

Kolarctic CBC – Programme 2014-2020

GUIDELINES

First Call for Proposals for Standard Projects

Valid **52 days** during the 1st Call for Proposals
from 23.01.2017 till 15.03.2017 inclusively

23.01.2017

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FREQUENTLY USED ABBREVIATIONS

Audit Authority	AA
Branch Offices	BOs
Cross Border Cooperation	CBC
Control Contact Point	CCP
European Neighbourhood Instrument	ENI
European Union	EU
European Commission	EC
Group of Auditors	GoA
Joint Monitoring Committee	JMC
Kolarctic Cross Border Cooperation 2014 – 2020 Programme	Kolarctic CBC Programme (or the Programme hereinafter)
Managing Authority	MA
National Authority	NA
Regional Assessment Group	RAG
Thematic Objective	TO

1. BACKGROUND



Guidelines include information on *the focus of the programme; financial allocation on the programme and projects levels; rules for the first Call for proposals; evaluation and selection of applications.*

The Kolarctic Cross Border Cooperation (CBC) 2014–2020 Programme (the Programme hereinafter) continues and strengthens cross-border cooperation between the countries in the North Calotte (Finland, Sweden, Norway) and northwest Russia. The Programme is mainly built on the experiences gained in long-term cooperation between the participating countries. Cooperation has been based on both bilateral agreements and on multilateral Programmes. The Programme is co-funded by the European Union from the **European Neighbourhood Instrument (ENI), Finland, Norway, Russia and Sweden**, each with their national and regional financing. Funding shall be granted to joint projects operating in line with the strategy and priorities jointly agreed by the Finnish, Swedish, Norwegian and Russian Partners.

The purpose of these Guidelines is to provide the applicants of the Programme with essential information regarding the Call for proposals process for standard projects.

The published information in the Guidelines is based on the:

- Kolarctic CBC 2014–2020 Joint Operational Programme is approved on 18.12.2015;
- Work Programme 2017;
- Information and Communication Plan 2017;
- Monitoring and Evaluation Plan 2017;
- Logical Framework Matrix (LFM) of the Programme;
- RAGs' Rules of Procedure;
- JMC's Rules of Procedure;
- Administrative check template;
- Evaluation Grid;
- Grant Contract;
- Agreement on financing and implementation of the Cross-Border Cooperation Programme Kolarctic CBC 2014-2020 (signed on 29.12.2016 by the European Commission, the Government of the Russian Federation, The Government of the Republic of Finland and the Government of the Kingdom of Sweden);
- Commission Implementing Regulation (EC) No 897/2014 of 18 August 2014 laying down implementing rules for cross-border cooperation programmes (CBC IR).

Documents can be found on the Programme web-page at <http://www.kolarctic.info/>

The Joint Monitoring Committee (JMC) of the Programme has approved the Guidelines in its 2nd meeting in Saint Petersburg, Russia.

2. FOCUS OF THE PROGRAMME

2.1 Vision and strategy



The Programme vision describes the expected positive change to be acknowledged in the Programme area after the implementation of the Programme - *the Kolarctic CBC Programme area is a flourishing, environmentally-friendly and diverse area with a viable economy, fluent mobility of people, ideas and technologies, and where people to people cooperation is an essential value.*

The Kolarctic CBC 2014–2020 vision is based on the Logical Framework (LF). The vision was developed combining the overall objectives of each Thematic objective (TO) selected for the Programme (**Figure 1**). The Overall objective of the Programme is **to promote a viable economy and the attractiveness of the region, where inhabitants and visitors are able to enjoy the arctic nature and where the natural resources are used in a sustainable way.**

The Programme Strategy responds to identified regional needs of the Kolarctic CBC Programme area, which shall be addressed by aiming at the strategic objectives of the Programme. The EU Programming document 2014–2020 sets out three ENI CBC strategic objectives for CBC activities:

- A. Promote economic and social development in regions on both sides of common borders;
- B. Address common challenges in environment, public health, safety and security;
- C. Promote better conditions and modalities for facilitating the mobility of persons, goods and capital.

2.2 Priority axes and Thematic objectives (TOs)



The needs of the Programme area are reflected in Priority axes and Thematic Objectives (TOs).

The Programme contributes to the above-mentioned strategic objectives by financing actions aimed at addressing the identified needs of the Programme area within two **(2) Priority axes:**

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

The aim of the **Priority axis 1** is to enhance a viable economy and a good quality of life by increasing the attractiveness of the region, as well as by maintaining the biodiversity and use of natural resources in a sustainable way.

The aim of the **Priority axis 2** is to facilitate joint activities, which enhance fluent, well-functioning, efficient and safe traffic and logistics, as well as fluent mobility of people, goods and know-how/expertise across the borders within the Programme area.

Furthermore, the Programme shall contribute to the Priority axes by financing activities under the following TOs:

- **TO1** Business and SME development;
- **TO6** Environmental protection, climate change mitigation and adaptation;
- **TO7** Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems;
- **TO10** Promotion of border management and border security, mobility and migration management.

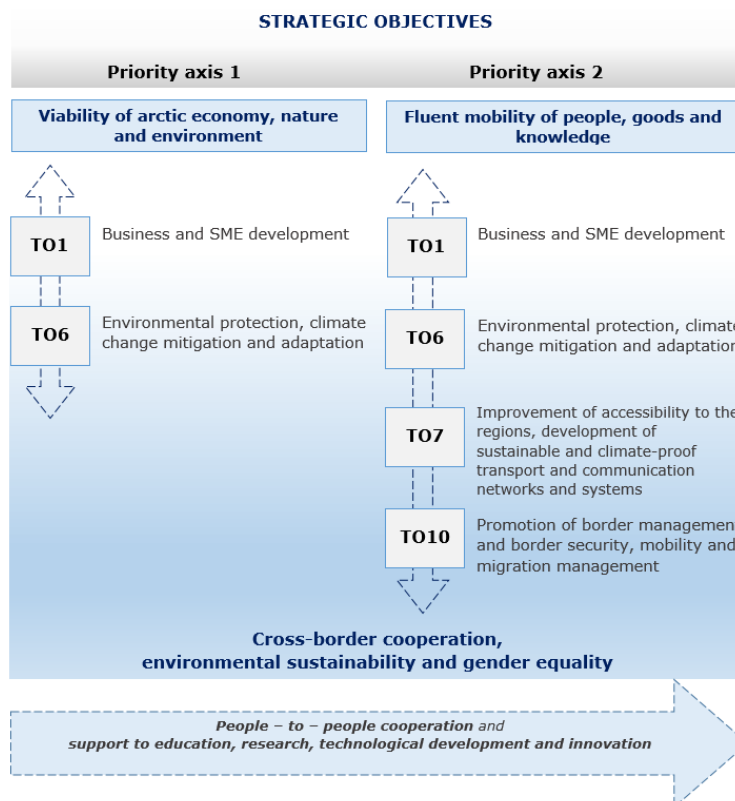


Figure 1. Structure of the Programme Priority axes and TOs

In addition to projects purely related to **TO1** Business and SME development (**Figure 1**), or projects only related to **TO6** Environmental protection, climate change mitigation and adaptation, **Priority axis 1** is developed also to support and facilitate joint development activities between the business and the environmental sectors. Likewise, **Priority axis 2** supports **cross-sectoral projects between TO1, TO6, TO7 and TO10**.



Some examples of activities that can be supported by the means of Kolarctic CBC 2014–2020 Programme can be found in The Kolarctic CBC Programme 2014-2020 Joint Operational Programme, Priority axes of the Programme, **Section 3.2 Justification for the chosen Strategy, paragraph Priority axes of the Programme**, pp 42-48 (<http://www.kolarctic.info/>)



The common focus of any action carried out with the support of the Programme is on **cross-border cooperation (CBC)** within the implementation of the Priority axes.

A fundamental requirement for actions to be financed is the added **cross-border cooperation (CBC)** value of the Programme when compared to national strategies and support within the Programme area.

Cross-cutting issues means that all activities financed by the Programme should have a positive effect on issues such as **environmental sustainability and gender equality**. Cross-cutting issues are relevant to all aspects of activities carried out with the support of the Programme:

- **Environmental sustainability** shall be reflected throughout the Programme and financed projects, from the project selection process to the project implementation phase and beyond. Every project must be evaluated based on criteria that ensure environmental sustainability. Environmental sustainability concerns all aspects of cross border cooperation activities: economical, ecological, social and cultural cooperation. 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.
- **Gender equality** is a basic human right, and men and women must have the same rights, opportunities and obligations in different fields of society. The Programme aims to contribute to the integration of gender perspective in all stages of the implementation and monitoring of the Programme. Gender equality will be promoted by implementation of projects that strengthen the position of women and increase entrepreneurship among them, and thus facilitate women's inclusion in the local and regional development and economic growth of the Programme area. Considerable emphasis shall also be put on activities concerning cross-border cooperation of young people and women in the Programme area. Projects with a direct positive impact on equality between men and women shall be promoted by the Programme.

Promotion of local **cross-border people to people actions and support to education, research, technological development and innovation** are considered as horizontal modalities (**Figure 1**) that can be applied, where relevant, across any of the selected Thematic Objectives. These horizontal modalities may include actions enhancing cooperation among local and regional authorities, public and private partnerships, NGOs and other civil society groups, universities, research institutions and schools, chambers of commerce, etc.

3. RULES OF THE FIRST CALL FOR PROPOSALS

These Guidelines set out the rules for submission, eligibility, selection and implementation of actions financed under the First Call.

3.1 Eligibility of Partners



Partners refer to **Lead Partner and Partners**.

In order to be eligible to apply the financing from the Programme, Partners must:

- be legal persons (legally registered);
- comply with the eligibility criteria defined in this Guidelines for the selection procedure.

Partners can be e.g. national, regional or local public authorities or organizations, municipalities, joint municipal boards, public utility companies, chambers of commerce, organisations and associations, universities and higher education institutions, research institutes, private companies and networks that comprise these.



Partners will be excluded from participation in the Call and no grants will be awarded to them if they fall under any of the following exclusion situations:

- a) during the grant awarding process they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata (i.e. against which no appeal is possible);
- c) they have been guilty of grave professional misconduct proven by any means which the Managing Authority can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Managing Authority or those of the country where the contract is to be performed;
- e) they have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Community's financial interests or for serious breach of contract in procedures concerning funds granted from the Community budget;
- f) they have been ascertained to be guilty of a breach of contract concerning a procurement procedure financed out of the Commission budget or other support¹.

As a rule, project activities cannot bring financial profit or create a competitive advantage to the participating organizations of Lead Partners and Partners of the project.

By signing the Full application printed from the PROMAS, the applicant assures that it is not involved in any situations of the abovementioned kind.

¹ REGULATION (EU, EURATOM) No 966/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, Article 106(1) and Article 107

3.2 Geographical eligibility of Partners



As a rule, each project shall have at least one Partner from the participating **Member State (Finland or Sweden) and at least one Partner from the Russian Federation. Partners from Norway may participate as equal Partners.**

Partners from the **core regions, the adjoining regions and from the major social, economic and cultural center** can participate in the Programme implementation as equal Partners (**Figure 2**).

Core regions		Adjoining regions		Major social, economic and cultural centre	
FI	Lapland	FI	Oulu Region	RU	City of St. Petersburg
SE	Norrbottn	SE	Västerbotten		
NO	Finmark, Troms, Nordland	RU	Republic of Karelia, Republic of Komi		
RU	Murmansk Region, Arkhangelsk Region, Nenets Autonomous District				

Figure 2. Kolarctic CBC eligible territory

Bilateral projects between Norway and Russia may be implemented in cases, when there is no possibility to find a relevant Partner from Finland or Sweden and when the project activities concern the oil and gas industry or fisheries. EU financing is not available to bilateral projects between Norway and Russia. These projects will be financed from Norwegian Kolarctic / Russian state co-financing and from other national co-financing.

National level public entities based in Helsinki, Moscow, Oslo and Stockholm can act as project Partners if they do not have their structural units in the Programme area.

When the substance of the project activities concerns implementation of the activities defined for Barents cooperation or support of Euro-Arctic development, partners from outside of the Programme area can participate as equal partners.

3.3 Partners obligations



All Partners shall actively cooperate in the development and implementation of the project.

All Partners shall cooperate in the staffing and/or financing of projects. Each Partner shall be legally and financially responsible for the activities that it is implementing. All project Partners must sign a partnership agreement² prepared by the Lead Partner.

As a rule, each project shall designate one Lead Partner among Partners for representing the partnership.

The Lead Partner shall carry out the following obligations:

- submit the Grant application to the Managing Authority;
- receive the Programme financing from the Managing Authority for the implementation of project activities;
- act as a link between the Managing Authority and the project partners;
- ensure that the Partners receive the total amount of the Programme financing as quickly as possible and in full accordance with the arrangements referred to in the partnership agreement;
- no amount shall be deducted or withheld and no specific charge with equivalent effect shall be collected that would reduce these amounts from the Partners;
- prepare and sign the partnership agreement with all project Partners comprising provisions that guarantee the sound financial management³ of the funds allocated to the project including the arrangements for recovery of funds unduly paid;
- conduct the responsibility for ensuring implementation of the entire project;
- ensure that the expenditure presented by the Partners has been incurred for the purpose of implementing the project and corresponds to activities set in the Grant Contract and agreed between all Partners;
- verify that the expenditure presented by the Partners has been examined by an auditor⁴;
- provide all necessary documents and information to the Managing Authority before launching the project as well as throughout its implementation (e.g. project reports);
- ensure that the Partners have applied for national co-financing (where required) before it submits the Grant application to the Managing Authority.

If a Swedish organization acts as a Lead Partner, it can only receive the EU financing and Finnish national co-financing, but not Russian national co-financing. In case if the project has a Partner from Russia, the national co-financing will be paid directly from the MA to the Russian partner.

3.4 Eligible actions and duration



All activities implemented in the project must **contribute to the Programme Priority axes and Thematic Objectives** and benefit the **core Programme area**.

² The Partnership agreement has to be prepared during the contracting phase of the project

³ Budgetary principle according to which budget appropriations must be used according to economy, efficiency and effectiveness (http://ec.europa.eu/budget/explained/glossary/glossary_en.cfm)

⁴ COMMISSION IMPLEMENTING REGULATION (EU) No 897/2014 of 18 August 2014, Article 32(1) Audit and control structures

The Grant application can focus on any of the Programme Priority axes and TOs (see *Section 2.2 and 2.3 of the present Guidelines*).



Some examples of activities that can be supported by the means of Kolarctic CBC 2014–2020 Programme can be found in The Kolarctic CBC Programme 2014-2020 Joint Operational Programme, Priority axes of the Programme, **Section 3.2 Justification for the chosen Strategy, paragraph Priority axes of the Programme**, pp 42-48 (<http://www.kolarctic.info/>)

Along with the above-mentioned examples, the Programme can support other activities that correspond to the aim of Programme Priority axes and TOs.

The following types of projects are recommended by the Programme:

- integrated projects, where each partner carries out a part of the activities of the joint project on its own territory;
- symmetrical projects, where similar activities are implemented in parallel in Member States (Finland and Sweden), in the Russian Federation and in Norway.

The project duration depends on the actions to be implemented in the project. A project that is financed from the Programme is recommended to last no more than 36 months, whereas no minimum duration has been determined. A project can start only when the Managing Authority and the project Lead Partner have signed a Grant Contract.

All project activities financed by the Programme shall end on 31 December 2022 at the latest.



The following types of action are ineligible:

- a) actions concerned only, or mainly, with individual sponsorships for participation in workshops, seminars, conferences, congresses;
- b) actions concerned only, or mainly, with individual scholarships for studies or training courses;
- c) actions concerning scientific research without specific direct benefit for the development of the Programme region;
- d) actions, which bring profit or create a competitive advantage to the participating private enterprises.

3.5 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 criteria⁵:

- 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;
- 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;⁶
 - 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);⁷
- any tendering requirements have been respected;
- all purchased are related to the purposes of the project.

⁵ 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/>)

⁶ *ibid.* Article 14(2) Eligible costs (available on the Programme web-page at <http://www.kolarctic.info/>)

⁷ *ibid.* Article 14(2) Eligible costs (available on the Programme web-page at <http://www.kolarctic.info/>)

- **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***).

- **Eligible preparatory costs:**

To allow the preparation of stronger partnership, costs incurred before submission of the Grant Application can be regarded as eligible in the budgets of those projects to which the Grant has been awarded⁸.

Costs incurred before submission of the Grant Application must meet following conditions:

- costs are incurred after the Call for proposal was opened;
- costs are limited to travel costs (travel tickets, accommodation) of the staff employed by Partner organizations;
- costs do not exceed 2 000 € per project;
- costs must fulfil the eligibility requirements;
- costs are incurred with Partners' own risk until the Grant Contract is signed.



The following costs are regarded as non-eligible⁹:

- debts and debts service charges (interests);
- provisions of losses or liabilities;
- costs already financed in another framework (for example by the European Union budget);
- purchases of land or buildings for an amount exceeding 10% of the eligible costs of the project;
- exchange-rate losses;
- duties, charges and taxes, including VAT, except where non-recoverable under the relevant national tax-legislation;
- loans to third parties;
- finances, financial penalties and expenses of litigation;
- contribution in kind¹⁰.

⁸ ibid. Article 48(4) Eligibility of costs

⁹ ibid. Article 14(5) Eligible costs (available on the Programme web-page at <http://www.kolarctic.info/>)

¹⁰ COMMISSION IMPLEMENTING REGULATION (EU) No 897/2014 of 18 August 2014, Article 14(1) Eligibility of costs

3.6 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 financial reports of a project shall be done in Euro. Cost are recorded in the bookkeeping records with the currency used in the country in question and converted in Euro in the Financial report, template is provided by the Managing Authority. The exchange rate is calculated on a monthly level.

3.7 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 certificate from the taxation authority must be provided to the Managing Authority after the project has been approved to be financed but before the Grant Contract is signed.

4. FIANCIAL ALLOCATION ON THE PROGRAMME LEVEL



The total budget of the Programme is 63 436 180 €¹¹.

The indicative allocation of European Union funding for the Kolarctic CBC 2014–2020 Programme is 24 718 090 € and The Norwegian equivalent funding is 7 000 000 €. The national co-financing from EU Member States (Sweden and Finland) is in total 12 359 045 € and the national co-financing from Russia is 12 359 045 €. National co-financing from Norway is 7 000 000 €.

The allocation of the Programme financing for the 1st Call for Proposals and 2nd Call for Proposals is presented in the **Tables 1 and 2**.

¹¹ Additional ERDF allocations for years 2018–2020 (10 355 241 €) are available subject to the mid-term review of the CBC and availability of matching ENI funds.

Table 1. Allocation of the financing, 1st Call for Proposals

Indicative financial allocation for the 1 st Call for Proposals		
Combined Programme financing *)	Norwegian Kolarctic financing	Total
13 333 710	4 000 000	17 333 710
*)EU-financing, Finnish and Russian state co-financing		

Table 2. Allocation of the financing, 2nd Call for Proposals

Indicative financial allocation for the 2 nd Call for Proposals		
Combined Programme financing *)	Norwegian Kolarctic financing	Total
5 204 366	1 897 586	7 101 952
*)EU-financing, Finnish and Russian state co-financing		

According to the national legislations of the countries participating in the Programme, the national funding cannot be used as co-financing to the infrastructure investments implemented outside of the territory of the country in question. In the Programme this legislative definition means that the financial structure of infrastructure investment must be differentiated according to the country in which the investment locates.

5. FINANCIAL ALLOCATION ON THE PROJECT LEVEL

EU-financing: financing from the EU

Norwegian Kolarctic financing: financing from the state of Norway for Norwegian partners corresponds to EU-financing

State co-financing: co-financing from states of Finland and Russia

Co-financing from other sources: co-financing from public or private organizations. Financing can come from state/regional/municipal resources; foundations, association; private entities

Own contribution: public or private financing from the own resources of the project partners or from other sources can be the part of the co-financing



Project financing consists of the **EU-financing/Norwegian Kolarctic financing, state co-financing, co-financing from other sources and own contribution**. Participating countries have two different co-financing systems. In Finland and Russia the state co-financing is applied from the Managing Authority. In Sweden and Norway the co-financing is applied from other sources.

The EU-financing, Finnish and Russian state co-financing are applied with the Programme Grant application in the PROMAS system and awarded by the JMC and contracted by the Managing Authority with a Grant Contract.

Norwegian Kolarctic financing is applied along with the Programme Grant application in the PROMAS system and also awarded by the JMC but contracted with County Council of Finnmark.

Swedish and Norwegian co-financing is applied from other sources and granted directly to the applicants by the financiers from countries in question. Public or private financing from Partners¹² or other financiers can be used as own contribution as well as co-financing. Partners apply for co-financing from other sources (relevant authorities and organizations) of their own countries.

In all projects at least 10% of the financing must come from the own resources of the Lead Partner and/or Partners (**Table 3, 4**). Lead Partner and Partners jointly agree upon the structure of the own financing and each Partner's contribution to it. Project partner's own contribution can consist of either/both public or private financing and each Partner's share of the own contribution calculated from the Partner's own costs can be different. In the Grant Contract the own contribution is indicated on the project level.

¹² **NOTE!** Partner in other relevant documents may refer as Beneficiary

5.1 Structure of the project financing

Table 3. Structure of the project financing

Source of financing	Share % of the budgeted costs	From whom to apply	Who applies
EU financing	Max 50%	Managing Authority	Finnish, Swedish and Russian Lead partners and Partners
Norwegian Kolarctic financing	Max 50%	Managing Authority	Norwegian Lead Partners and Partners
Finnish and Russian state co-financing	Max 40%	Managing Authority	Finnish and Russian Lead Partners and Partners (applied with the same Grant application as EU financing)
Co-financing from other sources from Finland, Sweden, Russia and Norway (public or private)	Max 40%	Public, Private financiers	Finnish, Russian, Swedish and Norwegian partners
Own contribution (public or private)	Min 10%	Lead Partner, Partners or other financiers	Calculated on project level, in practice each partner covers 10% of own costs.

Table 4. Example of the project financing

Financing	Amount, €
Project costs total (Finland and Russia 40 000 €, Sweden 20 000 €, Norway 40 000 €)	100 000 €
EU-financing (Finland, Russia, Sweden)	30 000 €
Norwegian Kolarctic financing (Norway)	20 000 €
State co-financing (FI+RU)	16 000 €
Co-financing from other sources from Sweden	8 000 €
Co-financing from other sources from Norway	16 000 €
Own contribution 10 % (on country level 10 %)	10 000 €
FINANCING TOTAL	100 000 €

The Joint Monitoring Committee (JMC) has not set any maximum or minimum amounts to the project budgets. When evaluating the project application, in all steps of the evaluation process close attention is paid to the cost efficiency of the projects. The example of the project budget is presented in the **Figure 3. Example of the financing in relation to project budget.**

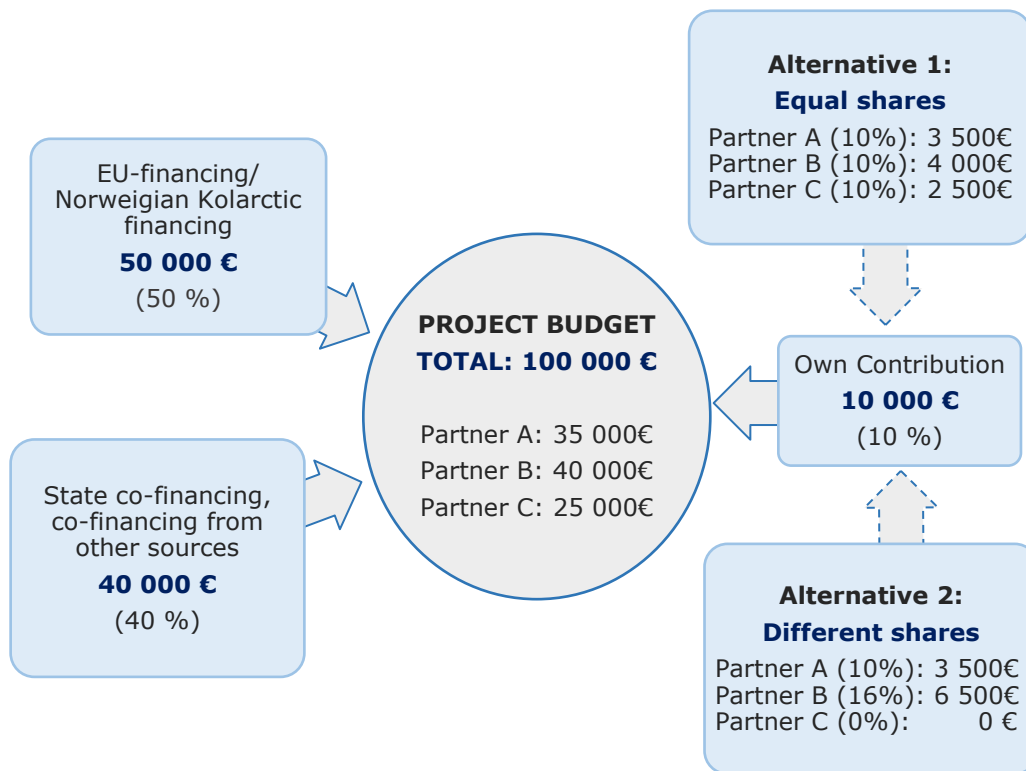


Figure 3. Example of the financing in relation to project budget

5.2 How to apply state co-financing and co-financing from other sources

SWEDEN



The MA recommends that Swedish Lead Partners or Partners apply for co-financing from other sources from Swedish public or/and private organizations at an early stage of Grant application preparation. It ensures the availability of the co-financing decision in time, at the moment of submission the Grant application to the Managing Authority.

Swedish Lead Partners and Partners may request Swedish co-financing (**Table 3, 4**) from several organizations, either public or/and private. Generally, the Swedish authorities have digital application forms and the applicant for the co-financing can preferable attach a copy of the Kolarctic CBC application to it. Applicant shall check if Programme application form can be used or if the financier requests to use its own application template.

Swedish co-financing from other sources is granted by organizations, such as:

- County Administrative boards;
- Regional state organizations;
- Municipalities of the programme region;
- County Councils;
- Educational institutions and universities;
- Ministries;
- State central agencies;
- Foundations and public utility companies.

NORWAY



The MA recommends that Norwegian Lead Partners or Partners apply for co-financing from other sources from Norwegian public or/and private organizations at an early stage of Grant application preparation. It ensures the availability of the co-financing decision in time, at the moment of submission the Grant application to the Managing Authority.

Norwegian Kolarctic financing (**Table 3, 4**) corresponds to EU-financing and is awarded to Norwegian project Partners. If the Lead Partner is from Norway, it is also responsible for applying and managing the EU-financing even though the Norwegian Partners cannot use the EU-financing to cover their own costs. In the case of the Lead Partner is from other country than Norway, one of the Norwegian Partners must fill in **Annex D: State co-financing or Norwegian Kolarctic financing form** and apply for Norwegian Kolarctic financing on behalf of all other Partners from Norway.

Norwegian co-financing from other sources supplements the Norwegian Kolarctic financing. Co-financing must come from public or private financiers. The Lead Partner's or Partners' own contribution can be considered as co-financing if it exceeds the need of own contribution.

Norwegian co-financing from other sources is granted by organizations, such as:

- Finnmark, Troms and Nordland County Authorities;
- Finnmark, Troms and Nordland County Governor;
- Innovation Norway;
- Barents secretariat;
- Ministries;
- Municipalities of the programme region;
- Educational institutes and universities;
- Sami Parliament.

FINLAND



Finnish Lead Partners and Partners apply for Finnish state co-financing with Grant application filled out in the PROMAS (**see Chapter 6 of the Guidelines, First Call For Proposals**).

If the Lead Partner is from Finland, no other application is needed. In the case the Lead Partner is from other country than Finland, one of the Finnish Partners must fill in **Annex D: State co-financing or Norwegian Kolarctic financing form** and apply for Finnish state co-financing on behalf of all other Partners from Finland.

In addition, Finnish co-financing can be granted from other sources by public and private organizations. Requirements and formalities for applying should be checked from the organization in question.

Finnish co-financing from other sources is awarded by organizations such as:

- Municipalities and Joint municipal boards in the Programme region;
- Education institutions;
- Ministries;
- State central agencies;
- Enterprises and public utility companies;
- Foundations and publicly funded organizations.

RUSSIA



Russia Lead Partners and Partners apply for Russian state co-financing with Grant application filled out in the PROMAS (**see Chapter 6 of the Guidelines, First Call For Proposals**).

If the Lead Partner is from Russia, no other application is needed. In the case the Lead Partner is from other country than Russia, one of the Russian Partners must fill in **Annex D: State co-financing or Norwegian Kolarctic financing form** and apply for Russian state co-financing on behalf of all other Partners from Russia.

In addition, Russian co-financing can be granted from other sources by other public and private organizations. Requirements and formalities for applying should be checked from the organization in question.

Russian co-financing from other sources is granted by organizations, such as:

- Regional administrative authorities;
- Cities and districts;
- Municipal companies;
- Educational institutes and universities;
- Research institutes;
- Federal target programmes.

ALL COUNTRIES (Finland, Russia, Sweden and Norway)

Requirements and formalities of applying for co-financing from other sources may vary between financiers so it is important to check the requirements and formalities. Applying for co-financing from other sources should be done without delay, in order to be able to get the decision from the financiers before a Joint Monitoring Committee meeting.

Binding commitments of the co-financing from other sources (excluding Finnish and Russian state co-financing) have to be delivered to the Managing Authority before a meeting of the Joint Monitoring Committee. **Signed Annex E: Partnership statement is considered as a commitment of the Partner´s own contribution.**

6. FIRST CALL FOR PROPOSALS



The First Call for Proposals is open **52 days from 23.01.2017 till 15.03.2017 inclusively.**

This First Call for proposals (the Call hereinafter) is an open Call for standard projects applying the one-step application procedure, i.e. submission of a Full application and its Annexes. The Call is open to given Priority axes and Thematic Objectives. All applications shall be submitted and evaluated at the same time, in an equal way throughout the entire decision-making process, regardless of their Priority axis or TO.

All projects shall support the Priority axis that they have selected and at least one of the Thematic Objectives (TOs) and guarantee the clear contribution to ENI CBC objectives, bring benefits to the core area of the Programme, have cross-border impact, comply with the Programme objectives as well as EU, national and regional policies.

6.1 Grant application



The Grant application consists of:

- (1) Full 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, Norwegian Kolarctic financing. Also, Swedish and/ Norwegian co-financing applied from others sources shall be indicated in the Full application form. In addition, co-financing awarded by other fanciers may request using other form than the Programme Full application form. The Branch Offices in Sweden and Norway (**see Chapter 9 of the Guidelines, Contact information**) shall provide more information by request on the procedure of applying co-financing from other sources.

(1) Full application shall contain:

- an analysis of the problems and needs justifying the project, taking into account the Programme strategy;
- Projects expected contribution to address the corresponding priority, as well as regional /national /joint strategies;
- an assessment of its cross-border added value;
- information on the type of the project: integrated and symmetrical (**see sub-chapter 3.4 Eligible actions and duration**);
- an assessment of the sustainability of the project expected results after project completion;
- objectively verifiable indicators including Programme Common Output Indicators (COI) and Programme Specific Output indicators (SOI)¹³;
- information on the geographic coverage and target groups of the project;
- expected project implementation period and detailed work plan;

¹³ Monitoring and Evaluation Plan 2017, available on the Programme web-page <http://www.kolarctic.info/>

- an analysis of the effects of the project on the cross-cutting issues, particularly gender equality and environmental sustainability;
- identification of the Lead Partner and Partners, providing information about their administrative and financial management capacity;
- description of the project management and implementation structure;
- arrangements among Partners in line with sub-paragraph 3.3 *Partners obligations*;
- monitoring and evaluation arrangements;
- information and communication plans, in particular, measures to acknowledge that the Programme is co-financed by the EU, Finland, Norway, the Russian Federation and Sweden;
- detailed financing plan and budget.¹⁴

The above mentioned list of issues are described in details in the following chapters of the present Guidelines.

Full application 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 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. The Russian Federation reserves position on this issue;
- evidence of ownership by the Partners or access to the land;
- building permit.

Exceptionally and in duly justified cases, the Managing Authority may accept a later submission of these documents.¹⁵

(2) The following Annexes are the part of the Grant application:

- Annex A: Budget specification;
- Annex B: Logical framework;
- Annex C: The registration certificate of Partners (Lead Partner and Partners);
- Annex D: State co-financing or Norwegian Kolarctic financing form;
- Annex E: Partnership Statement;
- Annex F: Result indicators¹⁶;
- Annex G: Decision (copy) of the state aid granted within 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).

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

¹⁴ COMMISSION IMPLEMENTING REGULATION (EU) No 897/2014 of 18 August 2014, Article 43 Content of projects

¹⁵ *ibid.*

¹⁶ *ibid.*

6.2 The content of the Full 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 will be used during the whole project duration. **NOTE!** The indicated name of the project might be used in Programme related information and communication activities/materials/databases including KEEP database¹⁷.

Acronym:

Give an acronym of 3-8 digits.

Project ID:

After registration in the PROMAS, the ID will be given automatically. The same ID number will be 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 that will be used during the whole project duration. **NOTE!** The indicated name of the Lead Partner organization might be 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'.

¹⁷ <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. TO6 Environmental protection, climate change mitigation and adaptation;
3. TO7 Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems;
4. 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 **this Guidelines, sub-chapter 3.2. and 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 that will be used during the whole project duration. **NOTE!** The indicated name of the Partner's organization might be 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 of 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.

Official address:

Accurately indicate the valid official address of the Partner organization. **NOTE!** The indicated official address might 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 might 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 once it has been approved. 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 annual turnover in EUR.

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 Full 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 more detailed description in this section of the Full application form. **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 cross-border cooperation is necessary for implementation of this.

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 Full 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 learned 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 sub-chapter 2.2 of this Guidelines and in the JOP (Joint Operational Programme Kolarctic CBC 2014-2020).**

THEMATIC INDICATORS

Check out the Programme Monitoring and Evaluation (M&E) Plan 2017 (<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 be automatically 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 was planned to be done, 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 RACI matrix will be used during the reporting phase and will be updated and followed by Partners during project implementation.

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 project shall prepare the 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** (NOTE! There is no ready-made template) to the Full application in the PROMAS.

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 country level and the total budget are followed by Managing Authority. The Partner budget 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**).

Table 5. 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. 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. Staff 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 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 3.5 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 partly used in the project, only 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 the roads, bridges, water and sewage systems, energy production, telecommunication, IT networks etc. In this budget line you estimate the costs of the equipment and in External services work contracts, construction material etc. If you have investment part in you project, please specify the costs in 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 Full 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 sub-paragraph of this Guidelines **6.1 Grant Application, Full application including an infrastructure component of at least EUR 1 million.**

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 example of the financiers listed in this *Guidelines, sub-chapter 5.2 How to apply national state and co-financing from other sources*.

The EU financing in project level may not exceed 50%. As well as Norwegian Kolarctic financing in project level may not exceed 50%.

The maximum amount of the own contribution per country is stated in the **Annex E: Partnership Statement**.

Project total cost and total financing must be equal.

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

ANNEXES

Download all required Annexes of the Grant application in pdf or Word format (**see 6.1 Grant application of this Guidelines**).

SIGNATURE

NOTE! The Full 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 it's 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.

6.3 Submission procedure of a Grant application



The deadline for the submission of the Grant application to the PROMAS is **15.03.2017 at 18.00** (Finnish time).

Full application must be filled in by using the Programme management system PROMAS¹⁸ (www.promascbc.fi). Submission procedure of the Grant application comprises three steps:

- Step 1.** Fill in the Full application in the PROMAS. The application shall be filled in carefully and **all the questions/requests answered accurately**. A fully completed application with all required downloaded 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.** Print and sign the Full application after it has been submitted in the PROMAS.
- Step 3.** Send the printed and signed Full application with **Annexes (see 6.1 Grant application)** to the MA by mail as registered letter (**post stamp shall be not later than 15.3.2017**) or by courier delivery or hand-delivery by the deadline in a sealed envelope. 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 application should be submitted 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 Full application with Annexes shall be sent to the following MA's postal address:

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

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

¹⁸ The instructions of the PROMAS system is available on the Programme website <http://www.kolarctic.info/>

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

7. PROGRAMME BODIES

The Programme bodies participate in the implementation of the Programme and decision-making process:

- 1. Managing Authority (MA)** has responsibility for managing the Programme and compliance of the decisions of the JMC with the regulations and provisions in force;
- 2. Branch Offices (BOs)** assists the MA in fulfilling its Programme management tasks on the Norwegian, Russian and Swedish sides;
- 3. Joint Monitoring Committee (JMC)** is the main decision making body of the Programme;
- 4. Regional Assessment Groups (RAGs)** evaluate the quality and relevance of the project applications vis-à-vis the Programme priorities and the strategies of the Programme regions;
- 5. National Authorities (NA)** support the MA in the management of the Programme in accordance with the principle of sound financial management. The countries participating in the Kolarctic CBC Programme 2014–2020 have designated the following bodies as their respective National Authorities:
 - Finland: Ministry of Economic Affairs and Employment, Enterprises and Regional Development department, Structural funds and Cohesion Policy –group;
 - Russia: Ministry of Economic Development, Department for Regional and Cross-Border Cooperation Development, Unit for coordination and legal support of regional and cross border cooperation;
 - Sweden: Ministry of Enterprise and Innovation, Department for Sustainable Growth, Division for Regional Growth and Cohesion Policy;
 - Norway: Ministry of Local Government and Modernisation, Department of Regional Development, International Cooperation team.
- 6. The Audit Authority (Aa) And The Members Of The Group Of Auditors (Goa)** draws up an audit opinion on the annual accounts and an annual report providing a summary of audits carried out, including an analysis of the nature and extent of errors and weaknesses identified both at the system level and for projects, as well as the corrective actions taken or planned. The following institutions will be represented in the Group of Auditors:
 - Finland: Ministry of Economic Affairs and Employment, Enterprises and Regional Development department, the Coordination –group;

- Russia: Ministry of Finance, Department for International Financial Affairs;
- Sweden: Swedish National financial management authority, Department for Audit of EU funds under shared management;
- Norway: The Office of the Auditor General.

More detailed information on the Programme bodies and their functions can be found in **the JOP, chapter 4. Structures And Appointment Of The Competent Authorities And Management Bodies, p. 50.**

8. EVALUATION AND SELECTION OF APPLICATIONS

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

8.1 Administrative and eligibility check



Administrative and eligibility check is carried out by the Managing Authority using an **Administrative checklist.**

The Managing Authority (MA) with assistance of the Branch Offices conducts an administrative and eligibility check of the received applications. The eligibility check includes also checking of the financial aspects of the application:

- Application´s accordance with the formal requirements of the Call for Proposals;
- Eligibility of the planned activities, partners and costs;
- Cost-effectiveness of the planned activities.

The MA may request applicants to submit clarification by a set deadline. The indicative timetable of the First Call for Proposals and selection procedure is indicated in the **Table 6.** The result of the administrative and eligibility check will be available for the applicant in the PROMAS system.



During the administrative and eligibility check, the MA shall reject the Grant application that did not fulfil the administrative and eligibility check criteria and/or submit the requested clarification by the set deadline.

8.2 Quality and relevance evaluation



Quality and relevance evaluation is carried out by using an **Evaluation grid.**

The Managing Authority (MA) will send applications, which have passed administrative and eligibility check to the Regional Assessment Groups (RAGs) in each country for an evaluation of the quality and relevance of the application. Each application will be screened and scored by all RAGs using the criteria defined in the Evaluation grid. The MA will set a deadline for RAGs for reporting back on the quality evaluation.

Evaluation of the application´s quality includes assessment of the quality of the project plan according to the Project Cycle Management (PCM) principles; quality of the logical framework (LF); quality of the partnerships (for example number of partners from participating countries, added value of the partnership, role of partners in project implementation etc.)

Evaluation of the application's relevance includes assessment of *the cross-border cooperation added value; relevance of the content in relation to regional/national/joint strategies; relevance of the timing of the implementation; relevance of the implementation and likelihood of achievement of the set goals; assessment of the expected results towards the Programme-specific indicators.*

The RAGs send their evaluations back to the MA who will aggregate these results and establish a ranking list based on the average of the total scores of all RAGs. In case a RAG cannot be established, external experts will do the assessment. In case of a significant difference in the total scores of RAGs the JMC may reassess the application using the same Evaluation grid as RAGs.

Results of the selection process will be available for the applicant in the PROMAS system in accordance with the timetable indicated in the **Table 6**.

8.3 Decision making and approval

The Joint Monitoring Committee (JMC) makes the final decision on approval or rejection of the project application according to the ranking of projects based on the total average scores given by the RAGs.

The JMC creates the final list of projects to be financed and may also create a reserve list consisting of projects fulfilling the selection criteria but rejected because of the lack of funds.

If the Joint Monitoring Committee does not follow some or all of the Regional Assessment Groups' or external experts' recommendations when deciding on projects and the finance to be granted to them, it must state grounds for its decision in writing.

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.

All applicants will be informed about the results of the selection process (**Table 6**). A list of awarded contracts will be published by the Managing Authority on the Programme website and updated on a regular basis.

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.

Table 6. Indicative timetable for the 1st Call for Proposals and projects selection procedure

Name	Time
1st Call for Proposals is opened during	23.01.2017 – 15.03.2017
Administrative and eligibility check	16.03.17 – 06.04.17
Information to the applicants on the result of the Administrative and eligibility check	available in the PROMAS
Quality and relevance evaluation by RAGs	10.04.17 – 28.04.17
Information to the applicants on the result of Quality and relevance evaluation	available in the PROMAS
Decision making and approval by JMC	June 2017
Information to the applicants on the result of Decision making and approval	June – July 2017 - a written executive order issued by Regional Council of Lapland and send by MA via e-mail (available also in the PROMAS after its issued)

8.4 Rejection of a Grant application

All Grant applications submitted to the MA shall follow the criteria indicated in the present Guidelines. In case of the rejection of a Grant application, the Managing Authority shall provide a justification for the rejection with reference to the criteria that were not met.

9. CONTACT INFORMATION

Managing Authority, Operational Unit:

Katja Sukuvaara
Programme Manager

katja.sukuvaara@lapinliitto.fi
Tel +358 40 178 6650

Marjaana Lahdenranta
CBC Expert

marjaana.lahdenranta@lapinliitto.fi
Tel +358 40 834 1131

Renata Musifullina
CBC Coordinator

renata.musifullina@lapinliitto.fi
Tel +358 40 717 1857

Managing Authority, Financial Unit:

Katri Niska-Honkonen
Financial Manager

katri.niska-honkonen@lapinliitto.fi
Tel +358 40 711 8392

Svetlana Peltoperä
Financial Officer

svetlana.peltopera@lapinliitto.fi
Tel +358 40 197 8171

Branch Office in Sweden, Luleå:

Kairi Pääsuke
Senior Advisor

kairi.paasuke@lansstyrelsen.se
Tel +46 10 22 55 411

Branch Office in Russia, Murmansk:

Julia Korshunova
Coordinator

kolarctic.msk@gmail.com
Tel +7 921 1770 597;
+7 (8152) 62 09 02

Branch Office in Norway, Vadsø:

Linda Mosand
Programme Auditor, Senior advisor

linda.mosand@ffk.no
Tel +47 913 67079

Jan Solstad
Programme Coordinator

jan@kolarctic.no; jan.solstad@ffk.no
Tel +47 789 63123

10. ANNEXES OF GRANT 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 Grant 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.

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 Full 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. The document must be enclosed with the Grant application and submitted to the Managing Authority by the deadline.

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)).

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.

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)