

**Interreg**



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 **SUSTAINABLE**

 **ATTRACTIVE**

 **ACTIVE**

**Interreg South Baltic Programme 2021–2027**

**Terms of Reference**

**the 1st Small-scale projects call for proposals**

version 1.0

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## 1 BACKGROUND INFORMATION

Interreg South Baltic Programme 2021-2027 (hereinafter – “Programme”) opens the 1st Small-scale projects call for proposals with an aim to address particular needs, and challenges in the South Baltic Area recognized by the Programme through the cross-border cooperation and collaboration between project partners.

The scheme is proposed to fulfill defined needs, suggest relevant solutions, but also form and test new partnerships engaging not only the partners experienced in the Programme, with relevant management knowledge and skills, but also small, newcomer organizations, NGOs, and local actors.

The Small-scale project facility is seen to serve as a “training platform” or a first step for the project partners before submission of project proposals of higher complexity, more significant impact, and financing volume under regular calls for proposals.

## 2 SET-UP OF THE SMALL-SCALE PROJECT

### 2.1 Thematic focus

The thematic focus of the 1st Small-scale project facility covers all Priority Axes and Programme Measures. With the Small-scale facility, the Programme aims to ensure a more inclusive and diverse project portfolio allowing new partnerships to build capacities and develop cross-border cooperation.

Project proposals are expected to contribute to the objectives of the Programme in the following thematic areas:

#### PRIORITY 1 - Innovative South Baltic

- Programme Measure 1.1 Digitalising the region
- Programme Measure 1.2 Building connectivity of the region through internationalisation

#### PRIORITY 2 - Sustainable South Baltic

- Programme Measure 2.1 Supporting transition towards green energy
- Programme Measure 2.2 Promoting sustainable use of water
- Programme Measure 2.3 Supporting a circular and more resource efficient development

#### PRIORITY 3 - Attractive South Baltic

- Programme Measure 3.1 Developing sustainable, resilient, and innovative tourism

#### PRIORITY 4 - Active South Baltic

- Programme Measure 4.1 Strengthen the cooperation capacity of actors based within the South Baltic Area (including civil society)

More information about the thematic coverage of the Interreg South Baltic Programme 2021-2027 can be found in the [Programme document](#).

## 2.2 Project content, outputs, and result indicators

### Project content

Due to a simplified nature of the Small-scale projects, the Programme identifies only 1 **Work Package** to describe main deliverable and core activities (including management and coordination) that leads to achievement of obligatory indicators.

### Output and result indicators

Identically as for the regular projects, the Small-scale projects are expected to make a direct contribution to the Programme implementation by addressing the pre-identified indicators.

However, due to a limited size and scope of the Small-scale projects, the Programme expects respective projects to contribute to the obligatory indicators only.

All obligatory output and obligatory result indicators must be addressed by each project.

| Programme Measure (PM)   | Obligatory Indicators  |
|--|--|
| PM 1.1: Digitalising the region  | <p>Output indicator: Jointly developed solutions</p> <p>Result indicator: Solutions taken up or up-scaled by organisations</p>   |
| PM 1.2: Building connectivity of the region through internationalisation   | <p>Output indicator: Jointly developed solutions</p> <p>Output indicator: Organisations cooperating across border</p> <p>Result indicator: Solutions taken up or up-scaled by organisations</p> <p>Result indicator: Organisations cooperating across borders after project completion</p> |
| <p>PM 2.1: Supporting transition towards green energy</p> <p>PM 2.2: Promoting sustainable use of water</p> <p>PM 2.3: Supporting a circular and more resource efficient development</p> <p>PM 3.1: Developing sustainable, resilient and innovative tourism</p> | <p>Output indicator: Jointly developed solutions</p> <p>Result indicator: Solutions taken up or up-scaled by organisations</p>   |

|   |   |
|---|---|
| <p>PM 4.1: Strengthen the cooperation capacity of actors based within the South Baltic Area (incl. civil society)</p> | <p><b>Output indicator:</b> Organisations cooperating across border</p> <p><b>Result indicator:</b> Organisations cooperating across borders after project completion</p> |
|---|---|

More detailed information on the Programme indicators and the intervention logic can be found in the [Chapter III, Section 2 Contribution to the objectives of the South Baltic Programme of the Programme Manual](#) and [Annex 7 Indicator factsheet](#).

## 2.3 Partnership

### Location of project partners

Each project must be implemented by a consortium of organisations consisting of **at least two eligible partners from the Programme Area from two different Member States**.

At the same time, the Programme primarily supports multilateral cooperation with the inclusion of three or more eligible partners from the Programme Area's Member States.

Organisations located outside the Programme Area (but within the EU) can join the partnership; however, they should justify their involvement and specify their role in the project, identify their specific competencies, and functional links within and outside the Programme Area contributing to the Area's prosperity.

The partnership may be facilitated by the involvement of associated partners located within or outside the Programme Area (**but within the EU**). More information about the rules of their participation can be found in the [Chapter III, Section 3 Partnership principles in South Baltic projects of the Programme Manual](#).

**Note:**

With the decision of the European Commission from 15 December 2023, the [Olsztyński sub-region of the warmińsko-mazurskie region of Poland](#) is a part of the Interreg South Baltic Programme 2021-2027 area.

### Types and eligibility of partners

In each Small-scale project one partner should act as a lead partner and the other(s) act as project partners.

The Programme sets eligibility requirements for project partners depending on their role in the project. All partners should meet the set requirements to be deemed eligible by the Programme (please see [Chapter III, Section 3 Partnership principles in South Baltic projects of the Programme Manual.](#))

**Note:**

The Small-scale project facility identified the following specifications to the project partners:

1. SMEs cannot be included in the project as regular partners in the project; however, may be involved as associated partners.
2. The Small-scale projects call for proposals invites especially NGOs, small and not experienced organisations, new entrants into the Interreg cooperation, institutions from the hinterlands, to improve their capacities, strengthen knowledge, and cooperation skills.

### Partnership size

For the Small-scale projects the Programme recognises the partnership of 4-6 eligible partners to be the most suitable and relevant; however, the final size and the composition of the partnership is decided by the partnership based on the planned project activities and their complexity.

### Partnership Agreement

If the project is selected for the Programme's co-financing to formalise the joint implementation of the Small-scale project, partners must sign a Partnership Agreement.

To avoid any potential delays in the project start, it is recommended that the preparation and signing of the Partnership Agreement is undertaken in parallel to signing off the Subsidy Contract.

The Programme provides a template (minimum scope) for projects implemented under its framework that can be found on [the Programme website.](#)

## 2.4 Duration, financing scheme, and eligibility of costs

### Duration

Duration of the Small-scale project is up to 18 months.

All project activities should be finalised within the project duration. The prolongation of the project period may be requested only in well justified cases. Each case will be verified and decided upon separately for each requested project prolongation (please see section 5.2. of these Terms of Reference).

### Financial scheme

In the Small-scale projects partners should use two types of costs when forming the project budget:

1. Staff costs are to be planned, calculated, and reported as real costs only.
2. All other costs are to be planned, calculated, and reported as a 40% flat rate from the amount of the real costs.

**Project budget** = Staff costs + other costs (staff costs\*40%).

**NB:** Voluntary work is eligible and is included in other costs (staff costs\*40%).

More information regarding staff costs (required documents, eligible and ineligible expenditure etc.) can be found in the [Chapter IV, Section 3 Cost Categories of the Programme Manual](#).

#### Other costs

The other costs may imply to the following cost categories that generally cover needs of projects implemented under the Programme:

- Office and Administration;
- Travel and Accommodation;
- External expertise and services;
- Equipment;
- Infrastructure and works.

Please note that **no preparation costs and no closure costs** can be reported for the Small-scale projects.

The total amount of other costs is calculated as a flat rate of 40% staff costs expenditures reported and approved in each given progress report.

**NB:** Over or under-compensation of a project partner's expenditure for other costs are a natural consequence resulting from the application of a flat rate.

#### Eligibility of costs

[The Chapter IV, Section 1 General Rules on cost eligibility of the Programme Manual](#) specifies financial requirements and eligibility rules relevant to all projects implemented in the framework of the Programme.

According to the financial scheme applied for the Small-scale projects, partners have to submit supporting financial documents for staff costs only; no other costs should be supported by financial documents when reporting to the First Level Controller.

However, all partners are obliged to act according to the rules of sound financial management, follow accounting principles, carry out relevant procurement procedures, and store respective documents in accordance with the relevant EU, national legislation, and the Programme rules when implementing the Small-scale projects under the Programme.

**NB:** Partners should remember that the flat-rate method of cost reimbursement does not exempt them from adhering to the national regulations and controls conducted based on national law!

## 2.5 Financial aspects and specifications of the Small-scale projects

### Allocated Programme funding

In total the Programme dedicated 5% of its ERDF budget of 4 383 290,40 EUR to the 1st Small-scale projects call for Proposals.

### Size of the subsidy

The total maximum project budget of each Small-scale project is up to 200 000,00 EUR regardless of the targeted Programme Measure.

### Co-financing rates

The Programme provides ERDF co-financing rates for organisations participating in projects (lead partner and project partners) in the amount of 80% regardless of their geographical location.

The partners implementing Small-scale projects are obliged to complement awarded funding with their own contributions. These contributions must not come from other EU financing.

### State aid

The activities implemented under the Small-scale projects and granted ERDF co-financing are subjected to State aid regime, where relevant.

Application of State aid regime in the Programme is described in detail in the [Chapter IV, Section 9 State Aid of the Programme Manual](#).

### VAT

The Value Added Tax (VAT) is eligible for projects implemented in the Programme.

**NB:** The eligibility of VAT in projects involving State aid is defined by the provisions of the GBER and depends on the possibility of its recovery according to national regulations.

## 3 APPLICATION PROCEDURE AND SUBMISSION DEADLINE

Each Application Form is submitted via the WOD2021 Application system.



**NB:**

1. Information provided in the Application Form submitted in WOD2021 prevails over information in all other obligatory documents, attachments to the Application Form, etc.
2. The lead partner (acting as a lead applicant in the WOD2021) of the project is the only responsible partner for submitting the application on behalf of the project consortium.

Documents necessary for the application process can be found in the Application pack available on the [Programme website](#).

The Programme documents will not be altered during the call for proposals and project assessment.

The Application pack consists of:

- Announcement of the call;
- Terms of Reference;
- Supporting documents (including Supplementary Application Form);
- Guidelines for submitting and filling in the Application Form;
- Complaint template.

Applications must be completed in English, the official and working language of the Programme. Applications filled in in another language will not be considered.

Where relevant, documents should be signed with certified electronic signature OR provided in the form of a scan of handwritten signed documents and attached to the WOD2021.

Application Form in WOD2021 with all obligatory documents must be submitted by the Lead Partner by 21 March 2024, 4.00 p.m. CET at the latest.

## 4 PROJECT SELECTION

The decision on selection for funding of the Small-scale project proposals is taken by the Monitoring Committee of the Interreg South Baltic Programme 2021-2027. It is based on results of the assessment procedure carried out by the Joint Secretariat (JS) and external State aid experts.

The assessment procedure consists of:

- Admissibility and eligibility check (JS).
- Quality assessment (JS).
- State aid assessment (external expert).

Detailed information on the assessment criteria is available in the Programme Manual ([Annex 6 Project selection process and criteria](#)).

Please note that external experts will not be involved to the Quality assessment.

Results of the 1st Small-scale projects call for proposals will be in line with the Monitoring Committee's decision that is expected to be announced on 28 June 2024.

## 5 PROJECT IMPLEMENTATION

### 5.1 Contracting process

#### Subsidy Contract

After a project is approved by the Monitoring Committee, the lead partner is obliged to sign the Subsidy Contract to receive subsidy from the ERDF. The JS is responsible for contacting a project as soon as the requirements necessary to sign a contract are met.

A Subsidy Contract is signed between the Polish Ministry of Development Funds and Regional Policy (the Managing Authority for the Programme) and the lead partner of the approved Small-scale project. It confirms a final allocation of the ERDF funding to a project and forms a legal and financial framework for the implementation of project activities. In particular, the contract specifies the mutual rights and obligations of the contracting parties with regards to the payment of the ERDF funding, monitoring, and reporting, recovery of funds, control, and audit of the project. The Subsidy Contract must be signed bilaterally by the legal representatives of the Managing Authority and of the lead partner before the project's end date.

Please note that the Subsidy Contract is expected to be signed electronically by both signatories.

In exceptional cases, it is possible to conclude the Subsidy Contract in a traditional written form, however this must be arranged beforehand by the JS.

### 5.2 Rules of implementation and reporting

Unless specified otherwise in this Terms of Reference, all Small-scale projects are obliged to follow the implementation rules of the Interreg South Baltic Programme 2021-2027 defined in the [Chapter VI Project implementation of the Programme Manual](#).

#### Project reporting

The Small-scale projects are required to submit progress (and final) reports every 6 months of the project implementation.

Each report shall be submitted via CST2021 system together with the financial documents (scans) to each partner's First Level Controller responsible for verification. Afterwards, the lead partner prepares a project progress report for the purpose of summarising activities and expenditures at the project level.

The lead partner must provide the report and the attachments supporting achievement of outputs and results to the JS in the CST2021 system within 120 calendar days from the end of the 6-months implementation period and end date set in the Subsidy Contract for the final report respectively.

More information on the reporting procedures is provided in [the Chapter VI, Section 5 Monitoring and reporting of the Programme Manual](#).

### Project changes

Even though as a predominant rule each Small-scale project is expected to be implemented in line with the approved Application Form and the Subsidy Contract, it might meet challenges that require changes to the project set-up.

Please see [the Chapter IV, Section 4 Changes during project implementation of the Programme Manual](#) for more details on the types of changes recognised by the Programme, relevant procedures, and timelines.

### 5.3 Communication obligations

**All Small-scale projects are obliged to follow the communication obligations of the Interreg Regulation.**

**NB:** If the project partner does not comply with the obligations listed under items a)–i) of this section and does not take any remedial actions, the Managing Authority shall reduce the funding awarded to a given partner by a maximum of 2%.

The rules to be followed are:

- a) using the Programme logotype during the implementation of activities related to visibility, transparency, and communication. There is no need to create the project logo.



- b) placing permanent information boards or commemorative plaques with the Programme logo in public places. This should take place immediately after the commencement of the project implementation, which includes physical investments or the purchase of equipment, or after the installation of the purchased equipment. It applies to projects with a value of more than 100 000,00 EUR;
- c) for projects that do not fall within the scope of point b), placing at least one poster in public with a minimum size of A3 or a similar size electronic display, immediately after launching a project, with information about the Small-scale project: the name of the project, the name of a lead partner and the project partner(s), the Programme logo and its website address, and the support received from the Programme;

- d) displaying the information about the support from the Programme and its logo in a visible manner in documents and information materials related to the implementation of the project, intended for the general public and participants (i.e. letters, presentations, certificates, attendance lists etc.);
- e) publishing a short description of the project on each partner's respective website or social media sites (if the partner has one), including: project goals, project results, information about receiving financial support from the Programme. When publishing in social media, hashtags related to the Programme should be used: #SailingTogether #SouthBaltic #InterregSouthBaltic #NameOfYourProject, related to the EU: #UE #EuropeanCommission, and thematically related to the project activities: #GreenEnergy #InnovativeTourism, #CooperationCapacity etc.;
- f) informing the JS about the project events at least 14 days in advance. This will allow the Programme to promote the event or to plan the participation of its representatives in the event;
- g) branding materials should be used during the project event, such as roll ups, posters, or banners;
- h) informing the JS about issuing a publication and providing one copy or sending a link to it. This way allows not only to fulfil beneficiaries' obligation, but also gain an additional channel of promotion (website and social media profiles of the Programme);
- i) all written outputs developed by projects must include the notation "Free copy" and a disclaimer: "*The content of this publication is the sole responsibility of its author[s] and can under no circumstances be regarded as reflecting the position of the European Union, the Managing Authority or the Joint Secretariat of the Interreg South Baltic Programme 2021-2027*". All text documents and graphic elements included should be in a format accessible to people with special needs. An alternative text should be added to the images.

**Note:** The project's information and promotional activities should be effective. The project partners should consider what form of promotion will work for their small-scale project. Answering the questions below should help to specify an approach:

- What tools and communication channels allow to reach the public with information about the Small-scale project?
- What actions are needed to encourage the public/target group to participate in the project events and use the results of the Small-scale project in their everyday lives?

**Note:** The Small-scale projects [are not obliged to follow additional duties](#) provided in the [Communication Guidelines for Project Beneficiaries](#).

However, before closing, each project should provide one of the following communication materials:

#### Photos

1. The lead partner is obliged to provide the JS with at least two photographs, a video or an audio file that presents the challenge and/or topic of the project (networking meetings,

study visits, pilot sites etc.). The photo material should be accompanied by a written summary (up to 2700 characters with spaces) of the project activities and their results.

2. Together with the photos, project partners should provide the following information:
  - Subject of the photograph/take (short description of the situation/background of the picture/film, so that the picture/film covered by the present authorisation that can be easily identified).
  - Date of the photograph/take.
  - Location.
  - Name and email address of the photographer.
3. The photographs should have at least 300 DPI (dots per inch) resolution.
4. At least two quotes about the project with corresponding photos with the selected project partner and/or target groups.

### Success story

A story about the Small-scale project in the form of a written interview or video-recorded interview (minimum 2 min) with the selected project partner(s) should be delivered.

## 6 TIMEFRAME OF THE SMALL-SCALE FACILITY

| Timeframe for the Small-scale Facility            | Date                         |
|---|------------------------------|
| Announcement of the call for Small-scale projects | 22 February 2024             |
| Deadline for the submission of proposals          | 21 March 2024, 4.00 p.m. CET |
| Assessment of submitted proposals                 | 22 March – 13 June 2024      |
| Decision of the Monitoring Committee              | 27 June 2024                 |
| Conclusion of Subsidy Contracts                   | July - September 2024        |