



10 March 2022, MA/JS

# Financial webinar

## Questions during the financial webinar and their answers

### Disclaimer

*The document summarises the questions raised by applicants and the answers provided by the MA/JS at the Financial Webinar on 10.03.2022. Even the MA/JS made its best to answer all questions sufficiently, please be aware that the answers do not replace or overrule any relevant provisions set by the EU regulations, Programme Manual and/or applicable national law. The MA/JS cannot under any circumstances or for any reason whatsoever be held liable for completeness, correctness and up-to-dateness of the answers provided.*

### Abbreviations

AO - associated organisation

BAMOS - online monitoring system for project management and reporting

CAT - cost category

MC - Monitoring Committee

PIF - project idea form

### Question 1: How are working hours reported?

**Answer:** Working hours will be reported in the obligatory document called Report of hours provided by the MA/JS. In addition, partners need to deliver obligatory employment confirmation also based on MA/JS template.

**Question 2:** The Programme documents state that the budget is unlimited and will be acceptable as long as it is "proportionate" to the idea presented. What does this mean more precisely (example)? The criteria use the word "adequate" budget. How will the expert assess this criterion?

**Answer:** Budget adequacy means the relation of the described project activities and their outputs (the amount of them and their type) to the proposed budget. The better the outputs are described (their nature, type, usefulness for the selected target groups, concrete examples what the output will be and used by whom), the better would be justification of the proposed budget. One big output might be worth the same budget as several smaller outputs. The number of contributing partners to achieve output(s) is also an indicator for the needed budget. The more precisely the planned output is described and clear for the evaluator the better is scoring such an application. Unclear outputs (which leave a lot of room for interpretation) lower the score for budget adequacy, also unclear roles of the single project partners diminish the budget adequacy.

**Question 3:** Is there any way to budget ship time of research vessels by calculated daily cost in the current situation, where BL7 doesn't exist anymore?





**Answer:** The budget line 7 of the Programme 2014-2020 was dedicated to unit costs of a ship based on historical data. As this type of costs was hardly used by project partners participating in the Programme 2014-2020, the MA/JS will not continue with this budget line in the Programme 2021-2027. In the new Programme, the costs can be divided as follows: crew for research vessels should be planned under cost category 1 (staff costs). The maintenance costs and operation costs of vessels can be planned under cost category 4 (external service). Fuel costs of vessels should go to cost category 5 (equipment). If a project partner receives one bill (covering all costs of a vessel and not single costs) for the whole usage of a vessel, the pro rata approach could be used. It means that days of the vessels used for the project will be divided by all days the vessel was used (the days of usage should be proven by ship log). In the pro rata approach the costs (proportional share for the project use of the complete ship use) should be planned under cost category 5 (equipment).

**Question 4:** As research team from public University what source of own contribution could be eligible?

**Answer:** The Programme works with the reimbursement principle. That means that each project partner must finance first the expenditure and after reporting it to the Programme, the co-financing will be 80% (in case of EU partners). The own-contribution of 20% can be covered by public cash inflows (international, national, local funds). Private cash inflows (donation, sponsoring) are not acceptable to cover own contribution (20% in case of 80% Programme co-financing). Furthermore, other EU funds cannot be used to cover own contribution of project partners at all.

**Question 5:** How much can I change the budget after submitting the project idea form? We do not have the exact role distribution in place yet?

**Answer:** The project idea form is not a bidding document. The project idea form is a mandatory step before submitting an application. At the end the information of the submitted application form is bidding and not the information of the project idea form. The information in the application might differ from the information provided in the project idea form.

**Question 6:** Do we need to prepare timesheets to report staff costs?

**Answer:** Yes, a timesheet will be included in the "report of hours" provided by the Programme for reporting process for project partners. Project partners will need to provide a brief description of tasks per reported employee and a timesheet for each employee.

**Question 7:** How much of own funding is required when presenting a financial plan?

**Answer:** As the Programme co-financing is 80% for EU project partners, own contribution is 20%. For Norwegian project partners the Programme co-financing is 50%, so own contribution is 50%. Example: if a project partner from Germany has a budget of EUR 100,000, the Programme co-financing is EUR 80,000, own contribution is EUR 20,000. If a project partner from Norway has a budget of EUR 100,000, the Programme co-financing is EUR 50,000, own contribution is EUR 50,000.

**Question 8:** Is it true that the Programme does not have % limits imposed on the different cost categories?

**Answer:** Yes, this is true. There are no percentage limits per cost category. In case of cost categories covered by a flat rate (e.g. CAT 2 Office and administration, CAT 3 Travel and accommodation and CAT 7 Other costs), they are



fixed. CAT 2 and CAT 3 in core projects is 15% each of eligible staff costs. CAT 7 in small projects is 40% of eligible staff costs.

**Question 9:** Are any of cost categories obligatory components of the project?

**Answer:** No, technically not. However, if a project partner does not plan any staff costs (CAT 1) in a core project, automatically there are no CAT 2 (office and administration) and no CAT 3 (travel and accommodation) as these are flat rates based on CAT 1. Also, a combination with partner budget having CAT 1-4 only, or CAT 1-5, or CAT 1-3 and CAT 6, is possible (waiving on CAT 4 External service, CAT 5 Equipment or CAT 6 Infrastructure and works). In a small project, having only CAT 1 (staff costs) and CAT 7 (Other costs which are 40% of CAT 1), project partners must plan these, otherwise there are no other cost categories available. Moreover, if a project partner does not plan any staff costs (CAT 1), the human and administrative capacity of this project partner and his role in the project might be questioned by the evaluator during the assessment of the project application. The Interreg Baltic Sea Region Programme is a transitional Programme based on cooperation among people in the region, therefore it will be hardly possible to contribute to such a project without planning staff costs (CAT 1).

**Question 10:** What is the actual funding rate for large enterprise (it is said it's up to 80%)?

**Answer:** The Programme co-financing is 80% for large enterprises from the EU countries of the Programme area. The Programme co-financing is 50% for large enterprises from Norway.

**Question 11:** There is a consultation agency involved with a project, and will be invited to the project as an AO. Project would like to buy their consultation service. The cost of the work would be above bid-at-three, but not big enough for the consulting agency to join the project. The best way to involve?

**Answer:** A consultancy cannot join the project as project partner if its main business profile (outside the project activities) is project management, communication or consultation services. Such a consultancy can be involved as external expert (CAT 4 external service) and this involvement must follow a transparent procurement procedure. This applies also to every organisation which is listed as associated organisation and wish to provide external service to the project.

**Question 12:** A question about employment. Is it eligible to employ current employees for the project implementation?

**Answer:** Cost category 1 (staff) is dedicated to own employees (which are already employed by the organisation involved as project partner) or by employees which an organisation involved as project partner will employ. Following this, yes, it is eligible to involve own employees into project implementation.

**Question 13:** Can everyone apply for CAT 0 - preparation costs? What are the conditions for receiving it? If I get funding, does it mean I already qualify for receiving CAT 0 or is there competition between successful applicants?

**Answer:** The condition for receiving preparation costs is the approval of a project and a signed subsidy contract. Also, the project cannot have obtained other EU funds for preparing the specific project application. There is no



competition among the approved projects when it comes to receiving preparation costs. Projects which applied for preparation costs (in the application form) and were selected for funding (approved), will get the reimbursement of preparation costs.

**Question 14:** Is it possible, under CAT 4, to hire an external company (or external expert) that will keep accounting and reporting of the project?

**Answer:** Yes, it is possible to hire an external company that will keep accounting and reporting of the project under the condition that a transparent public procurement procedure has been applied.

**Question 15:** Is there also a pre-financing in Interreg? If yes, then what percentage?

**Answer:** Advance payment is not possible in the Programme. Each project partner must fully pre-finance own expenditure and will receive the reimbursement after reporting the costs to the Programme.

**Question 16:** How many project idea forms have been submitted for the small projects?

**Answer:** The Programme does not reveal such information at this stage of the open call.

**Question 17:** In small projects, does the total EUR 500,000 include partner own investment? Do I remember correct 80% of costs can be with Interreg funding?

**Answer:** The total budget of EUR 500,000 consists of Programme co-financing and own contribution. The Programme co-financing is 80% for EU project partners of the Programme area (meaning 20% of own contribution) and 50% for Norwegian project partners (meaning 50% of own contribution). Preparation costs (CAT 0) are also inside the total budget of EUR 500,000 in a small project.

**Question 18:** Can a project consist mainly of categories of infrastructure and works?

**Answer:** Theoretically it is possible to have CAT 6 Infrastructure and works as the only cost category in a project partner budget. Practically, the Interreg Baltic Sea region Programme is a transnational Programme which aims at human cooperation in the region, testing of pilots, exchange with target groups. These can hardly happen without planning any staff costs for it. Such a case would raise questions during the assessment phase of the application.

**Question 19:** Does the eligibility period start after signing the grant agreement or can it be earlier (on the applicant's own responsibility)?

**Answer:** The eligibility period of a project starts after the day of Monitoring Committee's approval. The work can start then during the contracting phase (the day after the MC approval and before signing the subsidy contract) on partners' own risk. During the contracting phase the budget might be slightly adjusted or the content of the activities.



**Question 20:** Is there an option to prolong implementation phase by an annexing without risk of rejection of the final payment report in case of external disturbances?

**Answer:** There is a possibility to prolong the project duration up to the maximal number of months for a project's implementation phase. During the Programme 2014-2020, there was a possibility to go beyond this, because of the COVID-19 pandemic. In other situations, the decision is based case by case if a project tackles external disturbance.

**Question 21:** It's maybe a bit out of scope of this webinar, but there's no national information available for Estonia (<https://interreg-baltic.eu/get-funding/national-information-new-programme/>). To whom should Estonian applicants turn to?

**Answer:** The National contact point is available under <https://interreg-baltic.eu/get-funding/national-information/> and <https://www.fin.ee/riik-ja-omavalitsused-planeeringud/regionaalareng-ja-poliitika/interreg>. Also, the Estonian MC members can be contacted, their contacts are listed here <https://interreg-baltic.eu/service/contacts/monitoring-committee/>

**Question 22:** If there is only one external service provider, i.e. consult, who can provide the service needed, do we still need to do bid-at-three. And if we need, can we choose based on competence, not the price?

**Answer:** Yes, the bid-at-three rule must be followed and the market research on that must be documented. The tries to find other service providers must be documented, the effort must be clearly verifiable. Also, advertising of the needed service on own partner's website or approaching more than three potential contractors might be the solution to lack of providers offering the desired service. A mix of competence and price should be considered for the selection criteria.

**Question 23:** Are there any associated partners in small projects, that are not beneficiaries financially?

**Answer:** Yes, associated organisations can be listed in small projects and they do not receive any Programme funding.

**Question 24:** Could a document such as the Zero Carbon Strategy be funded under the Programme?

**Answer:** The Programme does not finance any activities that would have incurred if the project has not been carried out (value added rule). If an organisation is obliged to prepare Zero Carbon Strategy (without knowing exactly what is meant by that) by law or other national rules, and it does not bring any added value to the project, such activities cannot be funded under the Programme. However, if a Zero Carbon Strategy is an answer to the challenge identified during project preparation, it has to go through the logic of the Programme and core projects (preparing solutions/piloting solutions/transferring solutions). In addition, a transnational need of such solution must be clear. Since the background of this request is not clear, project consultations would be the right place to discuss this idea in details. A consultation can be obtained after submitting the project idea form.



**Question 25:** I have sent the appointing document to have access to BAMOS+ system. How many days is to be expected before I am granted access?

**Answer:** The procedure can take up to one week to get the access to BAMOS+.

**Question 26:** Since obtaining the BAMOS+ access can take so long, can I see the application structure somewhere else? Does it follow the PIFs?

**Answer:** The financial part of the application form can be seen in the “partner input tool” available for download under <https://interreg-baltic.eu/gateway/calls/>