applicable rules regarding public procurement are detailed in subsection C.4.1 Public procurement of Factsheet n. 6 “Project Implementation”.

Revenues

All applicable rules regarding revenues are detailed in subsection C.4.4 Revenues of Factsheet n. 6 “Project Implementation”.

State Aid

In consideration to the types of activities financed by this Restricted Call for Proposals (IT-HR Clusters), the Programme does not expect any State aid relevant activity as defined by European legislation and the Treaty on the Functioning of the European Union governing the matter in Articles 107. However specific assessment will be carried out.

Natura 2000

In consideration to the types of activities financed by this Restricted Call for Proposals (IT-HR Clusters), the projects are not considered to have effect on Natural Habitat “Natura 2000” sites.

Horizontal principles

In consideration to the types of activities financed by this Restricted Call for Proposals (IT-HR Clusters), the projects have to respect horizontal aspects highlighted in EU regulations, namely:

- 1) Equal opportunities and non-discrimination.
- 2) Equality between men and women.
- 3) Sustainable development.

H. WHERE TO FIND ASSISTANCE

The Joint Secretariat (JS) is based in Venice, with a branch office in Zadar, and can be contacted at any time by LP's for any queries related to project development.

Contact details of the JS are: INTERREG V A Italy – Croatia CBC Programme Joint Secretariat
c/o Veneto Region, Italy – Croatia Managing Authority
Dorsoduro 3494/a – 30123 Venice, Italy,
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c/o JS Branch Office - Zadar:
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Useful information can be also found in the Programme website: www.italy-croatia.eu.