



**Northern  
Periphery  
Programme**

2007–2013

## **Programme Manual**

**Version 3**



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**European Union**

# Preface

This Manual provides an overview of the planning, management and finalisation of an NPP project. It aims to assist applicants in developing and drafting their applications, as well as in implementing and closing their approved project. It is intended to be a comprehensive guide during all stages of the project - from the preparation of the application to implementation, monitoring, reporting and finalisation of project results.

The Manual is divided into 4 parts:

**Part 1: How to Apply**

**Part 2: Common Eligibility Rules**

**Part 3: How to Manage a Project**

**Part 4: How to Close a Project**

For the opening of the second call for applications, the Manual will consist of Part 1 and 2 only. Parts 3 and 4 will be made available at the relevant time.

The Programme Manual is designed to complement the Operational Programme for the Northern Periphery Programme 2007-2013. The Operational Programme provides background information on the policy framework for the Programme and outlines the main strategy in the context of the specific developmental challenges in the programme area. The Operational Programme is a reference document and together with relevant EU legislation, it offers a deeper understanding of the rationale and strategy of the programme.

The Programme Manual is part of an Application Pack, which additionally includes the following documents:

- Application form (Parts 1-2 in Word and Part 3 in Excel format)
- Instructions for Completing Application Form

All of these documents can be downloaded from the programme website:

[www.northernperiphery.eu](http://www.northernperiphery.eu)

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# 1. Introduction

Part 1 of this manual, How to Apply, gives an overview of all information relevant for developing a successful project application for the Northern Periphery Programme 2007-2013. It is therefore in your best interest to become familiar with its contents.

First, it explains the administrative setup of the Northern Periphery Programme including an overview of the eligible area and the different bodies. Then it describes the underlying vision and objectives of the Northern Periphery Programme, detailing the priorities and core concepts it is based upon.

Chapters 6 to 10 address a number of issues related to project development to ensure good implementation. First, you will find guidance on developing a project budget and describing the project's activities. The following section deals with project monitoring, in particular indicators. After that, the document focuses on the communication strategy of the project, both internal and external.

Part 1 of the manual ends with a description of the application and selection procedures as well as a summary of the eligibility and selection criteria.

## 1.1. Getting started

If you have a project idea for transnational cooperation, there are a number of steps that you should take before submitting an application.

- If you are interested in the Programme and your idea fits with the transnational focus, then get in touch with your local Regional Contact Point for a chat and for guidance on how to proceed. The network of Regional Contact Points and the Northern Periphery Secretariat (Secretariat) can assist with partner searches and the development of project ideas; their contact details are shown in Chapter 1.3. They are also able to advise on project development and whether a preparatory project may be useful to further develop the partnership and joint project plan. Preparatory project information can be found in Chapter 4.
- You should ensure that you (and any potential partners) are located within the eligible programme area. See the map and list of participating regions in Chapter 3.1 for further details.
- It is also important to familiarise yourself with the priorities and objectives of the programme, as outlined in Chapter 2.
- Please note that the programme language is English and all programme communication is carried out in the English language. As a consequence, project partners should be sufficiently proficient in English.

## **1.2. The Northern Periphery Programme 2007-2013**

The Northern Periphery Programme 2007-2013 builds on the success of the previous INTERREG IIIB programme and will continue to address the specific challenges faced by the northern regions of Europe. The overall aim of the programme is to encourage joint projects that address the priorities for co-operation shared by the programme partner countries.

The programme was formally approved by the European Commission on 28 September 2008 and is part of the European Commission's European Territorial Cooperation objective. It focuses on the special features of the Northern Periphery area in the context of the new policy framework.

The Northern Periphery Programme 2007-2013 aims to help peripheral and remote communities on the northern margins of Europe to develop their economic, social and environmental potential. To achieve this aim, innovation, business competitiveness, accessibility, the sustainable development of community and natural resources, and cultural heritage will be supported.

These aims are translated into two priorities for transnational cooperation. Each project that applies for funding must address one of the priorities for transnational co-operation:

### **1. Promoting innovation and competitiveness in remote and peripheral areas**

### **2. Sustainable development of natural and community resources**

The participating Member States include parts of Finland, Ireland, Northern Ireland, Scotland and Sweden. The Non Member States are the Faroe Islands, Greenland, Iceland and Norway. These are referred to as programme partner countries.

Between 2007-2013 the Programme will allocate around €45 million to projects that address the priorities for transnational cooperation: €35.115 million of European funds (ERDF) will be available to partners in Member States and €10.155 for partners in the Non member States. 60% of the funds are available for projects applying to Priority 1 and 40% for projects in Priority 2.

The recommended minimum size for a main project's total budget is €250 000 and the recommended maximum size is €1.5 million. In general, a 60% grant rate is applied for partners in Member States and 50% for Non Member States.

## **1.3. Programme delivery**

The programme is managed and supported by a series of different bodies that are responsible for administering the programme and assisting applicants and partners.

If you are interested in finding out more information, or would like to apply to the programme, then you should contact the relevant Regional Contact Point (RCP) in your country or the Northern Periphery Secretariat at an early stage. It cannot be stressed enough how useful it is to make contact and involve the RCPs and Secretariat, as they are a valuable resource and source of support when developing and managing a project.

### **Northern Periphery Secretariat**

The Northern Periphery Secretariat (Secretariat) carries out the day-to-day administration of the programme and works in close co-operation with the Regional Contact Points. The Secretariat is happy to assist with any queries regarding project ideas, partnerships, draft applications, project management etc. The Secretariat actively encourages applicants to consult and involve the secretariat in the development of their projects.

The Secretariat is made up of a small team of people who are based in Copenhagen, Denmark.

**Northern Periphery Secretariat**

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## Regional Contact Points

The Northern Periphery Programme covers a large geographical area and each of the participating partner countries has a Regional Contact Point, which is a local source of advice and information on the programme. Applicants should make contact with their local RCP who can offer advice and support. The RCPs work in close co-operation with the Northern Periphery Secretariat and have expertise and knowledge on how to develop and manage a transnational project. They also hold programme events throughout the year, so are definitely worth consulting for information on the programme.

Regional Contact Points (RCPs) are located in Scotland, Norway, Sweden, Finland, Iceland, Ireland, Northern Ireland, Greenland and the Faroe Islands. Contact details for the Regional Contact Points can be found below:

### Scotland

**Claire Matheson**

Highlands and Islands Enterprise  
0044 1463244252  
[claire.matheson@hient.co.uk](mailto:claire.matheson@hient.co.uk)

### Norway

**Greta Johansen**

Landsdelsutvalget  
0047 75 503 420  
[johansen@lu.no](mailto:johansen@lu.no)

### Sweden

**Bernt Vedin**

RegionVästerbotten  
0046 9016 3717  
[bernt.vedin@regionvasterbotten.se](mailto:bernt.vedin@regionvasterbotten.se)

### Finland

**Jouko Jama**

Regional Council of Lapland  
00358 16 3301 231  
[jouko.jama@lapinliitto.fi](mailto:jouko.jama@lapinliitto.fi)

### Iceland

**Þórarinn V. Sólmundarson**

Iceland Institute of Regional Development  
00354 455 5400  
[thorarinn@byggdastofnun.is](mailto:thorarinn@byggdastofnun.is)

### Ireland

**Mr. Michael O'Brien**

BMW Regional Assembly  
00353 949862970  
[mobrien@bmwassembly.ie](mailto:mobrien@bmwassembly.ie)

## Northern Ireland

**Seamus McAdams**  
SEUPB  
0044 28 7188 6131  
seamus.mcadams@seupb.eu

## Greenland

**Anders Ullrich la Cour Vahl**  
Greenland Tourism and Business Council  
00 299 34 28 31  
anders@greenland.com

## Faroe Islands

**Jákup Sørensen**  
NORA  
0045 298 30 69 94  
jakup@nora.fo

## Managing Authority

The Managing Authority is formally the body responsible for managing the programme on behalf of the participating partner countries. The Managing Authority issues the Grant Offer Letters and signs the contracts on behalf of the programme. The Managing Authority also plays an important role in the financial claim process for project partners, where the Managing Authority must make sure that all project expenditure has been adequately checked and validated by the financial controllers before it can be authorised for payment by the Certifying Authority.

Project partners may also come into contact with a couple of other programme bodies called the Certifying Authority and Audit Authority. In brief:

**The Certifying Authority** is the body that actually handles the transfer of payments to the Lead Partners.

**The Audit Authority** is responsible for sample checks of projects to ensure compliance with the necessary rules and regulations.

Further information on the claims and payment procedure will be provided at a later stage in Part 2 of this Programme Manual.

## Programme Monitoring Committee

The PMC is in charge of supervising the programme and its overall task is to ensure the quality and effectiveness of the programme's implementation. The PMC is also responsible for the assessment and approval of project applications. Each country involved in the programme is represented on the committee and decisions are made by consensus.

Contact details for PMC members can be found on the NPP website.

## Regional Advisory Groups

Regional Advisory Groups (RAGs) have been established in each programme partner country. These groups have an advisory role in the assessment procedure for project applications. RAGs consider the suitability and priority of project applications from a regional perspective and make a recommendation to the Northern Periphery Secretariat on whether or not the request for funding should be supported. The recommendations help form the basis of the Northern Periphery Secretariat's decision proposal to the Programme Monitoring Committee before the PMC makes its final decision on the project application. The members of the RAGs have different fields of expertise upon which they base their recommendations. The RAGs also promote and facilitate the creation of new transnational projects.

Contact details for RAG members can be found on the NPP website.

## 2. Programme priorities

### 2.1. Introduction to priorities

When developing a transnational project in the Northern Periphery Programme several issues need to be considered. In the early stages of development, it is important to consider whether the project contributes to the Programme's priorities for cooperation. The Programme has two priorities and each of the priorities contains two main objectives. To assist with project development, a list of broad themes and some possible project ideas are listed.

Please keep in mind that the list of potential ideas is not a full list and applicants are free to develop their own ideas, as long as they meet the priorities and objectives of the programme.

Further information on the rationale and justification for the priorities can be found in Chapter 6 of the Operational Programme.

### 2.2. Priority 1: Promoting innovation and competitiveness in remote and peripheral areas

#### i. Innovation, networks and competitiveness

##### Objective

To promote competitiveness by increasing and developing the capacity for innovation and networking in rural and peripheral areas.

##### Broad themes

- exchange of best practise and establishment of cooperation networks between R&D institutions and SMEs to increase the capacity for innovation, facilitate the design of innovation systems and strengthen competitiveness
- transnational cooperation networks and knowledge transfer to develop existing and new innovative products
- cooperation and exchange of best practice between SMEs on how to address and reach markets with existing and new products

#### Potential project ideas

- Benchmarking of innovation and SME support networks in remote and rural areas, and promotion of successful systems for the development of new support methods, models and transboundary products.
- Collaboration between the research, public and private sectors to support the development of cold climate facilities and techniques, in order to produce innovative products and services in a high tech environment.

- Transnational collaboration and knowledge exchange between SMEs in the periphery to develop marketing strategies and target new export markets by clustering to increase their products' export and market potential.
- Improvement to the provision of services to micro and small firms to engage more with research centres and to develop stronger linkages with the public sector.
- Knowledge exchange between research institutes and the private sector to develop innovative 'green' transboundary products in forestry and aquaculture, for example.
- Knowledge transfer across sectors to develop innovative solutions for adding value at source to indigenous products and methods, particularly natural resources and construction.
- Networking between enterprise centres and business incubation centres in rural and peripheral areas to design systems that increase technology transfer and the development of innovative products and services.
- Promotion of an innovative and entrepreneurial culture across the Northern Periphery by preparing and adapting educational and training systems.

## ii. Accessibility

### Objective

To facilitate development by the use of advanced information and communication technologies and transport in the programme area.

### Broad themes

- increased use of ICT to overcome distance
- implementation of ICT to modernise and to innovate industries and businesses in the Northern Periphery
- developing innovative product and service solutions for developing and maintaining transport infrastructure with regard to roads, railways, airports and ports under harsh climatic conditions
- development of transport schemes that benefit rural communities, such as new maritime routes
- maritime safety in relation to remote areas with arctic, harsh conditions
- building the capacity to respond to and prepare for emergencies and natural disasters to which the Northern Periphery is exposed.

## Potential project ideas

- Increasing educational opportunities through outreach accessibility and other innovative distance learning tools that sustain rural communities and reduce the need to travel.
- Benchmarking of advanced ICT in peripheral regions and the development of new models of provision that seek to ensure equal access to all.
- Enhancing implementation of advanced ICT in businesses and promoting the competitiveness of rural and peripheral areas in IT through out-sourcing, home based working etc.
- Sharing of management information systems in sparsely populated areas through greater use of ICT, such as a database of specialist healthcare services throughout the NPP area, for example cardiology, oncology, orthopaedics etc.

- Development of new methods and concrete initiatives to improve maritime safety and risk prevention in northern waters exposed to harsh climatic conditions, particularly in relation to the opening up of new sea routes in the periphery.
- Knowledge transfer to develop marine tourism and products and services in fields such as: planning and restructuring of ports (transition from commercial to leisure ports); water sports co-operation; marina management, development of new routes, etc.
- Joint collaboration between public and private stakeholders to prepare new inter-modal transportation links for peripheral and sparsely populated areas, including small-scale infrastructure management and linking together of airports/rail links and bus routes.
- Development of innovative and sustainable public transportation schemes and services for sparsely populated areas that reduce social exclusion and help overcome the area's dependence on private transportation.
- Testing and dissemination of new concepts and models for short sea shipping in the Northern Periphery and the development of new logistical models for freight movement in sparsely populated areas.

## 2.3. Priority 2: Sustainable development of natural and community resources

### i. Environment as an asset in the periphery

#### Objective

To strengthen the synergies between environmental protection and growth in remote and peripheral regions.

#### Broad themes

- Developing new approaches to efficient and sustainable management and utilisation of resources
- Impact and possible implications of climate change and means to reduce it at a community level
- Development of small scale renewable energy solutions

### Potential project ideas

- Transnational collaboration to develop and increase use of renewable energy solutions, such as heat loss minimisation and small-scale energy conservation measures, for example innovative wood chip pellet technologies/solar panelling/insulation etc.
- Development of links between triple helix actors to test, promote and stimulate energy efficiency through low carbon household programmes.
- Knowledge exchange to develop new transnational models and joint solutions for coastal zone management, particularly in relation to minimising the risks associated with climate change.

- Development of expertise to prepare for climate change and ensure that people, natural environments, spatial structures and associated functions suffer minimal disturbance.
- Development and testing of new initiatives that ensure that the potential favourable impacts of climate change are used to advantage in the NPP area, for example in agriculture, sustainable tourism etc.
- Cross-sector policy coordination in transport, energy, environment, regional planning and trade, to ensure increased tourism across the periphery does not negatively impact on the fragile environment.
- Initiatives to increase efficiency in established industries, such as forestry, fisheries and mining, by focusing on sustainable management of natural resources.
- Development of innovative strategies and service models for waste management and recycling in sparsely populated and peripheral areas, such as recycling, increased re-use and decomposition, and energy recovery from waste.
- Development of new models for maximising community socio-economic benefits from proximity to large-scale industries and projects, and securing local sustainable development in industries such as mining and oil exploration.

## ii. Urban-rural development and promotion of heritage

### Objective

To improve sustainable development in peripheral regions by strengthening urban-rural relations and enhancing regional heritage.

### Broad themes

- urban-rural partnerships for new service solutions
- innovative provision of existing and new services in the periphery
- private, public and voluntary sectors cooperation and networks to develop new and innovative service solutions for remote and peripheral regions
- promotion of natural and cultural heritage that supports the development of sustainable industries

### Potential project ideas

- Development of combined or “bundled” mobile rural services through transnational networks that involve the private, public and voluntary sectors in developing new service solutions for peripheral and sparsely populated areas.
- Triple helix collaboration - bringing together of national health service executives, private medical firms and medical research staff - to take advantage of potential economies of scale and to implement measures aimed at increasing efficiency of health care delivery to rural and peripheral regions.
- Establishment of urban-rural partnerships to develop new service solutions for the benefit of peripheral areas, for example through the use of innovative technologies that facilitate the participation of specialists and experts from urban areas remotely.
- Development and testing of new public-private service models that address the demographic challenges of the programme area, particularly the high proportion of elderly people in sparsely populated and rural areas.
- Pilot projects to develop joint new approaches and innovative actions to facilitate the promotion of indigenous languages and cultures amongst young people.

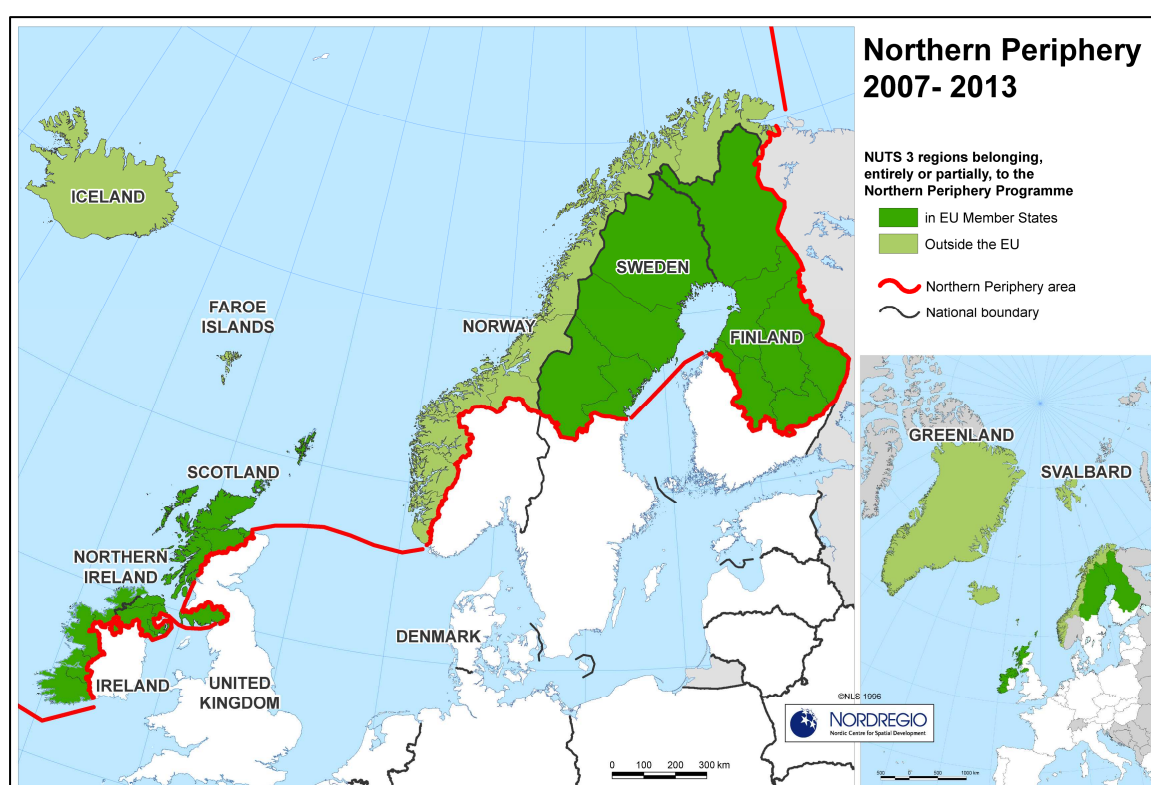
- Promotion of sustainable tourism actions that enable tourism to help maintain, or even revive the unique cultural and natural heritage of the area.
- Development of cultural heritage in the area through innovative actions to stimulate the creative industries of film, music etc, especially through the use of advanced ICT.

## 3. Programme area

### 3.1. Eligible area

The Northern Periphery Programme 2007-2013 covers a vast programme area, as shown in Figure 1. Project partners should be located within the programme area except in exceptional circumstances and specially justified cases when some geographical flexibility may be applied.

Figure 1: Map of Programme Area



Further details on the specific regions within the programme can be seen below:

Table 1: Eligible Area within European Union

<b>Finland</b>	NUTS II NUTS III	Itä-Suomi, Pohjois-Suomi Keski-Suomi
<b>Ireland</b>	NUTS IV	Donegal, Leitrim, Sligo, Galway, Mayo, Clare, Limerick, Cork, Kerry
<b>Northern Ireland</b>	NUTS III	East of Northern Ireland, North of Northern Ireland, West and South of Northern Ireland
<b>Sweden</b>	NUTS II	Mellersta Norrland, Övre Norrland,
<b>Scotland</b>	NUTS II NUTS III NUTS IV	Highlands & Islands Dumfries & Galloway North East Moray

**Table 2: Eligible Area outside European Union**

<b>Faroe Islands</b>	Entire territory
<b>Iceland</b>	Entire territory
<b>Greenland</b>	Entire territory
<b>Norway</b>	Finnmark, Troms, Nordland, Nord-Trøndelag, Sør-Trøndelag, Møre og Romsdal, Sogn og Fjordane, Hordaland, Rogaland, Svalbard

### 3.2. Criteria for partners outside area

Projects should always involve partners from within the programme area. In exceptional and fully justified circumstances the Programme Monitoring Committee may approve of a partner located outside the programme area, if the geographical flexibility criteria are met.

The criteria shall be applied as an exception and only where it delivers a significant contribution that is not otherwise available from within the programme area and the benefit of which accrues to the programme area.

The application form should contain justification for the inclusion of a partner from outside the programme area. In cases where conditions and sufficient justification are found, the Programme Monitoring Committee has the possibility to apply the flexibility criteria but it is not an obligation and the final decision is at the discretion of the PMC.

#### Geographical flexibility criteria

Circumstances which would permit the use of geographical flexibility include if:

- The specific expertise of a certain partner from outside the eligible area is deemed crucial for the project and the expertise cannot be found in the programme area.
- The external cooperation adds value to the project and the benefit accrues within the programme area.
- The project would not be able to fulfil its objectives without participation of the external partner.
- The addition of the partner enhances the results of the project in a clear and easily justified way.
- Inclusion of the external partner facilitates a particularly strategic cooperation, as defined by the Programme Monitoring Committee.

If the geographical flexibility criteria are applied, then they can be used in two different ways:

1. Up to 10% of ERDF, Norwegian or Icelandic funds may be used to finance expenditure incurred by partners located in adjacent regions of Russia and Canada. The adjacent regions of Russia encompass Murmansk, Karelia and Arkhangelsk, and the adjacent regions of Canada primarily include Labrador, Newfoundland and Nova Scotia. Any such costs incurred must be kept separate and paid through the Lead Partner's accounting system. They should also be certified by the Lead Partner's national controller, due to European financial control requirements.
2. Up to 20% of ERDF may be used to finance expenditure incurred by partners located outside the programme area but inside the European Union, and up to 20% of Norwegian funds may be used to finance expenditure incurred by Norwegian partners located outside the eligible programme area in Norway.

### **3.3. Faroese and Greenlandic Partners**

There is also a possibility for partners from the Faroe Islands and Greenland to have their contributions to the project matched with ERDF/Norwegian/Icelandic funds. Decisions on the allocation of funding to a project and the matching of Faroese/Greenlandic contributions will be made by the Programme Monitoring Committee. No special justification is required in the application form, as these partners are located within the eligible programme area.

### **3.4. Characteristics of programme area**

To be considered eligible for funding, a project must concentrate on issues that require transnational cooperation and that are of relevance to the characteristics of the programme area. The regions of the Northern Periphery share many common features and transnational cooperation provides excellent opportunities for finding new ways to address shared challenges, exploit new opportunities and promote territorial cooperation. Sparseness of population, rurality, insularity, harsh climate and peripherality are common across the programme area. When developing your project idea, it is important to keep this factor in mind and ensure that the project idea fits with the peripheral/rural focus of the programme.

In practice, this means that all projects must deal with issues that are specific to the rurality and peripherality of the programme area and that address the particular challenges and opportunities found in the programme area. Projects that focus exclusively on issues of an urban nature will not be supported. Please note that the exclusive promotion of urban-rural links forms a part of Priority 2, but this is intended to primarily benefit the rural areas of the NPP.

Further information on the specific characteristics of the programme area can be found in Chapter 4 of the Operational Programme.

## 4. Project types

### 4.1. Introduction to project types

There are two types of projects in the Northern Periphery Programme: Preparatory Projects and Main Projects. Preparatory projects are intended to assist with the development phase of applying for Main Project funding. This chapter will provide details on Preparatory Projects, as well as an introduction to Main Projects.

### 4.2. Preparatory projects

Distance and cost can often be an obstacle to the development of a strong and well-balanced project partnership in the Northern Periphery area, due to the dispersed geography of the region. Preparatory projects are a tool used in the Northern Periphery Programme to help generate high-quality main project applications. Experience from previous programmes has shown the success of preparatory projects in lowering the barriers to project development caused by the geography of the Northern Periphery Programme area.

#### Purpose of preparatory projects

- Assist with building suitable and well-balanced partnerships
- Facilitate the development of joint project plans that correspond to the objectives of the programme
- Commit partners to their contribution to the project
- Reduce the risks associated with developing a main project application

#### Minimum requirements

- An eligible project idea
- 2 contributing partners from 2 countries
- Eligible match funding in place
- Completion of the specific preparatory project application form

#### Financial information

The total budget for a preparatory project is €30 000 and the maximum grant to a preparatory project is €18 000. A grant rate of 60% of eligible costs will be applied for all partners (both Member State and Non Member State). The grant is on condition of public match funding, confirmed through co-financing documents.

#### Expected results

A preparatory project is intended to lead to an application for main project funding in the Northern Periphery Programme. However, if in the course of the project it becomes obvious that an application in this context is not possible for any number of reasons, this too would be an acceptable outcome.

The preparatory project will result in a report, describing project activities and the final results. All activities and results should be substantiated by a full report from the Lead Partner explaining and describing in detail the project work undertaken and how the final conclusions were reached. If the project cannot produce an application for main project funding, it is essential that the reasons for this outcome be described in full.

### **4.2.1. Preparatory project application procedure**

Applicants should download a copy of the “Preparatory Project Application Form and Guidance” from the NPP website and familiarise themselves with the guidelines and rules concerning a preparatory project.

An open call system is in place for the submission of preparatory project applications, meaning that they can be submitted at any time. There is a simplified application process for preparatory project applications and the application procedure is expected to take approximately one month. It proceeds as follows:

1. Completed applications should be sent to the Northern Periphery Secretariat. Applications can be rejected at this first stage if there are already similar projects in the same field of work receiving funding from the NPP or if the application is found inadmissible.
2. A check is carried out by the Northern Periphery Secretariat to verify the project's eligibility and relevance to the programme. The Northern Periphery Secretariat will consult the Regional Contact Points for regional input on the project idea and may also consult the Chair of the Programme Monitoring Committee.
3. The Northern Periphery Secretariat is authorised to make funding decisions on preparatory project applications and will take into account any comments from the Regional Contact Points. The Northern Periphery Secretariat will inform the Programme Monitoring Committee of all preparatory project decisions.
4. The Northern Periphery Secretariat will inform the applicant whether the project application has been accepted or not. Details on all approved projects and a list of beneficiaries will be published on the NPP website.

Information on the Preparatory project reporting and claim procedure will be available on the NPP website at a later stage.

### **4.3. Main projects**

In order to apply for main project funding, project partners should have a project idea for transnational cooperation that addresses one of the priorities of the programme, a joint project plan, a firm project partnership consisting of three or more partners from at least three different countries within the programme area, and national match funding should be in place. The project must also fulfil a number of requirements, as described in Chapter 5.

The remainder of Part 1 of this manual deals with the development and selection of main projects, although some information will also be of relevance to preparatory projects.

## 5. Main Features of NPP projects

### 5.1. Core concepts required in NPP projects

For a project to receive funding from the Northern Periphery Programme, it must demonstrate that it will result in the development of a product or service (added value) through transnational cooperation (transnationality). These added value and transnationality requirements are “core concepts” and form a necessary part of any NPP project. Details on transnationality and added value must be included in the application form, so it is important for applicants to understand these concepts and demonstrate how they fulfil the requirements outlined below.

#### 5.1.1. *Transnationality*

Transnationality is a core concept of the NPP and there is a special emphasis on ensuring transnationality at all stages of project development, implementation and dissemination of results. This means that activities are not carried out in isolation in one partner country, but instead there is joint transnationality running throughout the project.

Every project must demonstrate how it fulfils the minimum transnationality requirements and, if possible, goes beyond these. A minimum of 3 partners from 3 different programme partner countries is required for a main project application, of which one must be located in an EU Member State. The Programme encourages projects with a strong transnational component, but the partnership should also be well balanced, meaning that the different partners contribute and benefit to a similar extent without the dominance of one country or one partner.

All projects must meet at least three of the four transnational criteria listed below:

- i) joint development – cooperation between the partners to develop the project idea and the application. This means that project activities are developed and drafted in cooperation between the partners and that all agree to the work plan. A draft partnership agreement should also be in place and there should be joint agreement on the management structure.
- ii) joint implementation – shared project work plan with transnational activities. Partner activities should not be carried out in isolation and should contribute to the objectives and overall results of the project. There should also be common agreement between partners on project decisions and changes.
- iii) joint staffing - many project activities and tasks are of a common nature and could be jointly staffed by appointing a common project co-ordinator (normally the Lead Partner), work package co-ordinator, communication manager, etc.
- iv) joint financing – partner budgets are collected into a shared transnational total project budget for all activities.

In addition, the Northern Periphery Programme stresses the importance of a joint strategy for implementation and dissemination of project results. This should be included in the communication section of the application form.

During the main project application assessment process, the Northern Periphery Secretariat and Programme Monitoring Committee will also assess other transnational aspects, such as a qualitative evaluation of the transnational impact. This will encompass a qualitative assessment of transnational aspects, such as the balance of activities and results across the programme area and the transnational partnership.

### **5.1.2. *Added value from transnational cooperation***

All projects should develop a tangible product or service, which is what the concept of added value refers to. Each project must make a distinctive contribution and add value by developing concrete, tangible and innovative new products or services. In programme terms, this requirement means that each project must result in the development of a transboundary product:

- **by working together to produce a new product that has a transnational or transregional character.**
- **by working together to produce a new service that has a transnational or transregional character.**

In addition to outlining the type of products or services to be developed, applicants must describe the functionality of the product or service and its future viability.

To achieve these results, a number of methods are encouraged, as outlined below:

**Innovation:** working together to develop new or innovative economic development solutions that can be applied in practice in more than one country/region;

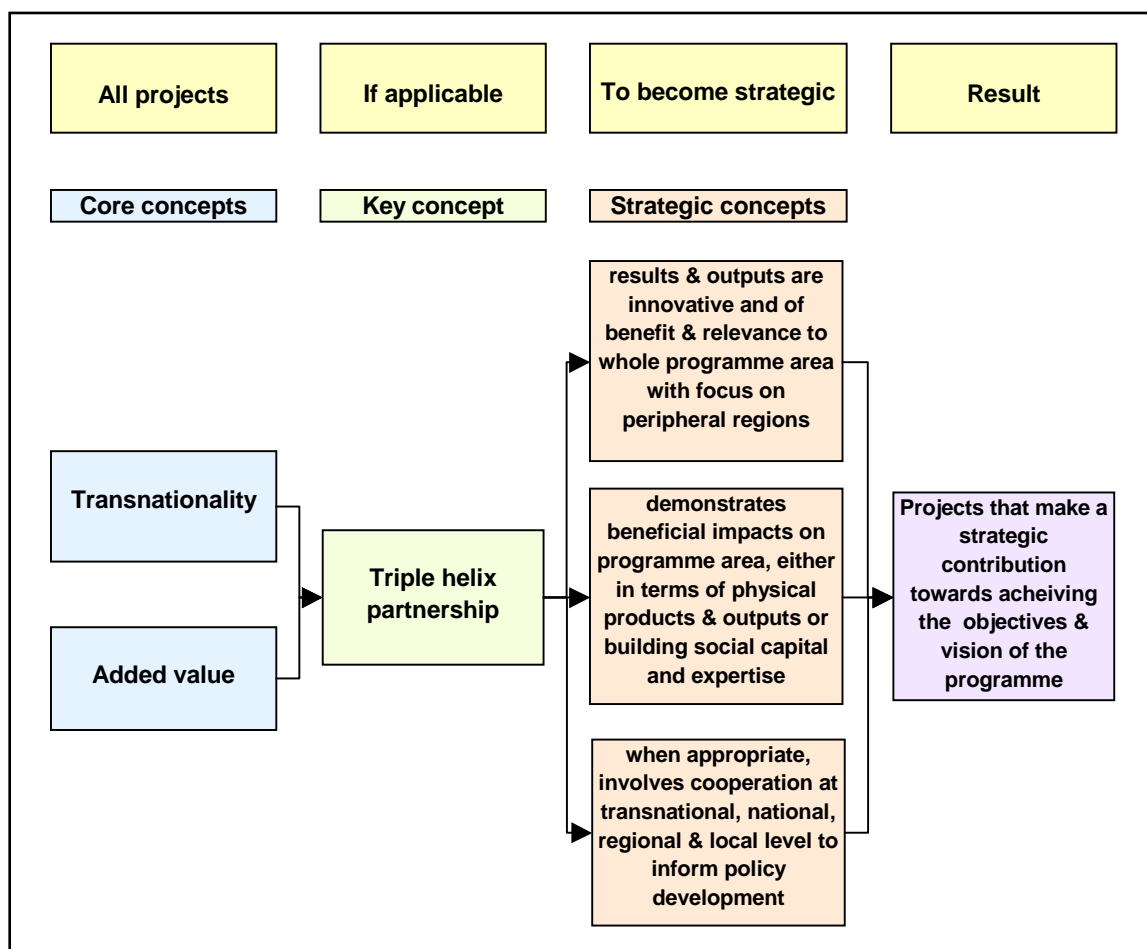
**Knowledge transfer:** facilitating the transfer of economic development solutions, and their practical application, from one country/region to another;

**Organisational learning:** exchange of ideas, experience and good practice that improve the stock of organisational knowledge. Topics addressed should be of strategic interest for the daily work of all project partners. For the utilisation of the project results, the project needs to be fully integrated into the overall objectives of the organisation.

Careful consideration should be given to what products and/or services the project is developing and the innovativeness of these. This information should be clearly outlined in the application form.

Figure 2 illustrates how the concepts of transnational cooperation in the Northern Periphery can be applied to develop innovative and strategic projects that make a significant contribution to meeting the objectives and vision of the programme. Note that specific calls will be launched for strategic projects in the future.

Figure 2: Northern Periphery Programme Concepts



## 5.2. Horizontal principles

A horizontal principle is a principle that must be integrated throughout the programme and in all projects. Equal opportunities and sustainable development are horizontal principles in the Northern Periphery Programme, meaning that every project approved by the Northern Periphery Programme is required to contribute to their improvement. An equality and sustainable perspective must be incorporated in every project and at all stages; from project design and delivery, through to project evaluation. The integration of these horizontal principles is often called “mainstreaming”. Understanding and demonstrating equality issues and sustainability are therefore highly relevant to all applicants.

The guidance outlined below defines these principles and outlines a number of issues that should be taken into account when planning and designing a project in the Northern Periphery Programme.

### 5.2.1. Equal opportunities

The principle of equal opportunities in the Northern Periphery Programme is defined to reflect the varied languages, cultures and people of the programme area. In this regard,

equal opportunities covers more than gender equality and is taken in a broader context to incorporate:

**the prevention and elimination of discrimination between people on grounds of gender, marital status, cultural and social background, disabilities, age, sexual orientation, language or other personal attributes, such as religious beliefs or political opinions.**

Applicants should describe the processes by which they have considered the equal opportunities implications on the design and delivery of the project and the evaluation of its objectives and outcomes. References to partners' equal opportunity policies are not sufficient and evidence of design considerations is recommended.

The application form contains 2 categories for equal opportunities:

- The project is positive in terms of equal opportunities
- The project is neutral in terms of equal opportunities

**During the project selection process higher priority will be given to projects that make a positive impact on equal opportunities.** Projects that have a negative effect on equal opportunities will not be supported.

Applicants must describe how they contribute to furthering equal opportunities and they must be able to fully justify their choice of equal opportunities indicator. In the project development phase it is important to carefully consider how equal opportunities can be offered to all and below are some points to help initiate the process:

- > Will certain groups of people have difficulties attending project events or accessing project information?
- > Does the meeting location, time or promotional material represent any barriers to participation?
- > Does the project reflect the society it is operating in and have any attempts been made to reflect this diversity? Is progression support required for particular groups?
- > Do the staff recruitment processes carried out in the project adhere to the principles of equal opportunities?
- > Are there any other barriers to participation (gender, equality, social inclusion)?
- > Is equality promoted in the committees and boards and should equal opportunities representatives be included on them?
- > Could the project engage with specialists to develop best practice or could consultations be held with diverse client groups?
- > Should a proportion of the budget be set-aside for specific actions to promote equality?

It may be appropriate to develop some common equal opportunities objectives for the project during the design stage; these could then be reviewed during the project and evaluated at the project's closure. There are many good examples found throughout the programme area and the partners' equal opportunities policies could be drawn on.

## **5.2.2. Sustainable development**

There are several definitions of sustainable development and they all have the underlying objective of creating a better quality of life, now and in generations to come. In the Northern Periphery Programme sustainable development is defined as:

**development that meets the needs of the present without compromising the ability of future generations to meet their own needs.**

The Northern Periphery Programme supports projects that maximise and sustain economic, social and environmental benefit. Approved projects should contribute to creating a foundation for long-term sustainability in the NPP region, and be aware of their economic, social and ecological impacts.

The application form contains 2 categories for sustainable development:

- The project is positive in terms of sustainable development
- The project is neutral to sustainable development

**During the project selection process higher priority will be given to projects that make a positive impact on sustainable development.** Projects that are negative in terms of sustainable development will not be supported.

Applicants must describe how they contribute to sustainable development and must be able to justify this answer fully. The project partnership should develop a common view on sustainability and ensure that all partners are aware of and contributing to the sustainable focus. It may be necessary to develop some common objectives to ensure that the project maintains a sustainable focus throughout its implementation. Careful thought should be given to how these objectives can be put into practice to bring about environmental, social and economic benefit. To determine the project's impact on sustainable development, it is first of all necessary to think of the project idea from all perspectives: ecological, social and economic. The environmental perspective involves ensuring that the project has the lowest possible environmental impact; preferably it should have a positive impact. Although the environmental aspects are often the most prominent with regards to sustainable development, it is also important to consider the economic viability and social aspects, such as exclusion.

## Environmental impacts

Positive environmental impact is a key element of the programme's strategy and project applications should demonstrate sustainability. Positive impacts promoting environmental gain could include environmental innovation, renewable energy, modal transfer to public transport, environmental management accreditation of small and medium sized enterprises (SMEs), stimulating the environment sector, and controlling environmental tourism.

Although the projects and actions in the NPP have a wide potential to achieve positive environmental impact, there are a number of ways in which projects could produce negative impacts. This section draws further attention to these potential impacts and suggests ways in which the effects could be controlled, directed and mitigated. The programme will avoid projects in areas that are most sensitive environmentally, while mitigation and minimisation should be made to compensate for any possible negative impacts of projects. Positive impacts could also be enhanced to help minimise any negative impacts.

### Priority 1: Promoting Innovation and Competitiveness in Remote and Peripheral Areas

- [Promote competitiveness by increasing and developing the capacity for innovation and networking in rural and peripheral areas](#)

There is a risk that 'competitiveness' is interpreted as a basis to cut environmental costs, but competitiveness should be based on high environmental standards and environmental

management techniques. Similarly, 'innovation' should be understood to include high environmental standards and innovation in environmental management.

- Facilitate development by the use of advanced information and communication technologies and transport in the programme area.

Whereas fewer negative impacts would be anticipated from the adoption of advanced ICT, transport developments could be harmful if improved access generates increased traffic with associated noise, emissions and fuel consumption. In this respect, both airport and road development could promote environmentally undesirable outcomes, and close attention needs to be given to the projected scale of development. ICT projects should also be aware of potential for increased carbon emissions and should aim for sustainable solutions where appropriate.

## **Priority 2: Sustainable Development of Natural and Community Resources**

- Strengthen synergies between environmental protection and growth in remote and peripheral regions.

It is important to find the appropriate balance between the use and conservation of natural resources. SME projects could demonstrate that they are achieving sustainable management either through certification or mentoring, for example co-ordinated through a business-environment forum that transfers best practice and experience.

Renewable energy facilities could present problems such as blighting landscapes, noise, and environmental damage caused by supporting infrastructure in the form of access roads and power lines.

- Improve sustainable development in peripheral regions by strengthening urban-rural relations and enhancing regional heritage

It is important to maintain distinctions between urban and rural locations, with awareness that the rural areas must retain their character and culture. There should be safeguards against increased road traffic, new building and waste generation, while minimising impacts on biodiversity, the water environment and soil.

Tourism development should be controlled or moderated to ensure that facilities do not promote increased erosion from walkers, cyclists and off-road vehicles. Other risks include increased noise and disturbance to wildlife, a loss of wilderness, and increased effluent requiring disposal, which might lead to more pollution.

## **5.3. Links to European and domestic strategies**

The Northern Periphery Programme encourages joint projects that address the priorities for cooperation shared by the programme partner countries. These priorities are part of a European policy framework, which is guided by the Community Strategic Guidelines and Lisbon and Gothenburg agendas. These provide a key framework for the Programme and careful consideration has been given to how these strategies can be implemented in the remote and peripheral regions of the Northern Periphery. As such, the projects funded by the Northern Periphery Programme should contribute to the goals contained within the Lisbon and Gothenburg Agendas.

Additionally, the Northern Periphery Programme aims to complement and contribute to development strategies in the programme partner countries. This includes relevant national, regional and local development plans and strategies.

The application form asks for all projects to analyse whether their project is in alignment with the Lisbon and Gothenburg Agendas, as well as other relevant domestic strategies. Applicants should be able to analyse their coherence with the strategies and describe how they will contribute to them.

### **5.3.1. Lisbon Agenda**

When European leaders met at a summit in Lisbon during March 2000 they set the European Union the goal of becoming "the most dynamic and competitive knowledge-based economy in the world " by 2010. A series of objectives were set at the Lisbon European Council, to achieve this ambitious goal through areas such as employment, innovation, enterprise, liberalisation and the environment. These formed a strategy known as the Lisbon Agenda.

The Lisbon Agenda establishes a new strategic goal for the Union in order to strengthen employment, economic reform and social cohesion as part of a knowledge-based economy. The Union should also be capable of sustainable economic growth with more and better jobs and greater social cohesion.

In February 2005 the European Commission relaunched its Lisbon agenda with a focus on "delivering stronger, lasting growth and creating more and better jobs"<sup>1</sup>. The renewed Lisbon agenda concentrates on three main areas of action:

1. making Europe a more attractive place to invest and work;
2. knowledge and innovation for growth;
3. creating more and better jobs.

Projects should consider whether they will contribute to these objectives and be able to outline any alignments in the application form.

A copy of the renewed Lisbon Strategy can be downloaded on the NPP 2007-2013 website.

### **5.3.2. Gothenburg Agenda**

The Gothenburg agenda forms the Sustainable Development Strategy for the European Union and recognises "that in the long term, economic growth, social cohesion and environmental protection must go hand in hand". It was agreed at the European Council in June 2001 and has since received renewed impetus to ensure that its goals are achieved. In June 2006 an ambitious and comprehensive renewed Sustainable Development Strategy was adopted for the enlarged EU. It builds on the Gothenburg Agenda of 2001 and is the result of an extensive review process.

The renewed Gothenburg Agenda sets overall objectives, targets and concrete actions for seven key priority challenges for the coming period until 2010, many of which are

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<sup>1</sup> Communication to the Spring European Council, *Working Together for Growth and Jobs, A New Start for the Lisbon Strategy*, COM (2005) 24, 02.02.2005

predominantly environmental and are thought to pose the biggest challenges to sustainable development in Europe:

1. Climate change and clean energy
2. Sustainable transport
3. Sustainable Consumption and Production
4. Public health threats
5. Better management of natural resources
6. Social inclusion, demography and migration
7. Fighting global poverty

The overall aim of the renewed Agenda is to identify and develop actions to enable the EU to achieve continuous improvement of quality of life both for current and for future generations. This can be achieved through the creation of sustainable communities able to manage and use resources efficiently and to tap the ecological and social innovation potential of the economy, ensuring prosperity, environmental protection and social cohesion.

Projects should consider whether they will contribute to these objectives and should be able to outline any alignments in the application form.

A copy of the renewed European Union Sustainable Development Strategy can be downloaded on the NPP 2007-2013 website.

## 6. Partnership

### 6.1. Partnership principles

Ensuring the correct mix of transnational partners in a project is crucial to achieving successful results and genuine transnational cooperation. All partners should have the capacity and knowledge in the subject area to participate fully and to deliver the products and/or services. Three eligible project partners from three different programme partner countries are required for a main project, of which one must be from an EU Member State.

Higher priority will be given to project partnerships that include the appropriate combination of partners from across the programme area. Partnerships that include a combination of partners from the Nordic countries (Finland, Sweden, Norway) and the West Atlantic (Scotland, Ireland, Northern Ireland, Iceland, Greenland, Faroe Islands) are encouraged. The composition of project partnerships should also be considered and, where suitable, partnerships should try and involve a cross-sector of partners from the national, regional and local level.

The Northern Periphery Programme operates a Lead Partner principle, meaning that a Lead Partner takes additional responsibilities and co-ordinates the project on behalf of the project partners. In some cases, the project may also find it useful to involve associated partners. Details on the roles of the different partners can be found below.

#### 6.1.1. Partners

A wide range of organisations from the public, public-like and voluntary (third) sectors are able to participate in Northern Periphery Programme projects as partners and receive direct financial support, including:

- National, regional and local authorities
- Regional and local development agencies, chambers of commerce
- Universities, higher education institutions, research centres, colleges
- Non-governmental organisations/public-like organisations
- Voluntary sector organisations
- Other relevant public-like organisations contributing to the development of the programme area
- Private sector – see Chapter 6.1.4 for further guidance on private sector partners

The definition of a public or public-like organisation is defined in Directive 2004/18/EC:

#### **Definition of body governed by public law**

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

### **6.1.2. Lead Partners**

A Lead Partner should be nominated for each project. The Lead Partner is formally the final beneficiary of the ERDF funding and acts as a link between the project partners and the Programme.

The Lead Partner is responsible for the submission of the joint application form and is also responsible for:

- Overall project management;
- Being contact person for the Northern Periphery Secretariat (Secretariat) in Copenhagen;
- Delivery of project reports and documentation;
- Informing the Managing Authority of the choice of project controllers;
- Delivery of project outputs;
- Producing the documents required for audits and payments;
- Concluding a partnership agreement for its relations with the other project partners.

#### **Eligibility of Lead Partners**

The role of Lead Partner can only be held by a public or public-like organisation. The Lead Partner must be located in a European Union Member State or Iceland or Norway. Partners in Greenland and the Faroe Islands are not eligible to be Lead Partners.

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

### **6.1.3. Associated partners**

Associated partners are partners that are not part of the formal partnership and application, but who are directly involved in the project's implementation for various reasons. Often an associated partner is closely linked to one particular project partner and a project partner may have several associated partners. For example, a project partner may wish to involve a number of companies in the project and, to avoid the administrative burden of full project partnership, they could become associated partners. The inclusion of associated partners can allow networks to be developed that are linked to the formal project partners.

### **6.1.4. Private sector partners**

The programme recognises the valuable contribution that the private sector can make to a project and the involvement of the private sector, primarily small and medium sized enterprises (SMEs), is encouraged; see Triple Helix Partnerships below.

Private sector partners can participate as full partners, although private sector match funding is not able to generate ERDF financial support. Public or public-like match funding granted to a private sector partner can, however, be used to generate ERDF financial support. If a private sector partner is not able to use public or public-like match funding then they can still be involved as a project partner, but they will have to finance their own participation. These funds will be part of the project budget, but will not be eligible for, or generate ERDF co-

financing. The involvement of a private sector partner should also represent a wider public interest and a private sector partner cannot generate profits from its participation.

The involvement of private companies in the programme is governed by European Union and national competition rules. The aim of these rules is to prevent public funding from being used to give unfair advantage to a private company over its competitors. For further details on these rules, please contact your relevant Regional Contact Point.

## 6.2. Triple helix partnerships

Triple helix partnerships are project partnerships between business, higher education and public/governmental institutions and organisations. Where appropriate, the programme actively encourages triple helix project partnerships, as these partnerships are viewed as providing the most efficient means of addressing the themes of the programme and securing innovative solutions to common challenges.

In transnational projects, success is to a large extent dependent on close and lasting co-operation between partners of very different capacities and backgrounds. Co-operative actions and partnerships between representatives from industry, university and government are considered key to securing innovative solutions to many of the issues facing the northern periphery area. This three-strand approach is referred to as the 'triple helix' approach. Experience from previous programmes has shown how triple helix partnerships can be beneficial for a number of reasons, as detailed in the definition below:

**The three different spheres of business, higher education and public institutions working together on new tasks and in new fields. These three spheres together, and not only by themselves, make it possible to obtain an enhanced outcome from the cooperation and invested capital, in the form of innovative new products and solutions.**

Additionally, the programme promotes and acknowledges the community aspects of triple helix partnerships and places a special emphasis on ensuring that the end beneficiaries of projects are located within the communities of the Northern Periphery.

Triple helix partnerships are encouraged where appropriate. This means that when developing the project partnership it is worth considering whether to involve the private sector and the higher education/research sector. The most suitable partners for a project should, however, always be chosen and it is therefore important to select the most appropriate partners that can contribute to achieving the specific objectives of the project.

## 6.3. Partnership agreements

All partners involved in a Northern Periphery Programme project have to sign a Partnership Agreement before the Grant Offer is issued by the Managing Authority. The Partnership Agreement is an agreement between the project lead partner and the project partners and is a useful document that guarantees each partner's match funding contribution and which outlines each partner's responsibilities in the project. The agreement also refers to the project application and targets, and confirms the partnership's consensus on delivering the project as approved by the Programme Monitoring Committee.

A Partnership Agreement Template is available on the website, [www.northernperiphery.eu](http://www.northernperiphery.eu).

## 7. Work Packages

In addition to giving a general project description, projects are asked to submit a description of the different work packages that the project partners have developed and agreed to structure their activities.

Experience from previous programmes has demonstrated the need for a more defined activity structure in both the application form and project activity reports. To facilitate this process, the Northern Periphery Programme 2007-2013 requires all projects to design their project activities into work packages. This should help improve project planning and evidence suggests that a well planned project will:

- Usually be more successful in its implementation
- Be easier to evaluate and identify expected results and outputs from – facilitating the building of expertise and knowledge in the participating organisations, municipalities, regions, nations and on a transnational level.
- Be easier to monitor – simpler to identify if implementation is being carried out in accordance with the plan, both for the project partnership and for the Secretariat.

The activity plan contained within each work package is intended to be an indicative plan and the Northern Periphery Programme will exercise flexibility (within reasonable limits) when monitoring project activities.

### Structure

- All work packages should be given an individual title to describe the work that will be carried out in the work package.
- The overall objective of the project should be described in the application form.
- Each work package should describe the expected outcome of the work package's activities and how the work package will contribute to the overall objective of the project.
- The first work package will be "Management, coordination and communication".
- All projects will be asked to split their activities into a maximum of 5 work packages

Work package 1, "Management, coordination and communication", consist of internal communication, external communication and all other tasks associated with the Lead Partner's co-ordination of the overall project administration. Some of the common tasks associated with Lead Partner administration includes coordinating the drafting of the progress reports and final reports and organising the claim procedures for the project partnership. The Lead Partner is normally the internal contact body for questions within the project partnership and is the main contact point for the Secretariat.

All applications will consist of at least two work packages, since the first work package is for "Management, coordination and communication".

Work packages are described in Part 2 of the main application form. Applicants will be asked to provide a general description of each work package such as the strategic focus, partners involved and expected outcomes. Two sections request a more detailed description of the Work Package content and an outline of the activity plan including key dates for listed activities. This part of the main application is feeding into Part 1 and section 3 of the main application, which deals with Project content.

## 8. Financial guidance

### 8.1. Appropriate Budget Size

The recommended minimum size for a main project's total budget is €250 000 and the recommended maximum size is €1.5 million. In exceptional cases, the Programme Monitoring Committee can approve projects with a larger budget of up to €3 million, but this should be justified in the application form.

### 8.2. Funding sources

Financing for the programme consists of European Regional Development Funds (ERDF) funding for the Member States, ERDF equivalent funding from the Non Member States and match funding. Projects apply to the programme for ERDF or ERDF equivalent co-financing and contribute to the project with match funding.

Partners located in Member States may apply for a 60% ERDF grant rate and partners located in Non-Member States may apply for a 50% ERDF equivalent grant rate.

In exceptional circumstances the Programme Monitoring Committee (PMC) may approve a grant rate of up to 75%. The precise arrangements for a 75% grant rate will be decided by the PMC and it is likely that a special call for strategic projects will be launched at a later stage of the programme's implementation. The launch of a special call for strategic projects will be communicated widely to applicants in advance of the opening of the call.

In the table below you can find an overview of the different funding sources available in the Northern Periphery Programme 2007-2013. The table also refers to the geographical flexibility rules (10% and 20%) as described in section 3.2.

<b>Funding Sources in the Northern Periphery Programme 2007-2013</b>		
<b>Source</b>	<b>Type</b>	<b>Grant Rate</b>
Member State	ERDF	60%
Member State 20%	ERDF	50%
Norway	ERDF equivalent	50%
Norway 20%	ERDF equivalent	50%
Iceland	ERDF equivalent	50%
Faroe Islands	ERDF equivalent	50%
Greenland	ERDF equivalent	50%
10% source to Non Member State partners	Mixed; Member States, Norway and Iceland	50%

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

Detailed instructions on developing the project budget and completing the project financial tables are provided in section 8.5 as well as in the Application Instructions, which can be downloaded from the NPP website.

### 8.3. Eligibility of expenditure

Common Eligibility Rules have been developed by the Managing Authority to help guide applicants and project managers. The Common Eligibility Rules form Part 2 of this Programme Manual and can be downloaded in a separate Word file.

## 8.4. Financial control

In the 2007–2013 programming period the terms “audit” and “control” (and thus auditor and controller) are not interchangeable since they refer to two different meanings.

- The term “control” refers to the check performed by the first level controller, who is appointed by the programme partner country and whose duty it is to validate expenditure declared by each partner participating in a project.
- The term “audit” (or second level auditing) refers to the checks performed on the project and the duty of the second level auditor is to carry out project audits on the basis of an appropriate sample to verify the expenditure declared.

In other words, the “first level control” is the check of project expenditure made when submitting a payment claim and covers all project expenditure. It is different from the ‘second level control’ which is an additional check of expenditure organised by the partner country and only looks at a sample of projects.

In the regulations establishing the new programming period (2007-2013) it is up to the participating partner countries to set up a control system and to designate the controllers responsible for verifying the legality and regularity of the expenditure declared by each beneficiary or partner. The procedures for the first level control in the NPP 2007-2013 period will, therefore, vary from one partner country to another. Each partner should refer to the control system of the partner country where it is located, regardless of the Lead Partner’s location.

The exact details and system to be used by the financial controllers are not yet known, as the partner countries have not yet confirmed their chosen controllers. Projects should, however, be aware that financial control of their project expenditure may incur a cost to the individual project partner being controlled. In such a situation, the cost of the control will normally be charged to the project but will be considered an eligible project cost. When developing the project budget, it may be appropriate to budget approximately €1000 per partner, per claim. Rates will vary between programme partner countries and this is an indicative figure only.

Further information on the claims and payment procedure will be provided at a later stage in Part 2 of this Programme Manual.

## 8.5. Financial Tables for your application

An overview of the project budget is given in Part 1 of the main application form. Details on the financial setup of the project are provided in Part 3 of the main application form, which is an Excel file. It consists of individual partner information, a cost budget and a financing plan for each partner participating in the project. This section is signed by each individual partner.

Each partner signing up for participation has to fill in:

- Partner information, page 1 (2). Standard partner information including contact details and questions of relevance to the partner interest in the project. This excel sheet is named, e.g. for partner 2, "P 2, 1 (3)".
- Partner cost budget and financing plan, page 2 (2). Demonstrate how the money will be spent in the different budget lines and how the operation will be funded. The partner is signing off on received public match funding, since only public match funding can generate money from the Northern Periphery Programme 2007-2013. Note that a signed public match funding statement from all partners is needed together with the application. All the costs have to be supported by an annex demonstrating the eligibility of the applied costs and all partners have to answer to a number of questions (tick boxes) before signing off on page 2 (2). This excel sheet is named, e.g. for partner 2, "P 2, 2 (3)".

In addition:

If a partner is the holder of common costs for the project implementation then a third document, a common cost budget, has to be presented. This excel sheet is named, e.g. for partner 2, "P 2, 3 (3)". It is only the partner that is the **holder** of the cost that should make this budget. An annex to the common cost budget has to be presented to demonstrate the eligibility of the applied costs. How the project partnership chooses to distribute the cost among the partnership is a decision within the partnership. Distribution of common costs to each partner budget is made on the budget line "Add: Share of common costs" in the cost budget on page 2 (2) for each partner.

## 9. Monitoring

The Northern Periphery Programme aims to achieve a number of objectives and progress towards achieving these objectives is measured in the form of indicators. Regular monitoring and assessment helps identify programme successes and ensure the programme is on track to achieving its goals. The projects approved by the Programme contribute to achieving the Programme's objectives and consequently play a prominent role in the monitoring process.

Before project monitoring can take place, each project must detail the targets that it aims to achieve through indicators which can then be assessed. Project indicators must be provided in the Application Form and should be based on realistic proposals of what the project will achieve.

### 9.1. Indicators

Project indicators consist of General Indicators that can be used by all projects and Priority Specific Indicators that should be chosen depending on the Priority applied to. Some Activity Indicators have also been provided and projects can choose to use these or develop a limited number of their own Activity Indicators based on the project's objectives and activities.

#### General Indicators

General Indicators are collected at a programme level and reported to the European Commission. Projects should indicate on the application form whether they make a contribution to the General Indicators:

<b>The project deals with:</b>	<b>The project involves:</b>
water management	universities / higher education institutions
improving accessibility	technology institutes and SMEs
developing RTD and innovation networks	
risk prevention	
promoting female entrepreneurship	
improving transport links across national borders	
improving waste management services	
actions between rescue services	
reducing climate change	
furthering adaptation to the effects of climate change	

<b>Equal opportunities: Participants in Project</b>	
No. of male < 25 years old	No. of female < 25 years old
No. of male > 25 years old	No. of female > 25 years old

<b>Involvement of Small &amp; Medium Sized Enterprises (SMEs)</b>
No. of SMEs involved as partners
No. of SMEs involved as associated partners

## Priority Specific Indicators

As the name suggests, Priority Specific Indicators should be chosen depending on the priority applied to. Within the Priority Specific Indicators there are different types of indicators depending on the stage of project implementation, as shown below:

### Output

Priority one outputs	Priority two outputs
No. of transnational networks supporting new products and services	No. of transnational networks supporting new products and services
No. of transnational networks involving local, regional and national actors to inform policy development	No. of transnational networks involving local, regional and national actors to inform policy development
No. of triple helix partnerships	No. of triple helix partnerships
	No. of urban-rural links

### Result

Priority one results	Priority two results
No. of transboundary products	No. of transboundary products
No. of transboundary services	No. of transboundary services
No. of new or improved solutions/systems to promote innovation & competitiveness in remote and peripheral areas	No. of new or improved solutions for sustainable management of natural or community resources
No. of new or improved transportation schemes / services developed	No. of new or improved solutions for sustainable management of cultural heritage
No. of new or improved ICT services / ICT solutions developed	

### Activity

The achievement of Activity Indicators is viewed as an additional contribution to the programme. Some possible activity indicators have been listed below and projects are encouraged to select from these:

Priority one activity indicators	Priority two activity indicators
No. of SMEs involved in development of new products and services	No. of SMEs involved in development of new products and services
No. of R&D partners involved in industrial collaborations	No. of R&D partners involved in industrial collaborations
No. of new technology transfer models developed suitable for rural areas	No. of risk prevention measures
No. of patent applications	No. of actors adopting "green" products or services
No. of new e-services developed	No. of businesses with improved sustainable development practices
No. of businesses modernised through ICT	No. of solutions focusing on small scale renewable energy or energy efficiency
No. of improvements in maritime safety/risk prevention	No. of new rural services developed through urban-rural links

It is recognised that projects will make other additional contributions that are not captured in the indicator system. Scope has therefore been allowed for projects to develop a limited number of their own indicators in line with the specific objectives and activities of the project. A maximum of four project specific indicators may be detailed in the application form.

## 10. Communication

The projects funded by the Northern Periphery Programme help remote and rural communities develop their economic, social and environmental potential. These projects are making a real difference to the development of their regions, so it is important that they are recognised for their achievements. Increasing public awareness and recognition through communication and dissemination is therefore a vital part of every project.

The Programme expects each project to be able to communicate its chosen messages effectively, to target these messages successfully and to develop specific methods and tools to achieve this. To create maximum effect and benefit from these activities, it is important to develop a strategy and plan. To fulfil this task, the NPP asks a number of questions in the application form that help form a Communication Strategy, which is recommended and should be budgeted for during the project development phase.

The Communication Strategy outlines the project's intended communication, dissemination and publicity activities. The communication activities should be developed in proportion to the size and objectives of the project. Lengthy detailed descriptions are not required, but applicants should list the key points and communication aims of the project partnership. Within this strategy all projects are expected to fulfil a limited number of minimum requirements, as well as to develop specific activities based on the nature and content of the project.

### 10.1. Communication strategy

The Communication Strategy is divided into 3 sections:

#### 10.1.1. *Internal communication*

Internal communication refers to how transnational cooperation will be carried out and facilitated in the project.

##### **Methods of internal communication within the project:**

Maintaining transnational cooperation in the project partnership is crucial to the success of the project and it can be carried out in many ways. Regular project meetings and the development of a project intranet are some of the most common approaches. The structure of the project partnership is also important and thought should be given to how the regular flow of information will be maintained. Projects should consider how they wish to keep contact and exchange information and should be able to outline in the application form any planned activities/methods of maintaining internal communication.

##### **Decision making:**

One aspect of transnational partnership that should be taken into account during the design stage is how joint decision-making will be carried out between the partners. There are several approaches to joint decision-making and it is often appropriate to appoint a steering committee to oversee the project and ensure it keeps to targets. Stakeholder input could also be useful during the project's implementation. There are many other structures for joint decision-making and these should be reflected on at the application stage.

Please note that a Partnership Agreement must be signed by all project partners before the Managing Authority issues a grant offer. See Chapter 6.3 for further information on Partnership Agreements.

## 10.1.2. External communication & dissemination

The first step in developing an external communication and dissemination strategy is for the project partners to agree on a list of communication objectives. These should answer the question of why you want to engage with your target audience and what you want to achieve by doing so. Without having clear communication objectives it is difficult to target the messages to the correct audience.

Clear messages inform the audience of what they need to know about your project and offer them the information needed to support the project. The messages should be simple and tailored to the needs of the audience.

The communication strategy should cover the entire project lifetime, from the start-up to the close of the project and if possible beyond.

### Target groups and audience:

The target audiences are the people that you want to inform about the project and who should have an interest in the project's achievements. These people need to be informed of the project from the beginning and should be targeted with clear communication messages. It is important to consider interested parties, stakeholders and the different levels of communication – from transnational to local. The project must also ensure that the project activities are widely disseminated throughout the whole programme area, not just in regions participating in the project.

### Methods of communication:

Effective communication and dissemination can be carried out in many ways and it is important to use the communication methods most suited to your project's messages, objectives and target audiences. It is important to demonstrate a clear link between your target audiences and the chosen methods of communication. The activities and methods should also be proportional to the size and aims of the project.

Based on experience from the previous Northern Periphery Programme, all approved projects are expected to develop a limited number of communication and dissemination tools. Communication tools should be tailored and adapted to the individual communication objectives of the project, but there are some basic requirements that all projects should fulfil:

Required within first six months of the project	Optional tools tailored to the project's individual needs: Examples include
<ul style="list-style-type: none"> <li>• Project website</li> <li>• Project logo</li> <li>• Promotional material for use at conferences, seminars, exhibitions, etc.</li> <li>• Project presentation in PowerPoint format outlining the project's objectives</li> <li>• Completion of a brief project case study based on an NPP template</li> <li>• Submission of small collection of photos relevant to the project</li> </ul>	<ul style="list-style-type: none"> <li>• Project poster</li> <li>• Project newsletter</li> <li>• Project DVD</li> <li>• Plaque</li> <li>• Other dissemination materials or tools</li> </ul>

It is important to consider the planning of events and conferences as well, and how maximum benefit can be achieved from either attendance or organisation of these.

Applicants must provide a timeframe for the planned communication tools and activities. Applicants must also be able to demonstrate how they will maintain and update promotional

material throughout the project's lifecycle. For example, a project website is only useful if it contains relevant and up to date information and should contain details of project results at the end of the project.

## Media

The media is a great way of communicating your project results and all projects are encouraged to interact with the media in their area and inform them of newsworthy developments in the project. Consider project target groups and which types of media are most appropriate for reaching them, for example broadcast media, printed, press conferences, etc.

It may be worth developing a simple press kit at the beginning of the project with basic facts on the project and its objectives. This is useful when issuing press releases or when a journalist enquires about the project.

### ***10.1.3. Compliance with European Union and programme publicity rules***

All projects that receive assistance from the programme are under the obligation to publicise the participation of European Union ERDF assistance. Wherever the European Union or ERDF is mentioned, the Northern Periphery Programme should also be mentioned, either expressly or by the logo, or both.

Commission Regulation No 1828/2006 (especially Articles 8 and 9, and annex 1) lays down rules for information and publicity about assistance from the European Structural Funds. The regulation can be downloaded from the Downloads section of the Northern Periphery Programme 2007-2013 website under Regulations.

Additional guidance on how to use the European emblem and the Northern Periphery Programme logo will be provided in Part 2 of this Programme Manual at a later stage.

## Additional considerations

### **Programme events**

The Northern Periphery Secretariat regularly organises project events designed to assist partners and provide training on topics concerning project management. Attendance at many of these events is obligatory and they should therefore be budgeted for in the application phase:

- Annual Lead Partner seminars to be held across the programme area
- Annual partner seminars in each of the partner countries
- One thematic seminar during the life of the project
- It may also be appropriate to budget for attendance at one additional training seminar to be co-ordinated by the Northern Periphery Secretariat.

### **Evaluation**

Evaluation of communication activities will be included in the Project Progress Report in the form of indicators. Evaluation helps ensure that the tools and methods developed have

reached the correct people and with the intended effect. It also provides a means to constantly improve communication and dissemination methods.

Examples of evaluation tools to monitor effectiveness of communication actions include event feedback forms, questionnaires and web-statistics.

## **11. Application & Selection Procedure**

### **11.1. Calls for Proposals**

Calls for application will be launched regularly, with at least one in 2007 and two per year from 2008 onwards. Calls for applications will be published on the NPP website well in advance of the deadline, so it is worth checking for regular updates. Relevant information will also be distributed by the Regional Contact Points and Programme Monitoring Committee members. Additional promotional material and activities may be used to widely publicise the calls.

The Programme Monitoring Committee may decide on a specific focus or special requirements for individual calls. The call for applications and guidance will clearly outline any special requirements.

### **11.2. How to fill in the Application Form**

The main application form consists of three different parts, Part 1 and 2 in Word format and Part 3 in an Excel file. Part 1 is the content part of the application, which is signed by the Lead Partner. Part 2 describes the work packages and part 3 gives details about the financial setup of the project for each partner. The most up to date version of the application form should be obtained for the relevant call applied to. Copies of the application form can be found on the NPP website. Detailed instructions on how to fill in the application form are provided in the [Application Instructions](#).

### **11.3. Submission of application**

Applications for funding should be submitted by the Lead Partner of the project to the Northern Periphery Secretariat, in accordance with the Application Instructions.

Only complete applications submitted by the deadline and containing all signed documents will be accepted by the Northern Periphery Secretariat.

### **11.4. Selection Procedure**

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

Following submission of an application form by the relevant deadline, the application will be registered and the Lead Partner will be sent a notification of the application's receipt at the Northern Periphery Secretariat.

After registration, each main application submitted will be subject to a five-step selection procedure:

### **1. Eligibility assessment by the Northern Periphery Secretariat**

Project applications will be checked against the eligibility criteria to ensure that they fulfil the technical requirements of the Programme. Details on the eligibility criteria can be found in Chapter 11.5. An application could be rejected at this stage if it does not meet the eligibility criteria.

### **2. Regional Advisory Group (RAG) Assessment**

The Northern Periphery Secretariat will send all eligible applications to the Regional Advisory Groups (RAGs) in each of the partner countries. RAGs will appraise the applications and consider the project idea and application from a regional perspective. The RAGs will make recommendations to the Northern Periphery Secretariat on whether the requests for funding should be supported.

### **3. Secretariat Decision Proposal to Programme Monitoring Committee**

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

### **4. Selection of projects by Programme Monitoring Committee (PMC)**

The final recommendations on the approval or rejection of the project application will be made by a Programme Monitoring Committee made up of representatives from each of the participating partner countries on the basis of prioritisation against the selection criteria, which can be found in Chapter 11.6. A qualitative ranking system will be used.

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

1. Approval without conditions
2. Approval with conditions
3. Rejection with recommendations on how to strengthen the proposal
4. Rejection

Following the PMC meeting, the lead partner will be informed of the funding decision and the lead partner will be responsible for communicating the PMC's decision to the other project partners.

### **5. Final offer by the Managing Authority**

For approved projects, the final decision and offer of grant will be issued by the Managing Authority for the programme. The contract sets down the obligations and rights of the contracting parties and constitutes the main agreement between the project and the programme.

Details on all approved projects and a list of beneficiaries will be published on the NPP website.

## **Timescale**

Following the closure of a call, the decision procedure outlined above should normally be completed within 8 full working weeks.

## 11.5. Eligibility Criteria

In order to be considered for funding from the Northern Periphery Programme, each application must fulfil the following eligibility criteria:

### 1. Application

- The correct application form has been submitted in electronic form by the deadline of the call. If the hard copy does not arrive by the deadline, then it should be post marked before the deadline.
- All sections of the application form have been completed.
- All partner forms have been filled in detailing:
  - Description of partner organisation's core activities and interest in project results
  - Partner's total budget, request for co-funding, signed commitments of match funding and additional supporting documents
- The budget and request for funding is within the limits agreed by the Programme Monitoring Committee in the call for applications.
- The project duration is no longer than three years and the project will be completed by the end of 2014.

### 2. Partnership

- The Lead Partner has been assigned and the Lead Partner organisation is eligible.
- The project involves a minimum of 3 partners from 3 different partner countries, one of which is located in a European Union Member State.
- Partners are located in the programme area unless in exceptional circumstances when sufficient justification is provided for the use of geographical flexibility.
- The partnership is clearly transnational rather than cross-border: partnerships should include an appropriate combination of partners from the Nordic countries (Finland, Sweden, Norway) and the West Atlantic (Scotland, Ireland, Northern Ireland, Iceland, Greenland, Faroe Islands).
- A draft partnership agreement is in place to assign and govern responsibilities in the project.

### 3. Coherence with Joint Transnational Strategy

The project must:

- Clearly address one of the two programme priorities and be consistent with the aims and objectives of the Northern Periphery Programme.
- Concentrate on issues that require transnational cooperation.
- Be innovative and avoid duplication of current or completed work.
- Comply with relevant European legislation (in particular eligibility of expenditure rules and State aid).
- Be consistent with the Community Strategic Guidelines on Cohesion and with relevant national/regional strategies.
- Take into account and demonstrate a positive contribution to the horizontal principles of equal opportunities and sustainable development.
- Be transnational and meet at least 3 of the 4 transnationality criteria:
  - i) joint development; ii) joint implementation; iii) joint staffing; iv) joint financing
- Result in the development of a defined transboundary product or service:
  - by working together to produce a new product that has a transnational or transregional character
  - by working together to produce a new service that has a transnational or transregional character

## 11.6. Selection Criteria

During the project assessment and approval process, selection criteria are used to rank the project applications. There are two main types of selection criteria:

- General selection criteria to assess the application's coherence with the strategy and objectives of the NPP;
- Quality criteria to assess the quality of the application and the project itself.

### 1. General selection criteria for ranking of projects

**Projects will be given higher priority if they:**

- Contribute significantly to achieving the objectives of the programme:
  - to promote competitiveness by increasing and developing the capacity for innovation and networking in rural and peripheral areas.
  - to facilitate development by the use of advanced information and communication technologies and transport in the programme area.
  - to strengthen synergies between environmental protection and growth in remote and peripheral regions.
  - to improve sustainable development in peripheral regions by strengthening urban-rural relations and enhancing regional heritage.
- Focus on topics of particular relevance and importance to the programme area, such as peripherality, sparsity of population, rurality, etc.
- Make a specific contribution to the Lisbon Agenda by:
  - Making Europe a more attractive place to invest and work
  - Knowledge and innovation for growth
  - Creating more and better jobs
- Make a specific contribution to the Gothenburg Agenda by:
  - Combating poverty and social exclusion
  - Dealing with the economic and social implications of an ageing society
  - Limiting climate change and increasing the use of clean energy
  - Addressing threats to public health
  - Managing natural resources more responsibly
  - Improvements to the transport system and land-use management
- Make a positive impact on equal opportunities and sustainable development by integrating and mainstreaming them into the project:
  - By demonstrating a contribution towards furthering equal opportunities in a broad context.
  - By creating a foundation for long-term sustainability and by bringing about beneficial economic, social and ecological impacts.
- Demonstrate a high level of transnationality and a strong transnational impact throughout the programme area.
- If appropriate, adopt a triple-helix partnership or work in a triple helix context.
- Play a role in the development of innovative actions that could subsequently be taken forward in complementary Convergence and Competitiveness programmes or Regions for Economic Change.
- Draw on experience and results from previously funded EU projects to develop and implement innovative actions at a transnational level.
- Exhibit synergies with other programmes, such as the Northern Dimension framework and other Community programmes.

## **2. Quality Criteria**

- There is coherence between the issue/challenge to be addressed and the project response/intended results.
- The work packages are logical and well organised. The division of tasks is reasonable and there is a realistic and transparent work plan.
- The project activities are consistent and concrete.
- The partnership:
  - involves the appropriate partners with the capacity to deliver and make use of the project results.
  - is manageable and of an appropriate size;
  - is well balanced meaning that the different partners contribute and benefit to a similar extent without the dominance of one country or one partner;
- The management and financial structure is sound and should ensure efficient implementation of the project.
- The Lead Partner has experience in project and financial management (ERDF).
- There is an effective communication strategy. The results and experience acquired by the project will be transferable and easily communicated.