

INVITATION AND GUIDANCE FOR LARGE INFRASTRUCTURE PROJECT FULL APPLICATIONS

This document is an invitation to submit Large Infrastructure Project full application. It guides the applicant to participate in the full application phase of the Kolarctic CBC 2014-2020 large infrastructure projects (hereinafter LIP) application process. The legal framework for the LIPs is stated in the Commission Implementing Regulation (EU) No 897/2014¹.

Summaries of the following LIP proposals have been approved by the European Commission and are now asked to deliver the full application to the Managing Authority:

- Raja-Jooseppi BCP development and reconstruction; traffic arrangements, building and technology;
- Reconstruction of the road Kaamanen – Kirkenes;
- General furnishing and surface infrastructure and surface infrastructure development of the Kola – Vehrnetulomsky – BDP Lotta road.

Note: all decisions made by the Joint Monitoring Committee and the European Commission concerning the LIPs are made with a suspensive clause until getting into force of the Financing Agreement between the Russian Federation and the European Commission.

The Lead Partners are asked to fill in the LIP full application in PROMAS system (<https://promascbc.fi>) and submit a printed, signed full application with requested annexes to the Managing Authority at the latest by 31.10.2017. The Managing Authority shall inform the Lead Partner when the registration to PROMAS is available.

The Joint Monitoring Committee (JMC) of the Programme decides upon the full applications in its meeting on 7.-8.12.2017, after which the approved applications will be sent to the EC for internal consultation and approval.

The following pages provide more detailed information and instructions for developing the LIP full application.

On behalf of the Joint Monitoring Committee of the Kolarctic CBC 2014-2020 –programme,

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¹ The Commission Implementing Regulation (EC) No 897/2014 of 18 August 2014 laying down implementing rules for cross-border cooperation programmes (CBC IR)

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1. FINANCIAL ALLOCATION OF LIPS IN KOLARCTIC CBC 2014-2020 -PROGRAMME

The overall indicative amount made available for LIPs in the Kolarctic CBC 2014-2020 Programme is € 14,830,854 of the Programme financing.

In LIPs the budget share of at least € 2,5 million must be allocated to acquisition of infrastructure. The definition “acquisition of infrastructure” includes not only the costs of works and services related to (re)construction, renovation, installation of infrastructure and its supervision but also other activities like, for example, costs of preparation of the technical documentation and cost of supplies related to the infrastructure component, including purchase of fixed assets.

According to the rules regulating the implementation of CBC Programmes and projects, each project has to include partner’s own contribution to the financing (by the Lead Partner/ Partners). Own contribution should be financed by the Lead Partner and/ or the Partners coming from the country in which the investment locates. Minimum amount of own financing is 10 % of the total project eligible costs. Public funding for investments cannot exceed the maximum amount defined in national legislation of the country in which the investment is located.

Note: National financing from participating countries cannot be used as co-financing to the investment type of projects implemented outside of the territory of the country in question.

2. INFORMATION/ ANNEXES TO BE INCLUDED TO THE LIP FULL APPLICATION

The Article 43 of the ENI CBC Implementing Rules state that the Project application documents shall contain at least:

- ✓ an analysis of the problems and needs justifying the project, taking into account the programme strategy and its expected contribution to address the corresponding priority;
- ✓ an assessment of its cross-border impact;
- ✓ the logical framework;
- ✓ an assessment of the sustainability of the project's expected results after project's completion;
- ✓ objectively verifiable indicators;
- ✓ information on the geographic coverage and target groups of the project;
- ✓ the expected project implementation period and detailed work plan;;
- ✓ an analysis of the effects of the project on the cross-cutting issues (democracy and human rights, environmental sustainability, gender equality and HIV/AIDS) where relevant;
- ✓ the project implementation requirements, including the following:
 - identification of the beneficiaries and designation of the lead beneficiary, providing guarantees of its competence in the domain concerned as well as its administrative and financial management capacity;
 - description of the project management and implementation structure;
 - arrangements among beneficiaries in line with Art 46 of the ENI CBC Implementing rules;
 - monitoring and evaluation arrangements;
 - information and communication plans, in particular, measures to acknowledge the Union support to the project
- ✓ detailed financial plan and budget.

Project applications for projects including an infrastructure component of at least EUR 1 million shall in addition contain:

- ✓ a detailed description of the infrastructure investment and its location;
- ✓ a detailed description of the capacity building component of the project, except in duly justified cases;
- ✓ a full feasibility study or equivalent carried out, including the options analysis, the results, and independent quality review;
- ✓ an assessment of its environmental impact in compliance with the Directive 2011/92/EU of the European Parliament and of the Council (11) and, for the participating countries which are parties to it, UN/ECE Espoo Convention on Environmental Impact Assessment in a Transboundary Context of 25 February 1991;
- ✓ evidence of ownership by the beneficiaries or access to the land;
- ✓ building permit.

Exceptionally and in duly justified cases, the Managing Authority may accept a later submission of the building permit.

Capacity building component (art. 43.2.b of the ENI CBC IRs) is understood as a soft component related to the infrastructure investment. Its nature may vary depending on the type of project.

In addition to the above mentioned, the LIP full application has to include also

- ✓ English translation or an English summary of the technical documentation, required decisions of various bodies and State expertise conclusion (if applicable by the national legislation)
- ✓ Signed Partnership Agreements (not older than 6 months)

Large Infrastructure Project (LIP) full applications are to be evaluated based on criteria that ensure environmental sustainability of the LIP. The LIPs need to respect applicable national environmental

legislation of the countries participating to the Programme and of the EU regarding the country where it is going to be implemented.

Managing Authority shall send the LIP full applications to the European Commission on **31 December 2017** at the latest, final date for signing the contracts is **30 June 2019**.

3. DURATION AND ELIGIBILITY PERIOD

Large infrastructure projects financed by the Kolarctic CBC Programme must be fully implemented by **31 December 2022** (according to Article 18.3 of the Implementing Regulation). Costs arising after this date are not eligible for the project.

Preparatory costs for a LIP incurred after the submission of the project summary but before the submission of the LIP full application to the Managing Authority can be considered eligible with project's own risk (for example, costs for feasibility studies, Environmental Impact Assessment, other required technical documentation). Only the applicants with whom a Grant Contract is signed can claim these costs to be reimbursed. The amount of the preparatory costs must be indicated in the LIP budget and in the Grant Contract.

If the applicant can justify the need to start the project before the contract is signed (but after the submission of the LIP full application), the Grant may be awarded *retroactively*. Such cases have to be agreed with the Managing Authority before starting the activities. Costs occurring from activities implemented before the Grant Contract is signed are on beneficiaries own risk until signing of the contract.

4. ELIGIBILITY

Each partner must have a clear role in the implementation of the project and the project has to include a clear cooperation aspect in addition to the implementation of the infrastructure component.

Only costs caused by the Lead Partner and Partners appointed to the project are eligible.

4.1 Eligibility of costs

Project costs are eligible if they are actually incurred, related to the project and can be verified by supporting documents. Costs must be recorded in organization's bookkeeping records and they can be identified e.g. by using a separate cost unit or a project code.

Project budget is an estimated ceiling for eligible costs and when preparing the budget, only eligible costs shall be included. All costs must be related to the planned activities and based on national level of prices and salaries. The final budget is approved during the Grant Contract negotiations, based on the recommendations from evaluators and the Managing Authority. The approved budget can never be bigger than the estimated one. The grant shall never exceed the eligible costs.

Eligible costs shall meet the following criteria²:

- eligible costs are incurred by the Partners during the implementation period of the project;
- they are indicated in the project estimated overall budget;
- they are necessary for the project implementation;

² Conditions applicable to Grant Contracts financed by the Kolarctic CBC Programme, Article 14(1) Eligible costs (available on the Programme web-page at <http://www.kolarctic.info/>)

- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the accounting standards of the country where the partner is established and usual cost accounting practices of the partner;
- they comply with the requirements of applicable tax and social legislation of the country where the partner is established;
- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;
- they are supported by invoices or documents of equivalent probative value.

Eligible direct costs:

- The costs of staff assigned to the project under the following cumulative conditions:
 - they relate to the costs of activities which the Partner would not carry out if the project was not undertaken;
 - they relate to actual gross salaries including social security charges and other remuneration-related costs;
 - salaries and social costs must not exceed those normally borne by the Partner organization unless it is justified that this is essential to carry out the project;³
- part-time work must be identified with the reliable follow up of the working hours (manual time-sheets or electronic system);
- travel and subsistence costs of staff and other persons taking part in the project, provided they do not exceed those normally paid by the Partner according to national rules and regulations. Lump sums (per diems) are not eligible;
- purchase or rental costs for equipment and supplies (new or used), specifically for the purpose of the project, and costs of services, provided they correspond to market prices;
- the cost of consumables specifically purchased for the project;
- costs entailed by contracts awarded by the Partners for the purposes of the project;
- costs deriving directly from the requirements of the Grant Contract (dissemination of information, project evaluation, audits) including financial service costs (costs of bank transfers and financial guarantees);⁴
- any tendering requirements have been respected;
- all purchased are related to the purposes of the project.

Eligible indirect costs:

- Indirect costs must fulfil the eligibility criteria and they cannot be identified to belong to any other category of eligible direct costs.
- Indirect costs (administrative overheads) may be calculated on a flat-rate of up to 7 % of eligible direct costs, excluding costs incurred in relation to the provision of infrastructure investments. The rate is calculated on the basis of a fair, equitable and verifiable calculation method and will be approved by the Managing Authority before the budget is approved.
- For example, office costs (telephone costs, IT-costs, office supplies, rents) of part-time employees shall be included to the indirect costs (***Budget line 8 Indirect costs***).

The following costs are regarded as non-eligible⁵:

- a) debts and debts service charges (interests);
- b) provisions of losses or liabilities;
- c) costs already financed in another framework (for example by the European Union budget);
- d) purchases of land or buildings for an amount exceeding 10% of the eligible costs of the project;
- e) exchange-rate losses;

³ ibid. Article 14(2) Eligible costs (available on the Programme web-page at <http://www.kolarctic.info/>)

⁴ ibid. Article 14(2) Eligible costs (available on the Programme web-page at <http://www.kolarctic.info/>)

⁵ ibid. Article 14(5) Eligible costs (available on the Programme web-page at <http://www.kolarctic.info/>)

- f) duties, charges and taxes, including VAT, except where non-recoverable under the relevant national tax-legislation;
- g) loans to third parties;
- h) fines, financial penalties and expenses of litigation;
- i) contribution in kind⁶.

National rules of **public procurement** has to be obeyed. Tendering procedures at the level of the LIP depends on the nationality of the applicant or of the Partner launching the tender. The procedures of the European Union, the country in question and the provisions of the Financing Agreement signed between the Government of Russian Federation, the European Community and Finland on financing and implementing the cross border cooperation programme “Kolarctic” have to be followed.

4.2 Use of Euro

When preparing the project budget **Annex A: Budget specification**, as an exchange rate Lead Partners and Partners shall use the latest rate monthly published in InforEuro:

http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm

During the implementation of the project, the Lead Partner shall do the financial reports of the project in Euro. Costs shall be recorded in the bookkeeping records with the currency used in the country in question and converted in Euro in the Financial report. The Managing Authority will provide the project with a template for financial report. The exchange rate shall be calculated on a monthly level.

4.3 Taxes

Taxes, including VAT (Value Added Tax) can be considered as eligible cost in the cases when the Partner can show that taxes cannot be reclaimed. The Lead Partner must submit to the Managing Authority a certificate from the taxation authority, after the project has been approved to be financed but before the Grant Contract is signed.

5. LIP FULL APPLICATION

The LIP Full application consists of:

- (1) an application in the PROMAS system and
- (2) its Annexes.

The Grant application must be completely **filled in in English**. The PROMAS manual is available on the Programme website <http://www.kolarctic.info/>.

The Grant application is used when applying for EU-financing, State co-financing of Finland and Russia, and Norwegian Kolarctic financing. Also, Swedish and/ Norwegian co-financing applied from others sources shall be indicated in the full application. In addition, co-financing awarded by other financiers may be requested using other than the Programme application form. The Branch Offices in Sweden and Norway (**see Chapter 8 of the Guidelines, Contact information**) shall provide more information by request on the procedure of applying co-financing from other sources.

The following Annexes are part of the LIP full application: (see chapter 9 for more instructions on the Annexes)

- Annex A: Budget specification;
- Annex B: Logical framework;
- Annex C: The registration certificate of the Lead Partner and Partner organisations (there is no ready-made template)
- Annex D: State co-financing or Norwegian Kolarctic financing form;
- Annex E: Partnership Statement;

⁶ COMMISSION IMPLEMENTING REGULATION (EU) No 897/2014 of 18 August 2014, Article 14(1) Eligibility of costs
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- Annex F: Result indicators⁷;
- Annex G: Decision (copy) of state aid granted within de minimis conditions (if applicable);
- Annex H: Building permit or any other permits needed for implementation of the project (if applicable);
- Annex I: Specification of Infrastructure Investment (if applicable. **NOTE!** There is no ready-made template).

Annexes can be uploaded from the Programme web-page <http://www.kolarctic.info/>

5.1 The content of the application in the PROMAS

The technical instructions of filling in the full application is presented in the PROMAS manual that can be found on the Programme web-page at <http://www.kolarctic.info/>

BASIC INFORMATION

Application Form Status:

Do not fill in. The status of the application automatically inserted.

Name of the project:

Each project has and must have a name. Do not try to say everything about the project in its name. It is reasonable to use a name that you have used or will use in everyday language. Maybe, in everyday use, you will use an acronym. Indicate the name that is used during the whole project duration. **NOTE!** The indicated name of the project is used in Programme related information and communication activities/materials/databases including KEEP database⁸.

Acronym:

Give an acronym of 3-8 digits.

Project ID:

After registration in the PROMAS, the ID is given automatically. The same ID number is used during the whole project implementation.

Full legal name of the Lead Partner in English:

Indicate the name of the Lead Partner organization in English. **NOTE!** The indicated name of the Lead Partner organization is used in Programme related information and communication activities/materials/ databases including KEEP database.

Country of the Lead Partner:

Choose the country of the Lead Partner organization by using the drop-down menu:

1. Finland
2. Norway
3. Other
4. Russia
5. Sweden

If any of the country listed in the drop-down menu does not match the country of the Lead Partner organization, choose 'Other'.

⁷ ibid.

⁸ <http://www.keep.eu/keep/>

Region of the Lead Partner:

Choose the region of the Lead Partner organization by using the drop-down menu, after you have selected the country listed above. If any of the regions listed in the drop-down menu does not match the region of the Lead Partner organization, choose 'Other'.

Priority:

Choose the relevant for your project Priority axes of the Programme by using the drop-down menu:

1. Viability of arctic economy, nature and environment, and
2. Fluent mobility of people, goods and knowledge.

Thematic objective:

Choose a Thematic Objective, which is relevant to your project after you have selected the Priority axis above:

1. TO1 Business and SME development;
2. TO7 Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems;
3. TO10 Promotion of border management and border security, mobility and migration management.

Duration of the project in months:

There is no official maximum duration. Nevertheless, the project is recommended to last no more than 36 months, whereas no minimum duration has been determined.

PARTNERS

The geographical eligibility of the Partners is described in **the JOP, chapters 2.4. and 2.5.**

ADD NEW PARTNER

Full legal name of the Partner:

Indicate the name of Partner organization in English. **NOTE!** The indicated name of the Partner's organization is used in Programme related information and communication activities/materials/databases including KEEP database.

Country of the Partner:

Choose the country of the Partner organization by using the drop-down menu:

1. Finland
2. Norway
3. Other
4. Russia
5. Sweden

If any of the country listed in the drop-down menu does not match the country of the Partner organization, choose 'Other'.

Region of the Partner:

Choose the region of the Partner by using the drop-down menu, after you have selected the country listed above. If any of the regions listed in the drop-down menu does not match the region of the Partner, choose 'Other'.

REQUESTED FINANCING

Do not fill in. Automatically inserted from budget.

PARTNER INFORMATION

IDENTITY

Type:

Do not fill in. Automatically inserted.

Full legal name:

Do not fill in. Automatically inserted.

Name of the organisation in original language:

Indicate the name of the Partner organization in original language (if applicable).

Department/ unit in charge of the activities:

Indicate the name of the department/unit of the Partner organization that will be in charge of the activities during project implementation (if applicable).

Business ID:

All Partner organizations (those that can be granted financing) are registered in their countries according to national laws. Indicate legal entity's registration number or code applied in your country.

Legal status:

Choose if the Partner organization is public or private by using the drop-down menu.

Type of organization:

Choose the type of the Partner organization by using the drop-down menu:

Municipality

State authorities

Other public organization

Higher education institution

Other education institution

Research institute

Enterprise

Foundation

NGO

Other

Description of the organization:

Clarify the Partner organization background, tasks, size of personnel. If the organization is a public organization with no turnover, indicate it here.

Official address:

Accurately indicate the valid official address of the Partner organization. **NOTE!** The indicated official address may be used in Programme related information and communication activities/materials/databases including KEEP database.

Postal address:

Accurately indicate the valid postal address of the Partner organization. **NOTE!** The indicated postal address of the project may be used in Programme related information and communication activities/materials/databases including KEEP database.

Email of the organization:

Indicate the valid email of the Partner organization.

Telephone number:

Indicate the valid phone number of the Partner organization.

Website of the organisation:

Indicate the valid website of the Partner organization (if applicable).

CONTACT PERSON

Indicate the person who is able to answer questions about project proposal.

MOTIVATION

Provide in this section in your own words a justification why the Partner in question is in the project.

What is the role of the partner in the project?

Describe a reason why this Lead Partner/Partner has been involved / asked by other participants to join the planning of a project and participate in its implementation? Why does the project need this Partner organization? What kind of tasks this Partner is supposed to fulfill in the project?

Why does the organization participate in the project (reason and motivation)?

Describe the reason why this Partner(s) organization has decided to participate in the project. What is the motive?

How does the organization benefit from participating in the project?

Describe here what this Partner organization expects to gain by its participation and what is the benefit for it.

OPERATIONAL CAPACITY

What are the organisation's thematic competences and experiences relevant for the project?

Clarify the Partner organization field of expertise and experiences that is relevant for the implementation of the project.

Describe the project previous experience in participating in and/or managing EU co-financed projects or other international projects.

Describe the involvement of the Partner organization in other projects co-financed by EU (if applicable).

In the case of partners from outside the programme core area: What is the added value of this partner for the project?

Describe the benefit that the Partner organization from outside of the programme core area brings to the programme core area by participating in the project.

FINANCIAL CAPACITY

Does the organisation have a euro based bank account or can it be established?

Answer the question *Yes, No, Not Applicable (NA)*

Partner should have ability to receive funds to their bank account from Managing Authority or Lead Partner.

Can the project costs be separately allocated and reported in the organisation's bookkeeping?

Answer the question *Yes, No, Not Applicable (NA)*

NOTE! Each Partner must be able to separate project expenditures in organizations bookkeeping records either with the separate accounting record or cost unit (followed with project code). External auditor must have an access to project bookkeeping document in order to carry on the expenditure verification.

Can the organisation transfer or receive programme funding to/from other project partners?

Answer the question *Yes, No, Not Applicable (NA)*

Does the organisation participate in the financing of the project?

Answer the question *Yes, No, Not Applicable (NA)*

Organisation's average annual turnover

Indicate the Partner organization's annual turnover in EUR. In the case of a public organization without turnover, indicate a "0", and write the explanation for no turnover in the field "Description of the organization".

Does the organisation have sufficient financial resources to implement the project taking into account both own contribution and final payment?

Answer the question *Yes, No, Not Applicable (NA)*

NOTE! The final payment to the project costs will be paid after the final report has been approved which might happen even 6 months after the project has ended. Pre-payments are maximum 80% of the financing so the Partner shall have a capacity to take care of the final costs until the final balance payment is paid by the Managing Authority.

OTHER PUBLIC FINANCING

Other public financing in the field of this application within 3 previous years.

Indicate *Financier Name, Name of the project, Amount* of the state aid within de minimis conditions that has been granted during the past 3 (2 previous and 1 ongoing) years to the Partner organization. Check the national regulation on de minimis conditions.

NOTE! Attach to the application in the PROMAS the decision (copy) of the state aid granted within de minimis conditions (**Annex G**. There is no ready-made template).

Has public financing for same or similar activities been applied for?

Answer this question *Yes, No*

The previous financing in the same field does not necessarily prevent your project from being granted by Kolarctic CBC Programme.

SUMMARY

Indicate a summary of the project by giving a short description of it. **NOTE!** The text indicated here might be used in Programme related information and communication activities/materials/databases including KEEP database.

Give an overview of the project description:

- the problem the project is planning to solve and how it has been identified;
- the objective of the project;
- the expected change the project will make to the current situation;
- the target groups and beneficiaries of the project;
- the main outputs the project will produce;
Outputs: Products, capital goods and services, which are the direct result of the project activities.
In other words: the immediate deliverables of the project activities.
- the approach planned to take (type of activities to be implemented);
- why is cross-border cooperation necessary for implementation of this project.

RELEVANCE

NOTE! Generally, while describing the project in the following sections of the application, take into account the Logical Framework (LF). The LF is an obligatory **Annex B** of the Grant application, and it is sensible to do it simultaneously, side by side, with the application section **RELEVANCE** and **IMPLEMENTATION**.

Check out the Programme Logical Framework Matrix (<http://www.kolarctic.info/>) before developing project Logical Framework. The elements in the project LF (overall objective, specific objective, expected results, activities and indicators) shall contribute to the achievement of the Programme overall and specific objectives.

OBJECTIVE

Problem Analysis: Describe the problem that will be solved by the project and how it has been identified?

The problem analysis identifies the negative aspects of an existing situation and establishes the 'cause and effect' relationships between the identified problems. The problem analysis usually begins with identifying the main problems. These questions might help in problem analysis: i.e *Which are the problems the project is addressing? What are the root causes of those problems? What is the larger picture in which those problems and their root causes exist? What are the links between the problems?*

Overall objective of the project:

Choose 'to be defined in the LF' by using the drop-down menu.

The overall objective analysis is based on the problem analysis. The more information you have learn about identified problems, the more specifically you can formulate an overall objective. In other words, an overall objective is a positive mirror image/solution of identified problems.

An overall objective of the project is the long-term vision for the project. This question might help in defining an overall objective: i.e Why the project is important for the society?

Specific objective of the project:

Defining a specific objective is based on the overall objective. A specific objective states the direct effects of the project and ensures the achievements of an overall objective. This question might help in defining a specific objective: i.e Why the project is needed by target group(s)?

Why is cross-border cooperation needed for reaching the objective of the project?

Describe the cross-border added value here. **Cross-border added value** is a reason why this project is most successful if it is implemented as a cross-border project, instead of implementation in one country. This question might help in describing cross-border added value: i.e You could carry out the project also inside the borders of one country – or could you?

Does the project contribute to the cross-cutting issues of the programme? If yes, to which and how?

The cross-cutting issues of the Programme are described **in the JOP (Joint Operational Programme Kolarctic CBC 2014-2020)**.

THEMATIC INDICATORS

Check out the Programme Monitoring and Evaluation (M&E) Plan 2017-2018 (<http://www.kolarctic.info/>) before filling in this section. The (M&E) Plan 2017 provides detailed definitions and comments for the Specific Output Indicators (SOI) and Common Output Indicators (COI).

Choose SOI and COI that are relevant for your project activities. Indicate the target value for chosen indicators that your project aims to achieve. The baseline value is considered as “0”. The target value shall be realistic to achieve by implementing project activities. **NOTE!** Make sure, that information provided here complies with **Annex B: Logical Framework Matrix**.

PROJECT SPECIFIC INDICATORS

Indicate project output indicators and its target values that are needed to measure the project outputs. The target value shall be realistic to achieve by implementing project activities. **NOTE!** Make sure, that information provided here complies with **Annex B: Logical Framework Matrix**.

WORK PLAN

The Work Plan - part of the application form is a function that generates a RACI matrix to your project.

In Work plan you must describe the main activities to be implemented in the project. While indicating the main activities, it is good to take notice that each activity will automatically be copied to be an activity in a RACI matrix. To activities in the RACI matrix you must later define a responsible partner, an accountable partner, a consultant partner and an informed partner.

What is a RACI matrix? A RACI is a task list, that describes what tasks are going to be carried out in the project, which participant (organization, role, person) is responsible for carrying out a task, and by what deadline.

Without a RACI or a comparable way of defining the tasks, it can easily happen that the project consortium forgets what they have planned to carry out in the project, and especially, whose responsibility it is to carry out a task. If there is a lot to do (which is the case in all projects), it makes sense to collect the tasks into a RACI matrix. In a RACI matrix, each row corresponds a task to be carried out, and the columns indicate a person / project participant. Sometimes, in a RACI matrix, also roles can be indicated.

A RACI consists of the following responsibility roles:

Responsible: Those who carry out the task. Each task or deliverable has at least one responsible person.

Accountable (also Approver or final approving authority): the person, who is ultimately responsible for the accurate and thorough completion of the deliverables or task, and the one who delegates the work to those responsible persons in the section above. In other words, an accountable must sign off (approve) work that responsible persons provide. There must be only one accountable specified for each task or deliverable.

Consulted (sometimes Consultant or counsel): those whose opinions are sought, typically subject matter experts, and with whom there is two-way communication.

Informed (also Informee): those who are kept up-to-date progress, often only on completion of the task or deliverable; and with whom there is just one-way communication.

Very often the role that is accountable for a task or deliverable may also be responsible for completing it. It is generally recommended that each role in the project or process for each task receive, at most, just one of the participation types. (If you give more than one participation type to one participant / role in a single task, it may imply that you have not clearly resolved the division of tasks).

NOTE! The Partners will have to use and update the RACI matrix during the project implementation and in reporting phases.

ACTIVITY PLANNER

The activities that you have defined in the Work Plan appear automatically in the Activity Planner chart. It also provides you a visual schedule with the activities on a timeline.

SUSTAINABILITY

Sustainability can be defined as the ability of a project to maintain its outputs (i.e. capital goods and services) and results after the project has been finalized.

How and by whom will the project main outputs be further utilized once the project has been finalized?

How will the sustainability of the expected results be maintained financially and operationally?

IMPLEMENTATION

NOTE! Generally, while describing the project in the following parts of the application, take into account the Logical Framework (LF). The LF is an obligatory **Annex B** of the Grant application, and it is sensible to do it simultaneously, side by side, with the full application section **RELEVANCE** and **IMPLEMENTATION**.

Describe the proposed team and the administration structure of the project

Answer e.g. the following questions: *How many full time employees will the project have in the different countries? Is there going to be working group(s), Who / which body is going to decide about activities and potential changes in the project; in short, who will decide what the project does?*

Describe the monitoring and evaluation arrangements; how will the project implementation and achieving of the expected results be monitored and evaluated?

It is important to agree on the task of collecting data on, project specific, SOI, COI indicators and project result indicators. **NOTE!** Project Result Indicators, including target values and measurement units as well as description on how a project is going to contribute to reaching the Programme result indicators shall be indicated in the **Annex F**.

Describe also, how will the projects steering or project consortium monitor and evaluate the project and its success and results? Is there a plan e.g. in the Lead Partner organization about external or internal monitoring and evaluation of projects? **NOTE!** The MA recommends to establish the project steering group to coordinate the project implementation.

Describe the communication and visibility channels, tactics and tools that will be used

All projects must carry out appropriate information and communication activities, which may focus on the fact of the project existence, or content and results. **NOTE!** Each of the approved projects shall prepare an Information and Communication Plan.

Does the project have any negative or positive environmental impact? Analyze the environmental impact, if any.

The Programme and projects impact on environment, climate and human wellbeing should be positive. Projects with a direct negative environmental impact shall not be financed under the Programme.

Describe the environmental positive/negative impact.

Are any permits, for example building permits, needed for implementing the proposed project activities?

Answer on this question *Yes, No*.

If yes, describe the process. NOTE! In case of the positive answer, attach **Annex H: Building permit or any other permits needed for implementation of the project.**

BUDGET AND FINANCING

NOTE! Before filling in **BUDGET AND FINANCING**, it is recommended to fill in the **Annex A: Budget specification**.

Project budget is indicated in the **Annex A: Budget specification** and it's obligatory Annex of the Grant application. Project costs must be specified by countries and total amounts must equal with the amounts in the PROMAS full application form, section **BUDGET AND FINANCING**. When implementing the projects, only budgets on country level and the total budget are followed by Managing Authority. The Budget by Partners has an informative role and should be also filled in. Costs are allocated for 12 months periods. The allocation is indicative and can be changed during the implementation.

In addition to the **Annex A**, it is recommended to prepare a more detailed budget for Partners' own use to ensure that all planned project activities can be covered with the budget presented in the application form.

Annex A: Budget specification includes technical instructions on its sheet "Instructions".

PROJECT BUDGET

Fill in the budget per each country by using own budget sheets in the **Annex A**. The table "Total budget" is filled in automatically. Allocate costs of the project between following budget lines:

1. Personnel
2. Travel
3. Equipment and purchases
4. Office costs
5. External services, sub-contracting
6. Infrastructure investments
7. Subtotal direct eligible cost
8. Indirect costs (max 7%)

- 9. Total eligible costs
- 10. Revenues
- 11. Net eligible costs, total

Budget line 1 Personnel

This budget line consists of salaries paid to the staff employed to the project under employment contracts. They can be employees already working in the organization in other duties and now planned to provide certain part of their working hours to the project or hired separately for the project. Specify full-time and part-time employees separately to the budget, name the tasks and estimate the contribution they will provide to the project in percentages (**Table 5**).

The calculation examples for different types of employees are provided in the sheet “Instructions” of Annex A.

Table 4. Budget line 1 Personnel

Budget lines	All years	Year 1 (first 12 months)			Year 2				
		Mon. salary	Project work %	Mon.	Total costs EUR	Mon. salary	Project work %	Mon.	Tot. costs EUR
1. Personnel	Total costs EUR				Total costs EUR				Tot. costs EUR
1.1. Salaries									
Full time employees:									
Project manager	72 000	3 000	100 %	12	36 000	3 000	100 %	12	36 000
Part-time employees:									
Financial secretary	9 000	2 500	20 %	6	3 000	2 500	20 %	12	6 000
1.2. Social security charges	19 440				9 360				10 080
Subtotal Personnel	100 440				48 360				52 080

Social security charges include the costs the employer must pay according to the national legislation. It is not necessary to indicate social costs per employee. The total percentage and the Euro amount is enough.

Salaries must not exceed the normal salary level of the organization and country in question. Natural benefits (telephone, car etc.) are not eligible costs. Salaries with holiday compensations are based on normal working hours of the organization in question (max 8h/day) and following the national legislation. The annual holiday payments, holiday bonuses and holiday compensations are eligible when they are based on national legislation. Other compensations like bonuses may be considered as eligible only if they are based on the national legislation and they are provided with equal conditions to all employees. Salary costs, which can be recovered from other authority (compensation of sick leave or maternity leave salaries, etc.) are not eligible.

Budget line 2 Travel

Travel costs of the project staff and other persons must be clearly related to the project activities and follow the principle of cost effectiveness. In the budget you can use average prices of the tickets (economy class) and accommodation – changes between the subheadings can be done during the implementation. Managing Authority will also organize common meetings (1-2) for all financed projects annually and advises projects to take the travel costs to the common meetings into account when preparing the project budget. Remember also to include the costs of the project’s steering/working groups meetings if any.

Travel reimbursements (daily allowances, kilometer allowances etc.) are approved according to the criteria and amounts laid down in national legislation. They may not exceed the national tax-exempt level and must be recorded in project's accounting records.

Subheading Preparatory costs

See sub-chapter of this Guidelines 4.1 Eligibility of Costs.

Budget line 3 Equipment and purchases

Indicate expenses of equipment needed for the implementation of the project, purchases, rental or leasing of the computers, phones, office machines, furniture, production equipment etc. Items can be purchased, rented or leased. If these items are only partly used in the project, the share which is clearly justified as project cost, is eligible.

Purchases, rent and leasing contracts needs to be tendered according to the national and Programme procurement rules. Binding commitments of the purchases may not be done before the Grant Contract is signed. If the partner organization has framework contracts, they can be used if the procurement rules has been respected when they have been tendered.

As a main rule, these items are needed and meant to be used during the implementation of the project and thus they should be purchased in the beginning of the project or certain activity if not otherwise justified in the project plan.

Budget line 4 Office costs

Project can use existing premises of the Partner organization in question or a separate office premises can be rented. If the premises which the project uses are already rented by the Lead Partner or Partner for their regular operations, project costs are calculated by counting the actual cost per square meter multiplied with area used by the project. If the project staff works in the premises owned by the organization, only actual costs (warming, electricity, cleaning) can be allocated to the project with the same principles as in rental premises. Internal rent is not eligible.

Office costs include also the use of telephone and internet connections, IT-services, postage, copying (to be verified with a counter if a common copying machine) and other office supplies.

Office costs of part-time employees (use of telephone, internet, IT services, premises) are not appraised in proportion to their working time but included to the indirect costs (Budget line 8).

Budget line 5 External services, sub-contracting

The budget line includes outsourced services like consulting, design and publication services, audit, interpretation and translation, services for organizing events and meetings, sub-contracted construction services etc. These type of costs are paid according to invoices based on contracts/written agreements and shall be verified by receipts and bookkeeping documentation. Travel and accommodation costs of the external service providers are included in this budget line. Costs deriving direct from the regulations of the Programme (evaluation, external audit, financial services, translation) are included in this budget line when outsourced.

Evaluation is not obligatory for the projects, but it can be done as an internal evaluation made by the employees of the project (personnel costs) or the service can be outsourced to an external evaluator (external service).

Purchases between the project partners are eligible only in limited cases and Lead Partner must always ask a permission for that from the Managing Authority beforehand. In the case the service is bought from project partner, the eligible price may not include any profit, only justified real cost (working hours, material) can be invoiced.

External services must be acquired through competitive tendering according to the national and Programme procurement rules. Therefore service providers are not named at this point. Organization's valid contracts can be used, if the tender procedures fulfill Programme tendering requirements.

Binding commitments of the contracts for the supply may not be done before the Grant Contract is signed. If the partner organization has framework contracts, they can be used if the procurement rules has been respected when they have been tendered.

Subheading Auditing costs

External auditing is an obligatory requirement of the Programme. An auditor must verify each financial report of the project and the audit report is the requirement for interim and final payments. Reports must be submitted at least once a year but in two year projects we recommend at least 3 reports and in three year projects 4-5 reports. The reporting requirements and timetable will be agreed during the contract negotiations.

Each Partner can have their own auditor or Partners from the same country can use a common auditor. Partners can also use their organization external auditor within the limits of the existing framework contract. Audit costs shall be budgeted to each Partner.

Budget line 6 Infrastructure investments

This includes the costs of the investments in infrastructure. Infrastructure investments are for example construction of roads, bridges, water and sewage systems, energy production, telecommunication, IT networks etc. In this budget line you estimate the costs of the equipment, the external services, work contracts, construction material etc. needed for the infrastructure investment. Please specify the costs of the infrastructure investment in a separate document and add it as an **Annex I: Specification of Infrastructure Investment (NOTE! There no ready-made template)** to the application.

The investments shall be indicated in the PROMAS application, sections **BUDGET AND FINANCING, INVESTMENTS INCLUDED IN TOTAL COSTS.**

If the infrastructure component on the project level is more than 1 M€, the applicant must submit information described in paragraph 2 of this Guidelines.

Budget line 7 Subtotal direct eligible cost

Filled in automatically.

Budget line 8 Indirect costs

Indirect costs (administrative overheads) may include project administration costs which cannot be included to budget lines 1. Personnel or 4. Office costs because of the Programme regulations or impossibility to appoint the costs as direct cost. Indirect costs may include salaries of financial management, IT services, office costs, etc. Note that office costs of the part-time employees are covered from this budget line.

Indirect costs may be calculated on a flat-rate of up to 7 % of eligible direct costs, excluding costs incurred in relation to the provision of infrastructure investments. Share of indirect costs of an individual Partner can differ, depending on the cost structure of the organization. The Indirect costs percentage is indicated in the Grant Contract on the project level. The content of the Indirect costs is checked before the Grant Contract is signed. During the Grant Contract negotiations Managing Authority will ask each partner to list the services included in Indirect costs and estimate the annual value (based on earlier realized costs). In the same way the costs must be verifiable afterwards to ensure that reported and approved Indirect costs do not exceed actual costs.

Budget line 9 Total eligible costs

Filled in automatically.

Budget line 10 Project revenues

Project can earn revenues from the sales of produced material, participation fees, entrance tickets etc. The revenues are deducted from the total eligible costs.

The revenues shall be indicated in the PROMAS full application, section **BUDGET AND FINANCING** and in the project Financing Plan of the **Annex A: Budget specification**.

Budget line 11 Net eligible costs, total

Filled in automatically.

FINANCING PLAN

There are separate table for Financing from Finland, Sweden and Russia, and other table for Financing form Norway. Indicate each source of financing separately in appropriate line with the name of financier and the amount of the financing requested/provided to the project partners from country in question.

The EU financing in project level may not exceed 50% of the total eligible costs of Finland, Sweden and Russia. As well as Norwegian Kolarctic financing in project level may not exceed 50% of the total eligible costs of Norway. Finnish and Russian state co-financing in total may not exceed 40 % of the total eligible costs of Finland and Russia.

In the **Annex E: Partnership statement**, the amount and share of the own contribution per each partner must be indicated. NOTE the amount should not be lower than the Partner's financing share in the sheet Financing Plan of Annex A.

Project total cost and total financing must be equal.

From the table of the **Annex A: Budget specification** you collect the amounts to the application in the PROMAS, section **FINANCING PLAN**

ANNEXES

Download all required Annexes of the LIP full application in pdf or Word format.

NOTE!: Annexes required from the LIP full applications are identified in Chapters 2 and 5 of this document.

SIGNATURE

NOTE! The application has to be signed by an authorized representative (the person who has the right on behalf of the organization to sign documents).

By signing the application the Lead Partner on behalf of all partners, confirms that:

- the project partners have the sources of financing, professional competence and qualifications required by implementation of the proposed project;
- In case of approval of the project proposal by the Joint Monitoring Committee, our organisation will take the role of the Lead Partner with all the responsibilities assigned to it;

- our organisation is directly responsible for the preparation, management and implementation of the project and is not acting as an intermediary;
- neither our organisation nor the partners are in any of the situations excluding them from participating in contracts which are listed in the respective documents and we accept that if we participate in spite of being in any of these situations, we may be excluded from other procedures;
- if recommended to be awarded a grant, our organisation accepts the contractual conditions as laid down in the Grant Contract and in its conditions;
- our organisation is fully aware of the obligation to inform without delay the Managing Authority if the same application for funding made to other financing programmes of the European Union or the participating countries has been approved after the submission of this application.

6. SUBMISSION PROCEDURE OF A LIP FULL APPLICATION

The deadline for the submission of the LIP full application to the PROMAS is **29 September 2017 at 16.00** (Finnish time).

Full application must be filled in by using the Programme management system PROMAS⁹ (www.promascbc.fi). Submission procedure of the LIP full application comprises three steps:

Step 1. Fill in the application in the PROMAS. The application shall be filled in carefully, as instructed in the previous chapter “5.1. The content of the application in the PROMAS” and **all the questions/requests answered accurately**. Upload all required annexes to the application. A completed application with all required uploaded Annexes shall be submitted to the Managing Authority in the PROMAS system prior to the deadline. Once submitted in the PROMAS, the application can no longer be changed.

Step 2. After you have submitted the application in PROMAS, print it out and sign it. (The signature must be that of an authorized representative, see page 19.

Step 3. Send the printed and signed application to the MA by mail as registered letter (**post stamp shall be not later than 29 September**) or by courier delivery or hand-delivery by the deadline in a sealed envelope. Do not attach any annexes in the envelope, except the original signed annexes D and E, if they are available to you on the date of the deadline.

The original signed annexes D and E must though be sent to the Managing Authority as soon as they are available.

Write the name of the Call, name and address of the Lead Partner and text in Finnish ‘EI SAA AVATA’ (‘Do not open’) **on the upper left corner of the sealed envelope**.

The LIP full application has to be submitted to the MA by mail or courier delivery or by hand-delivery, in which case the applicant must request a signed and dated certificate of receipt of having delivered the application.

The printed and signed application is to be sent to the following MA’s postal address:

Mail Lapin liitto/ Kolarctic CBC-ohjelman hallintoviranomainen
PL 8056
FI-96101 ROVANIEMI

⁹ The instructions of the PROMAS system is available on the Programme website <http://www.kolarctic.info/>

NOTE! It is recommended to save the postal sending slip in order to prove the sending of the application by the deadline. The postmark on the envelope serves as an evidence for the MA of the sending date of the application.

**Courier/
hand
delivery** Lapin liitto/ Kolarctic ENPI CBC-ohjelman hallintoviranomainen
Hallituskatu 20 B (4th floor)
FI-96101 ROVANIEMI

The MA's office hours in Finland (Rovaniemi) end at 16.00 o'clock and thus the applications have to be brought with courier deliveries and hand-deliveries before that.

The MA shall reject printed and signed full application with Annexes sent by post/courier if it falls under the following cases:

- a) printed and signed application is sent to the MA after deadline.
- b) printed and signed application is delivered to the MA by some other means (e.g. by fax or e-mail);
- c) a handwritten application is delivered to the MA by post/courier.

7. EVALUATION AND SELECTION OF LIP FULL APPLICATIONS

All LIP full applications submitted within the set deadline will be assessed according to the eligibility and evaluation criteria valid for the course of the Call for Proposals of the LIP full applications.

7.1 Administrative and eligibility check

The Managing Authority carries out an Administrative and eligibility check, using an **Administrative and eligibility evaluation of LIP full applications -checklist**.

The checklist includes:

- application's accordance with the formal requirements of the LIP full applications;
- financial aspects of the application:
 - Eligibility of the planned activities, partners and costs;
 - Cost-effectiveness of the planned activities.

7.2 Decision making and approval

The Joint Monitoring Committee (JMC) makes the final decision on approval or rejection of the LIP full application.

Each participating country will have one vote, regardless of the number of representatives it has appointed. The meeting and decision-making procedure is stated in the Rules of Procedure of the JMC. The decision-making procedure is based on full equality and partnership between the participating countries, which is reflected in the composition and designation of members and the selection of consensual decision-making. Decisions of the JMC are made unanimously.

After the JMC decision the Managing Authority shall send the approved LIP full applications to the European Commission for internal consultation and approval process. The EC has two months time for the procedure.

The MA prepares Grant Contracts for the approved projects. The Grant Contract will be signed by the Managing Authority and the Lead Partner. All relevant information in regard to the Grant Contract preparation will be presented in the Manual for ongoing projects of the Kolarctic CBC 2014 – 2020 Programme.

8. CONTACT INFORMATION

Further information about the LIP full application's application procedure and practicalities is given by the Managing Authority. Branch offices of the countries participating to the Kolarctic CBC 2014-2020 programme give more information about applying national financing and other country-specific information.

Managing Authority, Operational Unit:

Päivi Ekdahl

Development director

Regional council of Lapland

paivi.ekdahl@lapinliitto.fi

Riikka Oittinen (1.8.2017 onwards)

Programme Manager

riikka.oittinen@lapinliitto.fi

Managing Authority, Financial Unit:

Katri Niska-Honkonen

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Head of the Russian BO

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Branch Office in Norway, Vadsø:

Jan Solstad

Programme Coordinator

jan@kolarctic.no; jan.solstad@ffk.no

Tel +47 789 63123

9. ANNEXES OF LIP FULL APPLICATION

Programme management system PROMAS

<https://promascbc.fi>

Kolarctic CBC Programme in cooperation with Karelia CBC and South-East Finland – Russia CBC Programmes is hosting an electronic programme management system PROMAS which is used during the whole project cycle. Project partners can use the system when submitting LIP full applications, reports, payment requests, amendment requests etc. The Managing Authority uses it for requesting additional information from the applicant, approving reports and making payment orders. In addition to the electronic version, certain documents have to be submitted also as a signed hard copy.

The Lead Partner fills in the application in the PROMAS system. Lead Partner applies for a username and password to each project separately; the username is application-specific. User rights can be applied from the system when the Call is opened.

The PROMAS manual is available on the Programme website <http://www.kolarctic.info/>.

To ensure the submission of all Annexes, the right side boxes can be used as a checklist for self-check.

Annex A: Budget specifications

Save the form to your own files, fill it in and enclose to the electronic application in the PROMAS. Enclose it as Excel-file, not e.g. .pdf.

Specify the total cost and financing estimates of the project and budgets by countries and by Partners involved in the project (tables are in separate sheets in one Excel file). Note that the sub-totals and totals of the different cost types must be consistent with the figures provided in the tables (Total budget for the action and Total financing) of the application form.

The Annex is available on the Programme website <http://www.kolarctic.info/>.

Annex B: Logical Framework

The Logical Framework covers the entire project duration. Information in the Logical Framework shall comply with the information in the application.

The Annex is available on the Programme website <http://www.kolarctic.info/>

Annex C: The registration certificate of Partners (Lead Partner and Partners)

The Lead Partner must submit an official document (company register etc.) that shows the name of the legal entity, the address of the head office and registration number given to the organization by the national authorities.

Annex D: State co-financing or Norwegian Kolarctic financing form

This form is used when a Partner applies for Finnish or Russian state co-financing or Norwegian Kolarctic financing from the Managing Authority on behalf of all other Partners from the same country (when the Lead Partner is from other country than the Partner(s). This document(s) must be submitted to the MA in PROMAS by the call closure, but also in originals, when they are available.

The Annex is available on the Programme website <http://www.kolarctic.info/>

Annex E: Partnership statement

Signed Partnership Statement is considered as a commitment of the Partner organization's participation to the project and own contribution. This document(s) must be submitted to the MA in PROMAS by the call closure, but also in originals, as soon as they are available.

The Annex is available on the Programme website <http://www.kolarctic.info/>

Annex F: Result indicators

The Annex includes information on the project Result Indicators.

The Annex is available on the Programme website <http://www.kolarctic.info/>

Annex G: Decision (copy) of the state aid within the de minimis conditions (if applicable. NOTE! There is no ready-made template)

Annex H: Building permit or any other permits needed for implementation of the project (if applicable. NOTE! There is no ready-made template)

Annex I: Specification of Infrastructure Investment (if applicable. NOTE! There is no ready-made template)

Delivery of the LIP full application

The original, signed LIP full application printed from the PROMAS system, all requested annexes and signed partnership statements have to be submitted to the Managing Authority to the following address:

Kolarctic CBC Programme
Regional Council of Lapland
Hallituskatu 20 B
FIN-96100 ROVANIEMI
FINLAND

The deadline for the submission of the signed documents is **31.10.2017** as evidenced by the date of dispatch, the postmark or the date of the deposit slip.

A scanned copy of the signed LIP full applications, requested annexes and partnership statements shall also be sent via email to following address: paivi.ekdahl@lapinliitto.fi.