Interreg

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Latvia – Lithuania

Programme Manual

4th Call For Proposals
Interreg VI-A Latvia–Lithuania Programme
2021–2027

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Abbreviations

AA	Audit Authority
CC	Cost Category
EC	European Commission
ERDF	European Regional Development Fund
ETC	European Territorial Cooperation
EU	European Union
EUSBSR	European Union Strategy for the Baltic Sea Region
GoA	Group of Auditors
Programme	Interreg VI-A Latvia–Lithuania Programme 2021-2027 CCI 2021TC16RFCB026
JEMS	Joint Electronic Monitoring System
JS	Joint Secretariat
LP	Lead Partner
MA	Managing Authority
MC	Monitoring Committee
NA	National Authority
NGO	Non-governmental organisation
PP	Project Partner

1. Introduction

The Programme Manual is based on the Interreg VI-A Latvia–Lithuania Programme 2021-2027 CCI 2021TC16RFCB026, which was approved by the EC on 4 October 2022 with Programme amendments approved on 6 December 2023. This is the main guidance document for the LP/PPs on the process of application, implementation, monitoring, reporting and finalisation of the project.

The Programme Manual is issued for each call for proposals. JS updates the Programme Manual throughout the programming period, and the LP/PPs must follow the latest approved version of the Programme Manual of the respective call for proposals (available on the Programme's website www.latlit.eu).

This Programme Manual is for projects applying for the 4th call for proposals. The total amount of ERDF funding available for the 4th call for proposals is 1 800 000 EUR.

2. General information about the Programme

2.1 Interreg VI-A Latvia-Lithuania Programme 2021-2027

The Programme is implemented under the ETC goal of European Structural and Investment funds of Cohesion Policy. The Programme's objective is to contribute to the sustainable and cohesive socio-economic development of the Programme regions by helping to make them more competitive and attractive for living, studying, working and visiting.

The Programme continues cooperation started during 2000–2006 programming period, Latvia–Lithuania Cross Border Cooperation Programme under ETC Objective 2007–2013 and Interreg V-A Latvia–Lithuania Programme 2014–2020.

The Programme document is available on the Programme's website www.latlit.eu.

2.2 Programme area

The Programme area covers the western and southern parts of Latvia and northern part of Lithuania and includes following NUTS 3 regions[1]:

- Latvia: Kurzeme, Zemgale, Latgale
- Lithuania: Klaipėda, Telšiai, Šiauliai, Panevėžys and Utena counties.

Figure No. 1. **Programme area**

[1] The Nomenclature of Territorial Units for Statistics established to provide a single uniform breakdown of territorial units for regional statistics for the European Union (https://ec.europa.eu/eurostat/web/nuts).

2.3 Programme funding

The Programme is co-financed by the ERDF. A total of EUR 42 421 961,00 in ERDF funding was allocated for projects under the Programme.

The Programme provides ERDF co-financing of up to 80% of the total eligible project costs, the remaining 20% of the total eligible project costs must be covered by the LP's and PPs' own contribution.

2.4 Programme priorities

The Programme has four priorities:

1) Priority I. Capacity building and people-to-people cooperation.
2) Priority II. Green, resilient, and sustainable development.
3) Priority III. Fair and inclusive society.
4) Priority IV. Economic potential of tourism and heritage.

2.5 Programme language

English is the official language of the Programme. All official documentation (Application Form, Partner and Project Reports, Lead Partner/Project Partner Statements, etc.) and official communication between the LP and the PPs and the Programme management bodies must be in English. However, LP/PPs are allowed to submit supporting documents (building/technical documentation, cost estimations, agendas of local events, invoices, etc.) in national languages (Latvian or Lithuanian).

2.6 Management bodies

The following bodies are involved in the management of the Programme:

Monitoring Committee. The MC ensures the quality and effectiveness of the Programme, performing the duties listed in Article 38 of the Common Provisions Regulation and Article 22 of the Interreg Regulation. It approves Programme implementation procedures, reviews the Programme's implementation and achievement of its objectives. It assesses necessary changes in the Programme and selects projects for funding. The MC consists of representatives from national, regional and/or local authorities, economic and social partners as well as civil society from Latvia and Lithuania.

National Authorities. The NAs coordinate the implementation of the Programme on behalf of the Member States. Functions of the NAs are carried out by the Ministry of the Interior of the Republic of Lithuania and by the Ministry of Smart Administration and Regional Development of the Republic of Latvia.

National sub-committees. The national sub-committees are established in Latvia and Lithuania to support work of NAs and/or the MC. They ensure wider participation of line ministries, regional and/or local authorities, economic and social partners, and other stakeholders during the implementation period of the Programme.

Managing Authority. The MA is responsible for the day-to-day sound financial and operational management of the Programme and the project quality assessment. The MA, based on the MC decision on project selection, issues decision on project approval and financing, signs the Subsidy

Contract. It fulfils certifying functions and is responsible for the accuracy of expenditure statements and their compliance with the EU and national rules, makes payments to the LP, draws up and submits requests to the EC for ERDF co-financing payments and receives payments from the EC. Functions of the MA are carried out by the Ministry of Smart Administration and Regional Development of the Republic of Latvia.

Joint Secretariat. The JS is the main contact point for the applicants, LP and PPs providing daily assistance during the preparation and implementation of projects. The JS carries out project assessment, monitoring and promotes the Programme. It assists the MA and the MC in performing their functions. Functions of the JS are carried out by the Ministry of Smart Administration and Regional Development of the Republic of Latvia.

Contact details of the Joint Secretariat

Mailing address (official correspondence): Peldu street 25, Riga, LV-1494, Latvia
Office address: Doma laukums 8a, Riga, Latvia
E-mail: latlit@varam.gov.lv
Web: www.latlit.eu

The Programme has a Contact Point located in Vilnius, Lithuania, and it is hosted by the public entity Project Management Agency of the Ministry of Interior. The tasks of the JS and its Contact Point can vary during the Programme implementation cycle. These must include informing potential applicants about funding opportunities, helping potential applicants to prepare applications and LP/PPs to implement the projects. JS and Contact Point ensure project monitoring, assessing of project applications (at least, administrative and eligibility checks), informing about the Programme and its projects, and communicating its results in the Programme regions and at EU level.

Audit Authority. The AA carries out system audits to verify the effective functioning of the management and control system of the Programme, and audits of operations on an appropriate sampling basis to verify correctness of the declared project expenditures. Functions of the AA are carried out by the Ministry of Smart Administration and Regional Development of the Republic of Latvia.

Group of Auditors. The GoA assists the AA in carrying out system audits. It carries out the audits of projects limited to the LP/PPs, located in the territory of the respective Member State, represented by the member(s) of the GoA. The GoA consists of representatives from the AA and the Ministry of the Interior of the Republic of Lithuania.

National Control. The National Control verifies if the co-financed products and services have been delivered, if expenditures declared by the LP/PPs have been paid out and they comply with applicable legal framework and the Programme. In Latvia the National Control system is centralized and its functions are carried out by the Ministry of Smart Administration and Regional Development of the Republic of Latvia. In Lithuania a decentralized system is established by the Ministry of the Interior of the Republic of Lithuania.

For contact details of the Programme management bodies please see Programme website www.latlit.eu.

2.7 Legal framework

LP/PPs must respect applicable EU regulations, horizontal policies and national legislation, provisions of the Subsidy Contract and all practical information set out in the Programme Manual. Please see the list of legal frameworks below (in order of hierarchy):

- EU rules:
  - Common Provisions Regulation[2],
  - ERDF Regulation[3],
  - Interreg Regulation[4],
  - Financial Regulation[5],
  - Other applicable EU legislation, including the Community rules laying down provisions on public procurement and entry into the markets, on competition, on state aid, on protection of environment, on sustainable development and on the promotion of equality between men and women and non-discrimination, on the protection of natural persons regarding the processing of personal data, etc.
- Interreg VI-A Latvia-Lithuania Programme 2021-2027.
- Common rules established by the Member States in the MC – Programme Manual for the 4th call for proposals of Interreg VI-A Latvia-Lithuania Programme 2021–2027 and other relevant Programme documents, its Annexes and guidance.
- Latvian and Lithuanian national legal framework.

The hierarchy of rules sets out a priority of the EU legislation. Where no or no detailed provisions are stipulated in the EU rules, the Programme rules can be set up accordingly. National legislation only applies where specific issues are not regulated either by the EU legislation or the Programme rules.

For matters not covered by eligibility rules laid down in the Common Provisions Regulation, ERDF Regulation, Interreg Regulation or in rules established by the Programme, the national rules of the Member State in which the expenditure has incurred (paid out) must apply.

2.8 Use of Joint Electronic Monitoring System

JEMS is an online application and reporting system developed by INTERACT. It is used by the Programme for all official communication and for all steps of the application and implementation of a project. JEMS is available on the website https://jems.latlit.eu. “Guidance for JEMS” is available on the Programme’s website www.latlit.eu .

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[2] Regulation (EU) No 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1060&qi100d=1654086756583).

[3] Regulation (EU) No 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1058&qid=1654086837093).

[4] Regulation (EU) No 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1059&qid=16540868733309).

[5] Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) (https://eur-lex.europa.eu/eli/reg/2024/2509/oj/eng).

3. Programme priorities and supported activities

The Programme is result oriented and thematically concentrated. Result orientation means that projects are targeted to achieve the Programme's output indicators, projects are expected to achieve results which are relevant to the target groups of the project and have long lasting effect on the Programme area.

Thematic concentration means that the Programme intervention is planned in restricted number of fields. Programme priorities are selected based on the Programme area characteristics, identified needs and challenges.

The Programme covers four priorities, which include five Programme specific objectives.

! **For 4th call for proposals only Priority I with SO 1.1 is open for application.**

SO 1.1 includes a list of supported indicative activities. However, applicants are free to develop their own project ideas as long as they address Programme priority I, SO 1.1. and a certain set of result and output indicators of the SO 1.1. To measure the progress of each SO the result indicators are defined. A set of output indicators is developed to measure the outputs produced by the projects. Detailed information on the Programme and project intervention logic is available in section 4.4 "Programme and project intervention logic" of the Programme Manual.

Table No. 1. **Programme Priority I, SO 1.1 available for 4th call for proposals**

Priority	Specific objective	Status
1. Capacity building and people-to-people cooperation	1.1 Other actions to support better cooperation governance (ISO6.6)	**Open for 4th call for proposals**
2. Green, resilient and sustainable development	2.1 Promoting climate change adaptation and risk prevention and resilience taking into account ecosystem- based approaches (RSO2.4)	Closed for 4th call for proposals
	2.2 Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution (RSO2.7)	Closed for 4th call for proposals
3. Fair and inclusive society	3.1 Promoting the socioeconomic inclusion of marginalized communities, low income households and disadvantaged groups, including people with special needs, through integrated actions, including housing and social services (RSO4.3)	Closed for 4th call for proposals
4. Economic potential of tourism and heritage	4.1 Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation (RSO4.6)	Closed for 4th call for proposals

3.1 Priority I (open for 4th call for proposals)

Capacity building and people-to-people cooperation		
Specific objective	**1.1 Other actions to support better cooperation governance (ISO6.6)**	
ERDF co-financing allocated for SO 1.1	**~ 1 800 000 EUR** The ERDF amount is indicative and at any time may be increased by a decision of the Monitoring Committee if unutilized ERDF funding becomes available from completed projects.	
Project partnership size	Project with at least **2 partners**	Project with at least **3 partners**
Maximal ERDF co-financing per project under SO 1.1	150 000 EUR	300 000 EUR
Maximal total project budget under SO 1.1	187 500 EUR	375 000 EUR
Preparation costs	A lump sum of 5 000 EUR per project, corresponding to 4 000 EUR of ERDF co-financing, is added on top of the project budget and does not reduce the maximum ERDF co-financing per project.	
Mandatory output indicator	- Organisations cooperating across borders (RCO87)	- Organisations cooperating across borders (RCO87)
Mandatory result indicator	- Organisations cooperating across borders after project completion (RCR84)	- Organisations cooperating across borders after project completion (RCR84)
Mandatory output indicator	Target value 1: - One Pilot action developed jointly and implemented in projects (RCO84) or - One Jointly developed solution (RCO116)	Target value 2: - Two Pilot actions developed jointly and implemented in projects (RCO84) or - Two Jointly developed solutions (RCO116) or - a combination of both
Mandatory result indicator	Target value 1: - Solutions taken up or upscaled by organisations (RCR104)	Target value 2: - Solutions taken up or upscaled by organisations (RCR104)

Please find detailed definitions of what is output and result as well as explanations with examples in Annex I.

Based on **existing joint challenges** and the **results already achieved by projects supported under the Programme**, cross-border cooperation remains necessary to strengthen joint networks, maintain access to qualitative public services and further develop cooperation between organisations and communities in the Programme area. The 4th call specifically focuses on transferring and reusing knowledge, practices and outcomes generated by Programme projects, as well as on enhancing, upscaling and applying them in new or broader territorial and thematic contexts.

The **aim of this specific objective** is to support local and regional authorities and other relevant organisations in the Programme area in addressing shared cross-border challenges related to demographic change, regional disparities, climate change, environmental impacts, and new territorial and thematic contexts. This will be done by building on existing project outcomes, expanding their impact, and ensuring that developed outcomes and cooperation practices are further taken up and remain sustainable after project completion.

Implemented project activities shall result in:

- Efficient joint solutions and pilot actions for development/improvement of more effective governance and public services in the field of public administration, education, healthy lifestyle.
- People-to-people actions and involvement of society in the field of healthy lifestyle, education, natural and cultural heritage promotion, etc.
- Capacity building, transfer of good practices and development of necessary competences of local and regional authorities.
- Improved capacity of public institutions and entities at local and regional level, both in rural areas and cities.
- Development of cooperation mechanisms among institutions across the border.
- Enhanced cross-border interaction among people and communities working in various fields.
- Better understanding between the inhabitants of Latvia and Lithuania through people-to-people cooperation activities.
- Sustainable cooperation between organisations after project completion, demonstrated through continued cross-border partnerships and uptake of developed solutions.

Strategic context of the 4th call for proposals

The 4th Call for Proposals is designed as a call to **make the most out** of the Programme's existing projects under all 4 priorities by **transferring and reusing the knowledge generated by its projects and enhancing, upscaling, improving** projects' good practices.

Specific Eligibility partnership condition for 4th call:

At least **one partner from a completed or on-going project of the Programme's 1st, 2nd or 3rd call projects, or OSI project (one or more projects may be used)** must be involved in the partnership as an outcome owner or outcome user. The requirement only ensures that at least one partner from a previous project is involved, while the rest of the partnership may consist of new partners or existing partners, or a mix of both. It is not mandatory to involve a new partner other than those from original project partnership.

For 4th call, main goal is to support structured activation of existing Programme outcomes so that they are **re-used, adapted, upscaled, combined, or embedded more widely** (Applicants may choose the activities most relevant to their project; implementing all previously listed activities is not mandatory). The call aims to support projects that can demonstrate a credible path from existing Programme **outcomes** to new use.

Outcome definitions:

For the purposes of the 4th Call for Proposals, an **outcome means** any result, solution, deliverable, activity, method, tool, or other tangible or intangible achievement developed within a project approved under the Programme's 1st, 2nd or 3rd call projects, or OSI project.

Indicative list of supported actions for SO 1.1

1) **Transfer and re-use:** adapting and applying proven outcomes, including, in a new territory (in Programme area), institution, or target group from Programme area.
2) **Dissemination for uptake:** making outcomes understandable and usable for organisations or target groups that have not yet applied them (videos, guidelines easy to use or other technical solutions).
3) **Synergy and innovation:** combining outcomes from several projects (for example, combine outcomes from several tourism projects) or adjusting them to new contexts and needs (for example, tourism products improved by adding new technical solutions which allows use of product for new target groups – for example, people with visual impairments or hearing impairments etc.).
4) **Public policy impact:** translating project experience into recommendations, standards, or policy-oriented uptake.
5) **Capacity building:** using proven methods, curricula, and practical know-how for cross-border training and professional learning.

Indicative examples of supported activities may include:

- technical adaptation of existing digital tools, methods, protocols, or service models (for example social services etc.) created during the Programme's 1st, 2nd or 3rd call projects, or OSI project for upscaled usage and for a new, organisational or territorial context;
- scale-up of pilots or service models that have already shown practical value and were created during the Programme's 1st, 2nd or 3rd call projects, or OSI project;
- production of user-oriented manuals, guidance packages, demonstration formats, or mentoring schemes that enable uptake by third parties (main source of improved outcome must be created during the Programme's 1st, 2nd or 3rd call projects, or OSI project);
- integration of outcomes from two or more projects into a stronger joint solution or thematic usage (outcomes must be created during the Programme's 1st, 2nd or 3rd call projects, or OSI project);
- policy-oriented and advocacy work, evidence summaries, recommendation papers, and structured dialogue with relevant authorities in order to use developed outcomes created during the Programme's 1st, 2nd or 3rd call projects, or OSI project;
- raising awareness of the developed outcomes (created during the Programme's 1st, 2nd or 3rd call projects, or OSI project) and their benefits among potential users with the capacity to adopt them, as well as other relevant target groups, activities in order to create favourable attitude among potential users, and supporters (this cannot be the only activity, but should be part of other activities);
- joint cross-border training and/or learning activities based on outcomes created during the Programme's 1st, 2nd or 3rd call projects, or OSI project, including on tested methodologies and pilot actions;
- Upscaling of developed project outcomes created during the Programme's 1st, 2nd or 3rd call projects, or OSI project by using new methods from other Programmes and projects (this can include experience exchange visits to other Programme projects etc.).

This is not an exhaustive list. Projects can plan also other types of activities.

The projects should use a suitable mix of the actions based on the project topic. The chosen actions must be relevant for achieving the Programme specific objective 1.1 and contributing to both output and result indicators.

Information on the Programme and project intervention logic please find in section 4.4 “Programme and project intervention logic” and Annex I “Programme output and result indicators” of the Programme Manual.

This Programme specific objective contributes to the actions of EUSBSR Policy Areas “Health”, “Culture” and “Secure”.

Specific rules

1) Projects must contribute to mandatory Programme output indicators and result indicators set in Programme Manual Section 3.1.
2) Activities that start a **completely new** project idea without a strong link to existing project outcomes from Programme’s 1st, 2nd or 3rd call projects, or OSI project are **not supported.**
3) Purchase of equipment under this specific objective is eligible **up to 30%** from project partner total budget and only if it is used for implementation of **joint cooperation project activities (core activities),** its need is clearly justified and it specifically contributes to the Programme specific objective 1.1 as set out in the Interreg Regulation. Only in exceptional and well-justified cases the purchase of equipment may exceed 30% of the total partner budget. Purchase of equipment without a clear link to outcome and results development **are not supported.**
4) Investments in infrastructure under CC6 are **not supported**.
5) Basic research or studies with no practical re-use route are **not supported.**
6) The duplication of actions already implemented under existing Programme projects, without new added value, upscaling, new target users, or new territorial coverage are **not supported.**
7) Promotion and dissemination of the project outcomes from Programme’s 1st, 2nd or 3rd call projects, or OSI project without the specific objective of scaling up or increasing the uptake of outcomes from previous projects are not supported.
8) Project activities and planned results must demonstrate cross-border cooperation nature. Detailed information on requirements for cross-border cooperation is in section 4.1 “General requirements” of the Programme Manual.
9) Project solutions and actions should be clearly justified, ready to be implemented and used during and/or after the end of the project.
10) Capacity-building activities linked to the development of new or the improvement of existing public services must contribute with new methods and approaches to be applied.
11) If LP/PP intends to develop documentation in the project (e.g., action plan, recommendations, etc.), it must explicitly outline in the Application Form the purpose of the documentation, its intended audience, and how it will be utilised.
12) If stakeholders (e.g., national authorities, local municipalities, etc.) who would directly benefit from the project results are not involved in the project activities, the Application Form must include an explicit information on who and how will use the project results during and after the project and confirm whether relevant stakeholders are aware of the planned project actions.
13) If development of ICT products (e.g., e-systems, databases, etc.) is planned in the project, approval from relevant authorities on development of such products must be submitted with the application, if required by national regulation.[6]

[6] In Latvia: Cabinet of Ministers Regulation No. 368 of 4 July "Procedures for Supervising the Development Activities and Decommissioning of Information Systems and the Information and Communication Technology Resources and Services Required for Their Operation”.

14) If any nature management activities are planned, information on necessary permits from responsible nature management institutions must be specified in the Application Form.

15) Social services created/improved during the project must contribute to the deinstitutionalization process and applicant must explain it in the Application Form. Creation/improvement of long-term care services and participation of long-term care providing institutions are not eligible. In cases where projects are creating/improving social services, hospitals and other health care providing institutions are eligible only if they are registered as social service providers.

16) The Programme recommends to follow national/regional/local tourism marketing strategies and plans, if applicable, for organisation of marketing campaigns.

17) Financing of start-ups, production expenses, etc. are not supported within activities aiming to facilitate social entrepreneurship.

18) Projects shall ensure effective and long-term use of cultural and natural heritage objects, services and products in a sustainable way.

19) Organisation of already existing cyclic/regular events, happening without projects (e.g., annual city celebrations, festivals, annual craftsmen markets etc.) are not supported.

20) For nature protection activities which affect river water bodies, that are several km long and go through several municipalities, the applicant must foresee that they are generally aimed at reducing pressures and improving quality (including non-deterioration of hydromorphological indicators) across the river water body.

3.2 Priority II (closed for 4th call for proposals)

Green, resilient and sustainable development

3.3 Priority III (closed for 4th call for proposals)

Fair and inclusive society

3.4 Priority IV (closed for 4th call for proposals)

Economic potential of tourism and heritage

3.5 Ineligible activities

Please note that activities listed below are not supported by the Programme:

- the decommissioning or the construction of nuclear power stations,
- investment to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC,
- the manufacturing, processing and marketing of tobacco and tobacco products,
- an undertaking in difficulty, as defined in point (18) of Article 2 of Regulation (EU) No. 651/2014[7],
- investment in airport infrastructure,
- investment in disposal of waste in landfill,
- investment increasing the capacity of facilities for the treatment of residual waste,
- investment related to production, processing, transport, distribution, storage or combustion of fossil fuels,
- purchase of luxury goods,
- purchase of real estate,
- any kind of construction works,
- purchase of cars,
- preparation of the technical documentation for (re)construction works,
- political and religious activities,
- creation/improvement of the long-term care services,
- investments in equipment outside the Programme territory[8],
- creation of stand-alone logos or designs for projects use of which is limited to the lifetime of the project,
- creation of stand-alone project websites outside www.latlit.eu, unless it directly serves for reaching of the project results and exceeds lifetime of the project.

[7] Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty Text with EEA relevance.

[8] In exceptional cases, investments in equipment outside the Programme area could be eligible, if they are well justified and contribute to and directly support project outputs and results. (For the 4th call only purchase of equipment can be eligible, construction works are not eligible for 4th call!)

4. Project requirements

This section provides details of how to apply to the Programme. The "Guidance for JEMS" on the website www.latlit.eu of the Programme will tell you how to fill in and submit your project application.

It is mandatory to consult the JS about the relevance of their project idea at least once while preparing project application (detailed information in section 5.1 Application requirements).

A project should be defined by the need to achieve **defined objectives** with **limited resources** (budget and staff) in a **set period of time.**

The Programme assess(es) all stages of the project lifecycle, based on the following criteria:

- whether outcomes justify resources used (**efficiency**), and
- whether activities carried out really contribute to objectives (**effectiveness**).

The complexity of the project should decide its length, budget and management practices. Two crucial tasks of an applicant are:

- finding a balance between the project scope, costs and time, and
- ensuring the quality of the project outputs and results.

4.1 General requirements

For the 4th call, the project must clearly demonstrate a link to one or more outcomes of previous Programme projects (Programme's 1st, 2nd or 3rd call projects, or OSI project) and explain how these outcomes will be transferred and/or reused, adapted, integrated or upscaled. Projects that do not demonstrate such a link are not eligible under the 4th call.

The Programme focuses on activities contributing to the sustainable and cohesive socio-economic development of the Programme area by helping to make it more competitive and attractive for living, studying, working and visiting.

The Programme will support only the projects that fulfil all of these criteria. The projects have to be:

1) relevant to the Programme area,
2) clearly linked to the Programme,
3) clearly expressing the need for cross-border cooperation,
4) ensuring durability of the results,
5) having added value and innovative approach,
6) contributing to the horizontal principles and wider strategies,
7) involving relevant PPs that jointly contribute to project implementation (at least 1 partner from approved Programme's 1st, 2nd or 3rd call projects, or OSI project),
8) ensuring balanced partnership,
9) having clear and logically interconnected work plan,
10) having coherent and proportionate project budget to the proposed work plans, outputs and results,
11) clearly demonstrate a link to one or more outcomes of project/s approved under Programme's 1st, 2nd or 3rd call projects, or OSI project, and explain how these outcomes will be transferred and/or reused or adapted or integrated or upscaled.

For more information on project assessment criteria and assessment procedure, please see section 5.2 "Assessment of applications" of the Programme Manual.

Relevance to the Programme area

Project must be relevant for the Programme area and address challenges and opportunities common to all PPs. Its results should be useful for other regions of the Programme area or deliver benefits outside the local area where the project activities are carried out. The project has to demonstrate how the results will be transferred to other stakeholders and/or how the actions can benefit the wider region.

Clear links to the Programme

The link between the project and the Programme is one of the most important aspects when selecting projects. Therefore, the applicants should carefully consider if the project overall objective is coherent with the respective Programme priority which is open in the Call. Project **specific objective, outputs and results must contribute to the Programme SO 1.1., output indicators** and **result indicators**.

Please find more information on the Programme intervention logic is section 4.4 “Programme and project intervention logic” of the Programme Manual.

Cross-border cooperation

The project should address common regional development challenges of the partnership. For example, poor accessibility, lack of networks among local and regional administrations, risk prevention, etc. It also can exploit the untapped development potentials in the Programme area. The LP and PPs must attempt to solve the issues together by using cross-border approach.

The cross-border cooperation should bring added value and positive impact for the Programme area, and have a long-lasting effect after the end of the project. The applicants should clearly demonstrate that the project objectives cannot be reached by partners only from one country. The LP/PPs and/or target groups, the project area and the Programme territory must benefit from the cross-border cooperation.

Each project must meet at least three out of four cooperation criteria. Joint development, joint implementation and joint financing are **mandatory**, while joint staffing is optional.

1) **Joint development** (mandatory). The LP and all PPs must jointly develop project. It must clearly integrate ideas, expectations, priorities and contributions from all PPs. LP and PPs must share understanding of the project objective and contribute to achieving of its results. Project partnership should be balanced in terms of project objectives. Plus, all PPs must benefit from the project and also bring their knowledge and competence to the project and its area.
2) **Joint implementation** (mandatory). The LP and all PPs must jointly coordinate and implement activities of their project. The division of tasks and responsibilities must be balanced, the activities of each partner must be clearly linked, and the partnership must communicate regularly.
3) **Joint financing** (mandatory). The budgets of LP and all PPs together form the joint budget of the whole project.
4) **Joint staffing** (optional). The functions of the project staff on either side of the border should not duplicate and the staff on both sides of the border should work together on the project.

Durability of the results

Each project should aim to produce results and establish structures that can exist beyond its' lifetime. The benefits of the project must not stop as soon as the project ends. Therefore, LP/PPs should plan actions to ensure continuation of knowledge, services and benefits developed during the project. Activities to ensure long-term effects of the project must form the relevant work package. The partnership should strategically plan long-term effectiveness of the work plan.

The applicants should consider following aspects of the results' durability when planning their project:

1) Ownership. Who and how will support financial and institutional maintaining of the outputs and/or activities and deliverables? How the outputs or activities and deliverables will be integrated into activities of partners' organisations?
2) Durability. Who and how will ensure that the final beneficiaries and target groups will use the reached outputs and/or activities and/or deliverables and the effect on the Programme area will be long-lasting?
3) Transferability. Who and how will ensure that the project outputs and/or activities and/or deliverables developed are available for uptake, including by making them publicly available and informing the relevant potential target groups about them?
4) The Programme has specific requirements on the durability of the project results that also must be respected. For more information, please see section 6.5 "Project closure and durability of project results" of the Programme Manual.

Please note that if the project plans to purchase equipment, the applicants must provide information on the ownership and maintenance of the equipment after project completion.

Added value and innovative approach

The project must demonstrate added value and an innovative approach by transferring, adapting, integrating or upscaling outcomes of Programme projects (Programme's 1st, 2nd or 3rd call projects, or OSI project (one or more projects may be used)) in a way that goes beyond existing practice in the sector and/or Programme area. The project must avoid simple duplication of already implemented projects and clearly explain what is new, improved or applied in a new context or new target groups or territories.

Where relevant, the project may build on synergies with other past or current EU and other projects, provided that such synergies strengthen the uptake, adaptation or wider use of previous outcomes. These links and the added value they bring must be clearly described in the Application Form.

Contribution to the horizontal principles

Project must make a positive or neutral contribution to the horizontal principles (equal opportunities and non-discrimination, equality between men and women, and sustainable development). Otherwise, the project will not be selected for funding. For more detailed information please see subsection 4.7.1 "Horizontal principles" of the Programme Manual.

4.2 Project partnership

Size of the partnership

Project must have **one LP and one or more PPs**. Involvement of LP/PPs has to be justified. When deciding how many partners to involve the projects should consider what is the best for the achieving of the project outputs and results.

In addition, the Project must comply with the budget limitations applicable to the respective partnership size, as outlined in Section 3.1 of the Programme Manual.

Geographical eligibility of LP/PPs

Project has to involve **at least one Lithuanian and at least one Latvian** partner, which are registered or permanently located and actively operate in the Programme area.

Partners registered outside the Programme area may participate where they can provide expertise, knowledge, networks, or other added value that supports the achievement of the project objectives.

While project benefits should primarily serve the Programme area, activities carried out by partners from outside the Programme area must contribute to its development, as defined in Section 2.2 "Programme area" of the Programme Manual.

Capacities and motivation of LP/PPs

Project partnership must have sufficient cross-border representation and necessary experience and expertise in the field of activities and management of EU and/or international projects. LP and PPs also have to allocate sufficient financial, technical and human resources that are relevant to the complexity of the project.

LP and all PPs have to contribute to the project financially. That should be confirmed in the Lead /Project Partner Statements which are a part of the project application.

Balanced partnership

The partnership should be balanced with respect to the levels, sectors, and territory. It must consist of partners that complement each other, and every partner has to play a defined role in the project. The territory should benefit from this cooperation.

Lead partner

The partnership must designate one of the PPs as the LP. LP takes the overall responsibility for development and implementation of the project and sound financial management of the allocated funds[9]. It acts as a link between all PPs and the Programme management bodies, submits the project application. It is also responsible for:

- signing the Subsidy Contract with the MA,
- concluding the Partnership Agreement with the PPs,
- overall managing of the project,
- ensuring communication with the JS/MA,
- establishing adequate project monitoring and evaluation system that ensures timely delivery of project outputs and results in a proper quality,
- delivering of the project outputs,
- delivering of the project reports and documentation,
- ensuring that the certified expenditure for LP and all PPs match activities outlined in the approved Application Form and Subsidy Contract,
- submitting Project Reports,
- requesting payments and afterwards forwarding them to the PPs,
- observing the project spending forecast.

Project partner

Each PP must contribute to the development and the implementation of the project. The PP undertakes sound financial management and administrative tasks at its own level, participates in the project preparation, implementation and closure in accordance with the Partnership Agreement.

Requirements for partnership eligibility

1. 4th call's specific partnership requirement: at least **one partner from a completed or ongoing Programme's 1st, 2nd or 3rd call project, or OSI project, must participate** in the partnership as an outcome owner or outcome user.

[9]Article 23 and Article 26 of Interreg Regulation.

An **outcome owner** or user is a project partner organisation of the Programme's 1st, 2nd or 3rd call project, or from the OSI project that developed, implemented or used, or substantially contributed to the outcome of the Programme's 1st, 2nd or 3rd call project, or OSI project (definition of outcome explained in Section 3.1).

New partners may be involved in the partnership, but their involvement is not mandatory.

2. The following organisations are eligible to apply as a LP or PP:
   2.1. Public authorities (national, regional and local authorities).
   2.2. Public equivalent bodies. Meaning any legal entity:
   - established for the specific purpose of meeting the needs for the general interest and not having an industrial or commercial character*,
   - having legal personality, and
     - financed for the most part by the state, regional or local authorities, or other bodies governed under public law, or
     - subject to management supervision by those bodies, or
     - having an administrative, managerial, or supervisory board where more than half of the members are appointed by the state, regional or local authorities, or other bodies governed by public law.

   2.3. NGOs. Within the framework of the Programme NGO means a legal body having legal personality and established for the specific purpose of meeting the needs for the general interest; and not having an industrial or commercial character.

   * Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC[10].

3. Each LP and PP must be a registered legal entity (i.e. registered in the Register of Legal Entities in Lithuania (www.registrucentras.lt) or in the Register of Enterprises of the Republic of Latvia (www.ur.gov.lv) and must have a bank account.
   If branch division situated in the Programme's area is responsible for the implementation of the project, it must have legal status and own bank account as stipulated above. The applicants must clearly describe how such LP/PP will organise implementation and management of the project and will ensure that the benefits from the activities remain in the Programme area.
4. When **the project LP** is **NGO, the following** financial limitations and requirements must be followed:
   4.1. **If ERDF co-financing of the project budget is 200 000 EUR or less**:
   - LP cumulative revenue of the last two financial years (2024, 2025) or from the date of its establishment (if the NGO was established later) must be at least 25% of the intended ERDF co-financing of the LP's budget.

   4.2. **If ERDF co-financing of the project budget is more than 200 000 EUR:**
   - LP organisation must be established not later than in 2024, and
   - LP cumulative revenue of the last two financial years (2024, 2025) must be at least 50% of the intended ERDF co-financing of the total project budget.

4.3 Project duration

Project work plan must be implemented within the project duration which strongly depends on the project objectives. **The maximum project duration is 12 months**. Duration may be prolonged only in exceptional and justified cases.

[10] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024

4.4 Programme and project intervention logic

The structure of each project must follow the intervention logic and present how work packages, and activities and deliverables will lead to achieving the project outputs and results (Fig. No. 2). Project intervention logic must address the challenges and opportunities faced by LP/PPs and/or target audiences in the Programme territory. The change that will be achieved by the project should be clearly identified.

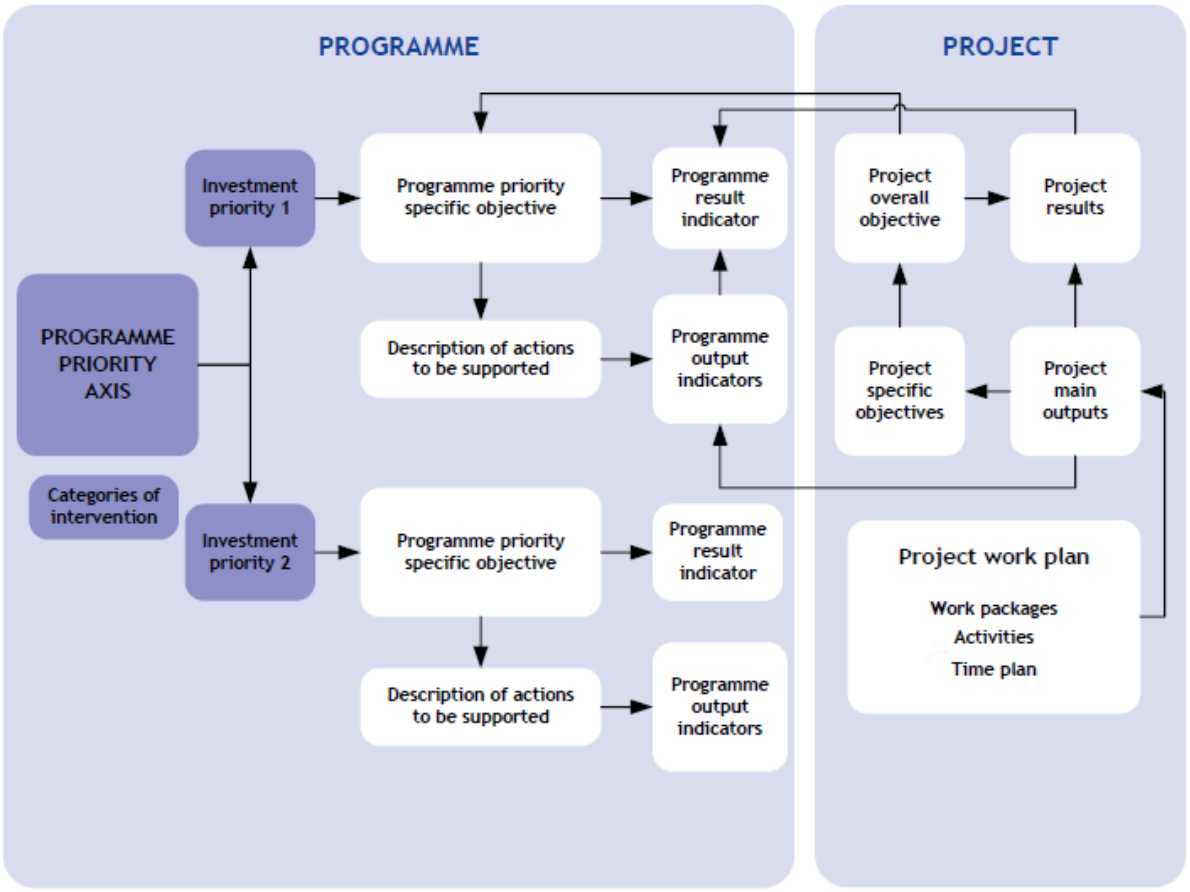

Figure No. 2. **Programme and project intervention logic**

Project specific objectives, outputs, results and time plan must have logical link with the work plan. The work plan clearly has to show how the project objectives will be achieved and results reached. It is very important for the applicants clearly to define project outputs and results, contributing to the achievement of the project overall objective. The project overall objective must be in line with the Programme specific objective "(f) Other actions to support better cooperation governance" of the Programme priority I "Capacity building and people-to-people cooperation" and chosen result and output indicators. Additional intervention logic requirements for the 4th call must include the following elements:

- identification of the source project(s) and the source outcome(s) from the Programme's project(s) approved under the Programme's 1st, 2nd or 3rd call projects, or OSI project;
- explanation of why the outcome(s) is/are relevant and suitable for transfer or/and reuse or adaptation or integration or upscaling;
- description of what will be transferred or/and reused or adapted or integrated, replicated or upscaled;
- demonstration of added value beyond repetition or dissemination of previous project results;
- evidence that all activities and outputs are feasible within the 12-month project duration.

The Programme has defined a set of indicators to capture outputs and results achieved by the projects. Output indicators measure the specific deliverables of the intervention. Result indicators measure the effects of the interventions supported with particular reference to the direct addresses, population targeted or users of infrastructure.

For the 4th call, projects are expected to build on existing Programme outcomes. Pilot actions and solutions should therefore demonstrate transfer, re-use, adaptation, integration, replication or upscaling of previously achieved outcomes rather than development of entirely new outputs.

Please read detailed information on Programme output and result indicators in the Annex I "Programme output and result indicators" of the Programme Manual! The provided information is crucial for the planning, achieving and reporting of the outputs and results of the project.

Project overall objective

Each project has to have its main objective which is directly related to the Programme specific objective. It relates to the strategic aspects of the project and must provide overall context for what the project is trying to achieve.

The project overall (main) objective:

- has to be realistic and achievable by the end of the project,
- has to specify who needs project results and in which territory,
- has to be measurable.

Project specific objective

Project specific objective is a statement describing what the project will achieve during its implementation. It refers to the project's outputs. It must be measurable and by the end of the project it must be possible to conclude whether the specific objective was achieved.

Activities leading to the achievement of the specific objective should be grouped to one work package. This means that the project will have as many work packages as many specific objectives are defined.

A project should normally define one specific objective to ensure a focused and coherent intervention logic. Where duly justified by the scope and complexity of the project, more than one specific objective may be defined, however, the **number of specific objectives should not exceed two.**

Project output

Project output is a final product of the project activities implemented under work package. The outputs need to be consistent with and contribute to the achieving of the project specific objectives.

Measurement units of the project outputs are pre-defined for SO 1.1 of the Programme. For more information, please see section 3. "Programme priorities and supported activities" and Annex I "Programme output and result indicators" of the Programme Manual.

For the 4th Call, projects are expected to **build on existing outcomes of Programme's projects**. Such outputs as pilot actions and solutions should therefore demonstrate **transfer, re-use, adaptation, integration, replication or upscaling** of previously achieved outcomes rather than development of entirely new outputs.

Project results

In the context of the Programme, project result is the immediate advantage of carrying out the project. It tells about the benefit of using the project's outputs and indicates the change the project is aiming for.

The project results must be coherent with the project overall objective and quantify the degree to which the objective will be achieved in the project timeframe.

Measurement units of the project results are pre-defined for SO 1.1 of the Programme. For more information, please see section 3. “Programme priorities and supported activities” and Annex I “Programme output and result indicators” of the Programme Manual.

Communication objective and target audience

A separate project communication objective is not required for the 4th call. Mandatory communication and visibility activities must be integrated into the relevant thematic activities and deliverables.

Project work plan

The work plan is a part of the project Application Form. It includes information on activities and deliverables that have to be implemented to deliver project main outputs and achieve project objectives. The work plan is prepared for the whole project implementation period. It serves as a basis for project implementation, reporting, monitoring and financial control and audit after the project is approved. The work plan has to be prepared as thoroughly as possible. Changes in it during the project implementation, except some minor deviations, need prior approval by the JS, MA or MC.

Please find more information on the possible project changes in section 6.2 “Project changes” of the Programme Manual.

All project activities should lead to the achievement of the main outputs of the project. The related activities and deliverables should be grouped into work packages. Each project specific objective must have its work package. **The Programme recommends that projects have no more than 2 work packages.**

Only thematic work packages should be used, i.e. there must be no work packages that would be devoted for project management, communication only.

Project activity

Project activity is a specific task performed by using project resources. It is the main implementation step that contributes to the development of the outputs. LP and PPs must jointly develop and implement the activities.

Each project activity must have title, description, start and end periods and involved partners.

The applicants should answer to “Five Ws and How” when describing project activities (who, what, when, where, why, how). They should explain in detail why the activities are needed to deliver the outputs of the work package, what is the scope of the activity, and how LP and PPs will be involved in each activity.

From the description of the activity, it must be clear what should be achieved to consider that the activity was completed successfully.

Project deliverable

Project deliverable is a side-product or service of the project that contributes to the development of a project main output.

An activity can have one or more deliverables. Key stages of activity implementation should be identified as tangible deliverables thus allowing to monitor success of the activity’s implementation. The Programme recommends to design deliverables as efficiently as possible and to have not more than 3-4 deliverables per activity. Each project deliverable must have title, description, delivery period and specified responsible partners. If there is no enough space for description of deliverable, please specify information in the description of activity.

The description of the deliverable must provide clear information on what is planned in the project, who it is for, and why it is being planned. Below are provided some examples of the possible project deliverables. Types of deliverables are not limited to specified examples.

Table No. 2. **Examples of project deliverables**

Examples	Main elements in description of deliverables
Organisation of event(s)	Topic, approximate No. of events, its purpose, and the target group. Indicate whether the event(s) will include mixed groups with participants from both Latvia and Lithuania, approximate number of participants (up to).
Purchase of equipment	Short justified description of the planned equipment, its intended purpose, and a reference to the equipment list included in the attachments (if applicable).
Development of IT solution (database, application, etc.)	Name of solution, if possible, indicated format, content, intended users.
Development of video	Content, duration, language(s), target group, promotion channels, number of videos.
Development of brochure	Content, language(s), target group, promotion channels.
Development of document/concept	Type of the document, purpose, language, end users, information on endorsement of the document by responsible authorities, if applicable, or the document's adoption by LP/PP's institution for their work or by other adopting organisations.
Project profile on www.latlit.eu	How many times updated, responsible partner.
Project information on official websites and social media accounts of LP/PPs	When created, how many times updated, responsible partner.
Durable plaques to mark purchase of equipment at each location of physical investment	Total No. of plaques, location, responsible partner.
Informative posters at premises of each LP and PP	Total No. of posters, location, responsible partner.
Purchase of Programme and EU flag for events	Number of purchases, responsible partner.

Investments

Investments can be financed only if they are necessary for achieving of the project objectives, their durability is guaranteed, and a cross-border relevance is evident.

Investments in infrastructure with costs planned under CC6 are not eligible for the 4th call.

Investments in purchase of equipment are eligible but are limited to 30% from total partner budget. Only in exceptional and well-justified cases the purchase of equipment may exceed 30% of the total partner budget.

Time plan

Project time plan should be realistic, and all project activities and deliverables should be implemented, planned project outputs reached within planned project duration. Don’t leave implementation of most of activities and deliverables for the second (last) reporting period.

For more information on achievement of the project results please see Annex I “Programme output and result indicators” of the Programme Manual.

Please note that the project time plan table is automatically generated from thematic work packages in the Application Form.

4.5 Project management and communication

Project management

All information of how the project will be managed should be provided the Application Form. In no case project management should be indicated as a separate management work package.

The project should demonstrate that the partnership has thought through the implementation of the project, is aware of the administrative requirements and has planned resources needed for coordination. Please consider following when planning:

- How partners will be coordinate the project, i.e. distribution of responsibilities for coordination, management structures, internal communication, etc.
- How partners will ensure quality of the project, i.e. specific approaches, processes and responsible LP/PPs, etc.
- How partners will organise the financial management and reporting for activities and budget within the partnership and to the Programme, i.e. how the responsibilities, deadlines in financial flows, reporting flows, project related transfers, reclaims, etc. will be defined.

For more information on the Programme requirements to the project management please see section 6.1 “Coordination and management” of the Programme Manual.

Project communication

The project communication is an important tool in the dissemination of the project results, ensuring their long-term use and replication. Active involvement and contribution of all PPs should be ensured. Projects are expected to produce effective and durable communication tools that present added value for the target group.

The project must consider following when setting-up project communication plan:

- Communication requires good planning and sufficient financial and human resources.
- All projects funded by the Programme must make their outputs freely available to general public.
- General approach of the project communication, strategies that will be used, channels that will be employed, division of the responsibilities must be described in project Application Form. LP and all PPs should actively participate and take responsibility for the ensuring publicity of the project.
- Project must have mandatory communication activities embedded in the thematic work packages.
- The project has clearly to acknowledge the ERDF co-financing and follow visibility requirements for all co-financed visibility, transparency and communication activities[11]. Each project should have a set of **mandatory communication activities and/or deliverables** to highlight the EU funding. The minimal Programme publicity requirements are specified in section 6.4 “Publicity requirements” of the Programme Manual.

The Programme has a **strict approach to promotional materials** (e.g., “gadgets”, “giveaways” or “souvenirs”). Only promotional material specifically required for reaching one of the defined target groups and objectives may be produced by projects. Any promotional material has to be planned in the approved Application Form. For more details, please see section 6.4 “Publicity requirements” of the Programme Manual.

[11] Article 47 of Common Provisions Regulation.

4.6 Budget planning

The project budget should be based on the objectives and planned activities and deliverables, and must ensure that the project activities are cost-effective.

The applicants must consider project **budget size limits** based on the number of participating partners stated in Programme manual section 3.1.

LP and all PPs should be involved in the preparation of the project budget and take responsibility to develop their project budgets according to the market prices in their countries. The budget plan should be as accurate as possible.

In the project Application Form the project budget is broken down in several dimensions (by partners and by reporting periods). This ensures that all aspects of the project budget are considered. The individual partner budgets are at the same time a useful tool for the LP to keep the overview of to which extent PPs fulfil their obligations.

When preparing the project budget, the applicants have to:

- Plan costs according to the market prices in PPs' countries. Provide breakdown of costs and justify planned amounts. When it comes to equipment, explain on the required functionalities to justify the selected price-category. Additionally, for certain equipment or services where it is not possible to identify average market price via publicly available sources, provide commercial offers to justify planned costs.
- Plan sufficient financial resources to cover costs of project activities. The PPs will have to pre-finance project expenses from their own financial resources. The ERDF co-financing will be reimbursed after the National control, and the JS/MA check each Project Report and confirm that the requested ERDF co-financing is ready for payment.
- Plan costs for informative posters, plaques and other publicity measures that are necessary for meeting the Programme requirements specified in section 6.4 "Publicity requirements".
- Plan costs for National control for Lithuanian LP/PPs (approximately 3-4% of LP/PP budget). Costs for National control for Latvian LP/PPs are covered by state budget.
- Indicate costs for project activities precisely within the cost categories and **provide link to a respective deliverable for which costs are planned.**

The project budget should only include realistic costs for the project activities, deliverables and outputs. The project spending forecast from the Application Form is crucial for the Programme implementation. Therefore, the project must:

- carefully prepare a realistic spending forecast,
- be ready to start project implementation as soon as possible but not later than a month after project Subsidy Contract is signed,
- ensure regular and timely reporting.

For more information on the requirements to the project budget please see section 7. "Project budget" of the Programme Manual.

4.7 Strategic framework

4.7.1 Horizontal principles

All projects have to be in line with three horizontal principles of the Programme: 1) sustainable development, 2) equal opportunities and non-discrimination, and 3) equality between men and women. The Programme will assess the contribution to its horizontal principles during the assessment process. The Programme will not select projects for the funding with a direct negative impact on its horizontal principles.

Sustainable development

The Programme aims to ensure that all its projects are socially, ecologically, culturally, and economically sustainable. The impact on the environment, climate and human wellbeing should be positive. This horizontal principle is related to making decisions in a way that economic, ecological and social effects of each decision are taken into account. Green Public Procurement, nature-based solutions, lifecycle costing criteria, standards going beyond regulatory requirements, avoiding negative environmental impacts, climate proofing and 'energy efficiency first principle' etc. should be used when relevant. The actions that Programme supports cannot have a significant negative impact on the environment and are fully compatible with the "Do No Significant Harm" principle.

Equal opportunities and non-discrimination

Respecting the fundamental rights[12], guaranteeing equal opportunities and preventing discrimination are important principles in all Programme stages. No-one should be discriminated based on sex, racial or ethnic origin, religion or belief, disability, age, or sexual orientation. Instead, Programme and project activities should, where possible, increase the possibilities of all groups to participate in the society.

Equality between men and women

In addition to the general principle of non-discrimination the Programme will pay attention to equality between men and women. The Programme will assess the relevance of measures to promote gender equality and their impact on the achievement of the objectives set out by the Programme. It is important to ensure that equal rights and responsibilities, equal access to resources and project outputs, and opportunities to use them are granted to everyone.

4.7.2 New European Bauhaus

The New European Bauhaus is a creative and interdisciplinary initiative that connects the European Green Deal to our living spaces and experiences. This movement proposes a new way of delivering sustainable development and bringing the positive experience closer to citizens. It should be affordable, accessible and co-created with people.

Core values of the New European Bauhaus:

- Sustainable, in harmony with nature, the environment, and our planet (e.g. circular economy, energy efficiency, use of sustainable materials and construction techniques, re-use of materials and spaces, green mobility, restoring biodiversity (re-naturing, landscapes).
- Enriching, inspired by art and culture, responding to needs beyond functionality (places in harmony with nature, rediscovery of history and architectural heritage, places or forms that appeal to people's creativity and imagination).
- Inclusive, encouraging a dialogue across cultures, disciplines, genders and ages (attention to the needs of marginalised groups, wider participation in decision-making, housing access and affordability).

Where relevant, LP/PPs are invited to incorporate core values of the New European Bauhaus in project activities.

More information about New European Bauhaus is available at new-european-bauhaus.europa.eu/index_en

[12] In accordance with the Charter of Fundamental Rights of the European Union and in compliance with Article 9 of Common Provisions Regulation.

4.7.3 EU Strategy for the Baltic Sea Region

All priorities of the Programme are in line with EUSBSR[13]. The main objectives of this macro-regional strategy are saving the sea, connecting region and increasing prosperity. The applicants should be familiar with the detailed objectives of the EUSBSR and describe project contribution to them in the Application Form section C.7.6.

4.7.4 State Aid

The Programme must comply with the State aid rules which apply in the EU.

This subsection briefly describes the State aid rules of the Programme relevant for LP/PPs.

The applicants should fill in "State aid criteria self-check" in the Application Form section B for LP and each PP individually.

What is State aid

According to Article 107(1) of the Treaty on the functioning of the EU, 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** or the production of **certain** goods shall, in so far as it **affects trade between Member States,** be incompatible with internal market."

Undertakings are entities engaged in an "economic activity" regardless of their legal status (they can be public bodies, non-governmental organisations, or educational institutions etc.) and regardless of whether they aim to make profit or not.

Economic activity is broadly defined as "offering goods or services on a given market". The key question is whether, in principle, any private body could carry out this activity to make profit.

An undertaking that receives support from public funding resources, including Programme funds, may gain an advantage over its competitors through this support. Furthermore, the support can distort competition and affect trade between Member States. The EU Treaty generally prohibits State aid to prevent such effects on the common market. Nevertheless, it is identified that there are cases/ circumstances where such support is needed for supporting well-functioning of economy, therefore the Treaty leaves room for several measures through which State aid can be made compatible with the rules.

The Programme uses the **General Block Exemption Regulation (GBER)[14]** under which State aid relevant partner can participate in the projects under the same conditions as partners not receiving State aid.

How to comply

The Programme must ensure that it grants funding to projects which comply with the State aid rules. Therefore, the Programme takes the main responsibility and most tasks in the State aid assessment and contracting. The tasks for the LP/PPs include providing correct information to the MA/JS and to manage aid to third parties.

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[13] For more information about EUSBSR please see www.balticsea-region-strategy.eu

[14] Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0651-20210801

The MA/JS assesses the State aid relevance **at level of activities** during quality assessment of the project applications or during project changes at implementation stage using the set of five criteria that all must be fulfilled:

- Aid is granted by Member States or through State resources.
- Resources are granted to undertaking.
- Selectivity.
- Economic advantage.
- Distorting effect on competition and trade within the EU.

Two of those (the existence of aid granted by Member States and selectivity) always apply for Programme projects.

Thus, State aid exists if remaining three criteria are also met:

- Undertaking: It has to be assessed if the partner (irrespectively of its legal form) is involved in economic activity/ies through the project (e.g. does the partner develop/offer goods or services for which a market exists?; could respective activity be carried out by a private entity to make profit?; does the partner plan to carry out the economic activities on its own (without publicly procured services)?; does the partner plan to disseminate goods/services developed within the project on an exclusive and discriminatory basis (restricted databases, publications, software)?; will activities involving construction of infrastructure and this infrastructure be exploited commercially and/or will be not available for public use for free?).
- Economic advantage: The project support is an economic advantage (a benefit) which an undertaking would not have obtained under normal market conditions. It could be concluded that there is no advantage if it is merely a service at market price (e.g. obtained through public procurement). Examples: public body develops and provides free-of-charge training to SMEs, SMEs can rent office space at about 20% lower price than the market price etc.
- Effect on competition and trade: This criterion is already fulfilled if an aid has potential effect on competition and trade between Member States. It is sufficient if it can be shown that the beneficiary is involved in an economic activity and that it operates in a market in which there is trade between Member States. As a rule, no effects on competition and trade are to be expected in case of purely local activities (e.g. very local museums, local fairs etc.).

State aid measures

The Programme may grant State aid in compliance with requirements of Article 20 of the GBER, the MA/JS has set up aid scheme for Article 20 of the GBER (see Annex II Programme's Aid Scheme). This article comprises the same eligibility rules as the Programme and allows to support of up to 2,2 MEUR per PP per project. Please note that this threshold is counted on level of enterprise group if the PP institution belongs to such group! In the framework of the Programme this means that the maximum aid amount is less or equal to maximum ERDF amount per project under SO 1.1. stipulated in the Section 3 of the Programme Manual. It allows State aid relevant PPs to act like PPs not receiving State aid and to benefit from the same flexibility in the practical implementation of their activities.

If state aid is identified for LP or PP, the Programme grants State aid for the whole budget of respective LP or PP. The date of the MA's decision on awarding Programme's financing to the Project is also considered the date of granting of the aid.

The compliance of the aid applicant with the requirements of Article 1(4)(c) of GBER shall be assessed at the level of the enterprise group, taking into account the definition set out in Article 2(18) of GBER.

State aid to third parties

There may be cases where the third parties outside the project partnership receive State aid through the LP/PPs' activities. This can happen regardless of whether the LP/PP is receiving State aid from the Programme or not. This is because undertakings not included as LP/PPs in the project partnership

(e.g. target groups etc.) could receive and advantage through the project's activities that they would not otherwise have received under normal market conditions.

Examples: trainings or services provided to SME, use of project output (including rented premises) transferred to SME etc.

When preparing the application each LP/PP must consider whether its activities will generate State aid to the third parties. In such case each respective LP/PP must ensure compliance with the State aid rules.

How to identify State aid to the third parties

The LP/PP must analyse two aspects to establish whether it provides aid to the third party:

1) Identification of "undertaking" and "economic activity".

   For State aid to be present, the recipient must be undertaking, thus at first the LP/PP must look at the nature of third party's activity in the Project and check whether this is an economic activity. If the activity is economic, the third party will be considered as an "undertaking".

   For any economic activity, the LP/PP must analyse the second aspect below. If the LP/PP decides that the third party does not carry out economic activities, it can conclude that there is no State aid and does not have to take further steps.

2) Identification of State aid relevant activities.

   Secondly, the LP/PP must answer whether its support for economic activity constitutes a selective advantage. This means that the LP/PP assesses whether its support provides benefit that the third party would not gain under normal market conditions. Furthermore, it assesses whether the third party is relieved of any costs that it would normally have to bear. If the LP/PP deduces that it does not provide a selective advantage or benefit to the third party, then it can conclude that there is no State aid.

   Where the activity is economic, and the support constitutes an advantage, the LP/PP can conclude that its support to the third party is likely to be State aid relevant and it must take the following steps to make it compliant with the State aid rules.

How to ensure compliance with State aid rules

1) A LP/PP which provides State aid to third party must calculate the value of the supportive activities. It can be calculated in two ways:
   a. The LP/PP may determine the amount **based on the market prices** for benefits comparable to those given through the project (e.g. services, training, consultancy, etc.). The LP/PP must document the related market research (e.g. internet search, collected offers, etc.).
   b. Where no reliable benchmark exists (e.g. highly specific consultancy service, specialised/tailored training, etc.), the LP/PP can calculate the amount of the aid according to **an estimation of the costs planned for implementing the service**. In this case the LP/PP can assume that the total value of the training/ service is equal to the total planned costs for providing it. Total planned costs might cover room rent, cost of speakers, travelling, etc. The LP/PP then uses the total planned costs to calculate total costs per participant.

For aid to the third parties the Programme applies Article 20a of the GBER. Under this Article the LP/PP supporting the third party can provide non-financial support of up to 22 000 EUR per undertaking per project. Please note that this threshold is counted on level of enterprise group if the benefitting undertaking belongs to such group! (i.e., if several undertakings from one enterprise group receive support within the Project, the cumulative amount of such support may not exceed 22 000 EUR threshold). The LP/PP must document the calculation of the aid and retain list of undertakings which received the aid it in the project documentation.

The date of granting of the aid in accordance with Article 20a of the GBER is the date when the respective LP/ PP (as the competent authority granting the aid) provides to the undertaking a firm legal

entitlement to receive the aid.

A firm legal entitlement refers to a situation where an undertaking has a clear, enforceable right to receive an aid:

- The LP/ PP (competent authority) has formally approved the aid and preconditions for aid (e.g. eligibility checks or approvals) have been met;

The undertaking has received written confirmation from LP/ PP (e.g. acceptance of undertaking's registration to participate in respective activity, decision or notification letter, signed agreement etc,).

2) In the case if the value of the non-financial support is higher than 22 000 EUR, the LP/PP providing the support must eliminate any State aid element exceeding that threshold.

5. Application and selection procedure

5.1 Application requirements

Pre-submission mandatory consultation

Before submitting an application, the LP must consult with the JS to ensure the project idea aligns with the Programme requirements.

A communication between the applicant and the JS is considered a valid mandatory consultation if the following conditions are met:

1. A representative of the LP's organisation participates in the virtual or face-to-face meetings with JS.
2. The Project Idea Form is discussed during a meeting with the JS, covering the compliance of the project idea with Programme requirements, including the eligibility of the project partners (PPs); the project's link to at least one project approved under the Programme's 1st, 2nd or 3rd call projects, or OSI project; the identification of at least one partner that was an output owner or user in Programme's 1st, 2nd or 3rd call projects, or OSI project; project objectives; expected outputs and results; cross-border cooperation principles; the eligibility of planned activities; the planned budget; and other relevant aspects.

Rules for individual consultations:

1. Appointments must be booked in advance by emailing to latlit@varam.gov.lv.
2. The Project Idea Form (template available at www.latlit.eu) must be completed and submitted to the JS by the deadline agreed upon with the JS, but no later than two days before the scheduled consultation.
3. There is no limit to the number of participants; however, attendance by representative(s) of the LP is mandatory.
4. Projects that do not undergo this mandatory individual consultation will be deemed ineligible at the eligibility assessment stage.
5. Organisation of mandatory consultations is closed one week before the call for proposals deadline.

Application package

Application is a set of information and documents which is submitted by the LP on behalf of the whole partnership within the opening and closing time of the call for proposals. For more information on the time of the call see the Programme website www.latlit.eu.

The project application is done via JEMS. Detailed information on how to acquire JEMS username and password and how the project application will be registered as received is available on the Programme's website www.latlit.eu in "Guidance for JEMS".

Table No. 3. **Documents for application**

No.	Document	Requirements
1.	**Application Form**	• Filled in and submitted in JEMS (https://jems.latlit.eu). • All relevant fields must be filled in English.
2.	**Project Confirmation letter**	• The template is available on the Programme webpage www.latlit.eu. • The document is in English and its template cannot be changed.

No.	Document	Requirements
		• Must be signed by the authorised person holding the right to sign documents on behalf of the LP organisation confirming the validity of the whole project application **with electronic signature**. The Confirmation letter must be attached to the application in "Attachments" in JEMS. In exceptional cases (e.g., when the Project Confirmation Letter was forgotten to attach in JEMS), it can be sent to email latlit@varam.gov.lv. • If LP's authorised person is substituted, documents on substitution rights must be submitted together with the Project Confirmation Letter. • If the Confirmation letter is missing, it will be asked during eligibility check as specified under section 5.2 "Assessment of applications" of the Programme Manual. • If the Confirmation letter is incorrect, corrections will be asked by JS as a condition as specified under section 5.3 of the Programme Manual, if project will be selected for funding.
3.	**Lead Partner / Project Partner Statement**	• The template is available on the Programme webpage www.latlit.eu. • The document is in English, and its template cannot be changed. • Documents attached to "Attachments" in JEMS. • Filled in and submitted by the LP and each PP to confirm: – commitment and ability to participate in the project both legally and financially, deliver the required outputs and results and to comply with the eligibility rules set by the Programme, – required partner contribution (the exact amounts of the LP/PP total eligible budget and partner contribution must be specified as calculated in JEMS), – compliance with other Programme requirements. • Must be signed by the authorised representative of LP and PP organisation holding the right to sign documents on behalf of the organisation **with electronic signature** and attached to "Attachments" in JEMS. • If Lead Partner / Project Partner Statement is missing, it will be asked during eligibility check as specified under section 5.2 "Assessment of applications" of the Programme Manual. • If Lead Partner / Project Partner Statement is incorrect, corrections will be asked by JS as condition as specified under section 5.3 of

No.	Document	Requirements
		the Programme Manual, if project will be selected for funding.
4.	**Documents for NGO that is LP:**	
4.1.	Documents showing revenue <u>during the last two financial years (2024 and 2025):</u> • For Lithuanian LP NGO which legal form is a) association, public institution or charity and support fund (*asociacija, viešoji įstaiga, labdaros ir paramos fondas*) – the information and documents will be checked in the Register of Legal Entities b) other than association, public institution or charity and support fund (*asociacija, viešoji įstaiga, labdaros ir paramos fondas*) – the set of financial reports (*finansinių ataskaitų rinkinys, metinė ataskaita*) showing revenue during the last two financial years (2024 and 2025) must be provided. • For Latvian LP NGO information and documents will be checked in Lursoft database.	• Documents attached to "Attachments" in JEMS. • If missing or incorrect may be asked during eligibility check as specified under section 5.2 "Assessment of applications" of the Programme Manual.
4.2.	<u>In the case NGO was established later than specified under point 4.1:</u> a) For Lithuanian LP NGO which legal form is • association, public institution or charity and support fund (*asociacija, viešoji įstaiga, labdaros ir paramos fondas*) – the set of financial reports (finansinių ataskaitų rinkinys, metinė ataskaita) from the date of establishment must be provided. • other than association, public institution or charity and support fund (*asociacija, viešoji įstaiga, labdaros ir paramos fondas*) – the set of financial reports (*finansinių ataskaitų rinkinys, metinė ataskaita*) from the date of establishment must be provided. b) For Latvian LP NGO – the set of financial reports including signed balance sheets, income and expenditure accounts (*bilance, ieņēmumu un izdevumu pārskats*) from the date of establishment must be provided.	

No.	Document	Requirements
5.	For Lithuanian LP or PP who will use outcome(s) from previous project implemented under Programme specific objective 3.1 and for activities targeted at improvement or development of social services – document certifying the inclusion of LP or PP to the list of social service providers.	• If document cannot be provided, a clear reference in the Application Form section "Project Partners" must be specified where the information that LP or PP is a social service provider can be found. • Document attached to "Attachments" in JEMS. • If missing or clarifications are needed, will be requested by JS as condition, if project will be selected for funding.
6.	Documents for infrastructure works that are planned under CC6 and **require full set of technical documentation** according to national legislation. **(For the 4th call infrastructure works under CC6 are not eligible)**	
7.	Documents for **simplified infrastructure works** that are planned under CC6 and **do not require full set of technical documentation** according to national legislation. **(For the 4th call infrastructure works under CC6 are not eligible)**	
8.	Documents for **installation of outdoor equipment that do not require technical documentation according to national laws and regulations** (e.g. wooden stands, water drinking tap/fountain, cameras, etc.).	
	1) Ownership documents or lease of land for lease period covering planned project duration and durability period according to requirements set in section 6.5 "Project closure and durability of project results" of the Programme Manual. 2) Commercial offer/cost-estimate for the equipment. 3) Description of current situation justifying the need of installation works that can be supplemented with photo evidence and description of type/nature/scope of planned works. 4) The Letter of acknowledgment from the relevant construction authority confirming that the planned installation works for outdoor equipment do not require development of technical documentation and a permit from construction authority. 5) If LP/PP is not an owner of land where the equipment will be installed: a) acceptance from land owner on placement of the equipment and scheme for placement of the equipment. b) acceptance from water/electricity supplying company about access to water/electricity, if relevant.	• The documents must be submitted in national language or in English. • Documents attached to "Attachments" in JEMS. • If documents are missing or incorrect, they will be asked during conditions stage in case the project will be selected for funding. • LP/PPs are obliged to check national laws and regulations, seek guidance from relevant authorities and ensure the preparation of documents aligns with the requirements set in national laws and regulations.

No.	Document	Requirements
9.	Documents for **environmental activities** (such as grass cutting, bush removal, etc.) that are **planned as services under CC4**.	
	1) Ownership documents or written consent from the private land owner (if LP/PP is not an owner of land). 2) Description of planned works and cost-estimate or commercial offer for the works. 3) The Letter of acknowledgment from LP/PP that the planned environmental activities under CC4 do not require any technical documentation and permits or prior harmonization from construction authorities and planned works are services and not constructions works. The project partner confirms that it bears full responsibility for the compliance with applicable national legislation when implementing these services, including obtaining any environmental permits etc.	• The documents must be submitted in national language or in English. • Documents attached to "Attachments" in JEMS. • If documents are missing or incorrect, they will be asked during conditions stage in case the project will be selected for funding.

If any documentation (except the Application Form) cannot be submitted electronically but only in paper format, the LP must contact the MA via the official Programme e-mail latlit@varam.gov.lv. The LP need to provide a clear explanation of why electronic submission is not possible and request MA permission to submit the documents in paper form, as an exception to the rules outlined above.

5.2 Assessment of applications

Assessment procedure begins on the next working day after call for proposals is closed. Timeframe within which assessment of applications is performed depends on received number of applications. After assessment of applications has finished, the MC meeting will take place to take the MC decision on selection of projects for funding.

Each application is subject to a two-step assessment procedure performed by the MA and the JS:

- Eligibility assessment,
- Quality assessment.

In addition, external experts can be involved in the assessment of the application:

- experts of a particular field under Programme priorities, in case specific knowledge of the field is required in order to carry out quality assessment,

When carrying out verifications of applications for compliance with eligibility criteria, the MA or the JS may request LP to submit to the official Programme e-mail latlit@varam.gov.lv the following annexes of the application:

1) Missing Project Confirmation Letter, in case it is not submitted, or it is not submitted in accordance with the requirements set in section 5.1 "Application requirements" of the Programme Manual.

2) Missing Lead Partner / Project Partner Statement in case it is not submitted, or it is not submitted in accordance with the requirements set in section 5.1 “Application requirements” of the Programme Manual.
3) In the case, during the assessment stage information for completing verification of organisation’s compliance with the eligibility requirements set out in section 4.2 “Project partnership” of the Programme Manual is needed, related documents (statutes, establishment documents, information on the shares of stakeholders or other equivalent documents necessary for establishing the status of the applicant) can be requested.
4) For NGO that is LP missing or incorrect documents specified under point 4 of the Table No. 3 in section 5.1 “Application requirements”.

The request will be sent to the LP’s email address indicated in the Application Form section “Contact”/B.1.5 “Contact person“ and LP’s official email address from the Programme’s official e-mail latlit@varam.gov.lv. The LP must submit requested documents to the JS to latlit@varam.gov.lv within 10 working days from the date of sending of the request from the MA/JS as indicated in the request.

In case the eligibility criteria are not observed after completion of eligibility assessment, the LP is not requested to provide additional information or corrections, and the application is considered as invalid.

5.2.1 Eligibility assessment criteria

Eligibility criteria are assessed on the basis of “yes”, “no” or “not applicable”.

Table No. 4. **Eligibility criteria**

No.	Criteria	What is assessed
1.	Application Form is correctly filled in and submitted via JEMS.	* All relevant fields of the Application Form are correctly filled in. There is no incorrect information e.g., “to be added later”. * Application Form is filled in English.
2.	Project Confirmation Letter is submitted by the LP to the JS.	* Signed document is attached to section “Attachments” in JEMS or delivered to latlit@varam.gov.lv upon JS request as specified under section 5.2 “Assessment of applications” of the Programme Manual.
3.	Lead Partner/Project Partner Statements are submitted by the LP to the JS.	* Lead Partner/Project Partner Statements for the LP and each PP are attached to section “Attachments” in JEMS or delivered to latlit@varam.gov.lv upon JS request as specified under section 5.2 “Assessment of applications” of the Programme Manual.
4.	Documents for NGO that is LP submitted by the LP to the JS.	* All relevant documents are uploaded to section “Attachments” in JEMS for NGO that is LP according to the requirements specified under point 4 of the table No. 3 in section 5.1 “Application requirements” or delivered to latlit@varam.gov.lv upon JS request as specified under section 5.2 “Assessment of applications” of the Programme Manual.
5.	Minimum requirements for partnership are fulfilled; LP and PPs are registered in Lithuania and in Latvia, they are eligible organisations (type, financial requirements) and comply with	* At least one partner registered in Lithuania and one partner registered in Latvia participate in the project. * Lithuanian partner(s) registered in Lithuania and Latvian partner(s) registered in Latvia are

No.	Criteria	What is assessed
	eligibility requirements set out in section 4.2 “Project partnership”.	public authority or public equivalent body or NGO. ∗ Financial requirements for NGO that is LP are followed according to section 4.2 “Project partnership” of the Programme Manual.
6.	Budgetary requirements are observed.	∗ LP and all PPs contribute to the eligible project budget. ∗ Project requested amount of ERDF co-financing is within the set limits for the project’s number of participating partners according to section 3. “Programme priorities and supported activities” of the Programme Manual.
7.	Project duration is within set limits.	∗ Project duration is within set limits (maximum 12 months).
8.	The pre-submission mandatory consultation has taken place.	∗ The LP has attended at least one mandatory consultation in accordance with the requirements set in sub-section “Pre-submission mandatory consultation” of section 5.1 “Application requirements” of the Programme Manual.
9.	The application is based on one or more outcomes from a Programme’s project(s) approved under the Programme's 1st, 2nd or 3rd call projects, or OSI project.	∗ The Application Form **section C.2.6** is filled in and clearly identifies the Programme project(s) approved under the Programme's 1st, 2nd or 3rd call projects, or OSI project (one or more projects may be used) on which the new 4th call project idea is based (for example, project number, acronym or full title etc.).
10.	At least one project partner participated as partner in a Programme’s project approved under the Programme's 1st, 2nd or 3rd call projects, or OSI project.	∗ The Application Form **section C.3.** is filled in and at least **one project partner (title is stated)** indicated as **partner which participated in** a Programme project approved under the Programme's 1st, 2nd or 3rd call projects, or OSI project indicated in section C.2.6.

5.2.2 Quality assessment criteria

Applications that have passed eligibility assessment are subject to quality assessment. The quality assessment is carried out based on quality assessment criteria, included below. For each criterion main assessment question with several sub-questions is identified. **Information must be provided in relevant sections of the Application Form** as specified in Table No. 5.

During quality assessment projects are assessed against strategic and operational criteria and each criterion is assessed according to the following scores: 1, 2, 3, 4 and 5. Shortcomings detected under one criterion may affect scoring for other criteria. Afterwards, scores received for each criterion are reflected as weight in percentage according to the table below.

Table No. 5. **Assessment grid for quality assessment criteria**

Criteria	Score	Criteria score weight in percentage
STRATEGIC CRITERIA – maximum 60%		
Project context and contribution to the Programme Maximum weight 40%	5	40
	4	32
	3	24
	2	16
	1	8
Cooperation character Maximum weight 10%	5	10
	4	8
	3	6
	2	4
	1	2
Partnership relevance and cooperation intensity Maximum weight 10%	5	10
	4	8
	3	6
	2	4
	1	2
OPERATIONAL CRITERIA – maximum 40%		
Methodology and work plan Maximum weight 20%	5	20
	4	16
	3	12
	2	8
	1	4
Budget Maximum weight 20%	5	20
	4	16
	3	12
	2	8
	1	4

Table No. 6. **Quality assessment criteria**

Weight	Criteria	What is assessed * *(Sections in the Application Form where information must be provided)*
STRATEGIC CRITERIA – maximum 60%		
40%	**Project context and**	- The project indicates **which specific outcome(s)** from Programme project(s) approved under Programme's 1st, 2nd or 3rd call projects, or OSI project (one or more projects may be used), **will be used as the basis for the project.** * *(Application form C.2.6).* - The project **explains the connection between the new project idea and the existing outcome(s)** of the project(s) indicated in section C.2.6, and describes

Weight	Criteria	What is assessed * *(Sections in the Application Form where information must be provided)*
		practical pathway from the source outcome to its wider uptake, reuse, adaptation, integration or upscaling. * *(Application section C.2.7).* - The project explains why the source outcome(s) listed in section C.2.6 is useful, successful or relevant for further use. * *(Application section C.2.7).* - The project addresses **common territorial challenges** in the Programme area or joint potential of the Programme area – there is a real need for the project. The justification is supplemented with evidence and/or proper and concrete facts and/or statistics explaining and proving the territorial challenge and the need for the project. * *(Application Form section C.2.1).* - The project overall objective, activities, deliverables, outputs and results are clearly **linked to a Programme** priority specific objective, output and result indicators and activities supported, including specific requirements, defined under specific objective SO 1.1. The project clearly demonstrates **how exactly** existing (source) outcomes indicated in section C.2.6 **will be used** in new project and demonstrates that the current project activities are relevant and are not duplication or dissemination-only activities. * *(Application Form sections C.1, C.2.7, C.5 and C.4).* - Project outputs are **durable** (the project is expected to provide a durable contribution to solving the challenges targeted). Project outputs are applicable and replicable by other organisations/regions/countries outside of the current partnership (transferability). * *(Application Form sections C.8).* - The project explains **added value** of the current project compared to the source project(s) by explaining what will be new, improved, transferred, adapted, integrated, upscaled or applied in a new context compared to source outcome project(s). * *(Application Form sections C.2.2, C.2.6, C.2.7).* - The project makes a positive or neutral contribution to the **Programme horizontal principles** of sustainable development, equal opportunities and non-discrimination, equality between men and women. * *(Application Form section C.7.6).* - The project clearly explains its contribution to **wider strategies** on one or more policy levels (EU/national/regional/EUSBSR). * *(Application Form section C.2.5).*
10%	**Cooperation character**	- The importance of cross-border cooperation for the topic addressed is clearly demonstrated. The project results cannot (or only to some extent) be achieved without cooperation. There is a clear benefit from cooperating for the LP/ PPs / target groups / project area /Programme area. The cross-border cooperation aspect is incorporated in and evident throughout the project activities and deliverables, including investments (equipment), outputs and results. Cooperation principles are specified. * *(Application Form sections C.2.3, C.7.5, C.4 and C.5).*
10%	**Partnership relevance and cooperation**	- The project involves **relevant LP/PPs** needed to address the territorial challenge/opportunity and the objectives specified and their involvement is justified; In case of LP/PPs outside the Programme area, the added value of their participation duly justified. * *(Application Form sections B, C.3, B.1.6).* - The role of the partners with experience in completed or on-going project of the Programme's 1st, 2nd or 3rd call projects, or OSI project, is clearly defined and justified in relation to the ownership, transfer or use of the source project's outcomes. * *(Application Form sections C.3, B.1.6).*

Weight	Criteria	What is assessed * *(Sections in the Application Form where information must be provided)*
		- Partner organisations have the **competence** in the hematic field concerned, as well as the necessary capacity to implement the project (financial, human resources, etc.). * *(Application Form sections B.1.6., C.7).* - **Tasks and responsibilities** are clearly defined and justified among the LP/PPs. * *(Application Form sections B.1.6., C.3, C.4).* - The project **partnership is balanced** in terms of the project's objectives, territory coverage, financial contributions, and expected project outputs. Partnership consists of LP/PPs that complement each other. * *(Application Form section C.3, C.4).*
OPERATIONAL CRITERIA – maximum 40%		
20%	**Methodology and work plan**	– The **project intervention logic** (the sequence of activities, proportions of activities, deliverables methods of work) is optimal for achieving targeted project objectives, outputs and results. Proposed activities and deliverables are logical and transparent and demonstrate how existing outcomes will be continued, for example, through their re-use, transfer, dissemination, adaptation, upscaling, improvement through innovative approaches or technical solutions, combination and synergies with other projects, use for capacity building, or application to support public policy. The planned activities lead to planned outputs and results. The planned activities, deliverables and outputs are achievable within planned resources and timeline. * *(Application Form sections C.1, C.2.2, C.4, C.5).* – The **importance of investments (purchase of equipment)** planned in the work plan with corresponding costs under CC5 and their cross-border relevance is demonstrated to reach project objectives. – The documents for installation of outdoor equipment planned under CC5 and environmental activities (such as grass cutting, bush removal, etc.) CC4 are in line with the requirements specified in section 5.1 “Application requirements”. * *(Application Form section C.4).* – **Target groups** are clearly described and involved in the project activities and deliverables. If project targets new groups, it should be clearly stated. * *(Application Form section C.2.4, C.4).* – **Communication activities** are planned in the work plan and are appropriate to reach the relevant target groups and stakeholders. Mandatory publicity measures indicated in Programme Manual table No. 12 applicable to the project are included as tangible activities and deliverables. * *(Application Form sections C.4 and C.7).* – **Management structures** and procedures are clear, efficient, proportionate to the project size and needs and allow involvement of LP/PPs in decision-making and ensure quality of the project. * *(Application Form sections C.7).*
20%	**Budget**	• Project budget is coherent, proportionate and cost-efficient in regard to the proposed work plan and the outputs and results. • Breakdown of costs is presented, costs are in line with the workplan, and costs are sufficiently described. • Planned costs are eligible costs according to the requirements set in section 7. “Project budget” and section 3.5 “Ineligible activities” of the Programme Manual. • The application of SCOs is appropriate and in line with the Programme rules. • The need for engaging staff is justified and costs are realistic. • The need for engaging external expertise is justified and the costs are realistic. • The need for equipment purchases is justified (e.g., prices, number of units, functionality is provided) and the costs are realistic. Purchase of equipment

Weight	Criteria	**What is assessed** * *(Sections in the Application Form where information must be provided)*
		does not exceed 30% from total partner budget (if relevant). In case if exceeded additional well-founded justification is provided. * *(Application Form sections B, D, C.4, E).*

Table No. 7. **The explanation of the scores**

5 Very good	The application fulfils the given criteria to an excellent and the provided information is sufficient, clear and coherent for assessing the criteria.
4 Good	The application fulfils the given criteria well, however the provided information includes minor shortcomings (e.g., the timeline provides little space for unexpected delays, details are missing in the given information in minor parts of the application).
3 Sufficient	The application fulfils the given criteria to a sufficient level, however some aspects of the given criteria have not been fully met or not explained in full clarity or detail (e.g. the partnership lacks certain expertise to address the identified challenge; the implementation steps are not fully clear based on the description in the work plan).
2 Weak	The application has serious shortcomings fulfilling the given criteria and/or the provided information is in low quality (e.g., the cross-border relevance of the project is not clearly justified; the outputs are not clearly described; the target groups of outputs are not described).
1 Insufficient	The application does not fulfil the given criteria or information required is missing (e.g., the application addresses issues that are not relevant to the Programme priorities, the information in the application is not complete or is unclear).

Assessment result (total scoring of a project) is presented as a sum of percentage received in all criteria and projects are grouped according to the following thresholds:

1) Projects receiving total scoring at least 66% are recommended for approval,
2) Projects receiving total scoring less than 66% are recommended for rejection.

As derogation from above described, following restrictions shall apply:

- If project application receives **"1" for any of the criterion**, the project application is recommended for rejection.
- If project application receives **two "2" for any operational criteria**, the project application is recommended for rejection.
- If project application receives **"2" for any strategic criteria**, the project application is recommended for rejection.

Approval of projects is also subject to availability of Programme funds per specific objective. In case of lack of funds to finance all projects scored with at least 66%, the MC may decide on creation of project reserve list.

Reserve list will be made prioritising projects based on received scores. If project applications result in the same total score, the priority is given to the project application which does not have "2" score per criterion. If there still are project applications with equal total score, then the priority is given to project application which received higher scoring in criterion "Project context and contribution to the Programme".

5.3 Selection and decision making

The MC is responsible for selecting projects for funding based on results of eligibility assessment and quality assessment ensured by the MA and the JS.

The MA based on the MC decision on selection of projects for funding prepares decision (MA letter) on awarding or rejecting the ERDF co-financing or on project selection for a reserve list and sends it electronically to the project LP within 20 working days after the MC decision on selection of projects for funding was taken.

MA decision states:

- If project is approved – information on the total ERDF co-financing,
- If project is approved under conditions – information on the maximum ERDF co-financing, conditions that must be fulfilled within deadline indicated in the decision,
- If project is selected for a reserve list – information that project is selected and can be financed subject on availability of funds in the Programme,
- If project is rejected – justification, why the application was not selected for funding.

Conditions that project must fulfil before it is finally approved may include:

1) changes and technical corrections in the Application Form (e.g., removal or adding of an activity, removal or replacement of a LP or PP, decrease of a project budget or budget adjustments or corrections, specification of information, submission/correction of documentation, etc.),
2) explanation (e.g., unclear description of an activity, discrepancies in the information, etc.).

LP is responsible for informing PPs on the MA decision.

If project is approved under conditions, all conditions must be fulfilled before final decision on project approval is made by the MA. In exceptional cases, LP may submit an official request to the MA about prolongation of deadline for fulfilment of conditions. MA will assess each request and inform the LP with an official reply whether LP request is approved.

If any condition/technical correction remains unfulfilled, project will be rejected by the MA.

MA prepares final decision stating whether project is approved or rejected and within 10 working days after it is taken sends it electronically to the project LP.

5.4 Contracting

After the MA has taken a final decision on awarding the ERDF co-financing, the contracting phase starts and the Subsidy Contract between MA and LP can be signed.

Subsidy Contract

Subsidy Contract is signed by the LP and the MA and acknowledges agreement of both parties on conditions under which the ERDF co-financing is awarded. The Subsidy Contract regulates the legal and financial framework for the implementation of the project. A template of the Subsidy Contract is available on the Programme's website www.latlit.eu.

The MA prepares and sends the Subsidy Contract to the LP after the MA has taken final decision on funding.

Partnership Agreement

Partnership Agreement is an agreement between the LP and PPs which states each partner's financial obligations and outlines each partner's responsibilities in the project. While the LP is responsible for

ensuring the implementation of the entire project towards the MA, each PP is responsible for ensuring the implementation of its part of the project towards the LP. A template of the Partnership Agreement is available on the Programme's website www.latlit.eu.

The Partnership Agreement allows the LP to extend the arrangements of the Subsidy Contract to the level of each partner. Preparation of the Partnership Agreement between all PPs has to start immediately after the LP has received MA decision on funding of the project. Signed Partnership Agreement shall be uploaded via JEMS not later than when the Project Report for first reporting period is submitted by the LP.

Upon necessity, additional clauses can be included and content of the Partnership Agreement changed. The LP is responsible for Partnership Agreement amendments if relevant changes in project are approved by the Programme management bodies.

According to the provisions of Partnership Agreement in general project partners shall give full support to the LP to ensure the successful implementation of the project, fulfilment of its objective and high quality of outputs and results.

6. Project implementation

Consultations and training will be organised for the LP and PPs of the contracted projects. The purpose is to provide guidance on Programme's requirements for project management, reporting, financial rules, and communication. More information on upcoming consultations and training is available on the Programme website www.latlit.eu.

6.1 Coordination and management

LP must establish efficient and reliable coordination and management system for the project. The coordination and management concern the implementation of the various components of the project, including its joint administrative and financial management.

LP and PPs must determine the necessary procedures for decision-making and coordination of activities between the PPs.

PPs shall coordinate and jointly implement project activities – to apply joint solutions, methods, and approaches in the project.

Based on the work plan in the Application Form, the LP and PPs may decide to prepare a more detailed work plan for internal use where all activities are listed, deadlines and responsible persons are indicated, etc.

Project start

The **start and end date** of the project are fixed in the Subsidy Contract.

The earliest date when the project activities can start and the expenditure can incur (be paid out) is the next day after the project is approved by the MC. All project's activities are implemented at the PPs' own risk until the Subsidy Contract is signed. However, the Programme recommends to start project implementation as soon as possible but not later than a month after the Subsidy Contract is signed.

During the signing of the Subsidy Contract, the JS assigns a contact person for the whole project duration. After the assignment, the contact person will introduce himself/herself to the LP via email.

The LP should inform assigned the JS contact person via email two weeks in advance about the planned first project management meeting, so that he/she could participate in the meeting.

Composition of the project management staff

The LP and PPs **must** appoint or subcontract the **project manager** and **financial manager.** The project manager and financial manager of the LP are the main project manager and the main financial manager. They are responsible for the fluent implementation of planned project activities, including the achievement of project outputs and results, submission of Project Reports, preparation of requests for changes, and communication with the JS. Additional staff necessary for the project management may be appointed or subcontracted, but only in duly justified cases. The LP and PPs financially contributing to the project and receiving ERDF co-financing from the Programme are not allowed to subcontract each other, themselves (e.g., internal invoice) and own or LP/PPs' employees.

Requirements of project management staff for the LP and PPs:

- Project manager: implementation of project activities in the LP's and PP's organisation, working in close cooperation with the LP main project manager, preparing and uploading the Partner reports via JEMS,
- Financial manager: project bookkeeping in the LP's and PP's organisation, working in close cooperation with the LP's main financial manager.

Structure of the project coordination and management

LP with PPs must establish an efficient and reliable coordination and management structure at the beginning of the project. The coordination and management affect the qualitative and successful implementation of the planned activities and the whole project, including its joint administrative and financial management.

Each project shall have a clear distribution of responsibilities for the project coordination. To include necessary management structures and procedures in place for the cooperation and communication among PPs, implementation of the planned project activities, and reporting of outcomes and results.

The project shall have approaches and processes aimed at quality assurance both for produced project outputs and overall management of the project.

LP and PPs has to secure an audit trail when implementing project activities from the beginning of the project implementation. Also, ensure evidence of the implemented activities.

Processing of personal data of natural persons

During the project LP and PPs must keep and provide Programme implementation bodies with all the required information, including natural person data. LP and PPs must also ensure the data are processed and moved in compliance with the requirements set in General Data Protection Regulation[15].

6.2 Project changes

The work plan and project budget should be planned as thoroughly as possible. However, during the project implementation, it may become evident that the work plan or project budget needs to be revised.

General principles

The LP is responsible for preparing the Request for Changes (a template is available on the Programme website www.latlit.eu) on behalf of all the PPs and its submission via JEMS to the JS. The JS strongly recommends to plan carefully and include as many necessary modifications as possible needed by the PPs in one Request for Changes. **The LP submits electronically signed Request for Changes to the JS ONLY after prior harmonization with the JS.**

All Requests for Changes must be submitted and approved by the JS/MA/MC within the project duration.

Changes are divided into three main categories: deviations, minor changes and major changes. More detailed information is provided in subsections 6.2.1 “Deviations”, 6.2.2 “Minor changes” and 6.2.3 “Major changes” of the Programme Manual.

As a derogation from project changes, the flexibility rule may be applied for the final[16] reporting period allowing overspending in CCs (or in expenditure items within CC1 (maximum limits established in the Programme Manual must be respected) up to 10% from the total eligible project budget. This is allowed only if the overspending is justified and the total eligible project budget, as well as the LP/PPs’ budgets

[15] Regulation (EU) No 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

[16] Meaning reports submitted and/ or verified by the JS/MA after the end of implementation period of the project.

remain within their approved limits. If the overspending exceeds 10%, JS/MA will deduct excess amount from the final Project Report.

Request for changes procedure

All the PPs must submit information to the LP about necessary project changes by the deadline agreed within the PPs. The LP must review submitted changes to check whether they are clearly described and sufficiently justified and are in line with the allowed changes described in the Programme Manual. If needed, the LP asks for additional clarifications from the PP.

The LP must fill in the Request for Changes and send it via email to the assigned the JS project manager for the prior check. The LP sends the electronically signed final version of the Request for Changes to the JS to email pasts@varam.gov.lv.

When filling in the Request for Changes, the PPs provide the following information for each change:

- initially planned in the Application Form: title of the work package, activity, deliverable, CC and cost item,
- requested changes: the description of necessary changes, their purpose, financial sources covering the changes, if relevant (work package, CC and cost item),
- justification and impact of requested changes: how proposed changes help achieve a project objective more efficiently and foster cooperation.

The JS within 20 days after the electronically signed final version of the Request for Changes is received at JS, assesses its compliance with the Programme requirements, decides on minor changes, or forwards the Request for Changes to the MA/MC for decision-making. When provided information is insufficient, the JS asks LP to submit an updated Request for Changes.

Requested changes are considered approved only when the decision by the JS/MA/MC is sent to the LP (except for deviations that do not require prior approval).

The JS/MA sends a decision on approval or disapproval of requested changes to the LP. In case of approval, the LP updates the Application Form and uploads relevant project documents via JEMS within the set deadline (the “Guidance for JEMS” is available on the Programme website www.latlit.eu). After checking the updated Application Form, the JS prepares the Addendum to the Subsidy Contract, if necessary, and sends it to the LP for signing. The MA expects that the Addendum to the Subsidy Contract will be signed electronically when this format of signing is available in the LP institution.

6.2.1 Deviations

Deviations from the project Application Form have no negative impact on the project implementation, project outputs and results. Amendments in the Application Form are not required.

Deviations are considered as harmonized by the JS when the JS harmonization email is sent to the LP (except for deviations that do not require prior harmonization). **The LP and PPs are responsible for keeping correspondence with the JS as a confirmation for National Control!**

See table No. 8 for described cases of deviations and procedures to be followed.

Table No. 8. **Deviations**

Description of the change	Restrictions	To do list
1. Rescheduling project activities and/or output(s) delivery	- Changes do not have a considerable impact on the project outputs and their delivery schedule.	- Communicate deviations via the Partner Report and provide summarised information on all deviations

Description of the change	Restrictions	To do list
	***Example**: in the Application Form project planned to organise two seminars in the first reporting period. Due to x reasons organisation of the second seminar is moved to the second reporting period.*	in the project via Project Report.
2. Changes in costs: – reallocation of costs between planned cost items within one CC (CC4 and CC5), – technical adjustments to cost items resulting from deviations.	- Quality of related outputs and results must not be decreased. - Technical adjustments to cost items include renaming cost items, updating comments, and adding, removing cost item, etc. based on the deviations outlined in table No. 8. - Total sums of CCs must not be exceeded. ***Example**: under CC4 costs for planned translation services are higher than expected, but savings for room rent for seminars are available, etc.*	- Communicate deviations via the Partner Report and provide summarised information on all deviations in the project via the Project Report.
3. Minor adjustments to the building/technical documentation for investments planned under CC6, that do not significantly affect the information provided in the project work plan ! Not relevant for 4th call – construction works (CC6) are not eligible)	n/a	- n/a
4. Change of LP/PP project data: - Change of name or contact details of LP/PP contact person. - Change of title of LP/PP, address of the institution, change of authorized representative, etc.	- Changes shall not affect the legal status or cause the structural change of LP/PP institution.	- Inform the JS on changes and submit relevant documents; - Update Application Form in JEMS.
5. Minor adjustments in planned activities/deliverables/budget not affecting their substance		
5.1 Change of technical specification for equipment items planned in budget and work plan	- Need for changes is strongly justified in relation to achieving the project's objectives, outputs and results, while ensuring	- It is recommended to harmonize changes with the JS in advance (before change happens) by email;

Description of the change	Restrictions	To do list
	compliance with sound financial management principles. - Changes do not cause a decrease in the quality of the equipment and do not change the purpose of its use. - It is recommended to make such changes before the procurement procedure (if applicable). If changes occur during the implementation of the procurement contract the terms of the procurement contract and the public procurement regulations should be followed. ***Example**: initially planned size of the monitor 18` needs to be changed to 22`.*	- Receive the JS harmonization via email and attach it to JEMS Shared folder. - This kind of deviations may also be requested through the Partner Report, with summarised information on all project deviations provided in the Project Report. ***Note: Prior harmonisation with the JS is recommended as the safest approach**; if deviations are reported only after they have occurred, they may be submitted for harmonisation through the Partner Report and summarized information on all deviations in the project via the Project Report. In such case the LP and PPs bear the risk that deviation might not be approved by the JS!*
5.2. Change of technical specification for planned equipment set (inclusion/exclusion of items from a set)	- Need for changes is strongly justified in relation to achieving the project's objectives, outputs and results, while ensuring compliance with sound financial management principles. - Changes do not cause a decrease in the quality of the equipment set and do not change the purpose of its use. - New equipment that was not part of the original plan may only be included if it serves the same purpose as the initially planned equipment. - It is recommended to make such changes before the procurement procedure (if applicable). If changes occur during the implementation of the procurement contract the terms of the procurement contract and the public procurement regulations should be followed. ***Example**: the plan was to purchase 3 wardrobes and 4 sofas, but later the need changed to 4 sofas, 3 wardrobes, and 1 table.*	- It is recommended to harmonize changes with the JS in advance (before change happens) by email; - Receive the JS harmonization via email and attach it to JEMS Shared folder. - This kind of deviations may also be requested through the Partner Report, with summarised information on all project deviations provided in the Project Report. ***Note: Prior harmonisation with the JS is recommended as the safest approach**; if deviations are reported only after they have occurred, they may be submitted for harmonisation through the Partner Report and summarized information on all deviations in the project via the Project Report. In such case the LP and PPs bear the risk that deviation might not be approved by the JS!*

Description of the change	Restrictions	To do list
5.3 Inclusion of missing cost item within CC4	- Need for changes is strongly justified in relation to achieving the project's objectives, outputs and results, while ensuring compliance with sound financial management principles. - Inclusion of missing cost item is necessary for the implementation of already planned activity/deliverable. - Missing cost item must be an interlinked part of planned expenditures under CC4 for already planned activity/deliverable. - Total amount of CC4 must not be exceeded. ***Example**: translation costs are missing for the organisation of the event that is planned in the work plan.*	- It is recommended to harmonize changes with the JS in advance (before change happens) by email; - Receive the JS harmonization via email and attach it to JEMS Shared folder. - This kind of deviations may also be requested through the Partner Report, with summarised information on all project deviations provided in the Project Report. ***Note: Prior harmonisation with the JS is recommended as the safest approach;** if deviations are reported only after they have occurred, they may be submitted for harmonisation through the Partner Report and summarized information on all deviations in the project via the Project Report. In such case the LP and PPs bear the risk that deviation might not be approved by the JS!*
5.4 Minor adjustments to the planned activity/budget/deliverable *(e.g.,* – *increase/decrease in the number of events originally planned,* – *change of duration of the event,* – *change of the number of the participants in the event,* – *change of topic for the event,* – *increase/decrease of number of communication or promotional materials originally planned,* – *any unsubstantial and technical in nature deviation that does not fall under the provided definitions of deviations, minor changes, or major changes).*	- Need for changes is strongly justified in relation to achieving the project's objectives, outputs and results, while ensuring compliance with sound financial management principles. - Changes do not negatively influence the quality and achievement of the project objective, outputs, results and achievement of planned target groups.	- It is recommended to harmonize changes with the JS in advance (before change happens) by email; - Receive the JS harmonization via email and attach it to JEMS Shared folder. - This kind of deviations may also be requested through the Partner Report, with summarised information on all project deviations provided in the Project Report. ***Note: Prior harmonisation with the JS is recommended as the safest approach;** if deviations are reported only after they have occurred, they may be submitted for harmonisation through the Partner Report and summarized information on all deviations in the project via the Project Report. In such case the LP and PPs bear the risk that deviation might not be approved by the JS!*

6.2.2 Minor changes

Minor changes have a minor impact on the project implementation, project outputs and results. Approval of the JS with amendments in the Application Form is required.

Requested minor changes are considered approved only when the LP receives the email from JS on approval of minor changes.

Table No. 9. **Minor changes**

Description of the change	Restrictions	To do list
1. Minor changes in planned activities/deliverables affecting their substance and requiring changes in the Application Form *(e.g.,* – *adding new set of events,* – *adding new equipment, services, products, etc.,* – *adding new communication or promotional materials, etc.).*	- Need for changes is strongly justified in relation to achieving the project's objectives, outputs and results, while ensuring compliance with sound financial management principles. - Minor changes under this point are considered substantial and cannot be treated as deviations outlined in Table No. 8. - Changes do not cause a decrease in the quality of respective activity's results and do not negatively impact project outputs and their delivery schedule. - Total sum of CC4 and CC5 must not be exceeded. - Such changes must be made before the procurement procedure (if applicable). If changes occur during the implementation of the procurement contract the terms of the procurement contract and the public procurement regulations should be followed.	- Submit electronically signed Request for Changes to the JS to email pasts@varam.gov.lv with supporting documents, if relevant (e.g., price offers for equipment, services, products, etc.); - Receive decision on changes inform JS by email; - In case of a positive decision, update the Application Form in JEMS.
2. Reallocation between cost categories and/or partners up to 15% of the initial total eligible project budget.	- Budget changes must not cause the increase of total eligible project budget. - Reallocation between CCs is relevant only for CC4 and CC5. - In case costs from/to CC1 (standard scale of unit cost) are shifted, alongside respective	- Submit electronically signed Request for Changes to the JS to email pasts@varam.gov.lv with supporting documents, if relevant (e.g., changes in cost-estimates, price offers, etc.). - If the project budget is reallocated between PPs, and as a result, PP's

Description of the change	Restrictions	To do list
	costs in Costs category "Other costs" are adjusted.	budget is increased, the updated Lead Partner/Project Partner Statement of the LP/PP with increased budget must be submitted together with the Request for Changes. ***Note**: If budget changes are introduced for the investments in equipment planned in the work plan and are related to changes in cost estimations etc., the relevant documents should be uploaded via JEMS.* - Receive decision on changes from JS by email. - In case of a positive decision, update the Application Form in JEMS and attach the updated Partnership Agreement in JEMS.
3. Change within CC1: adding/ removing staff positions, reallocating hours between positions, etc.	- Need for changes is strongly justified and principles of sound financial management are met. - Total amount of costs planned for the CC1 must not be exceeded. - Changes are relevant if the standard scale of unit cost method is used under CC1.	- Submit electronically signed Request for Changes to the JS to email pasts@varam.gov.lv. - Receive decision on changes from JS by email. - In case of a positive decision, update the Application form in JEMS.

6.2.3 Major changes

Major changes have a significant impact on the project implementation, project outputs and/or results. Approval of the MA/MC with amendments in the Application Form is required.

Requested major changes are considered approved only when the MA sends an electronically signed decision on changes to the LP.

Any changes not listed in the table below or are exceptional cases from the Programme Manual rules are subject to the decision of the MC.

Table No. 10. **Description of major changes**

Description of the change	Restrictions	To do list
1. Partnership change		
1.1. Withdrawal of project partner(s) without a replacement		
The LP/PP withdraws and no other organisation(s) takes over the implementation of the planned activities or the budget.	- Project partnership corresponds to the eligibility criteria: 1) at least one Latvian and one Lithuanian PP remain in the project., 2) at least 1 partner from source project from Programme's 1st, 2nd or 3rd call projects, or OSI project remain in the project. - Activities removed from the work plan and the withdrawn PP's role are not crucial for achieving the project objective, outputs and results. Otherwise, activities have to be taken over either by existing PP(s) or by inviting a new organisation to join the partnership.	- Submit electronically signed Request for Changes to the JS to email pasts@varam.gov.lv. - Receive an electronically signed decision on changes. - In case of a positive decision, update the Application Form in JEMS and attach the updated Partnership Agreement in JEMS.
1.2. Replacement of the LP/PP		
Replacement of withdrawn LP/PP to take over the implementation of the planned project activities and the budget.	The replacement can be done either by involving a new organisation or by giving the responsibilities of the withdrawn partner to an existing PP(s). The following should be observed: - Changes in partnership do not affect the project objective, outputs and results. - In the case the withdrawn PP has implemented part of the planned project activities and received ERDF co-financing, a new LP/PP will take over the remaining activities and the budget. - Eligibility criteria for the new LP/PP are observed. - In case the only partner from source project from Programme's 1st, 2nd or 3rd call projects, or OSI project withdraws, replaced LP/PP is another partner from the	- Submit electronically signed Request for Changes to the JS to email pasts@varam.gov.lv with relevant supporting documents: • for new PP: a letter of consent and Lead Partner/Project Partner Statement. In the case of NGO – additional supporting documents must be submitted according to section 5.1 "Application requirements" of the Programme Manual, • for existing PPs: updated Lead Partner/Project Partner Statements reflecting the increase of the project budget. - Receive an electronically signed decision on changes.

Description of the change	Restrictions	To do list
	source project, and takes over implementation of planned project activities. Project partnership corresponds to the eligibility criteria – at least one Latvian and one Lithuanian PP remain in the project.	- In the case of a positive decision, update the Application Form in JEMS and attach the updated Partnership Agreement in JEMS.
1.3. Structural or legal changes of LP/PP organisation		
Legal changes (title, legal status, etc.) of the LP/PP organisation occur.	- Eligibility criteria for the partnership must be observed.	- Submit electronically signed Request for Changes to the JS to email pasts@varam.gov.lv with supporting documents: • a copy of the official document stating the structural or legal change, • updated Lead Partner/Project Partner Statement. - Receive an electronically signed decision on changes. - In the case of a positive decision, update the project Application Form in JEMS and submit the Partnership Agreement in JEMS.
For partnership changes in points 1.1. – 1.3. MA takes the decision and informs NAs on partnership changes. The MC decides in a case respecting of eligibility criteria for the partnership is questioned.		
2. Change in the project activities		
Only activities that do not alter the objective of the project can be changed: - increase/decrease in the number of existing project outputs and/or results; - significant extension/reduction of the range of the existing project activity; - create new project output and/or activity; - hand over activity to another PP.	- Change shall not alter the objective of the project. - Changes foster more efficient achievement of the project objectives and results.	- Submit electronically signed Request for Changes to the JS to email pasts@varam.gov.lv; - If changes are introduced in the investments in equipment planned in the work plan and are related to changes in costs estimations, etc., the relevant documents should be submitted together with the Request for Changes. - Receive an electronically signed decision on changes. - In case of a positive decision, update the Application Form in JEMS and submit the updated

Description of the change	Restrictions	To do list
		Partnership Agreement in JEMS, if applicable.
MA takes a decision. The MC takes a decision on changes which reduce achievement of planned output and results.		
3. Budget reallocation		
Reallocation between CCs and/or PPs above 15% of the initial total eligible project budget	- Budget changes must not cause the increase of total eligible project budget. - Reallocation between CCs is relevant only for CC4 and CC5. - In case costs from/to CC1 (standard scale of unit cost) are shifted, alongside respective costs from costs category "Other costs" are adjusted.	- Submit electronically signed Request for Changes to the JS to email pasts@varam.gov.lv. - If applicable, submit together with the Request for Changes: • costs estimations, etc. if budget changes are introduced for costs under CC5, if applicable. • updated Lead Partner/Project Partner Statements reflecting the increase of the project budget. - Receive an electronically signed decision on changes. - In case of a positive decision, update the Application Form in JEMS and submit the updated Partnership Agreement in JEMS, if applicable.
MA takes a decision.		
4. Prolongation of the project duration		
The project duration can be prolonged if the requested prolongation is justified and the project can be successfully finished within the requested end date.	- Project can be prolonged by the necessary number of months if justification is provided.	- Submit electronically signed Request for Changes to the JS to email pasts@varam.gov.lv. - Receive an electronically signed decision on changes. - In case of a positive decision, update the Application Form.
The decision is taken by the MA. If the project requests to prolong the initial project duration by more than 6 months (this threshold is counted cumulatively if the request for prolongation is submitted more than once), the decision is taken by the MC.		

6.3 Project reporting and payments

Project reporting

During the project implementation, all projects must report on their progress regularly. Reporting will be done in JEMS according to "Guidance for JEMS" which is available on the Programme website www.latlit.eu.

The project reporting covers both: the project activities, including outputs, and the financial implementation. The report serves as the basis for the regular payments to the project and is used for monitoring of project's progress. In addition, the report is used to communicate deviations. For more information please see in subsection 6.2.1 "Deviations" of the Programme Manual.

Project reporting consists of:

1) the **Partner Reports** prepared and submitted in JEMS by LP and each PP,
2) the **Project Report** prepared and submitted in JEMS by LP,
3) the **Final Report** filled in JEMS within the Project Report for final reporting period by LP,
4) the **Report on achieved project results** submitted in JEMS by LP in a year after project end.

When compiling the Project Report, the LP must make sure that for any included expenditure a clear link to the activities/deliverables is made.

If LP/PP has no costs to report, the Partner Report still has to be formally submitted (so-called "zero costs report") by the set deadline.

As a general rule, expenditure included in the Partner Report must be paid out before the end of the respective reporting period and before the end of the project. Costs paid out outside the reporting period can be eligible only in these exceptional cases:

- Preparation costs as a lump sum.
- Costs for verification of the last Partner Report by National Control from Lithuania.
- Costs for organising or participating in events. Such costs must be reported in the reporting period when the event took place and cannot be reported in parts. They can be reported in the next reporting period when the final settling of accounts takes place).
- Costs that were not included in the correct reporting period by mistake. The costs must be essential for the project implementation and planned in the Application Form. In such cases strong justification of the situation that occurred must be provided in the Partner Progress Report.
- Costs which are withdrawn and/or postponed by the National Control/JS/MA from the respective Partner Report for additional clarification. Such costs can be reported in the following reporting period if found eligible by the National Control/JS/MA. This exception cannot be applied for the last reporting period.
- Costs of LP/PP from previous periods that were not included by LP. LP has a right not to include costs of the respective PP to Project Report due to the fact that the preparing and/or certifying of the Partner Report was delayed or due to other justified reasons. Such costs can be included in the Project Report of the following reporting period if found eligible and certified by National Control. This exception cannot be applied for the last reporting period.

The Partner Report

At the end of each reporting period, the LP and each PP must submit its Partner Report with all supporting documents to the National Control in JEMS. The National Control will verify compliance of expenditures and activities with the legal framework of the Programme. The National Control can clarify any issues and may deduct any expenditure that is considered ineligible. The National Control confirms eligible expenditure in a form of the Certificate and Control Report, which is available in JEMS for the LP, PP and all relevant Programme bodies. The National Control may postpone expenditure

under question or clarification (for example, in case of suspicion of ineligible costs, etc.) for further checks.

More information on the National Control is specified in section 6.6 “Controls and audits” of the Programme Manual.

By derogation, LP and PP can choose reporting period for the whole project duration. One joint option has to be chosen by the whole project partnership. It is not possible that some parters choose to report every 6 months, while other choose to report for the whole project duration.

The Project Report

After the National Control has issued Certificates and Control Reports for LP and all PPs, LP prepares a Project Report and submits it to the JS in JEMS. The Project Report must include information on the achievement of all project activities, deliverables and incurred expenditure during the respective reporting period. If there are questions about any part of the Project Report during the review, the JS will contact the LP for clarification or additional information. The JS/MA may withdraw and/or postpone expenditure under question or clarification (for example, in case of suspicion of possible irregularity, etc.) for further checks.

By derogation, LP and PP can choose reporting period for the whole project duration. One joint option has to be chosen by the whole project partnership. It is not possible that some parters choose to report every 6 months, while other choose to report for the whole project duration.

The Final Report

Within the Project Report for final reporting period, the LP must fill in the Final Report. The Final Report must include information on the project's final achievements, project output(s), results and cooperation.

The Report on achieved project results

The Programme will request to report on the achievement of project results one year after the project ends, as planned in the Application Form. The LP will prepare the Report on behalf of the partnership, and PPs must ensure collection and provision of the information to the LP upon request. This report contains only content and does not include any reported costs.

The timeline of reporting and payments

LP must submit Project Reports to the JS in JEMS **according to the reporting periods and deadlines for submission** as stipulated in JEMS.

Project can choose 1 of 2 options:

1) **Reporting period 6 months**
   or
2) **Reporting period – project duration.**

If a reporting period for the whole project duration is chosen, participation in a mid-term evaluation of project progress carried out by the JS will be mandatory. This may include participation in an online consultation or on-the-spot check, or submission of a mid-term report on the progress achieved.

Please note, the mid-term evaluation will not provide the possibility to receive reimbursement of expenditure; If second option is chosen, payments (one 70% payment and one 30% payment) will be made after submission and certification of the only Partner Reports and submission and approval of only Project Report, in accordance with the procedure described below.

In case the project is prolonged, reporting periods could be set according to the MA/MC decision on project prolongation. In case second reporting option is chosen, reporting period would cover the prolonged project duration.

The timeline below provides a schedule for reporting and payments.

Table No. 11. **The timeline for reporting in JEMS and payment schedule**

Activity	**The LP and PPs submit Partner Reports to the National Control**	**Verification of Partner Reports and issuing of Certificates and Control Reports by the National Control**	**The LP prepares and submits the Project Report to the JS**	**The MA processes the 1st payment (70% of reported eligible ERDF co-financing) to the LP**	**The JS approves the Project Report**	**The MA processes the 2nd payment (30% of reported eligible ERDF co-financing) to the LP**
Deadline	2 weeks after the end of the reporting period	2 months after the Partner Report is submitted	2 weeks after the National Control has issued Certificates and Control Reports	2 weeks after the Project Report is submitted	1,5 months after the 1st payment is made	2 weeks after the Project Report is approved by the JS
Total max time passed since the end of the reporting period	up to 5,5[17] months					

If during verification of the Partner Report by the National Control and Project Report check by the JS, PP or LP is asked to clarify or provide additional information about any part of the report, check of the report will be put on hold. Therefore, it is in the best interests of the project to submit correct and complete reports and to reply to questions of National Control and the JS within deadlines.

In addition, the National Control and the JS will verify the report in the order of submission, therefore it is important to submit the report in time – according to the deadline for its submission.

The MA may terminate the Subsidy Contract and request full or partial repayment of the ERDF co-financing if the LP has failed to achieve the approved financial targets, meaning that the project has not been implemented in accordance with the planned spending forecast and such failure has not been duly justified, or if the LP has failed to submit the Project Report, supporting evidence or any other necessary information requested by the Programme bodies within the set deadline.

Payments to the projects

Payments to the projects are made on a reimbursement basis and no advance payments from the Programme are available.

The Project Report verified during 1st check (for 70% payment) and approved by the JS (for 30% payment) serves as a basis for MA to transfer the ERDF co-financing to the LP account. Payments will be processed in two separate payments to the LP for costs reported via Project Report (timeline indicated in Table No. 11 above).

[17] Article 74 (1) (b) of CPR.

If the JS/MA receives information indicating a suspected irregularity or ineligible costs within a project, payments to the project may be suspended until the matter is clarified.

In case costs are to be withdrawn and/or postponed by the JS/MA from the respective Project Report, they are deducted from the respective payment. In case ineligible costs are detected during the approval of the Project Report, they will be automatically deducted from the total reported eligible costs, therefore the 2nd payment could be paid less than 30% of the total requested ERDF co-financing.

If ineligible costs, withdrawn and/or postponed costs exceed 30% of the requested ERDF co-financing, the 2nd payment will not be made and the difference will be deducted automatically from the amount of total eligible costs reported in the next Project Report (except for the last reporting period). In case withdrawn and/or postponed costs are found eligible (except for the last reporting period), they can be reported by LP or respective PP in the Partner Report of the following reporting period or are added to the next payment to the project. For the last reporting period the JS/MA will initiate the recovery procedure, if needed.

For the deduction of costs in public procurement, *Guidelines for determining financial corrections to be made to expenditure financed by the Union under shared management, for non-compliance with the rules on public procurement (Commission Decision of 19.12.2013 C(2013) 9527 final)* apply.

For the deduction of costs for not achieved or partly achieved project output indicators, *Guidelines for determining financial corrections to be made for not achieved or partly achieved project output indicators*, approved by the MA and published on the Programme website will be applied.

The LP must transfer the received ERDF co-financing to the PPs not later one month. And within 5 working days after the transfer to the PPs must upload proof (bank account statement) in JEMS.

6.4 Publicity requirements

This section sets out the Programme requirements for project communication and visibility activities. These requirements aim:

- to inform the public and relevant target groups about the project and its benefits,
- ensure transparency in the use of EU funding, and
- acknowledge the Interreg financial support provided by the Programme.

Specific communication focus for the 4th call

In line with the focus of the 4th call, **communication activities shall also support the wider uptake and use of outcomes developed by previous Programme projects**. Projects shall clearly communicate which previous project(s) and outcomes they build on, **how these outcomes are being further developed, transferred, reused, adapted, integrated or upscaled, and what added value the current project creates**. Communication activities shall be targeted at the organisations, stakeholders and other groups that can use, adopt or further promote these outcomes.

Communication shall be integrated into the relevant project activities and deliverables and planned according to the project objectives and target groups. The LP and all PPs shall actively contribute to project communication and allocate sufficient human and financial resources for implementing the applicable communication and visibility requirements.

The requirements set out in this section are in line with the applicable EU regulatory requirements[18]. Further guidance on their practical application and the use of the Programme logo is provided in the

[18] The PPs should familiarise themselves with the requirements set-up in Article 36 of Interreg Regulation and Articles 47 and 50 and Annex IX of Common Provisions Regulation.

Communication Guidelines. **Failure to comply with mandatory communication and visibility requirements may result in financial corrections** as described at the end of this section.

Mandatory Programme logo

All projects that receive European funding must inform about the support received from the EU and Interreg Latvia-Lithuania Programme.

The use of the Programme logo is mandatory. The logo combines the EU emblem[19], the statement "Co-funded by the European Union" and the Programme name "Interreg Latvia–Lithuania". The logo shall **not be modified, distorted or separated into individual elements**.

Official logo files in all available formats and language versions can be downloaded from the Programme website www.latlit.eu.

Figure No. 3. **Programme logo**

Placement and use of the Programme logo

The Programme logo shall be displayed prominently and remain clearly visible and recognizable on all communication and visibility materials. The following requirements and recommendations apply:

- **Publications and documents**: the logo should preferably be placed on the front cover.
- **Websites, platforms and digital products:** the logo shall be positioned in a place visible without scrolling down or clicking to another page.
- **Electronic banners and social media visuals:** the logo should be positioned so that it remains fully visible if the platform automatically crops or resizes the visual.
- **Videos:** the logo shall be displayed at the beginning and/or end of the video and shall have a minimum width of 240 pixels.
- **Promotional and other communication materials:** the logo shall be placed in a prominent and clearly visible position.

The size of the Programme logo shall be proportionate to the communication material and sufficient to ensure that all its elements remain clearly recognizable. The minimum size requirements are provided in the *Communication Guidelines*.

Programme logo use with other logos

When the Programme logo is displayed together with other logos, such as those of project partners or sponsors:

- the Programme logo shall be displayed at least as prominently and visibly as the other logos;

[19] In accordance with the technical specifications laid down in Annex IX of the Common Provisions Regulation.

- the **EU emblem must be at least the same size, measured by height or width, as the largest of the other logos**.

The full-colour version of the Programme logo shall be used whenever possible, preferably on a white or light background. Where this is not possible, the following alternatives apply:

- Coloured background: a white border shall be placed around the logo. The width of the border shall be equal to 1/25 of the height of the logo rectangle.
- Image or other background: where adding a white background or border is not possible due to space limitations, the design context or obstruction of an important part of the background image, the white and colour version of the logo may be used.
- Single-colour reproduction: the monochrome version may be used only where use of the full-colour version is not technically possible, for example, due to specific printing or document-production requirements.

Alternative versions of the Programme logo shall be used only where the full-colour version cannot be appropriately applied. Detailed requirements concerning the size, placement, colour, background and use of the Programme logo together with other logos are provided in the *Communication Guidelines*.

Project acronym and project logo

Projects are encouraged to use short and memorable acronyms that are easy to communicate and can be combined with the Programme logo.

If a project chooses to use a project logo, the project title or acronym shall be combined with the Programme logo using the templates available on Programme website www.latlit.eu. The requirements set out in the *Communication Guidelines* shall be followed.

The creation of a separate project logo or visual identity is generally not supported, and the related costs are not eligible, as their use is usually limited to the project duration. An exception may be granted where an existing visual identity is being further developed or where a separate visual identity is necessary to support the uptake and long-term use of project results. The need and related costs must be clearly justified and approved in the Application Form.

Statement of the Interreg support

Projects shall acknowledge support from the Interreg in all communication materials and activities produced or carried out by the project, where technically possible. This includes, but is not limited to, publications, articles, press releases, documents, reports, presentations, event materials, social media posts and audiovisual materials, such as television and video content, radio broadcasts, podcasts and influencer content.

The Programme logo, which incorporates the statement acknowledging Programme support, **must be displayed prominently on all relevant visual communication materials**. Where displaying the Programme logo is not technically possible, for example in radio broadcasts or audio-only content, Programme support **must be acknowledged verbally** or in another appropriate format.

Examples of statements on the Interreg support for different communication materials are provided in the *Communication Guidelines*.

Disclaimer on expressed opinion

Where communication materials expresses views or opinions, projects are strongly recommended to include a disclaimer clarifying that these views and opinions do not necessarily reflect those of the EU. The recommended wording and guidance on its use are provided in the *Communication Guidelines*.

Mandatory and recommended communication and visibility measures

Each project must plan and implement the communication and visibility measures applicable to its activities. The **minimum mandatory measures** include:

- creating and regularly updating the **project profile on www.latlit.eu**;
- publishing project information on the **official websites and/or social media accounts** of the LP and PPs, where such channels exist;
- displaying **durable plaques for purchased durable equipment**;
- displaying an **informative poster or equivalent electronic display** at the premises of each partner, unless a durable plaque is displayed at the same location;
- displaying the **Programme logo or the EU flag at project events**;
- **acknowledging Programme support in documents and communication materials** intended for the public or project participants.

The applicable mandatory and recommended measures are summarised in Table No. 12. Projects may implement additional cost-effective communication measures relevant to their objectives and target groups.

All mandatory communication and visibility measures shall be included as deliverables under the relevant project activities in the Application Form. Any additional communication measures for which project funding is requested shall also be planned in the Application Form.

Table No. 12. **Mandatory and recommended communication and visibility measures**

Communication or visibility measure	Requirement	Timing	Duration	Updating or maintenance
1. Project profile on www.latlit.eu	Mandatory	At the start of the project	Throughout project implementation	At least once per 3 months and when significant information or outputs become available
2. Project information on the official websites and/or social media accounts of the LP and PPs	Mandatory	At the start of the project	Basic project information, main results and publicly accessible electronic outputs shall remain available after project closure	Regularly throughout project implementation
3. Durable plaques to mark purchased durable equipment	Mandatory where the project involves equipment purchases and its total project budget exceeds EUR 100 000	As soon as the purchased equipment is installed	For at least five years after the final payment to the project	The plaque shall be restored or replaced if it is damaged, removed, outdated or no longer clearly visible

4. Informative posters at the premises of each LP and PP *Posters must be of a minimum size A3 or equivalent electronic display.	Mandatory, unless the partner has installed a durable plaque at the same location	At the start of the project	Throughout project implementation	Replace or update if damaged, outdated or no longer clearly visible
5. Display of the Programme logo or EU flag at project events *Partners may use movable stands, posters, roll-ups, banners, or other visual aids featuring the Programme logo.	Mandatory	During each project event	For the duration of the event	Not applicable
6. Acknowledgement of Programme support in documents and communication materials intended for the public or project participants	Mandatory	When the material is produced or published	As applicable to the material	Not applicable
7. Stickers on purchased equipment	Recommended as an additional visibility measure. **Stickers shall not replace mandatory plaques or posters**	After the equipment is purchased or installed	Recommended for at least five years after the final payment to the project	Replace if damaged or no longer clearly visible
8. Social media posts promoting project activities and results	Recommended	Throughout project implementation	Until the end of the project	At least 5 posts during project implementation, tagging the Programme

Project profile on Programme website (mandatory)

The Programme will provide each approved project with access to create and maintain a dedicated project subsection on the Programme website www.latlit.eu. The project must establish it **at the start of the project implementation** and **keep it up to date throughout the project duration (at least once per 3 months)**. LP and PPs must upload produced audio-visual materials, publications and other communication outputs for public interest to the project profile as soon as they are finalised.

In addition to the general project information, the project shall identify the previous project(s) and results on which the project builds. It shall explain how these results are being further developed, adapted, transferred, scaled up or mainstreamed, and describe the added value created through their further use, also highlight the target groups reached.

The project should plan sufficient resources for the maintenance and regular update of project profile.

Official websites and/or social media accounts of LP/PPs (mandatory)

LP and each PP must publish information about the project on its official website and/or social media account, where such account exists.

The information shall include a short description of the project, its objectives and planned results, the partnership, acknowledgement of Interreg financial support from the Programme, the Programme logo, and a link to the project's profile on www.latlit.eu.

As with the project profile on the Programme website, in addition to the general project information, the **project shall provide information on the previous project(s) and the results being further developed. It shall explain how these results are being transferred, adapted or scaled up.**

The information shall be published at the start of the project and kept up to date throughout project implementation to reflect project activities and achievements. Basic project information, main results and publicly accessible outputs available in electronic format shall remain available on the website after project closure.

The project information shall be easy for external users to find, navigate and access. As a recommendation, the information should be accessible within no more than 3-4 clicks from the homepage.

Durable plaques for equipment purchases (mandatory)

Where a project with a **total budget exceeding EUR 100 000 involves the purchase of durable equipment, the LP and PPs must display a durable plaque** clearly visible to the public at location where the purchased equipment is installed or used. A minimum size of A3 is recommended.

Where equipment is **installed or used at several locations, a durable plaque shall be displayed at each location.** Where several items of equipment are located at the same site, one plaque may cover all such items, provided that it clearly identifies the equipment supported by the project. Where the equipment itself is not accessible or visible to the public, the plaque shall be placed at a publicly accessible entrance or another prominent location on the partner's premises.

Applicants shall determine during project preparation the number and locations of plaques required for each partner. The costs of producing and installing the durable plaques shall be planned in the project budget.

Projects may use the non-binding plaque template provided by the Programme on www.latlit.eu or prepare their own design. Where a project uses its own design or includes additional information, the mandatory project information specified below shall remain prominent, clearly legible and occupy at least 15% of the total plaque area.

The plaques shall include the following mandatory information:

- the Programme logo in a prominent size and clearly visible position. Where the project has a logo consisting of the project acronym and the Programme logo, that logo may be used instead;
- the project title, acronym, ID and implementation period (start and end dates);
- total project budget and total ERDF co-financing.

The following information is also recommended:

- a brief description of the project, including its main objective and activities;
- name of the equipment, total purchase cost and ERDF co-financing;

- a QR code or link to the project profile on www.latlit.eu, and/or project website, if exists;
- the contact details of the responsible project partner.

Plaques shall be made of durable material suitable for long-term display. They shall remain in place, clearly visible and properly maintained for **at least five years after the final payment to the project**. If a plaque is damaged, removed or becomes illegible during this period, the responsible partner shall replace or restore it.

Stickers may be used as an additional visibility measure to identify individual items of equipment financed by the project. However, stickers shall not replace the required durable plaques.

The Programme recommends marking mobile equipment used at different locations, such as laptops, cameras, measuring devices or lawn mowers, with Programme stickers. The stickers shall be produced by the project in a size and material appropriate to the equipment. The production costs shall be planned in the project budget.

Informative posters (mandatory)

The LP and each PP must display **at least one informative poster** of a minimum A3 size, or an electronic display of an equivalent size, at their premises that is clearly visible to the public, for example, in the entrance area of the building.

The poster or electronic display shall provide information about the project and acknowledge financial support from the Interreg by the Programme.

The poster/electronic display shall include the following mandatory information**:**

- the Programme logo in a prominent size and clearly visible position. Where the project has a logo consisting of the project acronym and the Programme logo, that logo may be used instead;
- the project title, acronym, ID and implementation period (start and end dates);
- the total project budget and total ERDF co-financing.

The following information is also recommended:

- a brief description of the project, including its main objective and activities;
- a QR code or link to the project profile on www.latlit.eu and/or the project website, if such exists;
- information about the project partners, including their names and, where appropriate, logos and contact details.

Projects may use the non-binding plaque template provided by the Programme on www.latlit.eu or prepare their own design, provided that all mandatory information is included.

The poster or electronic display shall be installed at the start of the project and remain displayed throughout project implementation. It shall be replaced or updated if it becomes damaged, illegible or outdated. Where appropriate, the LP and PPs may display additional posters at project implementation sites to increase the visibility of Programme support.

Where an LP or PP has already installed a durable plaque at its premises for the purchased equipment in accordance with the Programme requirements, it is not required to display an additional informative poster at the same location.

Communication materials

Project communication shall promote the project and **support the wider use of results developed by this project and previous (source) project(s). Communication materials shall clearly identify the previous project(s) and results on which the project builds and explain how these results are being further developed, transferred, adapted, scaled up or mainstreamed**.

The link between the previous and current project(s) shall be presented in the main communication channels and materials, including the project profile on the Programme website, LP and PPs websites and/or social media accounts, and publications (press releases, articles). Where possible, projects shall provide a link to the previous project profile or other source containing information about the results being further developed.

Communication activities and materials shall be appropriate to the project objectives and target groups and shall **highlight the added value created through the further use of existing results**.

Project websites, platforms and other digital products

The creation of a new stand-alone project website outside the Programme website, www.latlit.eu, is generally not eligible. An exception may be granted where a website, platform, application, database or another digital product is necessary for achieving the project results and ensuring their long-term use beyond the project duration. The need for such a product and the related costs shall be clearly justified and approved in the Application Form.

In line with the 4th call framework, projects are expected, where relevant, to **build on existing websites, platforms, applications, databases and other digital products developed by previous project(s).** Existing digital products may be updated, expanded or adapted to support the transfer, wider uptake or upscaling of previous project results. The creation of new digital products that duplicate existing solutions shall not be supported.

The Programme's communication and visibility requirements shall be considered when updating or further developing an existing digital product.

Social media communication

Projects are encouraged to use social media to communicate their activities, achievements and results to relevant target groups. Social media communication should **also promote the further use of previous project(s) results and explain the added value created by the current project**.

Projects may acknowledge Interreg support by mentioning the EU support and the Programme in the text, displaying the Programme logo in accompanying visual materials, or using both approaches, as appropriate to the format of the post.

Projects should tag the Latvia–Lithuania Programme using **@LatviaLithuaniaProgramme** on Facebook and/or LinkedIn (depending on the social media used). At least 5 social media posts during project implementation are highly recommended.

Paid social media content must acknowledge support from the Interreg and the Programme in the text and/or accompanying visual content.

Links to the existing social media accounts used for project communication shall be provided in the project profile on the Programme website.

Promotional materials

The Programme has a strict approach to promotional materials, including gadgets, giveaways and souvenirs. Such materials may be produced only where they are necessary for reaching target groups and achieving the project objectives defined in the Application Form.

The need for promotional materials and the related costs shall be clearly justified and approved in the Application Form, otherwise they will not be considered eligible. Their relevance and cost-effectiveness will be assessed by the JS during project assessment. **Promotional materials will be approved only in duly justified exceptional cases.**

All promotional materials must be properly branded with the Programme logo in accordance with the *Communication Guidelines*. Projects are recommended to harmonise proposed design with the JS before production.

When planning promotional materials, projects should consider their environmental, social and economic impact, and give preference to:

- useful items relevant to the project activities and target groups,
- locally or regionally produced items, where available and cost-effective,
- durable, reusable and environmentally friendly materials,
- designs that can be used on multiple occasions.

Project events

Public project events should contribute to the dissemination and wider uptake of project results and be relevant and interesting for target groups and media. Where appropriate, **events should demonstrate how previous project results are being further developed or applied and provide opportunities for their transfer to new users or territories.**

Information about upcoming public project event **has to be sent to the assigned JS staff member not later than two weeks before event**. In addition, relevant information has to **be entered in the events calendar** on the Programme website www.latlit.eu as early as possible, but no later than two weeks prior to the event.

The project **must clearly display the Programme logo or the EU flag at all events, co-financed by the Programme**. Partners may use movable stands, roll-ups, banners, posters, electronic displays or other suitable visual materials to meet this mandatory requirement. Projects shall plan the necessary visibility materials and related costs in the project budget, where relevant.

Event-related documents and materials intended for participants or the public, including agenda, invitations, list of participants (where relevant), hand-outs, presentations, etc., must contain the Programme logo.

The Programme template for participant list is available on the Programme website www.latlit.eu.

Partners are encouraged to participate in the Programme events and events with Programme participation (e.g. Programme Annual events, Interreg Cooperation Day, Balts Unity Day) upon request by the MA/JS. Projects also are invited to organise their own activities as part of the Interreg Cooperation Day and/or Balts Unity Day. Both are organised in the second half of September annually.

Projects are also encouraged to participate in communication campaigns, competitions and events organised by the Interreg, Interact and the European Commission, such as the Interreg Slam and REGIOSTARS Awards. Upon request, the LP and PPs shall cooperate with the Programme in preparing applications and communication materials and in presenting or promoting project results through these initiatives.

Reporting of publicity and communication activities

The projects must report to the JS on the publicity and communication activities and provide information and proofs the same way as for other thematic activities of the project.

To ensure proper delivery, maintenance and reporting of the publicity materials each project has to:

1) Collect the evidence of the promotional activities (copies of publications, photos of events, copies of the press releases with the list of recipients, photos of physical investment marking, etc.).
2) Submit a copy of any publicity or information material together with Partner and Project Reports.
3) Keep at least one set of the produced information or promotional material at LP/PP institution for audit purposes.
4) Ensure that the marking of purchased durable equipment (permanent plaques, stickers, etc.) remains in place or is replaced if damaged for at least for five years after the final payment to the project.

Additionally, the LP/PPs shall guarantee the availability of project results to wide public also for at least five years after the project closure. LP/PPs shall also ensure that the basic project information (aims, beneficiaries, amount of co-financing and its source, description of activities) and a description of the main results are available on their websites and the project website, if one was created, even after the project closure.

Financial corrections for not respecting mandatory publicity requirements

The LP/PPs must take immediate actions to correct any mistakes related to the publicity requirements (e.g. mistakes in colours, size or distortion of the logo, incorrect, incomplete or missing information about Interreg support or project, or other). In the case LP/PPs disregards the EU and the Programme requirements on publicity, and where remedial actions have not been put into place, the MA may cancel up to 2% of the ERDF co-financing granted to the beneficiary concerned. The principle of proportionality shall be applied. Please note that failing to meet requirements set up in *Communication Guidelines* might also lead to the financial corrections.

Depending on the type of non-compliance with the requirements and/or for the first non-compliance a warning may be expressed. When it is not possible to quantify the financial amount of ineligible costs the principles indicated in Table No. 13 shall be applied to determine amount of financial correction.

Table No. 13. **Financial corrections due to mistakes in projects' publicity**

Type of mistake	Amount of correction of declared costs for production of informative or other materials
Mandatory publicity requirements have not been fulfilled**,** and it is not possible to correct mistakes	100%
Mandatory publicity requirements have been fulfilled partly**,** and it is not possible to correct mistakes (e.g. mistakes in colours, size or distortion of the logo, incorrect, incomplete or missing information about Interreg support or project, or other)	25%
Other cases	Warning, and if mistake repeated - 10%

6.5 Project closure and durability of project results

With regards to the project closure, it is important to be aware of the following:

- All outputs co-financed by the Programme must comply with the applicable Programme information and communication requirements as specified in section 6.4. "Publicity requirements" of the Programme Manual.
- Equipment and/or productive investments produced during the project implementation must be owned and maintained by the LP or PPs at least five years after the final payment to the project has been made.
- The project outputs and results, including the cooperation established within the project, must be maintained, updated, and continued for at least one year after the project ends, as specified in Annex I "Programme output and result indicators" of the Programme Manual. Projects will be asked for information on what has happened after the project one year after the project ended as specified in section 6.3. "Project reporting and payments" of the Programme Manual.
- The LP and PPs must assign a contact person for five years after the final payment of the ERDF co-financing has been made to the LP from the Programme.

Without prior consent of the MA, neither the LP nor PPs are allowed to transfer ownership, titles, industrial and intellectual property rights for outputs of the project related to investment in durable equipment items and/or productive investment during the project duration and at least five years after the final payment to the project has been made.

LP and PPs are obliged to repay the ERDF co-financing if within five years of the final payment to the LP or within the period of time set out in State aid rules, the project is subject to any of the following:

- a cessation or transfer of a productive activity outside the NUTS level 2 region in which it received support,
- a change in ownership of equipment which gives to a firm or a public body an undue advantage,
- a substantial change affecting its investment's (in equipment) nature, objectives or implementation conditions which would result in undermining its original objectives[20].

If any of the above-mentioned cases enter into force, the repayment of the ERDF co-financing shall be made in proportion to the period of non-compliance.

Availability of project-related supporting documents

The LP and PPs (each for its part) at all times are obliged to retain all files, documents and data about the project on standard data storage media in a safe and orderly manner for control and audit purposes **at least for five years** after the final payment has been made by the MA to the LP[21]. Documents shall be kept either in the form of the originals, or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents, or documents existing in electronic version only.

The following project-related supporting documents/information should be available at LP and PPs (for their parts) premises for control and audit purposes:

- Subsidy Contract, Project Partner Statements, addendums to Subsidy Contract, if applicable;
- Partnership Agreement, its amendments, if applicable,
- Relevant project correspondence,
- Reports issued by the National control (including checklists/control reports), if not available in JEMS,
- Book-keeping lists/overviews,
- Bank account statements proving reception and transfer of the ERDF co-financing,
- Invoices, contracts, acceptance acts,
- Bank account statements/proof of payment for each invoice,
- Documents confirming fulfilment of the conditions for support in the case the project is implemented via SCOs: a confirmation of employment, timesheets, justification of travel costs, justification of contract with Lithuanian NC etc.,
- Public procurement documents, including contracts,
- Proof of outputs and activities: studies, training programmes, minutes of meetings, signed participant lists for physical meetings and electronic lists of participants for online meetings, agendas, etc.,
- At least one sample of each prepared promotional material,
- Record of assets that confirms physical availability of equipment/ purchased in the framework of the project,

[20] Article 65 of Common Provisions Regulation.

[21] Due to the fact that at the start of the project the date of final payment can't be precisely projected, it is recommended, first, to set a period for retention of project documents for a period of 6 years after the end date of the project and after transfer of final payment by the MA to LP to adjust the period accordingly.

- Other project documentation confirming implementation of the project,
- Proofs that publicity rules have been respected.

The procedure for certification of conformity of these documents held on commonly accepted data carriers with the original documents must be in line with provisions set in the national legislation and shall ensure that the versions held comply with national legal requirements and can be relied on for audit and control purposes. Where documents exist in electronic form only, the computer system used shall meet accepted security standards that ensure that the documents held comply with national legal requirements and can be relied on for audit purposes.

LP/PPs that receive State aid have different retention periods of project related supporting documents. LP/PPs receiving aid granted under Article 20 of GBER have to retain documents for 10 years from the date on which the last aid was granted under the relevant GBER scheme of the Programme.

In all cases, this given retention period is interrupted either in case of legal proceedings or by a request from the EC. Other possibly longer statutory retention periods, as might be required by national law, remain unaffected.

6.6 Controls and audits

Project audit trail

LP is responsible to ensure that an adequate audit trail is documented at all levels of the project, including PPs' expenditure. Therefore, the LP has an overview on:

- who paid,
- what was paid,
- who verified, and
- where the related documents are kept,
- who is the contact person of the PP.

The LP should request that all PPs keep the documents related to the project in a safe and orderly manner at least five years after the final payment has been made by the MA to the LP. The documents are archived either as originals or as certified copies on commonly used data media (in compliance with the national legislation). If documents are retained electronically, national security standards must be met. If deemed appropriate, the LP may ask for copies of accountancy documents from the PPs.

The PPs must ensure that project funding is explicitly separated from the PP's general budget and can be clearly identified, as well as properly managed and monitored. Thus, every PP must follow these requirements for the accounting of the ERDF co-financing from the Programme:

- Separate accounting records or appropriate (project specific) accounting code for all real costs' transactions relating to the project must be used. It should be supported by accounting documents or equivalent documentation.
  Note: The SCOs are reported based on pre-defined calculation methods. Therefore, these costs are not expected to match with bookkeeping and don't have to be in the separate project account.
- Exact reported amount must be indicated on the invoice in case the invoice is partly reported to the Programme. In addition, it is recommended that project index is written or stamped on original invoices reported to the Programme.
- Book-keeping lists/overviews, i.e. list of all expenditures for all transactions relating to the project without prejudice to national accounting rules, must be available.

All PPs must ensure that all accounting documentation related to the project is available and filed separately and that all related payments of the project have a clearly distinguishable book-keeping code, even if this leads to a dual treatment of accounts. This requirement allows to file and keep

original accounting documents related to the project in a centralized filing system, e.g. in project partner organisation's financial unit according to the national legislation requirements and to make the approved copies of the accounting documents, file and keep them separately in a project folder with a reference to the place where the original documents are kept. The project folder should also contain the evidence of the project outputs, where possible (e.g. copies of brochures, photos). The documents must be kept as originals or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic version only.

National control

The National control include bodies from Latvia and Lithuania responsible for verification of LP/PP expenditure based on Partner Reports that the co-financed products and services have been delivered, expenditure declared by the LP/PPs has been paid out and that it complies with applicable legal framework and the Programme rules. It means that at the end of each reporting period LP and each PP will fill in the Partner Report and submit it with all mandatory annexes through JEMS. The National control will check the expenditure entered in the project accounts and the supporting documents (e.g., invoices, contracts, timesheets, and public procurement documentation) as well as the correct application of SCOs.

In **Latvia** the National control is **centralized** and its functions are carried out by the Ministry of Smart Administration and Regional Development of the Republic of Latvia. For LP/PPs from Latvia National control is free of charge.

In **Lithuania** a **decentralized** system is established by the Ministry of the Interior of the Republic of Lithuania. LP/PPs from Lithuania must plan costs for National control in their budgets (usually 3-4% of the total partner budget).

Detailed information on National control is available on the Programme webpage www.latlit.eu

On-the-spot checks

Verifications of the Partner Reports by National control can provide assurance on the correctness of expenditure to a large extent. Still, depending on the nature of the project its activities and purchased equipment t, such checks cannot always cover all aspects. Therefore, on-the-spot checks will be carried out by the National control with focus on the two main aspects:

1) good functioning of internal processes and systems related to the approval, ordering, accounting and payment of reported costs,
2) existence and delivery of goods and services.

During on-the-spot check the National control visits the LP/PP and verifies that certain purchases of services and products of the approved application have actually taken place during the project implementation and that the related processes (e.g., public procurement, archiving and bookkeeping) have been carried out according to rules. On-spot checks are performed by the National control at the premises of the LP/PP as well as in any other place where the project is being implemented. On-the-spot checks should check the existence of the project, especially with regard to cost items referring to the CC5 and to accounting documents that form part of the audit trail.

In Latvia, with a centralised control system, on-the-spot checks will be performed on a sample of LP/PPs depending on planned and reported costs under CC5.

In Lithuania, with a decentralised control system, on-spot verifications of LP and all PPs will be performed based on *Methodology for national controllers on risk-based management verification of expenditure*.

Second level control

The AA is the Programme body responsible for carrying out system audits and audits of projects in order to provide independent assurance to the EC that the Programme management and control system functions effectively and that expenditure submitted to the EC is legal and regular.

The projects to be audited will be selected under the appropriate sampling method, which means that LP or one or more PPs can be chosen for the second level control. The AA will check costs and original supporting documents for real costs for the respective period of time.

The audit is in most cases performed on-the-spot, at the premises of the audited body or in any other place where the project is being implemented. It is complemented by check of supporting documents submitted with reports.

Other controls and audits

In addition to the sample audits explained above, other bodies, such as the EC's audit services, the European Court of Auditors, NAs, MA, JS may carry out audits/ sample checks to verify the quality of the Programme and project implementation and in particular their financial management and compliance with EU and national rules. Projects may be audited or checked even after the project has ended. It is therefore important to ensure good documentation and the secure conservation of all project documents according to requirements specified in section 6.5 "Project closure and durability of project results".

7. Project budget

The project budget is the total amount of financial resources planned for project implementation. It is defined in the Application Form, approved by the MC when selecting projects for funding, and stipulated by the MA in a Subsidy Contract.

7.1 General requirements

Sound financial management

PPs must use project budget in line with sound financial management principles, namely in accordance with the principles of economy, efficiency and effectiveness:

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

Sub-contracting between LP/PPs and subcontracting of employees

PPs financially contributing to the project and receiving ERDF co-financing from the Programme are not allowed to subcontract each other, themselves (e.g., internal invoice) and own or LP/PPs' employees.

Avoiding conflict of interests and corruption

The Programme has zero tolerance towards the existence of a conflict of interest. A conflict of interest exists when the impartial and objective exercise of the functions of any person involved in the project is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect interest, as stipulated in Article 61 of Financial Regulation. Where there is a risk of a conflict of interests involving a member of staff in LP/PP organisation, measures and procedures indicated in Article 61 of Financial Regulation have to be applied to prevent a conflict of interests.

If any party detects the existence of conflict of interest, including a third party, it shall notify the Programme bodies via e-mail address: latlit@varam.gov.lv. The Programme bodies will maintain confidentiality regarding sources of such information.

Double financing

If other EU funds have contributed towards financing of the same expenditure, such expenditure will be not eligible as this is considered double-financing, as stipulated in Article 191 (3) of Financial Regulation.

Cost sharing

Cost sharing is not allowed according to Programme rules. The Programme defines cost sharing as a proportional allocation of certain project expenditures incurred by one PP and allocated to other PPs. A situation in which one PP conducts the procurement process while the other involved PPs receive separate invoices directly from the supplier may also be considered as form of cost sharing.

To avoid cost sharing, each PP needs to plan its own budget and report its own expenditure to the LP. Therefore, a well-planned division of tasks and project budget among the partnership is essential when setting up the project.

Value added tax (VAT)

Value added tax is eligible for LP and all PPs in all projects with total eligible budgets below 5 000 000 EUR.

However, an exception to this rule are projects with state aid. The eligibility of the VAT in projects with state aid is determined by the provisions of the GBER Regulation and depends on the possibility of its recovery in light of national regulations.

Competition and public procurement

The purchase of goods and services is subject to public procurement procedures that have to be in line with national public procurement rules, EU rules, where applicable.

The public procurement procedures aim at more efficient and transparent use of public funds and increasing competitiveness. PPs shall respect the main principles of public procurement (equal treatment, non-discrimination, transparency, free movement and competition) and sound financial management principles (economy, efficiency and effectiveness) throughout the entire process of public procurement. This also applies to purchasing goods and services below the threshold values.

LP and all PPs shall follow the public procurement rules irrespectively of their legal status, i.e., NGOs.

If national legislation on public procurement is stricter than the EU legislation, PPs shall apply national legislation.

In case of questions on applying the national public procurement rules, LP/PPs shall contact Procurement Monitoring Bureau of the Republic of Latvia (www.iub.gov.lv) and Public Procurement Office under Government of the Republic of Lithuania (www.vpt.lt).

7.2 Eligibility of costs

Programme Manual, Subsidy Contract and relevant EU and national legislation define the eligibility of costs.

As a general rule, costs shall be directly related and essential for the project implementation. They must be planned in the Application Form as well as shall not exceed the eligible budget under the respective CC, total eligible partner and project budget.

Project costs can be planned as real costs or as SCOs. Real costs are all costs incurred, actually paid and booked in the accounting system of LP/PP. SCOs are a way of reporting project costs when they are not based on real costs but based on a pre-defined methodology.

The main preconditions for **eligibility** of real costs incurred by the projects are the following:

- Expenditure has actually been paid out by LP/PP. The Programme considers that expenditure was paid out when the amount is debited from the LP/PP organisation's bank account. The bank statements usually prove the payment. The date when the invoice was issued, recorded or booked in the accounting system does not count as a payment date.
- Costs must be paid out before the end of the respective reporting period and within the project duration with exceptions stated under section 6.3 "Project reporting and payments" of the Programme Manual. The earliest date when costs can be paid out is on the next day after the project is approved by the MC.
- Only costs incurred (paid out) by LP/PP, accounted for the project and proved by delivery of works, services or supplies within the project duration could be considered as eligible project costs.
- Advance payments to the external service providers are eligible:
  1) if LP/PPs pay up to **30%** of total contract amount as advance payment, proof of partial or full delivery of goods or services is not required,

2) if a service or goods contract foresees a higher advance payment percentage, LP/PPs shall report full costs (both advance payment and remaining payment) of goods/services in the reporting period when delivery takes place and LP/PPs have to provide the proof of full delivery of goods or services.

- Costs have incurred (paid out) by the LP/PPs and would not have been incurred (paid out) without the project.
- PPs report costs under the correct CC.

The following costs are **ineligible**:

- Costs incurred and/or paid outside project duration (except for cases specified under section 6.3 “Project reporting and payments” of the Programme Manual).
- Fines, financial penalties and expenditure on legal disputes and litigation.
- Purchase of land or real estate.
- Any costs related to construction works (including preparation of technical documentation).
- Purchase of cars.
- Purchase of luxury goods.
- Costs of gifts, including awards.
- Interest on debt.
- Charges for national financial transactions (e.g., bank transfers within Latvia and Lithuania).
- Costs related to subcontracting LP/PPs or employees of LP/PP organisations.
- Costs that were already supported from any EU funds or by other international, national, regional and/or local funds.
- In-kind costs.
- Cost sharing.
- Lessor’s margin in case of lease of equipment.
- Costs of preparation of technical documentation for (re)construction costs.
- Creation of stand-alone logos or designs for projects whose use is limited to the lifetime of the project.
- The stand-alone project website outside www.latlit.eu, unless it directly serves to reach project results and exceeds the lifetime of the project.
- Promotional materials except items required explicitly for reaching defined target groups. The Programme has described such items in detail under section 6.4 “Publicity requirements” of the Programme Manual and PPs must plan them in the Application Form.

7.3 Simplified cost options

The Programme uses both real costs and SCOs. The SCOs are reported based on pre-defined calculation methods. Therefore, the Programme does not expect these costs to match with the bookkeeping system.

For SCOs general rule on eligibility of costs also applies: costs shall be directly related and essential for the project implementation, planned in the approved Application Form and they shall not exceed the eligible budget under the respective CC.

There are three types of SCOs:

1) Flat rates – are calculated as a % of the defined base cost (e.g. office and administration costs are calculated from staff costs),
2) Lump sums – the Programme reimburses once PPs fully reach the condition(s) set for the cost (e.g., preparation costs),
3) Standard Scale of Unit Costs – the Programme reimburses once PPs fully reach the unit (e.g., unit cost for staff i.e. hourly rate).

There are the following SCOs in the Programme:

1) flat rate or standard Scale of Unit Costs for CC1,
2) flat rate for CC2,
3) flat rate for CC3,
4) flat rate “Other costs”,
5) lump sum for preparation costs.

It is possible and natural that the LP/PPs expenditures will sometimes be under-compensated or over-compensated when SCOs are applied, e.g., flat rates, unit rates, lump sums.

There are many benefits of SCOs. They are typically straightforward to calculate; LP/PPs rarely make mistakes in applying them. Reporting becomes much easier as there is no need to attach invoices. Thus, SCOs help to focus the efforts more on results and less on technicalities connected with regular reporting.

7.4 Budget Options

Partners can choose from two Budget Options, which are summarized in the table below. Each budget option contains different types of SCO’s.

Budget option applies for each partner separately depending on their needs (each partner within one project may choose between these two options). However, option chosen must be used for the entire lifespan of the project and couldn’t be changed.

Table No. 14. **Budget options**

Budget option 1		**Budget option 2**	
Cost category	Form of reimbursement	Cost category	Form of reimbursement
Lump sum for project preparation 5 000 EUR per project			
CC1 Staff costs	20 % flat rate of direct costs (real costs)	CC1 Staff costs	Unit rate (17 EUR/h)
CC2 Office and administrative costs	15 % flat rate of staff costs		
CC3 Travel and accommodation costs	15 % flat rate of staff costs		
CC4 External expertise and services costs	Real costs		
CC5 Equipment costs	Real costs		
		Other costs	40 % flat rate of staff costs for all other costs

The flat rates are calculated automatically in the Application form (after planning real costs), and in JEMS when reporting (after declaring real costs). However, **Budget Options in JEMS cannot be selected automatically, thus Lead Partner/Project partner shall select SCO’s for each Budget option manually** and options shouldn’t be mixed in the budget of respective Lead Partner/Project partner.

7.5 Preparation costs

A project can receive reimbursement for the preparation costs of the project based on the following preconditions:

- PPs plan preparation costs in the Application Form, and
- LP applied for reimbursement of the preparation costs.

The Programme bases preparation costs on a lump sum of 5 000 EUR of the total project budget, corresponding to 4 000 EUR of the ERDF co-financing. PPs can split the amount among themselves.

Preparation costs will be added on top of the project budget. They will not decrease the maximum ERDF co-financing per project set according to the Programme specific objectives as specified in section 3. “Programme priorities and supported activities” of the Programme Manual.

The MA will transfer the lump sum to the bank account that the LP indicates in JEMS, together with the first payment to the project. Then LP is responsible for paying the agreed division of the preparation costs to the PPs.

7.6 Description of cost categories

PPs must plan project budget under the following CCs:

- CC1 “Staff costs”,
- CC2 “Office and administration costs”,
- CC3 “Travel and accommodation costs”,
- CC4 “External expertise and service costs”,
- CC5 “Equipment costs”,
- Cost category “Other costs”.

7.6.1 CC1 Staff costs

Staff costs consist of gross employment costs of staff employed by the LP/PP organisation engaged in the project activities. Staff costs can be planned in the Application Form and reported by one of these methods:

- SCO flat rate method (20% of total eligible LP/PP’s real costs (CC4 and CC5)), or
- SCO standard scale of unit cost method (17 EUR hourly rate for both Latvia and Lithuania), when LP/PP can report hours of an employee working under the employment contract or equivalent document.

Both methods do not require documents that expenditure has been paid out.

LP and each PP may choose the appropriate staff costs reporting method or the project partnership can decide to have one method.

LP/PP cannot change the Staff costs method during the project implementation!

Flat rate method

LP/PPs can use a flat rate to calculate and report staff costs. The calculation is done automatically in the Application Form and Partner Report.

JEMS calculates the eligible staff costs as a flat rate of 20% of total eligible LP/PP’s real costs.

When using the flat rate, the LP/PP does not need to document that the expenditure has been incurred (paid out) (filling in Programme timesheet forms is also not necessary) or to prove that the reported amount of the flat rate would correspond to the actually spent staff costs. Nevertheless, to ensure proper verification of costs reported under CC4, PPs shall provide information on employees involved in the project management/implementation to National control with the Partner Report.

- If LP/PP chooses the flat rate method, they cannot choose the standard scale of unit cost method;
- **If LP/PP chooses the flat rate method, external project management costs** (project manager, coordinator, assistant, financial managers, procurement and public relation specialists, etc.) **are ineligible.**

LP/PPs do not have to provide any supporting documentation (i.e. no invoices, payment proof, etc.) for reporting and control purposes. But at least once per project lifetime every partner will be requested to provide evidence that CC1 flat rate has been used for covering staff costs for the project for at least one employee.

Standard scale of unit cost method

Standard scale of unit cost method is calculated by applying a standard unit cost (hourly rate) fixed by the Programme that is multiplied with number of units (hours).

LP/PPs can choose to use an hourly rate to calculate and report staff costs. LP/PP can report only actual (productive) working hours dedicated to the project-related tasks. Non-productive hours related to holidays, sick leave, maternity leave, etc., are not eligible. The hourly rate is standard for all employees regardless of their position.

When planning costs, LP/PP must state the number of hours that each staff member will work on the project.

LP/PP shall calculate the eligible staff costs as a multiplication of planned hours and **17 EUR hourly rate** that is unified for all Programme territory. This rate is not affected by real rate of remuneration used within LP/PP institutions (it can be higher or lower). The calculation of staff costs using standard scale of unit cost method is done automatically in the Application Form and Partner Report after the LP/PP enters the number of hours.

In general, the following main documents must be available for control purposes:

- Employment confirmation / work agreement,
- Timesheet with reference to evidence of implemented works from the project workplan in the Application Form. The timesheet shall confirm the actual number of productive working hours worked for the project per staff member per reporting period. The template of the timesheet is available on the Programme webpage www.latlit.eu.

CC1 specific rules

- Staff costs must relate to activities which the LP/PP organisation would not carry out if the project was not undertaken.
- Daily allowances and any other travel and accommodation costs are not included under this CC.
- Staff costs must be calculated individually for each staff member both in the Application Form and the Partner Report.
- LP/PP cannot declare more than 1 720 hours per full time employee per year.
- PPs shall reduce this maximum number of hours to a pro-rata of 1 720 hours for employees working part-time in LP/PP institution. Consequently, for part-time employees (which refers to any form of employment other than a full-time contract), the maximum reportable hours are determined by multiplying the 1,720-hour baseline directly by the employee's workload percentage. The Programme will perform the check based on the Programme timesheets.

- PPs shall reduce this maximum number of hours to a pro-rata of 1 720 hours for reporting periods shorter than 12 months. For a six-month period maximum of 860 hours will be allowed.
- Employment based on hourly basis employment contracts is not eligible for the Standard Scale of Unit Cost method.
- In the timesheets LP/PP shall report information about duties and tasks implemented by each staff position during reported working hours.

  By derogation of this requirement, if for any of the management staff positions the LP/PP reports working hours that are within or equal to the limits stated below, LP/PP does not have to report detailed information on the tasks carried out during the reporting period, but must provide a concise summary of work in "Description of work performed in the reporting period" section of their timesheet form. The limits are as follows:

  - LP project management duties – 430 hours per reporting period,

  - PP project management duties per PP – 284 hours per reporting period,

  - LP/PP financial manager duties – 215 hours per reporting period.

7.6.2 CC2 Office and administration costs

Office and administration costs cover the operating and administrative expenses of the LP/PP organisation implementing project activities.

LP/PPs shall use the flat rate for calculating and reporting office and administrative costs. The calculation is done automatically in the Application Form and the Partner Report.

Eligible costs under CC2 "Office and administration costs" are calculated as a flat rate of **15%** of eligible staff costs or LP/PP may decide not to use office and administration costs in case they are not needed.

When using the flat rate, the LP/PP does not need to document that the expenditure has been incurred (paid out) or to prove that the reported amount using the flat rate would correspond to the real costs for the office and administration.

The flat rate under CC2 "Office and administration costs" covers the following costs and they cannot be reported under any other CC:

- office rent,
- insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurance),
- utilities (e.g. electricity, heating, water),
- office supplies,
- accounting,
- archives,
- maintenance, cleaning and repairs,
- security,
- IT systems (operating/administrative IT services of general nature that support project delivery. This includes maintenance costs of IT systems, e.g., costs related to the maintenance of a computer used by the project manager to administrate the project),
- communication (e.g., telephone, fax, internet, postal services, business cards),
- bank charges for opening and administering the account or accounts where the implementation of the project requires a separate opened account,
- charges for transnational financial transactions,

- costs related to the organisation of internal one partner (without the participation of LP or other PPs) meetings.

Depending on the partner's organisation set-up or project specifics, some costs might belong either to CC2 or others (e.g., CC1, CC4 or CC5).

For example:

> Services: in some projects, there may be a justified need for an accountant to be part of the project team (under CC1), whereas in other projects, support from general internal accounting service will suffice and PP shall include such costs under CC2.

PPs must include office equipment, IT hardware and software, and furniture and fittings under CC5. This does not relate to IT system support of an administrative nature; such costs fall under CC2.

LP/PPs do not have to provide any supporting documentation (i.e. no invoices, payment proof, etc.) for reporting and control purposes.

7.6.3 CC3 Travel and accommodation costs

LP/PPs shall use the flat rate for calculating and reporting travel and accommodation costs. The calculation is done automatically in the Application Form and the Partner Report.

Eligible costs under CC3 "Travel and accommodation costs" are calculated as a flat rate of 15% of eligible staff costs.

When using the flat rate, the LP/PP does not need to document that the expenditure has been incurred (paid out) or to prove that the reported amount using the flat rate would correspond to the real costs for travel and accommodation.

The following costs are covered by the flat rate under CC3, and PPs cannot report them under any other CC, as stipulated in Article 41 of Interreg Regulation:

- travel (such as tickets, travel and car insurance, fuel, car mileage, toll, parking fees, rent of vehicle),
- the cost of meals (e.g., cost of meals provided during travelling (PPs must plan and report costs for catering during events under CC4)),
- accommodation costs,
- costs related to mandatory requirements for entering countries, e.g. visa costs, mandatory health tests, etc.,
- daily allowances.

LP/PPs do not have to provide any supporting documentation (i.e. no invoices, payment proof, etc.) for control and reporting purposes. But at least once per project lifetime every partner will be requested to provide evidence that CC3 flat rate has been used for covering travel and accommodation costs for the project for at least one employee.

The flat rate for CC3 is directly linked to the staff cost and JEMS always counts these costs from the final eligible staff costs.

The flat rate only covers travel and accommodation costs of **LP/PPs' own employees**. Travel and accommodation costs of target groups, external experts and service providers are covered by CC4, except costs for rented transportation that is used for the events when project management staff and project target group participate.

7.6.4 CC4 External expertise and services costs

External expertise and services 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 of the partner organisation. LP/PPs shall base those costs on contracts or agreements concluded with external experts and service providers and paid based on invoices or equivalent requests for reimbursement.

In accordance with Article 42 of Interreg Regulation the following costs are eligible under this CC:

- studies or surveys,
- trainings,
- translations,
- development, modifications and updates to IT systems and websites except ineligible costs specified in section 7.2 “Eligibility of costs” of the Programme Manual,
- promotion, communication, publicity, promotional items and activities or information linked to a project or a Programme except ineligible costs specified in section 7.2 “Eligibility of costs” of the Programme Manual.
- financial management,
- services related to the organisation and implementation of events or meetings (including rent, catering or translation),
- participation in events (e.g., registration fees),
- legal consultancy and notarial services, technical and financial expertise and other consultancy services,
- intellectual property rights,
- costs for verifications (e.g., cost of the National control),
- the provision of guarantees by a bank or other financial organisation, where required by EU or national law or in the Programme Manual,
- travel and accommodation for the target group, external experts, speakers, chairpersons of meetings and service providers,
- insurance for equipment,
- other specific expertise and services needed for the project which are not covered by CC1 flat rate.

CC4 specific rules

- LP/PPs must follow the rules on eligibility of costs stated in section 7.1. “General requirements”.
- Costs must be borne by the LP/PP organisation.
- The work by external experts and service providers must be essential to the project and specified in the Application Form.
- All services must comply with other applicable EU and Programme information and publicity rules.
- Costs for external services are eligible if LP/PPs ensure the quality of produced outputs.
- LP/PPs must calculate the price of the external service or expertise reasonably and according to the standard rates of the country where the LP/PP concluding the contract is located.
- All additional costs related to external experts (e.g. travel and accommodation costs for external experts) must be foreseen in the service contract and planned under this CC.
- LP/PPs must include under this CC all costs of external expertise and services that are linked to an investment in equipment planned under CC5
- Costs related to the organisation of internal one partner (without the participation of LP or other PPs) meetings are not eligible under this CC, but LP/PPs could cover these costs from CC2 “Office and administration costs”.

- Wages/compensation for artists and authors are not eligible, with the exception if activities are essential for the implementation of the project and activity/costs have been specified in the approved Application Form under description of activity.
- General internal accounting services are not eligible under CC4, and LP/PPs must attribute such costs to CC2.
- Costs of groceries purchased from the shops are not eligible under CC4.
- Costs linked to awards and prizes granted or given at competitions organised by the LP/PPs are not eligible.
- If LP/PPs use rented transportation for the events where project management staff and project target group participate, total costs for transportation are eligible under CC4.
- Costs for lunch are eligible for a minimum six hours meeting, and LP/PPs can include costs for dinner for events taking place more than one day. Costs for dinner on the last day of the event are eligible if dinner is a part of networking activities.

In general, the following main documents must be available for control purposes:

1. Evidence of the procurement process (announcement, selection, award) in line with the national procurement rules.
2. A contract or an agreement laying down the services to be provided, if required by national legal act. For experts paid based on a daily fee, PPs shall provide the daily rate, the number of days contracted, and the total amount of the contract. Any changes to the contract must comply with the public procurement rules and PPs must properly document them.
3. An invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules.
4. Results of the work of external experts or service deliverables, e.g.:
   - developed documents (e.g., studies, researches, programmes),
   - developed ICT solutions,
   - etc.
5. In the case of organisation of meetings and events:
   - meeting/event agenda with indicated breaks for the catering. If catering is not indicated in the agenda, the National Control/JS/MA will ask for clarifications during the check of reported costs. If costs are not justified, they might be found ineligible.
   - memo/minutes/report of the meeting/event, if available.
   - list of participants with signatures for each day (PPs are recommended to use a standard form of a “List of participants” for reporting on physical events which is published on the Programme website www.latlit.eu) and a verifiable list of participants for online meetings.
   - photos from significant meetings/events.
   - handouts (obligatory to be provided for control purposes if the preparation of handouts is paid under CC4).
6. Proof of payment.
7. Act of delivery and receipt (if required).
8. Other documents that could be relevant according to the national legislation.

7.6.5 CC5 Equipment costs

Equipment costs cover the eligible expenditure paid by the partner organisation for purchased, rented or leased equipment necessary to achieve the project's objectives. To rent or lease equipment, LP/PP should provide justification in the project Application Form stating clear advantages of rent or lease compared to the purchase of equipment.

In the case of the equipment lease, final ownership should belong to the respective LP/PP, and the leasing period should be within the duration of project implementation.

A cross-border character and relevance of the investments in the equipment should be evident and in line with the project objective. Investments in the equipment should form a part of an overall cooperation strategy implemented by the LP/PPs.

In accordance with Interreg Regulation, the following costs are eligible under this CC:

- Office equipment costs,
- IT hardware and software costs,
- Furniture and fittings costs,
- Laboratory equipment costs,
- Machines and instruments costs,
- Tools or devices costs,
- Costs of other specific equipment needed for the project.

CC5 specific rules

- Costs must not exceed 30% from total partner budget, except where higher costs are strongly justified and are specifically planned and approved in the Application Form.
- Rules on eligibility of costs stated in section 7.1 “General requirements” must be followed.
- Costs must be borne by the LP/PP organisation.
- The needed functionality and quantity of equipment have to be justified in the Application Form.
- Costs of equipment are eligible if they are planned in the approved Application Form.
- Equipment ownership and the way of use cannot be changed – according to the rules in section 6.5 “Project closure and durability of project results”.
- All costs must comply with other applicable EU and Programme information and publicity rules (see section 6.4 “Publicity requirements”).
- Purchase of equipment is eligible if it is used solely for the purpose of the project or the target group in line with the objectives of the project and costs incurred (were paid out) within the project duration.
- LP/PPs cannot place depreciation of the equipment purchased from the project in the project budget.
- Purchase of cars is not eligible.
- Equipment cannot be purchased, rented or leased from another LP/PP.
- For equipment rented or leased for a certain period during the project lifetime, rental or leasing costs for the respective period are eligible if the necessity for renting and lease of equipment is appropriately justified and PPs plan these costs in the Application Form.
- Expenditure for insurance of the equipment permanently installed in the project is eligible only for the project duration period. PPs must provide justification for equipment insurance in the Application Form and must plan and report relevant costs for insurance under CC4.
- Costs linked to gifts, including granted or given at competitions organised by the LP/PPs are not eligible.
- Purchase of warranty for equipment for a period outside the project duration is not eligible.
- Purchase of animals is allowed only in justified cases.

The purchase costs of second-hand equipment are eligible if the following four conditions are fulfilled:

1. The seller of the equipment must provide a declaration stating its origin, and confirm that it has not been purchased with the aid of other financial instruments (EU, national, international).
2. The price of the equipment must not exceed its market value and must be less than the cost of similar new equipment.
3. The equipment must have the technical characteristics necessary for the project, and it has to comply with applicable norms and standards.
4. LP/PPs plan the purchase of second-hand equipment in the Application Form.

In general, the following main documents must be available for control purposes:

1. Evidence of the procurement process (announcement, selection, award) in line with the national procurement rules.
2. Invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules.
3. A document laying down the equipment purchase, if required by national legal acts. Any changes to the contract must comply with the public procurement rules and PPs must properly document them.
4. Proof of payment.
5. Act of delivery and receipt.
6. Pictures of purchased equipment, including proof that publicity rules have been respected (upon request).
7. Other documents that could be relevant according to national legislation.

7.6.6 Cost category "Other costs"

LP/PPs shall use the "Other costs" 40% flat rate from staff costs for calculating and reporting costs other than staff costs, e.g. office and administration, travel, external expertise and services, equipment, in compliance with the specific rules described for respective cost categories.

When using the flat rate, the LP/PP does not need to document that the expenditure has been incurred (paid out) or to prove that the reported amount using the flat rate would correspond to the real costs. But at least once per project lifetime every partner will be requested to provide evidence that 40% flat rate has been used for any cost items which are identified as eligible under this CC3, CC4, or CC5 rules.

The "Other costs" flat rate is directly linked to the staff cost and JEMS always counts these costs from the final eligible staff costs.

7.6.7 CC6 Infrastructure and works costs

For the 4th call investments in infrastructure are not eligible.

7.7 De-commitment

The Programme funding is subject to the de-commitment rule. If PPs do not spend the Programme funding according to the defined schedule (known as the 'N+3 rule'), the EC will de-commit the unspent funding from the Programme[22].

De-commitment imposes risk on the Programme's success; therefore, regular control of the Programme spending and implementation of risk-preventing countermeasures is part of the Programme's management.

The payment claims to the EC are based on the projects' reported and certified expenditures, thus very much depending on the projects' financial performance. In this regard, the Subsidy Contract will commit approved projects to follow a pre-defined spending schedule set out in the Application Form. If the Programme faces de-commitment and it cannot be secured by other means, the MA/JS will reduce budgets granted to the delayed projects. The decision on which projects are affected by the de-commitment will be based on an assessment of the project's spending plan as fixed in the

[22] Article 105 of Common Provisions Regulation.

Application Form and the actual spending rate of the projects. The MA/JS will carry out this assessment at the end of each calendar year within the approved project duration.

Any unjustified delays in reporting or in responding to clarification requests – by the LP/PPs – may result in a reduction or suspension of the ERDF funding granted with the Subsidy Contract. The Subsidy Contract provides the legal basis for the de-commitment of funding from running projects.

7.8 Irregularities and recovery of expenditure

An irregularity is any breach of the legislative acts of the EU, Republic of Latvia, Republic of Lithuania and documents of the Programme that regulate the management of the Programme. It results from the action or failure to act of any institution involved in the Programme and project implementation, which has or might have a negative influence on the general budget of the EU[23].

The Programme will consider any violation of the legislative acts of the EU, Republic of Latvia, Republic of Lithuania, and documents of the Programme found in the project activities or after project closure, for which costs have been declared to the EC, as irregularity.

The Programme will also consider the suspected fraud and fraud as irregularities.

Suspected fraud is an irregularity giving rise to the initiation of administrative or judicial proceedings at the national level to establish the presence of intentional behaviour, particularly fraud.

Fraud is any intentional act or omission relating to:

1) the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the EU or budgets managed by, or on behalf of, the EU,
2) non-disclosure of information in violation of a specific obligation, with the same effect,
3) the misapplication of funds for purposes other than those granted initially.

Possible irregularities can be identified by:

- LP and PPs,
- National Control,
- AA, EC auditors,
- MA/JS,
- NAs.

In case of possible irregularity, the MA is responsible for investigating possible irregularity cases, and deciding on irregularity existence or non-existence.

In case of irregularity existence, within MA decision, the MA indicates the method how irregularly carried out expenditure will be recovered (by deducting from the current/next payment to the LP or by requesting reimbursement from the LP). Then it notifies the LP (in case irregularity was detected for PP – also the respective PP), respective National control, AA and the respective NAs about the decision.

In case if MA requests reimbursement from the LP, the LP is obliged to repay the respective amount to the Programme by the deadline set within the MA decision. PPs shall refund to the LP any amounts unduly paid in line with the Partnership Agreement.

In cases where an irregularity originates from a breach of GBER requirements – by either competent authority granting the aid (respectively, MA or LP/PP) or the undertaking receiving the aid under Article

[23] Based on definition of the "irregularity" in Article 2 (31) of Common Provisions Regulation "irregularity" means any breach of applicable law, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the budget of the Union by charging unjustified expenditure to that budget.

20 or Article 20a of the GBER – the recovery of such unlawful and incompatible aid, along with the applicable interest, shall be performed by the MA in accordance with the Law on Control of Aid for Commercial Activity of Republic of Latvia. If an irregularity arises from a breach of Article 20a of the GBER, the undertaking shall be obliged to repay the unlawful aid to the LP/PP as a competent authority granting the aid, whereas the LP/PP shall be obliged to return the recovered unlawful aid to the MA.

After taking the decision on irregularity existence, the MA prepares an amendment to the Subsidy Contract by reducing the total project budget by the amount of irregularity, and the exact sum may not be used again by the project.

8. Resolution of complaints

Article 69(7) of the Common Provisions Regulation requires arrangements to ensure the effective examination of complaints concerning the Programme Funds.

Lodging a complaint does not affect the implementation of the decision subject to the complaint.

The complaint procedure described in this section concerns:

- complaints about decisions taken by the MA during the project selection process (administrative act or administrative decision) and complaints by third parties regarding decisions taken by the Programme authorities,
- LP's complaints to the MA against the decision taken by the MA during project implementation.

Complaints about decisions taken by the MA during the project selection process.

The MA makes a decision based on the MC's decision on the selection of projects for funding or takes the final decision if the project had to fulfil conditions.

If the applicant does not agree with the decision of the MA, it may lodge a complaint about this decision.

Submission of the complaint and formal requirements

A complaint regarding a decision of the MA taken during the project selection process, must be prepared in English and submitted by the claimant (the claimant can be the applicant (including LP of the approved project) or a third party) representative with an official letter to the State secretary of the Ministry of Smart Administration and Regional Development of the Republic of Latvia. The complaint must be submitted within one month of the day when the decision, which serves as a reason for complaining, was received.

The complaint should include:

1) Name and postal address of the legal entity (e.g., applicant organisation) or natural person filing the complaint.
2) Name of the respective authority.
3) Reference number of the project or application which is a subject of the complaint.
4) Clearly indicated reasons for the complaint, indicating the decision against which the complaint is filed. All elements which are being complaint and/or failures in adherence with Programme or Programme related documents must be listed. The applicant must list all elements of the selection process which the applicant is complaining about, including clear reference to the Programme Manual and specific documents of the call for proposals.
5) Information to what extent the decision is disputed (describing which part/article of the administrative act the complaint is about).
6) The petition (explicitly stating what decision/action applicant envisages to be taken regarding the decision taken).
7) Signature of the legal representative of legal entity (e.g., applicant organisation) or natural person.
8) Supporting documents, if relevant.

The relevant documentation will be provided solely to support the complaint and may not alter the quality or content of the assessed application or other decisions of the MA. No other grounds for the complaint will be considered during the complaint procedure.

Supplementing complaints and rejection without examination

If the complaint does not contain the necessary information as referred to above, the Ministry of Smart Administration and Regional Development of the Republic of Latvia requests the claimant to supplement the complaint with the required information within 5 (five) working days after the day on

which the claimant receives the information from the Ministry of Smart Administration and Regional Development of the Republic of Latvia. The term for completing the complaint is indicated in the official letter from the MA providing information about the shortcomings.

If the claimant fails to submit the requested information by the term specified in the Ministry of Smart Administration and Regional Development of the Republic of Latvia letter or if it submits the complaint after the time limit of one month as of the day when the decision, which serves as a reason for complaining, was received, the complaint is left unexamined.

If the complaint is left unexamined, within 10 (ten) working days the Ministry of Smart Administration and Regional Development of the Republic of Latvia informs the claimant by an official letter about the rejection of the complaint without examination, as well as electronically informs the MC.

Handling of the complaint

The maximum duration for the whole complaint procedure (from the receipt of the complaint to the decision by the Ministry of Smart Administration and Regional Development of the Republic of Latvia on the complaint) is four months.

The Ministry of Smart Administration and Regional Development of the Republic of Latvia within one month reviews the complaint. If additional documents/clarifications are needed, the Ministry of Smart Administration and Regional Development of the Republic of Latvia asks claimant to provide them.

The Ministry of Smart Administration and Regional Development of the Republic of Latvia reviews the documentation and takes a decision, based on which the Ministry of Smart Administration and Regional Development of the Republic of Latvia issues its decision.

Depending on the legal status of the claimant, the Ministry of Smart Administration and Regional Development of the Republic of Latvia issues its decision in accordance with the national laws and regulations of the Republic of Latvia:

- in the form of an administrative act if the claimant is a Latvian legal entity under private law (including NGO) or claimant is from Lithuania;
- in the form of an administrative decision if the claimant is a Latvian public authority or public equivalent body.

Complaints by third parties

Complaints lodged by third parties regarding decisions taken by the Programme authorities, are answered by MA. The answer given by MA cannot be appealed.

This is without prejudice to the general possibility to address claims on the implementation of the Programme or its projects thereunder, to the MA by citizens and stakeholders anonymously. Anonymously submitted information is not considered a complaint and is not treated as such.

LP's complaints to the MA against the decision taken by the MA during project implementation.

Submission of the complaint and formal requirements

The LP may submit a complaint on behalf of the project partnership to the MA against the decision taken by the MA during project implementation.

The LP has to prepare the complaint in English and submit it with an official letter to the MA within one month after the MA submits the final decision that is the subject of the complaint.

The complaint shall include:

- Name and postal address of the legal entity (LP organisation) filing the complaint.
- Name of the respective authority.
- Reference number of the project which is a subject of the complaint.

- Clearly indicated reasons for the complaint, indicating the decision against which the complaint is filed, listing all elements which are being complaint and/or failures in adherence with Programme or Programme related documents.
- Information on to what extent the administrative act is disputed (describing which part/article of the administrative act the complaint is about).
- The petition (explicitly stating what decision/action LP envisages to be taken regarding the decision taken).
- Signature of the legal representative of legal entity (e.g., LP organisation).
- Supporting documents, if relevant.

Handling of the complaint, supplementing the complaint and rejection without examination

Complaints about the decision taken by the MA during project implementation are solved depending on the legal status of the LP:

- in civil procedure (if the dispute cannot be resolved after the complaint has been reviewed by the MA), or
- in the form of an administrative decision. The administrative decision issued by the MA can be appealed to the State Secretary of the Ministry of Smart Administration and Regional Development of Latvia. The administrative decision cannot be appealed in court.

If the complaint does not contain the necessary information as referred to above, the MA requests claimant to supplement the complaint with the required information within 5 (five) working days. The term for completing the complaint is indicated in the official letter from the MA providing information about the shortcomings. If the claimant does not eliminate discovered shortcomings within the above-mentioned time, the complaint is left unexamined.

If the complaint is left unexamined, within 10 (ten) working days, the MA informs the claimant by an official letter about the rejection of the complaint without examination.

The maximum duration for the whole complaint procedure (from the receipt of the complaint till the final decision by the MA on the complaint) is 4 (four) months.

Annex I Programme output and result indicators

Specific objective 1.1							
Output indicator name	**Measurement unit**	**Definition**	**Time measurement achieved**	**Result indicator name**	**Measurement unit**	**Definition**	**Time measurement achieved**
Organisations cooperating across borders (RCO87)	Organisations	The indicator counts the organisations cooperating formally in supported projects. The organisations counted in this indicator are the legal entities including project partners.	Upon project finalisation.	**Organisations cooperating across borders after project completion** (RCR84)	Organisations	The indicator counts the organisations cooperating across borders after the completion of the supported projects. The organisations are legal entities involved in project implementation, including project partners. The cooperation concept should be interpreted as having a statement that the entities have a formal agreement to continue cooperation, at least one year after the end of the supported project. The cooperation agreements should be established during the implementation of the project. The sustained cooperation does not have to cover the same topic as addressed by the completed project.	One year after project completion
				Comments The target as set in the Application Form and the reported value for this result indicator should be equal to or less than the value of the corresponding output indicator – "Organisations cooperating across borders (RCO/87)". a) With the final project report project should submit formal agreement to continue cooperation at least one year after the end of the project; b) Reporting on cooperation concept between organisations one year after project completion includes a short description of cooperation activities, which were performed by organisations within one year after the end of the project.			

Specific objective 1.1							
Output indicator name	**Measurement unit**	**Definition**	**Time measurement achieved**	**Result indicator name**	**Measurement unit**	**Definition**	**Time measurement achieved**
Pilot actions developed jointly and implemented	Pilot actions	The indicator counts the pilot actions developed jointly and implemented by supported projects.	Upon project finalisation.	Solutions taken up or upscaled by organisations (RCR104)	Solutions	The indicator counts the number of solutions, other than legal or administrative solutions, that are developed by supported projects and	During project implementation / One year after project completion

in projects (RCO84)		Pilot actions developed jointly and implemented in projects means that in order for pilot action to be counted as "developed jointly", project should demonstrate **transfer, re-use, adaptation, integration, replication in new territories or new target groups or upscaling** of previously achieved outcomes in previous project rather than development of entirely new outputs. For example, making outcomes of previous project understandable, adjusted and usable for organisations or target groups that have not yet applied them (update, transfer, adaptation of guidelines or other technical solutions etc.) and afterwards testing how successful this approach was and what improvements might be needed; adjusting outcomes from previous projects to new contexts and needs (for example, tourism products improved by adding new technical solutions which allows to use product for new target groups and testing if and to what extent these improvements increase the use of the product), scale-up of pilots that have already shown practical value and were created during the implementation of projects from previous Calls for Proposals. In order to be counted by this indicator: - the pilot action needs not only to be developed, but also implemented within the project and - the implementation of the pilot action should be finalised by the end of the project. Jointly developed pilot action implies the involvement of organisations from Latvia and Lithuania in its implementation.				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.	
Comments In the Application Form PPs should describe the need for the pilot action (implementation-related activity designed to test the feasibility of jointly developed tools etc. from previously implemented				**Comments** Project should report at least '1' as target value for the result indicator "Solutions taken up or upscaled by organisations (RCR104)" if the project has chosen the output indicator "Pilot actions developed jointly and implemented in projects (RCO84)".			

projects, transfer of practices, who will participate in its development, how it will be used during project implementation and by whom, as well as who will participate in the testing of the pilot action. In order to be counted: 1) The pilot action should be jointly developed by all PPs; 2) Depending on the nature of the pilot action the Programme accepts several options for joint testing: The pilot action can be tested by PPs (or institutions owned or supervised by project partners) jointly in both countries or in each country separately, or PPs from Latvia and Lithuania can jointly test the developed pilot action in one country (for example, Lithuanian PPs physically arrive in Latvia and test pilot action jointly with Latvian PPs or Lithuanian PPs participate in testing online). If after testing only some of the PPs decide to use the piloted action, reasons why the other PPs will not use the piloted action should be provided in the Project report.	"Solution taken up or upscaled by organisations" refers to a pilot action, which after its testing was recognised as appropriate for further use without any major improvements. In the Application Form PPs should describe who and how will use and/or upscale the jointly developed solution during project implementation or after project completion, provided that after testing the pilot action will be accepted as appropriate for further use. In order to be counted when reporting either during project implementation or after project completion, the jointly developed solution should be applied at least in one of the following ways during project implementation or after project completion: 1) after the testing all PPs should decide to use it; 2) after testing part of PPs should decide to use it; 3) after the testing it should be used by other stakeholders (e.g. at national or local level etc.) The uptake/up-scaling should be documented by the adopting organisation(s) through, for instance, strategies, action plans, decisions of local/regional council, letters of commitment, organisation's list of officially provided services, information about the solution which now is available for general public in the organisation`s official website, etc. If after testing pilot action will not be considered as appropriate for further use, project should report value "1" for output indicator "Pilot actions developed jointly and implemented in projects (RCO84)" and value "0" for result indicator "Solutions taken up or upscaled by organisations (RCR104)".

Specific objective 1.1

Output indicator name	Measurement unit	Definition	Time measurement achieved	Result indicator name	Measurement unit	Definition	Time measurement achieved
Jointly developed solutions (RCO116)	Solutions	The indicator counts the number of jointly developed solutions from joint pilot actions implemented by supported projects. In order for solution to be counted as "developed jointly", project should demonstrate **transfer, re-use, adaptation, integration, replication in new territories of new target groups or upscaling** of previously achieved outcomes in other projects rather than development of entirely new outputs. In contrast to pilot action (RCO 84) within the meaning of the Programme a joint solution refers to approaches such as improving cross-border public services and digitalization of public services by increasing quality levels, adopting an improved regulation, policy document or plan, shortening time of the service delivery, expanding target groups or improving usability of services relevant in the cross-border area, establishing participatory approaches	Upon project finalisation.	Solutions taken up or upscaled by organisations (RCR104)	Solutions	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. For example, adapting and applying jointly developed solution, including, in a new territory (in Programme area), institution, or target group from Programme area.	During project implementation / One year after project completion.

		across the border, translating project experience into recommendations, standards or policy oriented uptake, combining outcomes from several projects (for example, combine outcomes from several tourism projects) into one joint solution, integrating similar outcomes from two or more projects into a one stronger joint solution, etc. NB: The solution should not have the main topics linked to administrative or legal frameworks. 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. A jointly developed solution implies the involvement of organisations from Latvia and Lithuania in the drafting and design process of the solution.					

Comments

If the solution will be used only by part of PPs, reasons why respective PPs decided to not use the jointly developed solution should be described in the Project report.

If the project develops and pilots the same solution, it should not select both output indicators “Pilot actions developed jointly and implemented in projects (RCO84)” and “Jointly developed solutions (RCO116)”.

In the project Application Form PPs should describe the need for a jointly developed solution, who will participate in its development, how it will be used during project implementation and by whom.

Comments

Project should plan at least ‘1’ as target value for the result indicator “Solutions taken up or upscaled by organisations (RCR104)” if project has chosen output indicator “Jointly developed solutions (RCO116)”.

“Solution taken up or upscaled by organisations” refers to a jointly developed solution (for example, for improving cross-border public services and digitalization of public services by increasing quality level of the service, adopting improved regulation, adopting policy document or plan, shortening time of the service delivery, expanding target group, improving usability of the service, improving participation (including feedback) opportunities etc.), which is either taken up or upscaled during project implementation or after project completion. The organisation(s) 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 organisation(s) through, for instance, strategies, action plans, decisions of local/regional council, letters of commitment, organisation’s list of officially provided services, information about the solution which now is available for general public in the organisation`s official website, etc.

In the Application Form PPs should describe who and how will use or upscale the jointly developed solution during project implementation or after project completion.

Annex II Programme's aid scheme

1. **Legal basis**

The Interreg Latvia-Lithuania 2021 – 2027 aid scheme ("Scheme") operates under Commission Regulation (EU) 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Article 107 and 108 of the Treaty, as amended by Commission Regulation (EU) 2017/1084 of 14 June 2017, Commission Regulation (EU) 2020/972 of 2 July 2020, Commission Regulation (EU) 2021/452 of 15 March 2021, Commission Regulation (EU) 2021/1237 of 23 July 2021, Commission Regulation (EU) 2023/917 of 04 May 2023 and Commission Regulation (EU) 2023/1315 of 23 June 2023 ("GBER"). The legal basis for the scheme is the European Territorial Cooperation programme Interreg VI-A Latvia-Lithuania cross border cooperation programme 2021-2027 CCI 2021TC16RFCB026 ("Programme"), approved by the Commission Implementing Decision C(2022)7183 of 4 October 2022.

2. **Objective**

The objective of this Scheme is:

- aid for costs incurred by undertakings participating in European Territorial Cooperation projects financed by the Programme (Article 20 of GBER);

- limited amounts of aid to undertakings for participation in European Territorial Cooperation projects financed by the Programme (Article 20a of GBER).

3. **Eligible area**

This scheme is available in the EU Member States participating in the Programme: Latvia and Lithuania.

4. **Duration**

01.04.2024 –31.12.2029, respecting that the final date of granting the aid under the Scheme is 30.06.2027 in accordance with Article 59 of GBER and respecting Article 58, point 4 of GBER

5. **Annual expenditure indicatively expected under the scheme**

Up to EUR 1 million.

6. **Definitions**

The definitions set out in Article 2 of GBER apply to this Scheme.

7. Exclusions

This Scheme will respect exclusions set out in paragraphs 2 to 6 of Article 1 of GBER.

The compliance of the aid applicant with the requirements of Article 1(4)(c) of GBER shall be assessed at the level of the enterprise group, taking into account the definition set out in Article 2(18) of GBER.

If the aid applicant operates also in the excluded sectors, it will ensure the separation of activities or costs, in accordance with the second subparagraph of Article 1(3) of GBER.

8. Categories of aid/aid measure

This Scheme will provide the following categories of aid as set out in Chapter III of GBER:

- Article 20 Aid for costs incurred by undertakings participating in European Territorial Cooperation projects;

- Article 20a Limited amounts of aid to undertakings for participation in European Territorial Cooperation projects.

9. Aid intensity

Maximum aid intensity for aid granted to undertaking under Article 20 of GBER is 80% of eligible costs and the maximum aid amount is equal to the maximum ERDF amount per project under the respective priority stipulated in the Programme Manual for respective Call for Proposals, approved by the Monitoring Committee of the Programme. The maximum aid amount per undertaking per project granted under Article 20a of GBER is EUR 22 000.

Threshold of aid for an undertaking is counted on level of enterprise group if the aid beneficiary belongs to such group.

10. Form of aid and eligible costs

This Scheme shall offer only forms of aid that are considered transparent. Aid awarded under the Latvia-Lithuania 2021 – 2027 aid scheme will take the form of a grant. Aid will be awarded exceptionally for the eligible costs for European Territorial cooperation projects as set out in Article 20 and Article 20a of GBER.

11. Date of granting of the aid:

- The date of granting of the aid under Article 20 of the GBER is a date of the Managing Authority's decision on awarding Programme's financing to the Project.

- The date of granting of the aid under Article 20a of the GBER is a date when the competent authority that is granting the aid (i.e. the respective institution of lead partner or project partner) provides to undertaking a firm legal entitlement to receive the aid (e.g. acceptance of undertaking's registration to participate in respective activity, decision or notification letter, signed agreement etc,).

12. Incentive effect

When relevant conditions of Article 20 and Article 20a are fulfilled, in line with provisions of Article 6 of GBER, aid to undertakings participating in the Programme's projects falls under categories of aid which are not required to have or shall be deemed to have an incentive effect.

13. Economic sectors and types of undertakings

Assistance is available across all economic sectors which are eligible to receive aid in European Territorial cooperation projects under the GBER. Aid under this Scheme is open to undertakings, given that all relevant provisions of GBER and of the Programme are respected.

14. Cumulation

Aid granted under this Scheme shall not be cumulated with other State aid for the same eligible costs.

15. Granting body

The granting body is the Managing Authority of the Programme:

Ministry of Smart Administration and Regional Development of the Republic of Latvia. Address: Peldu Str. 25, Riga, LV-1494, Latvia

16. Publication and information

Member State where the Programme Managing Authority is located shall comply with publications and information requirements as set out in Article 9 of GBER and the Managing Authority will assure the compilation and transmission of the data required to fulfil these requirements.

17. Reporting

The Programme Managing Authority will ensure the compilation of the data on aid granted in accordance with Article 20 of GBER, required for transmission to the Commission, as listed in Article 11 of GBER.

18. Monitoring

The Managing Authority of the Programme will ensure the maintenance of detailed records on aid granted in accordance with Article 20 of GBER with the information and supporting documentation necessary to ensure that all the conditions laid down in GBER are fulfilled. Such records shall be kept for 10 years from the date on which the aid was granted under this Scheme. The Managing Authority will ensure to provide all the requested information and supporting documentation which the Commission considers necessary to monitor the application of GBER regulation within the terms set in Article 12 of GBER.