



# Programme Manual

## Interreg NPA 2021-2027

### Summary:

This manual is targeted at applicants and project managers. It contains the essential information needed for developing and implementing an NPA project.

### Version 2:

Last updated 10 February 2023

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## Overview of Changes

Version	Summary of Changes
1 – April 2022	Original version
2 – October 2022	<p>Chapter 2.1: Elaboration on expected outcomes for preparatory projects to develop main projects, and clarification of purpose capacity building projects</p> <p>Chapter 2.2: Expansion of list of eligible partner types with larger enterprises</p> <p>Chapter 2.3.1: clarification of logic inside specific objectives</p> <p>Chapter 2.5: more consistent use of the term gender equality</p> <p>Chapter 2.6: Specification of budget size for 6- and 12-month preparatory projects to develop main projects</p> <p>Chapter 3.1: clarification of the Grant Letter step in the main project selection procedure</p> <p>Chapter 3.2: New section on preparatory project selection procedure</p> <p>Chapter 3.3: Expansion of quality criteria with management</p>

# 1. Introduction to the Interreg NPA

## 1.1 The Programme in short

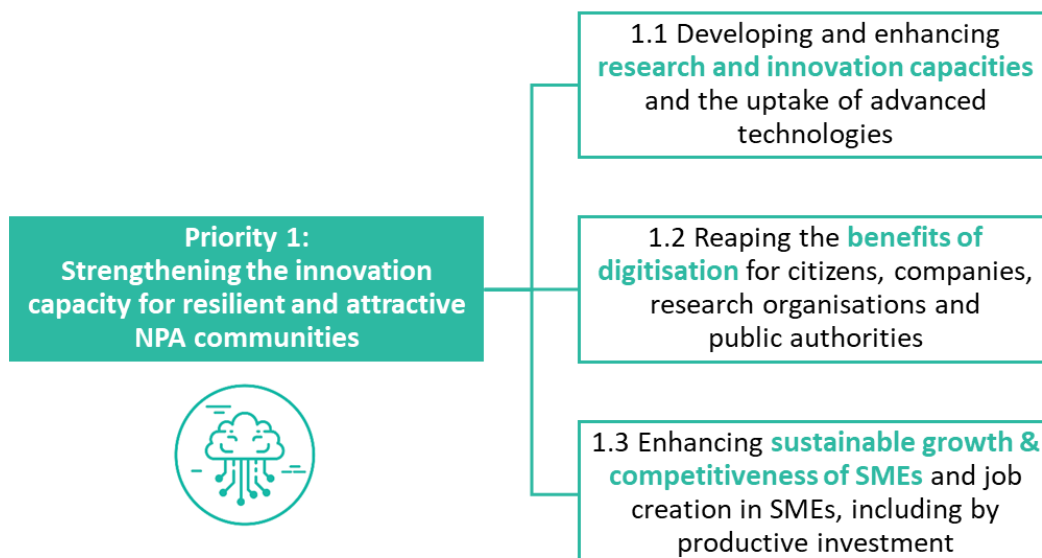
The Interreg Northern Periphery and Arctic (NPA) Programme area spans the northernmost parts of Europe and North Atlantic territories. From its inception the first Interreg period for this programme, 2000-2006, the programme was called “The Northern Periphery Programme” in order to highlight the peripheral and northern position of the Programme area compared to Europe in general. In 2014, the Arctic dimension was underlined in the Programme title “The Northern Periphery and Arctic Programme” (NPA). The background for this was the growing international and EU interest in the developments in the Arctic area, mainly driven by climate change and the new challenges and opportunities that it brings. It is, however important to stress that the programme area does not solely have Arctic coverage but also includes non-Arctic areas.

In the EU Member States, the Programme area covers Northern and Eastern Finland, Northern and Western Regions of Ireland, and Northern Sweden. In the Non-EU Member States, the Faroe Islands, Greenland, Iceland, Northern parts of Norway belong to the Programme area.

Sparse population and extreme peripherality from the economic centres of the EU are defining characteristics that present a functional rationale for cooperation across the territory. The Programme provides a framework for the countries and regions to cooperate on common and shared issues in ways that recognise the particular demands of, in particular, the geographical characteristics of the area. The Programme encourages effective cooperation, e.g. to maximise place-based development, builds on the strengths within sparsely populated communities, and finds innovative solutions to support links into larger markets and more populated areas.

Through transnational cooperation, the Interreg NPA Programme addresses the challenges and opportunities in the programme area through 3 Priorities. For a more detailed description of each priority, its underlying specific objectives, and actions supported, please see the Interreg NPA Cooperation Programme document<sup>1</sup>.

Figure 1 - Interreg NPA Priorities and Specific Objectives



<sup>1</sup> Interreg NPA Cooperation Programme document extract [Link](#)

**Priority 2:**  
Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities



2.1 promoting **energy efficiency** and reducing greenhouse gas emissions

2.2 promoting **climate change adaptation and disaster risk prevention**, resilience, taking into account ecosystem based approaches

2.3 promoting the transition to a **circular and resource efficient economy**

**Priority 3:**  
Strengthening the organisational capacity among NPA communities to make use of cooperation opportunities



3.1 Enhance institutional **capacity** of public authorities and stakeholders **to implement** macro-regional strategies and sea-basin strategies, as well as other **territorial strategies**

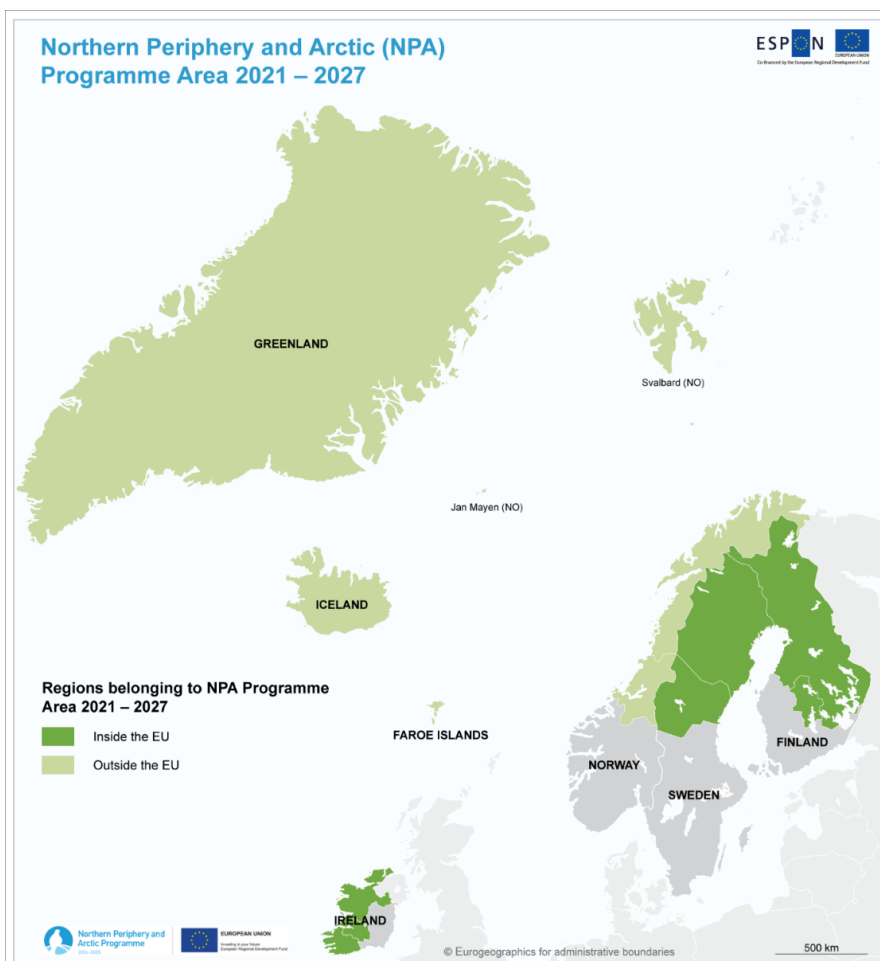
## 1.2 Programme area

The NPA area consists of regions inside the EU Member States of Finland, Ireland, and Sweden, as well as regions outside the EU, in Norway, Iceland, the Faroe Islands, and Greenland.

Table 1 - List of regions in the NPA Programme area

Country	Region code	Region name
Finland	FI193	Keski-Suomi
	FI1D	Pohjois- ja Itä-Suomi
Ireland	IE04	Northern and Western
	IE051	Mid-West
	IE053	South-West
Sweden	SE32	Mellersta Norrland
	SE33	Övre Norrland
Norway	NO06	Trøndelag
	NO07	Nord-Norge
	NO0B	Svalbard and Jan Mayen
Iceland	IS00	Entire territory
Faroe Islands	-	Entire territory
Greenland	-	Entire territory

Figure 2 - NPA Programme area map



### 1.3 Programme funding

Between 2021-2027, the Programme will allocate 46 833 778 Euros to projects, of which 39 978 162 EUR in European funding (ERDF) will be available to partners in Member States (Finland, Ireland, Sweden) and 6 855 616 EUR for partners in the Non-EU partner countries (Norway, Iceland, Faroe Islands, Greenland).

The Euro (€) is used for all transactions in the Programme.

The funding available for projects (100%) has been distributed as follows:

- Priority 1: 45%
- Priority 2: 45%
- Priority 3: 10%

The Programme is financed by European Regional Development Fund (ERDF) contributions from the EU Member States, ERDF equivalent funding from the Non-EU partner countries, supplemented by match funding from projects. Projects apply to the Programme for ERDF or ERDF equivalent co-financing, and they contribute to the project with public or private match funding.

Table 2 – Funding Sources Interreg NPA

Source	Type	Funding allocation for projects	Grant Rate*
Member States (Finland, Ireland, Sweden)	ERDF	39 978 162 EUR	65%
Norway	ERDF equivalent	2 710 020 EUR	50%
Iceland	ERDF equivalent	2 622 600 EUR	65%
Faroe Islands	ERDF equivalent	696 877 EUR	65%
Greenland	ERDF equivalent	826 119 EUR	65%

\* Please note that grant rates may be changed by the Monitoring Committee on a call-by-call basis.

## 1.4 Programme bodies

The programme is managed and supported by a number of programme bodies that are responsible for administering the programme and assisting projects.

Contact details for the programme bodies can be found on the programme website: [www.interreg-npa.eu](http://www.interreg-npa.eu).

### 1.4.1 Joint Secretariat

The Joint Secretariat (JS) carries out the day-to-day operational administration of the programme. The Secretariat consists of a small team based in Copenhagen, Denmark. The Secretariat is happy to assist with any queries regarding project ideas, partnerships, draft applications, project management, etc. The Secretariat also has a role in the assessment of project applications and in the drafting of decision proposals for approval or non-approval. Applicants are strongly encouraged to consult and involve the Secretariat in the development of their projects. The Secretariat works in close cooperation with the Regional Contact Points.

### 1.4.2 Regional Contact Points

The Interreg NPA covers a large geographical area. For this reason, each of the participating programme partner countries has a Regional Contact Point (RCP), who functions as a local source of advice and information on the programme in your own language.

RCPs work in close cooperation with the Joint Secretariat and have expertise and knowledge on how to develop and manage a transnational project. They also hold programme events throughout the year. This is why it is always worthwhile to consult your RCP in the planning and implementation of your project.

When it comes to project selection, RCPs carry out regional appraisals of preparatory projects, and make a recommendation on whether or not to support the project. For main projects, RCPs collect and summarise the regional appraisals carried out by Regional Advisory Groups (see below).

### 1.4.3 Managing Authority

The Managing Authority (MA) is the body formally responsible for managing the programme on behalf of the participating partner countries. It is the County Administrative Board of Västerbotten based in Umeå, Sweden. The MA issues the Grant Letter and signs the contracts on behalf of the programme. The MA also plays an important role in the financial claim process for project partners, where the MA is responsible for ensuring that all project expenditure has been adequately checked and validated by the controllers before it can be authorised for payment. The MA also handles the transfer of payments to projects.

### 1.4.4 Monitoring Committee

The Monitoring Committee (MC) is responsible for supervising the programme and its overall task is to ensure the quality and effectiveness of the programme's implementation. The MC is also responsible for the selection of project applications. Each programme partner country is



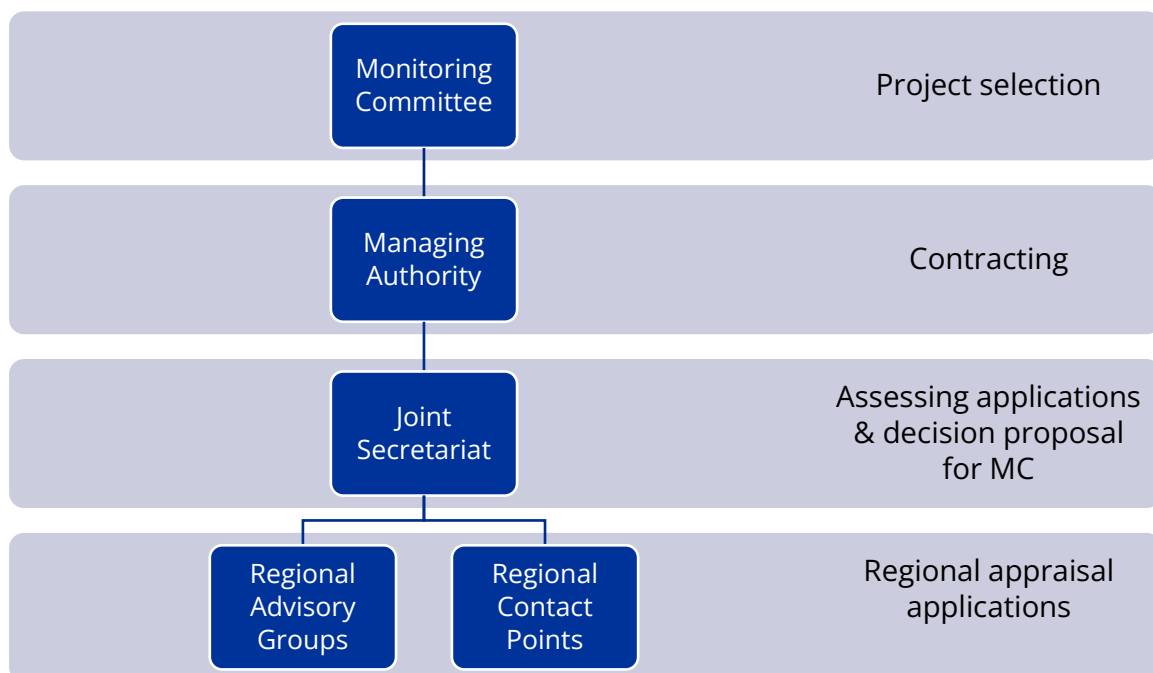
represented on the committee and decisions are made by consensus. In addition, the European Commission attends meetings of the MC in an advisory capacity.

Disclaimer: the MC will be formally appointed after programme approval. It is foreseen that the committee will include the following permanent observers: representatives from North-Eastern Canada and the Nordic Atlantic Cooperation (NORA), organisations representing indigenous peoples in the Arctic, and youth in the programme area.

#### 1.4.5 Regional Advisory Groups

Regional Advisory Groups (RAGs) have been established in each programme partner country. These groups have an advisory role in the assessment procedure of main project applications. RAGs consider the suitability and priority of project applications from a regional perspective and make a recommendation on whether or not to support the project. Their input is used in the Secretariat's decision proposal to the MC before it takes a final decision on the project application. The members of the RAGs have different fields of expertise upon which they base their recommendations. The RAGs also promote and facilitate project development.

Figure 3 - Programme bodies and their role in the application process



## 2. How to Develop a Project

### 2.1 Project types

The Interreg NPA programme supports different project types, which are described below. Please note that eligibility and selection criteria vary depending on the different project types. Besides this, additional expectations and requirements may be included in the Terms of Reference for the call.

#### 2.1.1 Main projects

Main projects are the standard project type supported by the Interreg NPA programme to achieve the objectives of the programme. Main projects typically have a transnational partnership of between 5-7 partners, an average budget size of 1 500 000 EUR, and an implementation period of 3 years. Main projects are expected to develop concrete project outputs, such as jointly developed solutions, which have a positive impact on the project's target groups.

Besides main projects, the Interreg NPA also supports different types of small-scale projects, all of which are handled as lump sums.

#### 2.1.2 Preparatory projects to develop main projects

Preparatory projects are an important tool for development of strong and well-balanced project partnerships in a dispersed geography where long distances and costs are obstacles for project development. Preparatory projects bring potential project partners together to generate high-quality main project applications. Experience from previous programme periods has shown that preparatory projects often result in more successful main project applications. Typically, a preparatory project has a total budget of up to 100 000 EUR, and runs for 6-12 months.

Preparatory projects are expected to address their chosen specific objective with actions such as feasibility studies, stakeholder mapping, and recommendations with the purpose of developing project ideas, ideally concluding with the presentation of a main project application addressing a call for main project proposals.

#### 2.1.3 Small-scale projects for capacity building in Priority 3 (ISO 1)

The purpose of these small-scale projects is to strengthen the organisational capacity among NPA communities to make better use of cooperation opportunities, and thereby develop more resilient communities. This includes working with natural and cultural heritage to protect, promote and develop these important features for the programme area and developing wider territorial synergies and links to the benefits of the programme area.

This type of projects can also be a tool for building up capacity and experience for representatives of specific underrepresented groups (e.g. young people, and indigenous peoples) in relation to the Interreg NPA programme.

On the one hand, the ambition is that partners shall become better suited for engagement in main projects as partners in the future. On the other hand, these smaller projects might complement main projects and support the Programme to foster changes that are of importance for people living in the programme area. Typically, a Priority 3 capacity building project has a total budget of up to 200 000 EUR, and runs for 6-18 months.

#### 2.1.4 Clustering projects

Clustering projects are a means of diversifying and capitalising on outputs and results from two or more previously implemented or ongoing projects. Clustering projects are a tool to further integrate results as well as disseminate their impacts by reaching a wider group of stakeholders with project outputs, supplementary learning, and capacity building. During 2014-2020, clustering of projects has been used both for combinations of projects inside the programme, but also they have also allowed collaboration across programmes, in particular, Arctic clustering projects, in order to take advantage of synergies between projects funded by EU programmes in the Arctic. Typically, a clustering project has a total budget of up to 200 000 EUR, and runs for up to 12 months.

Besides the small-scale projects described above, the Monitoring Committee may decide on additional small project types on a call-by-call basis, for example, to further capitalise on project results.

## 2.2 Partnership

Partnerships in the Interreg NPA Programme are built on 3 types of partners: Lead Partners, project partners, and associated partners.

In general, all partners should have the capacity and knowledge in the project subject area to participate fully and to deliver the envisaged project outputs. In addition, all partners need to have the administrative and adequate resources required to participate in a transnational project.

Furthermore, all partners are required to provide supporting documents required by the Managing Authority, Joint Secretariat, controllers, or auditors.

Where suitable, partnerships should try to involve a cross-sector of partners from the national, regional and local level.

In order to develop tangible and viable outputs and long-lasting results, it is essential to have the appropriate partnership constellation capable of developing and implementing the project outcomes. A project application will be judged on the partnership constellation and this can be a deciding factor in the project's approval.

### 2.2.1 Eligible partners

Organisations from the public and private sectors can participate in Interreg NPA projects and receive direct financial support, including:

- National, regional and local authorities
- Regional and local development agencies, chambers of commerce

- Universities, colleges, higher education, research institutions
- Non-governmental organisations (NGOs)
- Sectoral agencies and business support organisation
- Voluntary sector organisations
- Other relevant organisations contributing to the development of the programme area
- Micro, and small and medium sized enterprises (SMEs)
- Larger enterprises, if their participation brings a significant asset otherwise not available to the project, e.g. playing a role as R&D providers

Partner organisations are deemed public if they have all of the following characteristics<sup>2</sup>:

- a) they are established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;
- b) they are a legal entity, and;
- c) they are financed, for the most part, by the State, regional or local authorities, or by other bodies governed by public law; or are subject to management supervision by those authorities or bodies; or have an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.

Please note that the legal status of a partner organisation impacts on their eligibility to be a Lead Partner.

### 2.2.2 Lead Partners

The Interreg NPA Programme applies the *Lead Partner principle*, meaning that a Lead Partner takes additional responsibilities and coordinates the project on behalf of the project partners. A Lead Partner should be nominated for each project. The Lead Partner is formally the final beneficiary of the Programme funding and acts as a link between the project partners and the Programme.

Lead Partner responsibilities are stipulated in Article 26 of the Interreg Regulation (EU) 2021/1059. The Lead Partner is responsible for the submission of the joint application form via the Joint Electronic Monitoring System (Jems), as well as:

- Overall project management;
- Being contact person for the Joint Secretariat in Copenhagen;
- Delivery of project reports and documentation;
- Delivery of project outputs;
- Producing the documents required for controls and payments and ensuring that all expenditure has been certified by controllers, where relevant;
- Ensuring that the certified expenditures for all partners are matching activities outlined in the approved application and any other decisions.
- Concluding a partnership agreement for its relations with the other project partners, where relevant.

#### *Eligibility of Lead Partners*

- The role of Lead Partner can only be held by a public organisation.

<sup>2</sup> Article 2(4) of Directive 2014/24/EU of the European Parliament and of the Council on Public Procurement

- The Lead Partner is based in the NPA Programme area, unless they have a national remit that covers the Programme area.

The demands on a Lead Partner are higher than those on other project partners. A Lead Partner must have the proficient administrative and financial capacity to be able to manage a transnational project. Therefore, all project applications must demonstrate that the Lead Partner has the capability to manage a transnational project.

### 2.2.3 Project Partners

Project partners are project beneficiaries with a defined role and a budget in the project. They can be any type of organisation defined in the list of eligible partners, and are expected to be located in the Interreg NPA Programme area, unless they have a national remit inside the Programme area.

#### *Partners from outside the Interreg NPA Programme area*

In exceptional and fully justified circumstances the Monitoring Committee may allocate ERDF to a partner located outside the (Union part) of the programme area. Note that geographical flexibility is only applied as an exception and where a partner from outside the programme area has a significant asset that is not otherwise available and benefits the programme area. In duly justified cases, the Monitoring Committee may apply the flexibility criteria but it is not an obligation and the final decision is at the discretion of the MC.

Besides this, when a project involves one or several partners located in a territory of a country that is not represented in the Monitoring Committee, the Managing Authority needs to have a written acceptance by this country, in accordance with Article 52(2) of Regulation (EU) No 1059/2021, or another type of guarantee.

To ensure the legality and regularity of the expenditure incurred, the partners outside the programme area must undergo the same control procedures as any other NPA project partner. The Lead Partner is responsible for setting up all arrangements regarding the partner outside the programme area. These arrangements should be defined in the Partnership Agreement.

In addition, a system of audit needs to be set up in the external country. In practice, this means that participation of external partners is expected to be limited to EU countries outside the NPA area. Exceptions for certain third countries could be made at a later stage, when administrative arrangements for geographical flexibility are in place.

Note: Applicants planning to include an external partner in their project should be aware that meeting the abovementioned pre-conditions can be a time-consuming procedure, possibly delaying the issuing of the Grant Letter. It is strongly recommended that applicants planning to include an external partner contact the Joint Secretariat in the early stages of project development.

### 2.2.4 Associated Partners

Associated partners are not part of the formal partnership, but they are directly involved in the project's implementation for various reasons. Often an associated partner is closely linked to one

particular project partner and a project partner may have several associated partners. For example, a project partner may wish to involve a number of companies in the project and, to avoid the administrative burden of full project partnership, they could become associated partners. The inclusion of associated partners can also lead to the creation of a network connected to the project, which could facilitate project implementation. However, if an organisation will play a vital role in the implementation of the project outcomes, it is expected to participate as a full partner where possible.

Table 3 - Minimum partnership requirements by project type

Project type	Minimum requirements	Recommended
Main projects	Involvement of partners from <u>at least 3 programme partner countries</u> , at least one of which from an EU Member State. The partnership is clearly of a transnational character.	Include at least 2 of the 3 zones of the programme area: Finland-Sweden-Norway; Ireland; Faroe Islands-Greenland-Iceland
Preparatory projects to develop main projects	Involvement of partners from <u>at least 2 programme partner countries</u> , at least one of which from an EU Member State.	Include at least 2 of the 3 zones of the programme area: Finland-Sweden-Norway; Ireland; Faroe Islands-Greenland-Iceland
Small-scale projects for capacity building in ISO1 (Priority 3)	Involvement of partners from <u>at least 3 programme partner countries</u> , at least one of which from an EU Member State. The partnership is clearly of a transnational character.	Include at least 2 of the 3 zones of the programme area: Finland-Sweden-Norway; Ireland; Faroe Islands-Greenland-Iceland
Clustering projects	Involvement of partners from <u>at least 3 programme partner countries</u> , at least one of which from an EU Member State. The partnership is clearly of a transnational character.	Include at least 2 of the 3 zones of the programme area: Finland-Sweden-Norway; Ireland; Faroe Islands-Greenland-Iceland
Other small-scale projects (to be decided by the MC)	To be decided by the MC on a call-by-call basis.	To be decided by the MC

## 2.3 Project outputs, results and indicators

### 2.3.1 Programme and project logic

The Interreg NPA programme has defined 3 priorities to be able to achieve its overall vision; *“a Northern Periphery and Arctic area where communities cooperate with each other to harness opportunities, find common solutions to shared challenges and together become more prosperous and resilient.”*

Inside each priority, the programme has defined a number of specific objectives to help achieve each priority. Inside each specific objective, you can find a description of the types of actions supported, tailored to needs in the programme area, as well as envisaged target groups.

For each specific objective the following logic is applied, with

- achievements of the projects supported by the programme, measured through output indicators, which projects will report on and are based on their immediate achievements;
- the results of projects, measured and expected to contribute to the medium-long term impacts on the overall programme objectives.

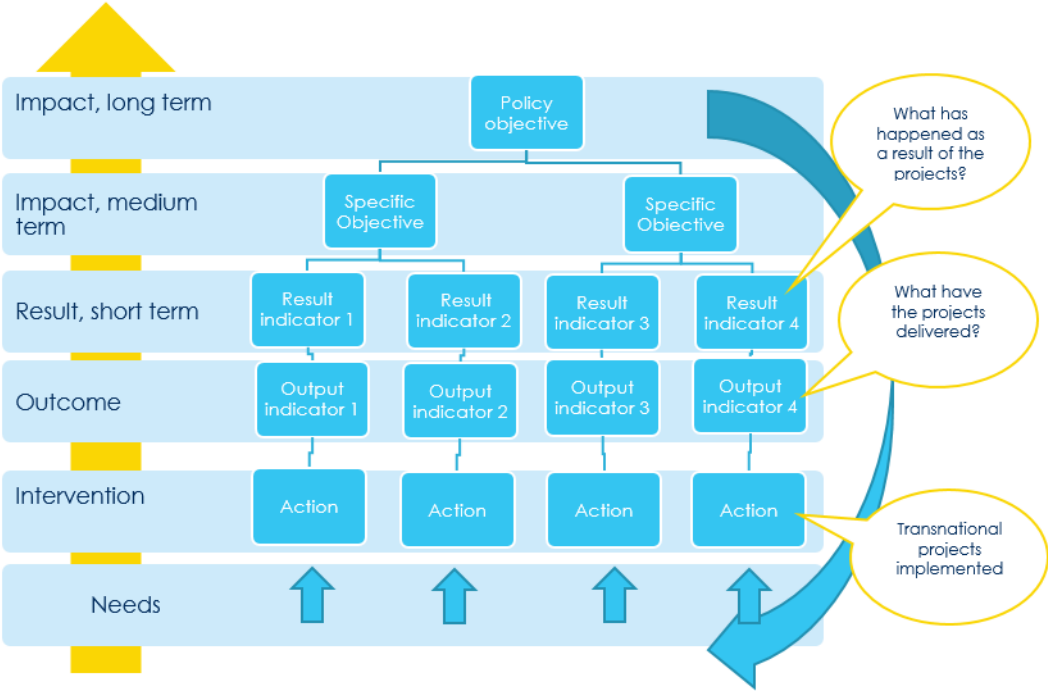
These elements together form the programme intervention logic, see figure 1 in the next page.

A similar logic should also be found in the project setup. This means that all elements of a project application should be put together in a coherent and logical way, from the choice of activities, the envisaged outputs and results, and how these are measured in indicators, in order to achieve the overall objective of the project. The logic should also be supported by a suitable partnership and a coherent budget.

The programme logic forms the basis for the types of projects that the programme wishes to fund, in order to achieve the programme's overall vision. For this reason, it is important that projects carefully match their project idea with a programme priority and specific objective. The best starting point is the description of actions supported inside each programme specific objective. In this way, the project logic and the programme logic are connected.



Figure 4 - Link between project and programme intervention logic. Source: NPA methodology paper, EPRC



2.3.2 Performance framework

As required by the Common Provisions Regulation, the Interreg NPA Programme has established a performance framework with:

- Output and result indicators linked to programme specific objectives;
- Milestones to be achieved by the end of the year 2024 for output indicators; and
- Final targets to be achieved by the end of the year 2029 for output and result indicators.

The programme level milestones and targets will be achieved through the combined effort of projects funded by the programme.

For the 2021-2027 period, a set of common indicators was defined in the ERDF Regulation, allowing easier and more consistent reporting across all ERDF programmes in Europe. Among these are Interreg specific indicators, which are tailored to the types of outputs and results that Interreg projects typically produce, broad enough to capture most project actions, and allowing for a good comparison and aggregation with other transnational programmes.

The Interreg NPA has chosen a combination of Interreg specific indicators across specific objectives, and some thematic indicators, where appropriate and feasible for Interreg projects to report on. A full description of the common output and result indicators including the methodology can be found in the annex of the Commission Staff Working Document<sup>3</sup>.

A good indicator system is a useful tool, by giving an accurate picture of project and programme progress.

<sup>3</sup> Commission Staff Working Document SWD(2021)198: Performance, monitoring and evaluation of the European Regional Development Fund, the Cohesion Fund and the Just Transition Fund in 2021-2027 [Link](#)

In addition, the indicator system can help support a better communication of project and programme results, by collecting useful data and information in practical formats for further processing and online sharing.

Indicators can help quantify outputs and results. However, it is important to be aware of their limitations. Indicators can only capture some aspects of the wide range of results that projects and programmes deliver. In addition, indicator values are only as good as their underlying documentation. For this reason, a good indicator system should always be part of a wider evaluation strategy, which has the capacity to capture also the more intangible impacts, which are no less valuable than the tangible impacts of transnational cooperation.

### 2.3.3 Project Outputs

Projects are expected to deliver viable outputs, whose impacts contribute to programme objectives. Each of the Priorities have been designed to focus project applicants on delivering tangible, durable outputs, assisting the delivery of the programme's ambitions of measurable, positive changes in the Programme area.

*Project outputs* are defined as the outcome of the activities funded, describing what will actually be produced for the funds granted to the project, with the aim of leading to a positive impact on the project's target groups. For example, a new jointly developed solution, a jointly developed pilot action, a jointly developed strategy or action plan, a certain number of SMEs supported, etc. An output should be captured by a programme output indicator, and directly contribute to the achievement of the result indicator(s).

Project outputs are expected to be transnational in nature, meaning that they are based on the added value of transnational cooperation. The degree of transnationality is measured according to 4 cooperation criteria:

- *Joint development (compulsory)*: partners have to be involved in an integrated way in developing ideas, priorities and actions in the project development process.
- *Joint implementation (compulsory)*: project activities must be carried out by partners in a cooperative way that ensures clear content-based links and be coordinated by the Lead Partner.
- *Joint financing (compulsory)*: the joint project budget shall be organised in line with activities carried out by each project partner. The Lead Partner is responsible for the administration and reporting towards the programme bodies as well as the distribution of the funds to the partners.
- *Joint staffing (optional)*: the project should not duplicate functions within the partnership. In particular, project management functions should be appointed only once at project level.

Ideally, outputs should also bring a transnational experience to the end users of the project outputs.

Other expectations for project outputs:

- **Concrete:** the outputs are recognisable as a tangible solution, and they have an impact on end users.
- **Innovative:** the outputs go beyond existing practice in the sector/programme area/participating countries, or adapt or transfer already developed solutions.
- **Focused:** the outputs contribute directly to the project main objective and the intended result.
- **Relevant:** the development of the outputs is based on target group demands. Also, the outputs take into account the current situation in each partner area.
- **Viable:** the outputs are supported by realistic delivery models and appropriate promotional plans that allow the project output to provide a significant and durable contribution to solving the challenges targeted, also when the project support ends. In addition, the outputs are applicable and replicable, e.g. transferable to other areas than the partner areas.
- **Value-for-money:** the development and implementation of the outputs is proportional to the challenge or opportunity addressed, and the expected benefit/impact/return on investment. If applicable, the money generating or money saving aspect can be demonstrated.

Overall, project activities and outputs are expected to take into account or make a positive impact on the horizontal principles. This means that the activities should strive for sustainable development, with equal opportunities for men and women, non-discrimination and accessibility and inclusion of underrepresented groups, including indigenous peoples and other culturally and linguistically distinct groups originating from the NPA area. Activities should be carried out with respect for fundamental rights. For more information, please see chapter 2.5 on Horizontal Principles.

#### 2.3.4 How to choose output indicators

Progress on the delivery of project outputs is measured through output indicators. A set of output indicators has been defined for each programme specific objective, see below.

Table 4 - Output indicators

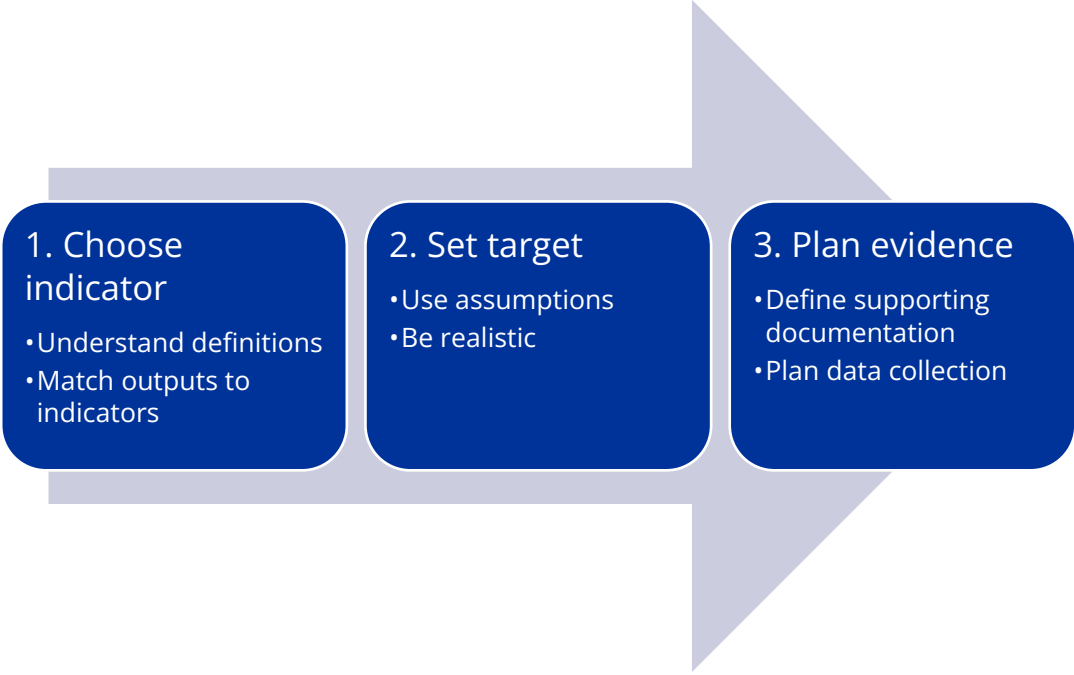
Interreg output indicators	Thematic output indicators
<ul style="list-style-type: none"> <li>• RCO 83 - Strategies and action plans jointly developed</li> <li>• RCO 84 - Pilot actions developed jointly and implemented in projects</li> <li>• RCO 87 - Organisations cooperating across borders</li> <li>• RCO 116 - Jointly developed solutions</li> </ul>	<ul style="list-style-type: none"> <li>• RCO 01 - Enterprises supported (of which: micro, small, medium, large)               <ul style="list-style-type: none"> <li>○ RCO 04 - Enterprises with non-financial support</li> <li>○ RCO 05 - New enterprises supported</li> </ul> </li> <li>• RCO 10 - Enterprises cooperating with research institutions</li> <li>• RCO 14 - Public institutions supported to develop digital services, products and processes</li> </ul>

First, applicants are expected to carefully select the output indicator(s) best matching the outputs that the project plans to develop. Definitions for each output indicator can be found in Annex 5.

Second, applicants must set a realistic target value for the output indicator, which they expect to achieve by the end of the project lifetime. For each output indicator, the programme has made an assumption about the average output achievement a project can reach, based on the performance framework. See Annex 5.3. However, each project has its own rationale and setup, and should therefore only use the assumption as a general guidance. The baseline is always zero.

Third, the application should provide details demonstrating how the achievement of the output indicator(s) will be evidenced through supporting documentation. It is important that projects from the start plan how they will collect data and documentation, to be able to support the achievement of the output indicator in progress reports. This includes, where relevant, testimonials from end users of the output. Applicants will receive further guidance on reporting on indicators after project approval.

Figure 5 - How to select output indicators



2.3.5 Project Results

The *project result* is the direct impact of carrying out the project, describing how the project outputs benefit the target groups of the project.

In the application, applicants are expected to describe what they aim to change through the activities implemented and the outputs delivered by the project. The project result should contribute to the result indicator(s).

### 2.3.6 How to choose result indicators

A set of result indicators has been defined for each programme specific objective, see below.

Table 5 - Result indicators

Interreg result indicators	Thematic result indicators
<ul style="list-style-type: none"> <li>• RCR 79 - Joint strategies and action plans taken up by organisations</li> <li>• RCR 84 - Organisations cooperating across borders after project completion</li> <li>• RCR 104 - Solutions taken up or up-scaled by organisations</li> </ul>	<ul style="list-style-type: none"> <li>• RCR 03 - SMEs introducing product or process innovation</li> <li>• RCR 04 - SMEs introducing marketing or organisational innovation</li> <li>• RCR 11 - Users of new and upgraded public digital services, products and processes</li> </ul>

First, applicants are expected to carefully select the indicator(s) best matching the result that the project aims to realise. Definitions for each result indicator can be found in Annex 5.2.

In the case of Interreg indicators, there is a logical connection between certain output and result indicators.

Table 6 - Connection between Interreg output and result indicators

Interreg output indicator	Matching Interreg result indicator
RCO 83 - Strategies and action plans jointly developed	RCR 79 - Joint strategies and action plans taken up by organisations
Any combination of: <ul style="list-style-type: none"> <li>• RCO 83 - Strategies and action plans jointly developed</li> <li>• RCO 84 Organisations cooperating across borders after project completion</li> <li>• RCO 116 Jointly developed solutions</li> </ul>	Any or both: <ul style="list-style-type: none"> <li>• RCR 79 - Joint strategies and action plans taken up by organisations</li> <li>• RCR 104 Solutions taken up or up-scaled by organisations</li> </ul>

Second, applicants must set a realistic target value for the result indicator, which they expect to achieve by the end of the project lifetime. For each output indicator, the programme has made an assumption about the average result achievement a project can reach, based on the performance framework. See Annex 0. However, each project has its own rationale and setup, and should therefore only use the assumption as a general guidance. The baseline is always zero.

Third, the application should provide more details about the change expected for each chosen result indicator, on the basis of the outputs developed. The project should describe what the result will look like in the context of the project, and plan for collecting data and documentation, to be able to support the achievement of the result indicator in progress reports. This includes, where relevant, testimonials from target group(s) impacted by the result. Applicants will receive further guidance on reporting on indicators after project approval.

## 2.4 Activity plan and work packages

Besides a more general project description, project applicants are expected to provide details about the project's activity plan. The activity plan is organised into work packages. The activity plan should be realistic and coherent, and if carried out, lead to the achievement of the project overall objective.

The *project overall objective* provides the general context for what the project is trying to achieve, and aligns with the programme priority specific objective. It relates to the strategic aspects of the project.

The *project specific objective* is a statement describing what the project is trying to achieve. Each project can have several specific objectives which should logically contribute to the project overall objective.

In operational terms, each project specific objective should be translated into a dedicated work package. This means that each work package should represent a milestone, or major developmental step in the project lifecycle necessary to be able to achieve the overall project objective. It is recommended to have up to 3 work packages.

Work packages provide information about the timing of the activity plan, the involvement of project partners, details about activities and deliverables, and if relevant, details about the outputs expected to be achieved by the end of the work package.

A *deliverable* is a side-product or service of the project activities that contributes to the development of project output(s).

Outputs should be quantified with the use of output indicators. You can find more information about the indicators in chapter 2.3.

Note: project outputs should be described in the work package that will deliver the output. Each work package does not need to deliver an output.

To be able to deliver a work package, the project may need to engage with relevant stakeholders, for example through awareness raising, changing attitudes or beliefs, or changing behaviour. For this reason, where relevant, applicants are asked to formulate one or more communication objectives, necessary to be able to achieve the project specific objective for the given work package. Project communication activities are therefore to be described under each relevant work package.

Communication is an essential part of the project for the achievement of both the project and programme's results. For this reason, it is highly recommended to involve communication expertise from the onset of the project idea development, e.g. the prospective communication manager of the project.

### 2.4.1 Overview of communication requirements

Each partner of an Interreg NPA project shall acknowledge the support from an Interreg fund by:

1. Providing on the partner's official website or social media sites, a short description of the project;
2. Displaying the programme/project logo in a visible manner on any materials intended for the general public or for participants.
3. Publicly displaying at least one poster of a minimum size A3 or equivalent electronic display, with information about the project and programme.

In addition to the regulatory requirements above, the following should be considered when planning activities and resources for communication:

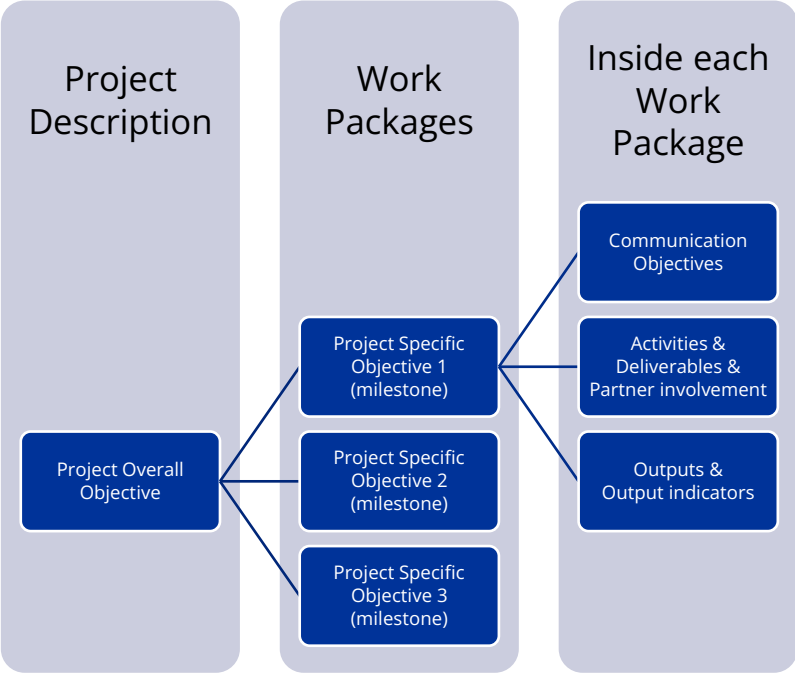
- Projects will not need to develop an own logo, website, and corporate image. Templates and a branding guidance will be provided by the Programme based on the Interreg Joint Branding initiative, in line with European regulations. Templates will include: a project logo, a project mini-website as part of the main programme website, a poster, and project branding guidelines.
- In duly justified cases, projects may decide to develop an own logo and website/portal. These projects will have to demonstrate the need for an own visual identity in relation to the strategic and durable achievement of results. This will have to be outlined in the Application form and prove to be a good fit within the project logic. Any own project logo or website will need to integrate the mandatory combined programme/project logo and will not replace the mini-website.
- Sufficient budget for communication expertise available at all partner organisations.
- Budget for the participation in NPA annual events is recommended for all project partners, while Lead partners are expected to attend Lead Partners seminars (2 in the lifetime of a project). Participation in EU thematic events is also an eligible project cost, if relevant for the project objectives. All partners shall budget for participation in information and communication initiatives organised by Regional Contact Points (once a year).
- It is expected that projects will:
  - Have a social media presence;
  - Produce at least 2 media products outlining the project's vision and achieved results;
  - Organise activities, events and any other relevant initiatives to ensure the engagement of relevant target groups across all participating countries and partners.

To guarantee a wide spread of the project deliverables and outputs, and to make them available to the public, the Interreg NPA programme and European Institutions will together with the project partners contribute to promoting project outputs and results.

For this reason:

- projects should plan for all outputs and results to be publicly available;
- partners shall ensure a royalty-free, non-exclusive and irrevocable licence to use project outputs and communication materials, and any pre-existing rights attached to it, to the programme bodies and EU institutions. This shall not require significant additional costs or a significant administrative burden for the project partners or for the programme bodies.

Figure 6 - Work Package Structure





## 2.5 Horizontal Principles

Horizontal principles must be incorporated in every project and at all stages; from project design and implementation, to outputs and project evaluation. This means that taking into account the challenges in the Programme area, project activities should strive for sustainable development, with gender equality, non-discrimination and accessibility and inclusion of underrepresented groups, including indigenous peoples and other culturally and linguistically distinct groups originating from the NPA area. Activities should be carried out with respect for fundamental rights.

More specifically, every project approved by the Interreg Northern Periphery and Arctic Programme is required to contribute to the improvement of the following 4 initial horizontal principles<sup>4</sup>:

- The EU Charter of Fundamental Rights
- gender equality
- non-discrimination (including accessibility)
- sustainable development

Understanding and integrating these initial horizontal principles is highly relevant to all applicants and will influence the selection process.

The programme will provide guidance and training on horizontal principles during the project implementation phase.

### 2.5.1 The EU Charter of Fundamental Rights

All projects must respect fundamental rights according to the Charter of Fundamental Rights of the European Union<sup>5</sup>. The Charter outlines the fundamental rights and freedoms of European citizens, whilst taking into account values of solidarity and justice. The fundamental rights described in the EU Charter are viewed as integral and foundational for the other 3 initial horizontal principles.

### 2.5.2 Gender equality

All projects shall ensure that equality between men and women, gender mainstreaming, and the integration of a gender perspective are taken into account and promoted at all stages of the project lifecycle.

### 2.5.3 Non-discrimination

Projects shall take appropriate steps to prevent any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, implementation, and evaluation of projects. In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of projects. Projects should strive to involve underrepresented groups, including indigenous peoples and other culturally and linguistically distinct groups originating from the NPA area.

<sup>4</sup> Article 9, Common Provisions Regulation (EU) 2021/1060, [link](#),

<sup>5</sup> Charter of Fundamental Rights of the European Union 2012/C 326/02, [link](#)

#### 2.5.4 Sustainable development

Projects should be carried out in line with the objective of promoting sustainable development, taking into account the UN Sustainable Development Goals<sup>6</sup>, the Paris Agreement<sup>7</sup> and the "do no significant harm" principle<sup>8</sup> (DNSH). The objectives of the programme take into account the DNSH principle, and for this reason, all projects addressing the objectives of the programme are in line with the DNSH principle.

Projects are expected to undertake actions throughout the project lifecycle to avoid, or reduce, the environmentally harmful effects of interventions and ensure beneficial social, environmental and climate results through:

- directing investments towards the most resource-efficient and sustainable options;
- avoiding investments that may have a significant negative environmental or climate impact, and supporting actions to mitigate any remaining impacts;
- taking a long-term perspective when 'life-cycle' costs of alternative options for investment are compared; and
- increasing the use of green public procurement.

#### 2.5.5 Other horizontal principles relevant for projects

##### *New European Bauhaus*

The New European Bauhaus<sup>9</sup> is an interdisciplinary initiative of the European Commission, that advocates a holistic and balanced approach between 3 core values: sustainability, inclusivity, and aesthetics. Where relevant, projects are invited to apply this holistic approach in their design and implementation.

##### *Strategic Procurement*

The Interreg NPA supports the strategic use of public procurement<sup>10</sup> to support Policy Objectives. Projects are encouraged to use more quality related and lifecycle cost criteria. When feasible, environmental (e.g. green public procurement criteria) and social considerations as well as innovation incentives should be incorporated into public procurement procedures.

## 2.6 Project budget

The expected total budget size and duration for different project types in the NPA programme are displayed in the table below. All amounts are in Euros. Note: the total budget is the sum of the NPA co-financing, the partner contribution, and any external contribution to the project.

<sup>6</sup> United Nations Sustainable Development Goals, [link](#)

<sup>7</sup> The United Nations 2015 Paris Agreement, [link](#)

<sup>8</sup> Articles 6 and 17, Sustainable Finance Taxonomy Regulation (EU) 2020/852, [link](#)

<sup>9</sup> New European Bauhaus, [https://europa.eu/new-european-bauhaus/index\\_en](https://europa.eu/new-european-bauhaus/index_en)

<sup>10</sup> European Commission's Public Procurement Action Plan, [link](#)

Table 7 - Budget size and duration per project type

Project type	Total budget size*	Duration
Main projects	More than 200 000 EUR. A main project has an average budget of 1 500 000 EUR.	Typically 3 years
Preparatory projects to develop main projects	Up to 50 000 EUR** for a 6-month preparatory project Up to 100 000 EUR** for a 12-month preparatory project	Typically 6-12 months
Preparatory projects for capacity building in ISO1 (Priority 3)	Up to 200 000 EUR**	Typically 6-18 months
Clustering projects	Up to 200 000 EUR**	Typically up to 12 months
Other small-scale projects (to be decided by the MC)	Maximum 200 000 EUR**, but a smaller total budget can be set by the MC on a call-by-call basis.	To be decided by the MC

\* Total budget size is the sum of NPA co-financing, partner contribution and any external contribution.

\*\* The support to the beneficiaries will be handled as a lump sum based on a draft budget established on a case-by-case basis and agreed ex ante by the Managing Authority. In some cases, the lump sums can be based on achievement at set milestones.

For all project types, maximum grant rates as described in table 2 (section 1.3 Programme funding) apply. The Interreg NPA grant is on condition of the partner's own contribution or external public or private cash match funding confirmed through a partner statement form.

Tasks and activities should be shared as far as possible by dividing project expenditure between different partners in the project.

In cases, where it is not possible to share tasks and activities proportionally between the partners, one project partner can carry the shared costs, including it as eligible expenditure in the individual project partner budget. The project partner in question will then receive a larger proportion of the Interreg NPA funding in the project.

It should be noted that expenditure declared by beneficiaries in main projects will undergo checks by identified controllers. Financial control of project expenditure may incur a cost to the individual project partner being controlled and this needs to be budgeted for. The Lead Partner is responsible for setting up arrangements for management verifications regarding costs for partners outside the programme area, as described in section 2.2.

The project budget is to be entered in the application form in the electronic monitoring system Jems. Each project partner is to register expenditure divided per cost category and financing split into co-financing from the programme, the partners own contribution and/or any other public or private contribution.

An overview of the total project budget and details on the financial setup of the project is generated from the partner budgets, divided by cost category.

## 2.7 Eligibility of expenditure

The following Interreg NPA Eligibility Rules, laying down the details concerning eligibility of expenditure in the NPA programme, shall be applied for all projects co-financed by the Programme. The rules take into account the specific rules for eligibility of expenditure set up by the European Commission, with some further programme specific requirements agreed between the programme partner countries.

The same rules apply regardless of which country the project partner operates in. Only in cases where expenditure is not covered by the European Commission rules and/or the Interreg NPA Eligibility Rules, national rules of the country where the expenditure is incurred shall apply.

The following cost categories are allowed in the Interreg NPA:

1. Staff costs
2. Office and administrative costs
3. Travel and accommodation costs
4. External expertise and services costs
5. Equipment costs

All expenditure in the allowed categories has to be project-related. This means that it should be clearly connected to project activities traceable in the approved application form. Furthermore, the expenditure has to be incurred, entered into the project accounts and paid by, or on behalf of, the project partner during the project period determined by the Managing Authority in the Grant Letter.

National procurement rules have to be observed for all purchases and full documentation of the procurement is obligatory for expenditure to be regarded as eligible.

## 2.7.1 Staff costs

Staff costs cover costs of staff members employed by the partner organisation, who are directly working on the project.

1. Staff costs shall consist of gross employment costs of staff employed by the Interreg partner in one of the following ways:
  - a) full time;
  - b) part-time with a fixed percentage of time worked per month;
2. Staff costs shall be limited to the following:
  - a) salary payments related to the activities which the entity would not carry out if the operation concerned was not undertaken, provided for in an employment document, either in the form of an employment or work contract or an appointment decision, or by law, and relating to responsibilities specified in the job description of the staff member concerned;
  - b) any other costs directly linked to salary payments incurred and paid by the employer, such as employment taxes and social security including pensions as covered by Regulation (EC) No 883/2004 of the European Parliament and of the Council, on condition that they are:
    - i. provided for in an employment document or by law;
    - ii. in accordance with the legislation referred to in the employment document and with standard practices in the country or the organisation where the individual staff member is actually working, or both; and
    - iii. not recoverable by the employer.

With regard to point (a) of the first subparagraph, payments to natural persons working for the Interreg partner under a contract other than an employment or work contract may be assimilated to salary payments and such a contract shall be considered to be an employment document.

3. Staff costs may be reimbursed either:
  - a) as reimbursement of eligible costs actually incurred by a beneficiary, proven by the employment document and payslips;
  - b) as lump sums under simplified cost options as set out in point (c) of Article 53(1) of Regulation (EU) 2021/1060. In such cases, staff costs will be included in a lump sum. The lump sum is paid if the conditions as defined in the Grant Letter are met. No supporting documents are required for verification of the staff costs.
4. Staff costs related to individuals who work on part-time assignment on the operation, may be calculated as:
  - a) a fixed percentage of the gross employment cost in line with a fixed percentage of time worked on the operation per month, with no obligation to establish a separate working time registration system. The employer shall issue a document for employees setting out that fixed percentage and a description of tasks of the employee in the project.

## 2.7.2 Office and administrative costs

This cost category covers general office and administration expenditures related to the project.

1. Office and administrative costs shall be limited to the following elements:
  - a) office rent;
  - b) insurance and taxes related to the buildings where the staff is located and to the equipment of the office (such as fire or theft insurance);
  - c) utilities (such as electricity, heating, water);
  - d) office supplies;
  - e) accounting;
  - f) archives;
  - g) maintenance, cleaning and repairs;
  - h) security;
  - i) IT systems;
  - j) communication (such as telephone, fax, internet, postal services, business cards);
  - k) bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened; and
  - l) charges for transnational financial transactions.
2. Office and administrative costs shall be financed as a flat rate only, and they shall be calculated as a fixed percentage of 15% of the eligible direct staff costs.

## 2.7.3 Travel and accommodation costs

1. Travel and accommodation costs, regardless whether such costs are incurred and paid inside or outside the programme area, shall be limited to the following cost elements:
  - a) travel costs (such as tickets, travel and car insurance, fuel, car mileage, toll, and parking fees);
  - b) the cost of meals;
  - c) accommodation costs;
  - d) visa costs; and
  - e) daily allowances.
2. Any cost element listed in points (a) to (d) of paragraph 1 covered by a daily allowance shall not be reimbursed in addition to the daily allowance.
3. Travel and accommodation costs of external experts and service providers fall under external expertise and services costs.
4. Direct payment of expenditure for cost elements listed in points (a) to (d) of paragraph 1 by an employee of the beneficiary shall be supported by a proof of reimbursement by the beneficiary to that employee.

5. Travel and accommodation costs of an operation may be calculated at a flat rate of 15 % of the direct staff costs of that operation. If the option of a flat rate is chosen, this must be applied on partner level for the entire duration of the project.

#### 2.7.4 External expertise and services costs

External expertise and service costs cover expenditures paid by the partner organisation for the support in the project implementation provided by a public or private body, or a natural person outside the partner organisation and all partners of the project. External expertise and services costs shall be limited to the following services and expertise:

- a) studies or surveys (such as evaluations, strategies, concept notes, design plans, handbooks);
- b) training;
- c) translations;
- d) development, modifications and updates to IT systems and website;
- e) promotion, communication, publicity, promotional items and activities or information linked to an operation or to a programme as such;
- f) financial management;
- g) services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- h) participation in events (such as registration fees);
- i) legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- j) intellectual property rights;
- k) management verifications carried out by identified controllers;
- l) costs for the accounting function on programme level pursuant to Article 76 of Regulation (EU) 2021/1060 and Article 47 of this Regulation;
- m) audit costs on programme level pursuant to Articles 78 and 81 of Regulation (EU) 2021/1060 and pursuant to Articles 48 and 49 of this Regulation;
- n) the provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by the monitoring committee;
- o) travel and accommodation for external experts, speakers, chairpersons of meetings and service providers; and
- p) other specific expertise and services needed for operations.

#### 2.7.5 Equipment costs

1. Costs for equipment purchased, rented or leased by the beneficiary of the operation other than those covered by office and administrative costs shall be limited to the following:
  - a) office equipment;
  - b) IT hardware and software;
  - c) furniture and fittings;
  - d) laboratory equipment;
  - e) machines and instruments,
  - f) tools or devices;
  - g) vehicles; and

h) other specific equipment needed for operations.

2. Costs for the purchase of second-hand equipment may be eligible subject to the following conditions:
  - a) no other assistance has been received for it from the Interreg funds or from any other programme within the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the Cohesion Fund, the Just Transition Fund (JTF), the European Maritime, Fisheries and Aquaculture Fund (EMFAF), the Asylum, Migration and Integration Fund (AMIF), the Internal Security Fund (ISF) and the Instrument for Financial Support for Border Management and Visa Policy (BMVI);
  - b) its price does not exceed the generally accepted price on the market in question; and
  - c) it has the technical characteristics necessary for the operation and complies with applicable norms and standards.

### 2.7.6 Indicative list of ineligible expenditure

The following costs are not eligible in the INTERREG NPA:

- a) fines, financial penalties and expenditure on legal disputes and litigation;
- b) costs of gifts; or
- c) costs related to fluctuation of foreign exchange rate.

### 2.7.7 References

European Commission rules on eligibility of expenditure can be found in:

- Regulation (EU) No 1059/2021, Articles 37-44
- Regulation (EU) No 1060/2021, Articles 63-68

Please note that there are also a number of other EU Regulations applicable to the project activities. For example, regulations regarding public procurement and State Aid. It should be kept in mind that there might also be EU Regulations applicable for the specific area in which the project operates.

## 2.8 Simplified Cost Options

In order to minimize the administrative burden on the beneficiaries of the INTERREG NPA programme, the below Simplified Cost Options (SCOs) provided for in the EU regulations are made available to projects:

1. It is mandatory to use a 15% flat rate for office and administration on staff costs.
2. It is optional to use a 15% flat rate for travel on staff costs.
3. There is also an option to report costs as staff costs + a 40% flat rate for all other costs than staff. Only the staff cost will be verified by Controllers. This SCO will be available on a case-by-case basis, but not mandatory. Project applicants apply based on a draft budget detailing all cost categories. If relevant, this will be changed by the programme administration after project submission.
4. For staff cost related to individuals who work on part-time assignments, the costs should be calculated as a fixed percentage of the gross employment cost, in line with a fixed



percentage of time worked on the project per month, with no obligation to establish a separate working time registration system.

5. Lump sums for small-scale projects will be mandatory for projects where the total cost of the operation is less than EUR 200 000 (the EU part), except for operations for which the support constitutes State Aid.

## 2.9 State Aid

The Interreg NPA Programme is bound to comply with the State Aid rules, which apply in the European Union (EU) and the European Economic Area (EEA). The EU/EEA rules generally prohibit State Aid, but they allow for State Aid to be compatible with the EU Treaty in closely-defined circumstances, where it can contribute to certain policy objectives.

According to Article 107 of the Treaty of the functioning of the European Union, State Aid is defined as *“any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings of the production of certain goods”*.

As a general principle, all project activities will be assessed at partner level to determine if they are State Aid relevant or not. Private, public, non-profit organisations, universities, etc. may all be State Aid relevant, depending on the activities to be supported rather than the legal status of the organisation.

Questions to ask in order to conclude if a State Aid case exists:

- Is the project partner an undertaking? (i.e. an entity engaged in economic activity, offering goods or services on a given market.)
- Are the project activities identified as being economic?
- Is there a selective advantage involved in supporting the project activities identified as being economic?

If the answer to all questions above is YES, the support from the NPA programme is likely to constitute State Aid. Submitted applications undergo a State Aid assessment, and the result of this may lead to one or more of the following scenarios:

- No state aid case: no further action.
- Direct State Aid: the support is regarded as State Aid granted under any of the exemption regulations, if applicable.
- Indirect State Aid to end beneficiaries: State Aid cases might occur where support is provided by the project to end beneficiaries, such as training, business support, etc. Project partners have the responsibility to ensure that State Aid rules are complied with.

Where support to a project is identified as State Aid, the programme has two tools through which it can grant State Aid in compliance with the State Aid rules and regulations; the General Block Exemption Regulation (EU) 2021/1237, Articles 20 and 20a, and the De Minimis regulation.

During the application assessment, the JS will clarify which State Aid tool to apply and, if needed, ask the project partner to provide a De Minimis declaration or any other relevant documentation.

### 2.9.1 Direct aid granted under GBER

Primarily, the Programme will consider State Aid within the scope of Article 20 of the General Block Exemption Regulation (GBER). Funding granted on the basis of this Article follows the same eligibility rules as the Programme, and can have an aid intensity of up to 80% for partners. By aid intensity is meant, the funding from the Interreg NPA programme plus any other public sources.

The partner's own contribution and any external private contribution should not be included in the calculation of aid intensity.

Where activities are State Aid relevant, and partners foresee that they would receive external match funding for project activities, this needs to be discussed with the Joint Secretariat before the application is submitted.

### 2.9.2 Direct aid granted under De Minimis

In those cases where the GBER cannot be applied, the De Minimis regulation (EU) No 1407/2013 will be used. Partners can receive funds from the programme only if they did not receive public aid under the de minimis rule totalling more than EUR 200.000 within the previous three fiscal years from the date of granting the aid. This maximum amount is per undertaking, per Member State. De Minimis aid cannot be granted to undertakings active in the fishery and aquaculture sectors, primary production of agricultural products, nor to export-related activities.

### 2.9.3 Indirect aid granted to end beneficiaries

If end users receive advantages through the project's activities (for example, through the provision of services or training to SMEs, access to facilities or other non-financial support), they could possibly be recipients of State Aid. When preparing the project application, each applicant must consider whether its activities will constitute State Aid to end users.

Where a partner provides State aid to end users, the project partner providing the advantage will need to calculate the value of the supportive activities. It may be possible to frame such support under GBER Article 20a, an exemption for aid of limited amounts in the context of Interreg. If applying GBER Article 20a, the aid cannot exceed 20 000 Euro to an undertaking per project. In this case, the partner is responsible for ensuring that the terms of the GBER Regulation are met, including the monitoring and administrative arrangements.

In case neither De Minimis nor the GBER can be applied, the applicant has to remove the State Aid relevant activities from the application.

## 3. How to Apply

The selection and approval of projects is based on an open and competitive process based on the merits of each project.

Prior to the formal project application submission, the Joint Secretariat will conduct a pre-submission check to assist project idea holders to meet the completeness criteria for applications.

Following the submission of an application via the electronic monitoring system Jems by the relevant deadline, the application is automatically registered, and the Lead Partner will be sent an electronic notification of the application's receipt by the Programme<sup>11</sup>.

After registration, each submitted project application will be subject to a 4-step selection procedure.

### 3.1 Application and Selection Procedure – Main Projects

#### 1. Admissibility, Eligibility and Quality assessment by the Joint Secretariat

The first stage of the eligibility assessment is an admissibility check, normally within the first two weeks. If the application is deemed to be incomplete, the Joint Secretariat will allow the Lead Partner applicant to complete the application. Should this not be possible, the application is deemed inadmissible.

Project applications will then be checked against the eligibility criteria to ensure that they fulfil the technical requirements of the Programme. Details on the eligibility criteria can be found in chapter 3. An application could be deemed ineligible at this stage if it does not meet the eligibility criteria.

Eligible applications will then undergo a quality assessment, looking among other things at the fit of the project with the specific objective, a coherent and logical setup, a budget that presents value-for-money, and a suitable partnership.

#### 2. Regional Advisory Group (RAG) Appraisal

RAGs will conduct an appraisal of the application, considering the project idea, and the application in general from a regional perspective, potential synergies with other funded projects, as well as the suitability of the partnership. The RAGs will make recommendations to the Joint Secretariat on whether the requests for funding should be supported.

<sup>11</sup> Until an automatic feature is available, the notification is sent by the Joint Secretariat.

### 3. Joint Secretariat completes Assessment and prepares Decision Proposal

On the basis of their assessment and the recommendations from the Regional Advisory Groups, the Joint Secretariat will prepare proposals for decision to the Monitoring Committee.

### 4. Selection of projects by Monitoring Committee (MC)

A recommendation for the approval or rejection of the project application will be made by a Monitoring Committee, made up mainly of representatives from each of the participating partner countries, on the basis of prioritisation against the selection criteria, which can be found in chapter 3.

A project will be given a recommendation by the Monitoring Committee in line with one of the following categories:

- Approval
- Non-Approval

Following the MC meeting, a member of the Joint Secretariat will inform the Lead Partner of the MC's recommendation. The Lead Partner will be responsible for communicating the MC's recommendation to the other project partners. In circumstances where the MC has formulated a number of conditions to be addressed during the project implementation, reference to these will be made in the Grant Letter.

#### Grant Letter

For projects recommended to be approved by the MC, a Grant Letter (contract) will be issued by the Managing Authority. A contract states the obligations and rights of the contracting parties and constitutes the main agreement between the project and the programme.

The Grant Letter contains information on the project start and end date. In addition, detailed information on implementing conditions and responsibilities beyond the project lifetime can be found in the Grant Letter.

Projects recommended for non approval will receive a non approval decision from the Managing Authority.

## 3.2 Application and selection procedure – Preparatory Projects

### 1. Admissibility, Eligibility and Quality assessment by the Joint Secretariat

The first stage of the eligibility assessment is an admissibility check, normally within the first two weeks. If the application is deemed to be incomplete, the Joint Secretariat will allow the Lead Partner applicant to complete the application. Should this not be possible, the application is deemed inadmissible.

Project applications will then be checked against the eligibility criteria to ensure that they fulfil the technical requirements of the Programme. Details on the eligibility criteria can be found in chapter 3.3 of the Programme Manual. An application could be deemed ineligible at this stage if it

does not meet the eligibility criteria.

Eligible applications will then undergo a quality assessment, looking among other things at the fit of the project with the specific objective, a coherent and logical setup, a budget that presents value-for-money, and a suitable partnership.

## 2. Regional Contact Point (RCP) Appraisal

RCPs will conduct an appraisal of the application, considering the project idea, and the application in general from a regional perspective, potential synergies with other funded projects, as well as the suitability of the partnership. The RCPs will make recommendations to the Joint Secretariat on whether the requests for funding should be supported.

## 3. Joint Secretariat completes Assessment and prepares Decision Proposal

On the basis of their assessment and the recommendations from the Regional Contact Points, the Joint Secretariat will prepare decision proposals for the Monitoring Committee.

## 4. Selection of projects by Monitoring Committee (MC)

Through a Written Procedure, a recommendation for the approval or rejection of the project application will be made by a Monitoring Committee, made up mainly of representatives from each of the participating partner countries, on the basis of prioritisation against the selection criteria, which can be found in chapter 3.3 of the Programme Manual.

A preparatory project will receive a recommendation in line with one of the following categories:

- Approval, including:
  - lump sum conditions
  - specification of supporting documentation for activities and deliverables outlined in the application
  - RCP recommendations - partnership recommendations, as well as potential synergies with other initiatives
  - Any other project development recommendations from the JS or MA
  
- Non Approval, based on any or a combination of the following reasons:
  - Poor fit with the programme strategy
  - Duplication of previously funded initiatives
  - Serious concerns about the project partnership
  - A lack of regional support
  - Perceived low value-for-money
  - An underdeveloped project idea
  - Insufficient programme funds

Following the MC Written Procedure, a member of the Joint Secretariat will inform the Lead Partner of the MC's recommendation. The Lead Partner will be responsible for communicating the MC's recommendation to the other project partners.

In case of approval, the draft budget will be converted to a lump sum budget in Jems.

### Grant Letter

For projects recommended to be approved, a Grant Letter (contract) will be issued by the Managing Authority. A contract states the obligations and rights of the contracting parties and constitutes the main agreement between the project and the programme.

The Grant Letter contains information on the project start and end date. In addition, detailed information on conditions for the lump sum and responsibilities beyond the project lifetime can be found in the Grant Letter.

Projects recommended for non approval will receive a non approval decision from the Managing Authority.

## 3.3 Eligibility and Selection Criteria

In order to be considered for funding from the Interreg Northern Periphery and Arctic Programme, each project application must fulfil a certain set of criteria. These criteria match the different stages of step 1 of the selection procedure, described in chapters 3.1 and 3.2.

Admissibility criteria focus on whether the application is complete and correctly filled in, whereas eligibility criteria focus on whether the project meets the minimum requirements for transnational cooperation to be considered for funding in the Interreg NPA. Quality criteria assess the strategic and operational quality of the application.

Table 8 – Admissibility and Eligibility criteria

Eligibility criteria
Admissibility criteria
<ol style="list-style-type: none"> <li>1. The proposal must be submitted before the deadline set for a given application call.</li> <li>2. Obligatory annexes are signed and attached to the application form, such as Lead Partner and partner statements.</li> <li>3. The application package is in the required language, English.</li> <li>4. All applicable sections of the application form are correctly filled in.</li> <li>5. Information presented in the application form and in the annexes is consistent.</li> </ol> <p>Project proposals failing to meet any of the requirements above will be deemed inadmissible, unless rectified within a set period.</p>
Eligibility criteria
<ol style="list-style-type: none"> <li>6. Project partnership meets minimum criteria for geographical coverage for the project type as outlined in the call Terms of Reference.</li> <li>7. The Lead partner is an eligible organisation.</li> <li>8. All project partners are eligible organisations.</li> <li>9. The project duration meets the criteria for the project type as outlined in the call Terms of Reference.</li> <li>10. The project budget size meets the criteria for the project type as outlined in the call Terms of Reference.</li> <li>11. The Lead Partner has selected the three mandatory cooperation criteria.</li> <li>12. The project application adheres to the four initial horizontal principles.</li> </ol>

Project proposals failing to meet any of the requirements above will be deemed ineligible.



Table 9 - Quality criteria

Quality criteria
Strategic assessment criteria
<p><i>Project relevance</i></p> <ol style="list-style-type: none"> <li>1. The project addresses common territorial challenges of the programme or a joint asset of the programme area identified in the programme document - there is a real need for the project.</li> <li>2. The project clearly contributes to a wider strategy on one or more policy levels (EU / national / regional).</li> <li>3. The project will contribute to the achievement of programme's objectives and indicators, and the contribution is realistic.</li> <li>4. The project makes use of available knowledge and builds on existing results and practices, whilst avoiding overlaps and replications.</li> <li>5. The project demonstrates new solutions that go beyond the existing practice in the sector/programme area/participating countries, or adapts and implements already developed solutions.</li> </ol> <p><i>Cooperation character</i></p> <ol style="list-style-type: none"> <li>6. The importance of transnational cooperation for the topic addressed is clearly demonstrated. The project demonstrates a high level of transnationality and a strong transnational impact throughout the programme area.</li> <li>7. The results cannot (or only to some extent) be achieved without transnational cooperation.</li> </ol> <p><i>Project intervention logic</i></p> <ol style="list-style-type: none"> <li>8. The project intervention logic is plausible. Project specific objectives are specific, realistic and achievable.</li> <li>9. Project outputs and results are needed to achieve the project specific objectives, and their contributions to programme indicators are realistic.</li> <li>10. Project outputs are durable (durability), and they are applicable and replicable by other organisations/regions/countries outside of the partnership (transferability)</li> <li>11. The project makes a positive contribution to the horizontal principles, in particular sustainable development, equal opportunities for men and women, non-discrimination and accessibility.</li> </ol> <p><i>Partnership relevance</i></p> <ol style="list-style-type: none"> <li>12. The project involves the relevant actors needed to address the territorial challenge/joint asset and the objectives specified.</li> <li>13. With respect to the project's objectives, the project partnership:               <ol style="list-style-type: none"> <li>a. is balanced with respect to the levels, sectors, territory</li> <li>b. consists of partners that complement each other</li> <li>c. is of a manageable and appropriate size</li> </ol> </li> <li>14. Partner organisations have proven experience and competence in the thematic field concerned, as well as the necessary capacity to implement the project</li> <li>15. All partners play a defined role in the partnership and the territory benefits from this cooperation.</li> </ol>
Operational assessment criteria
<p><i>Work plan</i></p> <ol style="list-style-type: none"> <li>16. The work plan is realistic, consistent and coherent according to the project intervention logic.</li> <li>17. The distribution of tasks among partners is appropriate.</li> </ol>

#### *Communication*

18. The communication activities are expected to contribute to the project specific objectives, and they are appropriate to reach, engage and influence the relevant target groups and stakeholders.

#### *Management*

19. Management structures and procedures in line with the project size, duration and needs.

#### *Budget*

20. The project budget is used in accordance with the principles of economy, efficiency and effectiveness, and complies with the eligibility rules of expenditure.
21. Sufficient and reasonable resources are planned to ensure project implementation, and the proposal represents value-for-money.

### 3.4 How to submit your application

The Interreg NPA programme uses an online monitoring system called Jems to receive project applications. Jems will cover pre-contractual (applications for project financing) and post-contractual relationships (after project approval and signature of the Grant Letter) between the project and the programme bodies.

The system is available online ([jems.interreg-npa.eu](https://jems.interreg-npa.eu)) via standard web browsers, such as Google Chrome, Microsoft Edge or Mozilla Firefox (recent versions).

Upon registration in Jems, the applicant user will be able to insert all application data in the system, assign access to other Jems registered users in order to collaborate on the application, and submit the application to the programme.

Separate guidance and a Helpdesk ([jems@interreg-npa.eu](mailto:jems@interreg-npa.eu)) are available to support applicants in the use of Jems.

## 4. Where to find guidance

### 4.1 Guidance for Applicants

Information and guidance materials about ongoing and upcoming calls for proposals can be found on the programme website, [www.interreg-npa.eu](http://www.interreg-npa.eu).

Besides this Programme Manual, the most important documents for applicants are:

- Interreg NPA Cooperation Programme document
- Offline application guidance
- Jems instructions

For main project calls, the Joint Secretariat and Managing Authority will normally organise specific How to Apply seminars, with the possibility for project clinics to discuss project ideas in more detail. Presentations and recordings are usually made available afterwards. In addition, the programme may organise partner search events. These events are normally announced in the call Terms of Reference and on the programme website. It is recommended to subscribe to the newsletter to stay informed about calls and events.

Regional Contact Points are a good source for information about the programme in your own language, and they can also help find project partners. RCPs may also organise information events in connection with project calls. You can find contact details on the programme website.

For more information about specific calls or the electronic monitoring system, please see the contact details outlined in the Call Terms of Reference.

### 4.2 How we handle personal data

In line with the legal framework for Interreg in the period 2021-2027, the Interreg NPA programme bodies are allowed to process personal data only where necessary for the purpose of carrying out their respective obligations under European Regulations (CPR Reg (EU) 2021/1060 CPR, Interreg Reg (EU) 2021/1059), in particular for monitoring, reporting, communication, publication, evaluation, financial management, verifications and audits and, where applicable, for determining the eligibility of participants. The personal data shall be processed in accordance with GDPR, i.e. Regulation (EU) 2016/679 or Regulation (EU) 2018/1725 of the European Parliament and of the Council (40), whichever is applicable.

A Privacy Policy statement<sup>12</sup> informs individuals about the collection and use of personal data at relevant occasions throughout the programme lifetime, typically: user registration in Jems, use of the programme website, registration and participation in events online and in person.

#### *Processing and protection of personal data at project level*

Processing of personal data takes place also within the project between Lead Partners and Partners, as well as between partners and end users, e.g. for a project event, survey, or publication. For this reason, project beneficiary organisations should take the necessary

<sup>12</sup> <https://www.interreg-npa.eu/privacy/>

measures so that project operations are carried out in respect of the GDPR regulation, as foreseen in the practice and rules of their organisations.

### 4.3 Complaints

Complaints cover any dispute that applicants or beneficiaries may raise with regard to their submitted proposals or approved projects, as well as any dispute with third parties on the implementation of the programme or of the funded project

Questions or complaints from applicants and beneficiaries regarding procedures, assessments and decisions in the programme shall in general be directed to, and handled by, the relevant programme bodies (MA/JS, MC, AA, National Controllers, the national second level audit body), as appropriate.

In relation to assessment of and decisions on project applications, project Lead Applicants are informed in writing about the reasons why an application was not eligible or approved.

Complaints about the assessment shall be submitted to the programme via e-mail, in English. The Lead Applicant shall clearly specify the complaint and include clear references to the relevant programme documents.

Any complaints in relation to the assessments will be examined and answered by the MA or JS. If needed, or in relation to complaints of a more principal character, the complaints may be directed to the MC chair, and should s/he judge it necessary, complaints may be referred to the MC to be examined.

The same complaint procedure as described above will also apply to other stages of the project implementation, such as the progress monitoring.

The possibility for appealing formal MA decisions is governed by the Swedish Code of Statutes. In decisions issued by the MA, beneficiaries are instructed on how possible appeals should be conducted.

## 5. Annexes

### 5.1 Output indicator definitions

The definitions below are drawn from the Commission Staff Working Document<sup>13</sup> accompanying the indicators listed in Annex II of ERDF Regulation (EU) 2021/1058, describing the full methodology.

OUTPUT INDICATOR	Definition
Interreg common output indicators	
RCO 83 - Strategies and action plans jointly developed	<p>The indicator counts the number of joint strategies or action plans developed by supported projects. A jointly developed strategy aims at establishing a targeted way to achieve a goal oriented process in a specific domain. An action plan translates an existing jointly developed strategy into actions.</p> <p>Jointly developed strategy or action plan implies the involvement of organizations from at least two participating countries (for programmes falling under strands A, B, C as defined in the Interreg Regulation) in the drafting process of the strategy or action plan or is developed in the scope of programmes falling under strands D or E as defined in the Interreg Regulation.</p>
RCO 84 - Pilot actions developed jointly and implemented in projects	<p>The indicator counts the pilot actions developed jointly and implemented by supported projects. The scope of a jointly developed pilot action could be to test procedures, new instruments, tools, experimentation or the transfer of practices. In order to be counted by this indicator,</p> <ul style="list-style-type: none"> <li>- the pilot action needs not only to be developed, but also implemented within the project, and</li> <li>- the implementation of the pilot action should be finalised by the end of the project.</li> </ul> <p>Jointly developed pilot action implies the involvement of organizations from at least two participating countries (for programmes falling under strands A, B, C as defined in the Interreg Regulation) in its implementation or is implemented in the scope of programmes falling under strands D or E as defined in the Interreg Regulation.</p>
RCO 87 - Organisations cooperating across borders	<p>The indicator counts the organisations cooperating formally in supported projects. The organisations counted in this indicator are the legal entities including project partners and associated organizations, as mentioned in the financing agreement of the application. Organisations cooperating formally in small projects (for instance under a Small Project Fund) are also counted.</p>

<sup>13</sup> Commission Staff Working Document SWD(2021)198: Performance, monitoring and evaluation of the European Regional Development Fund, the Cohesion Fund and the Just Transition Fund in 2021-2027 [Link](#)

OUTPUT INDICATOR	Definition
RCO 116 - Jointly developed solutions	<p>The indicator counts the number of jointly developed solutions from joint pilot actions implemented by supported projects. In order to be counted in the indicator, an identified solution should include indications of the actions needed for it to be taken up or to be upscaled.</p> <p>A jointly developed solution implies the involvement of organizations from at least two participating countries (for programmes falling under strands A, B, C as defined in the Interreg Regulation) in the drafting and design process of the solution or is developed in the scope of programmes within strands D or E as defined in the Interreg Regulation.</p>
ERDF common output indicators - thematic	
RCO 01 - Enterprises supported (of which: micro, small, medium, large)	<p>The indicator counts all enterprises that receive monetary or in-kind support from ERDF and Cohesion Fund.</p> <p>The enterprise is the smallest combination of legal units that is an organisational unit producing goods and services, which benefits from a certain degree of autonomy in decision making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit. Legal units include legal persons whose existence is recognised by law independently of the individuals or institutions which may own them or are members of them, such as general partnerships, private limited partnerships, limited liability companies, incorporated companies etc. Legal units as well include natural persons who are engaged in an economic activity in their own right, such as the owner and operator of a shop or a garage, a lawyer or a self-employed handicrafts-person.</p> <p><i>(ESTAT in references, based on Council Regulation (EEC) No. 696/93, Section III A of 15.03.1993)</i></p> <p>For the purpose of this indicator, enterprises are profit-oriented organisations that produce goods and services to satisfy market needs.</p> <p>For Policy Objective 4 (Social Europe Europe closer to its citizens), the indicator includes also social enterprises defined by the Commission (DG GROW) as follows: "a social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives."</p>

OUTPUT INDICATOR	Definition
	<p>Classification of enterprises:</p> <p>Micro enterprise (<math>\leq 10</math> employees and annual turnover <math>\leq</math> EUR 2 million, or balance sheet <math>\leq</math> EUR 2 million);</p> <p>Small enterprise (10-49 employees and annual turnover <math>&gt;</math>EUR 2 million - <math>\leq</math> EUR 10 million or balance sheet in <math>&gt;</math> EUR 2 million - <math>\leq</math> EUR 10 million);</p> <p>Medium enterprise (50-249 employees and annual turnover <math>&gt;</math>EUR 10 million - <math>\leq</math> EUR 50 million or balance sheet in EUR <math>&gt;</math> EUR 10 million -<math>\leq</math> EUR 43 million);</p> <p>Large enterprises (<math>&gt;</math>250 employees and turnover <math>&gt;</math> EUR 50 million or balance sheet <math>&gt;</math> EUR 43 million).</p> <p>If either of the 2 thresholds (employees and annual turnover/balance sheet) is exceeded the enterprises shall be categorised in the size category above.</p> <p><i>(ESTAT based on EC Recommendation 2003/361/EC, Annex, Articles 2-3)</i></p> <p>Size of the enterprise supported is measured at the time of the application.</p>
RCO 04 - Enterprises with non-financial support	<p>Number of enterprises receiving non-financial support. Enterprises are counted in the indicator if they receive the non-financial support in a structured manner such as, for example, an SMEs receiving incubator services. The support provided needs to be documented. One-off interactions (ex: phone calls for information requests) are not included.</p> <p>Examples of non-financial support include services such as (non-exclusive list): advisory services (consulting assistance and training for the exchange of knowledge and experience etc) or support services (provision of office space, websites, data banks, libraries. market research, handbooks, working and model documents etc).</p> <p><i>For the definition of an enterprise see RCO01.</i></p>
RCO 05 - New enterprises supported	<p>The number of new enterprises supported. An enterprise is considered new if it did not exist during the three years period before the project started. An enterprise will not be considered new if only its legal form changes. The indicator covers also spin-offs.</p> <p><i>For the definition of an enterprise see RCO01.</i></p>
RCO 10 - Enterprises cooperating with research institutions	<p>Number of enterprises that cooperate in joint research projects with research institutions. Cooperation in R&amp;D activities may be new or existing and it should last at least for the duration of the project supported. The indicator covers active participations in</p>

OUTPUT INDICATOR	Definition
	<p>joint research projects, and it excludes contractual arrangements with no active cooperation in the supported project.</p> <p><i>Definition of enterprise - see RCO01.</i></p> <p><i>Definition of research institution - see RCO07<sup>14</sup>.</i></p>
RCO 14 - Public institutions supported to develop digital services, products and processes	<p>Number of public institutions supported to develop or upgrade significantly digital services, products and processes, for instance in the context of e-government actions. Significant upgrades cover only new functionalities.</p> <p>Public institutions include local public authorities, sub-national authorities, or other types of public authorities. The indicator does not cover municipal enterprises and public universities or research institutes.</p>

<sup>14</sup> Commission Staff Working Document SWD(2021)198: Performance, monitoring and evaluation of the European Regional Development Fund, the Cohesion Fund and the Just Transition Fund in 2021-2027 [Link](#)



## 5.2 Result indicator definitions

The definitions below are drawn from the Commission Staff Working Document<sup>15</sup> accompanying the indicators listed in Annex II of ERDF Regulation (EU) 2021/1058, describing the full methodology.

RESULT INDICATOR	Definition
Interreg common result indicators	
RCR 79 - Joint strategies and action plans taken up by organisations	The indicator counts the number of joint strategies and action plans (not individual actions) adopted and implemented by organisations during or after the project completion. At the time of reporting this indicator, the implementation of the joint strategy or action plan need not to be completed but effectively started. The organisations involved in take-up may or may not be direct participants in the supported project. It is not necessary that all actions identified are taken-up for a strategy/action plan to be counted in this context. The value reported should be equal to or less than the value for "RCO83 Strategies and action plans jointly developed".
RCR 104 - Solutions taken up or up-scaled by organisations	The indicator counts the number of solutions, other than legal or administrative solutions, that are developed by supported projects and are taken up or upscaled during the implementation of the project or within one year after project completion. The organisation adopting the solutions developed by the project may or may not be a participant in the project. The uptake / up-scaling should be documented by the adopting organisations in, for instance, strategies, action plans etc.
ERDF common result indicators - thematic	
RCR 03 - SMEs introducing product or process innovation	<p>Number of SMEs introducing product or process innovation due to the support provided. The indicator covers also micro enterprises.</p> <p>Product innovation is the market introduction of a new or significantly improved good or service with respect to its capabilities, user friendliness, components or sub-systems. Process innovation is the implementation of a new or significantly improved production process, distribution method, or supporting activity.</p> <p>Product or process innovations must be new to the enterprise supported, but they do not need to be new to the market. The innovations could have been originally developed by the supported enterprises or by other enterprises or organisations. (see COM 2014 in references)</p>

<sup>15</sup> Commission Staff Working Document SWD(2021)198: Performance, monitoring and evaluation of the European Regional Development Fund, the Cohesion Fund and the Just Transition Fund in 2021-2027 [Link](#)

RESULT INDICATOR	Definition
RCR 04 - SMEs introducing marketing or organisational innovation	<p data-bbox="563 275 999 309"><i>For enterprise definition - see RCO01</i></p> <p data-bbox="563 320 1385 432">Number of SMEs introducing marketing or organisational innovation due to the support provided. The indicator covers also micro enterprises.</p> <p data-bbox="563 477 1385 745">Marketing innovation is the implementation of a new marketing concept or strategy that differs significantly from the enterprise's existing marketing methods and which has not been used before. It requires significant changes in product design or packaging, product placement, product promotion or pricing. The indicator does not cover seasonal, regular or other routine changes in marketing methods.</p> <p data-bbox="563 790 1385 1059">Organisational innovation is a new organisational method in the enterprise's business practices (including knowledge management). The organisational innovation must be the result of strategic decisions by the management and implemented with the support of the project. The indicator does not cover mergers or acquisitions. even if for the first time. (see COM 2014 in references)</p> <p data-bbox="563 1115 999 1149"><i>For enterprise definition - see RCO01</i></p>
RCR 11 - Users of new and upgraded public digital services, products and processes	<p data-bbox="563 1160 1353 1272">Annual number of users of the digital public services, products and processes newly developed or significantly upgraded. Significant upgrades cover only new functionalities.</p> <p data-bbox="563 1317 1385 1507">The indicator has a baseline 0 only if the digital service, product or process is new. Users refer to the clients of the public services and products newly developed or upgraded, and to the staff of the public institution using the digital processes newly developed or significantly upgraded.</p> <p data-bbox="563 1552 1361 1664">If individual users cannot be identified, the same client / person using an online service several times over the year is not considered double counting.</p>

### 5.3 Output indicators per priority

Specific Objective	Code	Indicator	Measurement Unit	Baseline	Assumptions performance framework
<b>PRIORITY 1</b>					
ALL	RCO 84	Pilot actions developed jointly and implemented in projects	Pilot actions	0	On average 5 pilot actions developed jointly and implemented per main project
ALL	RCO 87	Organisations cooperating across borders	Organisations	0	On average 6 organisations (4 project partners and 2 associated institutions) cooperating per main project
ALL	RCO 116	Jointly developed solutions	Solutions	0	On average 5 jointly developed solutions per main project.
1.1	RCO 10	Enterprises cooperating with research institutions	Enterprises	0	On average 29 enterprises cooperating with research institutions per main project.
1.2	RCO 14	Public institutions supported to develop digital services, products, and processes	Public institutions	0	On average 6 public institutions supported per main project
1.3	RCO 01	Enterprises supported (of which micro, small, medium, large)	Enterprises	0	On average 5 enterprises with non-financial support per main project, plus 5 new enterprises supported per project (sum of RCO04 + RCO05).
1.3	RCO 04	Enterprises with non-financial support	Enterprises	0	On average 5 enterprises with non-financial support per main project
1.3	RCO 05	New enterprises supported	Enterprises	0	On average 5 new enterprises supported per main project.
<b>PRIORITY 2</b>					
ALL	RCO 84	Pilot actions developed jointly and implemented in projects	Pilot actions	0	On average 6 pilot actions developed jointly and implemented per main project
ALL	RCO 87	Organisations cooperating across borders	Organisations	0	On average 7 organisations cooperating per main project

Specific Objective	Code	Indicator	Measurement Unit	Baseline	Assumptions performance framework
ALL	RCO 116	Jointly developed solutions	Solutions	0	On average 2 solutions per main project.
<b>PRIORITY 3</b>					
3.1	RCO 83	Strategies and action plans jointly developed	Strategy/ action plan	0	On average 1 strategy and 1 action plan per main project, and 1 strategy/action plan per small project.
3.1	RCO 84	Pilot actions developed jointly and implemented in projects	Pilot actions	0	On average 3 pilot actions developed jointly and implemented per main project
3.1	RCO 87	Organisations cooperating across borders	Organisations	0	On average 7 organisations cooperating per main project or 3 organisations per small-scale project.
3.1	RCO 116	Jointly developed solutions	Solutions	0	On average 2 jointly developed solutions per main project or 1 solution per small-scale projects.

## 5.4 Result indicators per priority

Specific Objective	Code	Indicator	Measurement Unit	Baseline	Assumptions NPA performance framework
<b>PRIORITY 1</b>					
ALL	RCR104	Solutions taken up or up-scaled by organisations	Solutions	0	On average 3 solutions taken up or up-scaled per main project
1.1	RCR 03	SMEs introducing product or process innovation	SME	0	On average 6 SMEs introducing product or process innovation per main project.
1.2	RCR 11	Users of new and upgraded public digital services, products and processes	Annual users	0	On average 100 users per main project.
1.3	RCR 04	SMEs introducing marketing or organisational innovation	SME	0	On average 5 SMEs introducing marketing or organisational innovation per main project.
<b>PRIORITY 2</b>					
ALL	RCR 79	Joint strategies and action plans taken up by organisations	joint strategy/ action plan	0	On average 1 joint strategy/ action plan taken up by organisations per main project.
ALL	RCR104	Solutions taken up or up-scaled by organisations	Solutions	0	On average, 1/3 of the number of solutions developed in RCO 116 is expected to be taken up or up-scaled by organisations per main project. It is assumed that each project will develop on average 2 solutions (RCO 116), resulting in 0,7 solution being taken up or up-scaled. This can be rounded up to 1 solution. Note: RCR104 measures

Specific Objective	Code	Indicator	Measurement Unit	Baseline	Assumptions NPA performance framework
					uptake during project implementation or within 1 year after project completion.
PRIORITY 3					
3.1	RCR 79	Joint strategies and action plans taken up by organisations	Joint strategy/ action plan	0	On average, 1/3 of the number of joint strategies or action plans developed in RCO 83 is expected to be taken up or up-scaled by organisations per project. If a project has chosen a target of 1 for RCO 83, please set the target for RCR 79 as 1.
3.1	RCR104	Solutions taken up or up-scaled by organisations	Solutions	0	On average, 1/3 of the number of solutions developed in RCO 116 is expected to be taken up or up-scaled by organisations per project. It is assumed that each project will develop on average 2 solutions (RCO 116), resulting in 0,7 solution being taken up or up-scaled. This can be rounded up to 1 solution. Note: RCR104 measures uptake during project implementation or within 1 year after project completion.

## 5.5 Programme logic per Priority *Source: NPA Methodology Paper, EPRC*

<b>Priority 1: Strengthening the innovation capacity for resilient and attractive NPA communities</b>			
<b>Impact, long term (Policy Objective)</b>	1 A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity		
<b>Impact, medium term (Specific Objectives)</b>	SO 1.1 - Developing and enhancing research and innovation capacities and the uptake of advanced technologies	SO 1.2 - Reaping the benefits of digitisation for citizens, companies, research organisations and public authorities	SO 1.3 - Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments
<b>Result, short term (Result indicators)</b>	<ul style="list-style-type: none"> <li>SMEs introducing product or process innovation (RCR 03)</li> <li>Solutions taken up or up scaled (RCR 104)</li> </ul>	<ul style="list-style-type: none"> <li>Users of new and upgraded public digital services, products and processes (RCR 11)</li> <li>Solutions taken up or up scaled (RCR 104)</li> </ul>	<ul style="list-style-type: none"> <li>SMEs introducing marketing or organisational innovation (RCR 04)</li> <li>Solutions taken up or upscaled by organizations (RCR 104)</li> </ul>
<b>Outcome (Output indicators)</b>	<ul style="list-style-type: none"> <li>Enterprises cooperating with research institutions (RCO 10)</li> <li>Pilot actions developed jointly and implemented in projects (RCO 84)</li> <li>Organizations cooperating across borders (RCO 87)</li> <li>Jointly developed solutions (RCO 116)</li> </ul>	<ul style="list-style-type: none"> <li>Public institutions supported to develop digital services, products, and processes (RCO14)</li> <li>Pilot actions developed jointly and implemented in projects (RCO 84)</li> <li>Organizations cooperating across borders (RCO 87)</li> <li>Jointly developed solutions (RCO 116)</li> </ul>	<ul style="list-style-type: none"> <li>Enterprises supported (of which micro, small, medium, large) (RCO 01)</li> <li>Enterprises with non-financial support (RCO 04)</li> <li>New enterprises supported (RCO 05)</li> <li>Pilot actions developed jointly and implemented in projects (RCO 84)</li> <li>Organizations cooperating across borders (RCO 87)</li> <li>Jointly developed solutions (RCO 116)</li> </ul>
<b>Interventions (actions)</b>	<ul style="list-style-type: none"> <li>Facilitating technology transfer to, or across, the Programme area benefiting SMEs, including green technologies</li> <li>Facilitating commonly identified opportunities based on strengths in the programme area supported by research and innovation, including smart specialisation strategies.</li> </ul>	<ul style="list-style-type: none"> <li>Transfer and development of accessible digital solutions to create better conditions for people to live and work in the area. This includes technology-driven solutions for public service provision, as well as marketing models and solutions facilitating the use of distance-spanning technology to overcome long distance to market.</li> </ul>	<ul style="list-style-type: none"> <li>Transfer and development of models and solutions for support to SMEs faced with commonly identified challenges and opportunities in peripheral regions with a particular focus on entrepreneurial skills and sustainable business models.</li> <li>Transfer and development of concepts for creating networks and clusters of SMEs and connecting entrepreneurial capacities across regions as well as adapting marketing models for a greater market reach.</li> </ul>
<b>Needs</b>	<ul style="list-style-type: none"> <li>Challenges posed by distance and sparse populations for building collaboration, high levels of specialist, territorial expertise and know how, dependence on SMEs as core in the local economies and challenges they face in participation in R&amp;D and innovation activities. The focus is on applied research.</li> </ul>	<ul style="list-style-type: none"> <li>High level of public sector employment, challenges in public service delivery for remote areas, pioneers and early adopters of digital options for public service delivery</li> </ul>	<ul style="list-style-type: none"> <li>dependence on SMEs as core in the local economies and challenges</li> </ul>

<b>Priority 2: Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities</b>			
<b>Impact, long term (Policy Objective)</b>	2 A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, and risk prevention and management, and sustainable urban mobility		
<b>Impact, medium term (Specific Objectives)</b>	2.1 Promoting energy efficiency and reducing greenhouse gas emissions	2.2 Promoting climate change adaptation and disaster risk prevention, resilience, taking into account eco-system based approaches	2.3 Promoting the transition to a circular and resource efficient economy
<b>Impact, short term (Result indicators)</b>	<ul style="list-style-type: none"> <li>Joint strategies and action plans taken up by organisations (RCR 79)</li> <li>Solutions taken up or up-scaled by organisations (RCR 104)</li> </ul>	<ul style="list-style-type: none"> <li>Joint strategies and action plans taken up by organisations (RCR 79)</li> <li>Solutions taken up or up-scaled by organisations (RCR 104)</li> </ul>	<ul style="list-style-type: none"> <li>Joint strategies and action plans taken up by organisations (RCR 79)</li> <li>Solutions taken up or up-scaled by organisations (RCR 104)</li> </ul>
<b>Outcome (Output indicators)</b>	<ul style="list-style-type: none"> <li>Pilot actions developed jointly and implemented in projects (RCO 84)</li> <li>Organizations cooperating across borders (RCO 87)</li> <li>Jointly developed solutions (RCO 116)</li> </ul>	<ul style="list-style-type: none"> <li>Pilot actions developed jointly and implemented in projects (RCO 84)</li> <li>Organizations cooperating across borders (RCO 87)</li> <li>Jointly developed solutions (RCO 116)</li> </ul>	<ul style="list-style-type: none"> <li>Pilot actions developed jointly and implemented in projects (RCO 84)</li> <li>Organizations cooperating across borders (RCO 87)</li> <li>Jointly developed solutions (RCO 116)</li> </ul>
<b>Interventions (actions)</b>	<ul style="list-style-type: none"> <li>Transfer and development of sustainable renewable energy generation and energy efficiency solutions, suitable for cold climates and remote communities</li> <li>Facilitating the use of place-based energy surpluses and development of smart energy management concepts in remote communities</li> </ul>	<ul style="list-style-type: none"> <li>Transfer and development of solutions to facilitate the use of community knowledge and build local capacity for climate change adaptation, risk prevention and disaster resilience in sparsely populated communities</li> </ul>	<ul style="list-style-type: none"> <li>Facilitating the transfer and development of solutions that promote resource efficiency, end-of-waste, and a better use of by-products in remote, and sparsely populated communities</li> <li>Facilitating the transfer and development of solutions for community planning for the circular economy in remote, and sparsely populated communities</li> </ul>
<b>Needs</b>	<ul style="list-style-type: none"> <li>Specific needs of remote areas and extreme environments, high level of expertise in energy saving technologies,</li> </ul>	<ul style="list-style-type: none"> <li>Direct and immediate impacts of climate change on communities and environment, fragile natural environments and related economic activities, expertise in monitoring and environmental protection, high levels of engagement</li> </ul>	<ul style="list-style-type: none"> <li>Development of the circular economy, environmental pressures in fragile environment, accessibility and distance challenges for circular economy, challenges of waste management in relate areas, high level of environmental awareness and engagement of local populations</li> </ul>



**Priority 3: Strengthening the organisational capacity among NPA communities to make use of cooperation opportunities**

<b>Impact, long term (Policy Objective)</b>	ISO1 A better cooperation governance
<b>Impact, medium term (Specific Objectives)</b>	Enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies
<b>Impact, short term (result indicators)</b>	<ul style="list-style-type: none"> <li>• Solutions taken up or up-scaled by organisations (RCR 104)</li> <li>• Joint strategies and action plans taken up by organisations (RCR79)</li> </ul>
<b>Accomplishment (output indicators)</b>	<ul style="list-style-type: none"> <li>• Strategies and action plans jointly developed (RCO 83)</li> <li>• Pilot actions developed jointly and implemented in projects (RCO 84)</li> <li>• Organisations cooperating across borders (RCO 87)</li> <li>• Jointly developed solutions (RCO 116)</li> </ul>
<b>Interventions (actions)</b>	<ul style="list-style-type: none"> <li>• Development and transfer of capacity building concepts to engage stakeholders in cooperation based on local knowledge, supporting them to implement strategies for Northern Periphery and Arctic regions</li> </ul>
<b>Needs</b>	<p>Build on</p> <ul style="list-style-type: none"> <li>• Commitment to Arctic/wider northern periphery links</li> <li>• Administrative capacity and experience of cooperation in the programme and programme area</li> <li>• Openness to cooperation and expertise</li> </ul> <p>Challenges of</p> <ul style="list-style-type: none"> <li>• Globalisation and increased exposure to major international shifts in trade, transport and markets</li> <li>• Uncertainties linked to Covid, Brexit, pace of climate change and international relations in the area</li> <li>• Lack of 'voice' for local communities affected by major international shifts, e.g. Brexit and Arctic relations.</li> <li>• Pressures on local and indigenous population. Loss of traditional and indigenous cultures and identities.</li> </ul>