



**PROJECT
SUPPORT
FACILITY**

MANUAL

2017-2019

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THE PURPOSE OF THE PROJECT SUPPORT FACILITY

The decision to establish the CBSS Project Support Facility (PSF) was taken by the CBSS Committee of Senior Officials (CSO) and came into power after endorsement by the Heads of Government of the CBSS Member States at the 9th Baltic Sea States Summit in Stralsund, Germany on 31 May 2012.

The CBSS Committee of Senior Officials called upon by the Deputy Ministers of Foreign Affairs in the Warsaw Declaration of 8 June 2016 to “explore ways and means of project support for the implementation of the long-term priorities of the CBSS”; agreed at the CSO meeting in Stockholm on 30 November 2016 to continue the CBSS PSF. The revised PSF Manual is anticipated for a three-year funding period from 2017 to 2019 with one call per year. With this revised Manual the CBSS aims at increased efficiency and transparency during the new PSF period.

The main purpose of the CBSS PSF is to co-finance the development and implementation of Baltic Sea Region (BSR) cooperation projects contributing to CBSS long-term priorities, which would bring added value for the Baltic Sea Region, show impact in regional cooperation and foster sustainable partnerships. The total amount of the CBSS PSF for three years is one million euro.

The CBSS PSF is an instrument to finance project preparation and implementation in relation to the 3 long-term priority areas of the CBSS¹:

1. Regional Identity

Goal: *To foster* a Baltic Sea Region identity and *intensify* contacts supporting its further development; **Objective:** *To develop* the concept of Baltic Sea Region identity for and a sense of belonging to the Baltic Sea Region through engagement, participation and multilevel governance, in a community spirit and *to create* a notion of regional unity across borders by developing people-to-people contacts through dialogue, macro regional networks and institutions.

2. Sustainable & Prosperous Region

Goal: *To develop* the Baltic Sea Region as a model region of sustainable societies able to manage and use resources efficiently, to tap the economic, technological, ecological and social innovation potential of the region in order to ensure its prosperity, environmental protection and social cohesion; *To contribute* to the eradication of obstacles hampering the comprehensive and sustainable development of the region; **Objectives:** *To improve* the overall competitiveness of the Baltic Sea region through sustainable economic growth and labour markets, research and development, innovative infrastructure, an integrated maritime policy, transport and communications; *To support* the transition of the Baltic Sea region towards a competitive, green and low-carbon economy thereby ensuring sustainable development and inclusive growth; *To support* further action to reach a good environmental status and a healthy ecosystem supporting a prosperous Baltic Sea Region; *To strengthen* the region’s capacity to adapt to climate change and the resilience capacity of ecosystems and societies; *To ensure* further mainstreaming of sustainable development at all levels and in all policy sectors, integrating economic, social and environmental aspects; *To promote* sustainable and green technologies and initiatives in order to protect the ecosystem and biodiversity of the Baltic Sea region.

3. Safe & Secure Region

¹ For more information on our activities in each of the three priority areas, please visit the respective sections of our website at www.cbss.org.

Goal: To enhance societal security and safety in the Baltic Sea Region and to ensure that people of the Region are protected from and resilient to violence, accidents and emergencies through preparedness, and safeguarded against harm caused by criminal exploitation and human trafficking; **Objectives:** To counteract all forms of trafficking in human beings, in the Baltic Sea Region via preventive and protective activities and projects based on a coherent and multidisciplinary approach; To promote comprehensive and sustainable child protection in order to prevent and respond to all forms of violence against children through a multi-sectorial approach and increased cooperation between relevant authorities and other stakeholders in the Baltic Sea Region; To strengthen societal resilience to disasters and hazards in all stages of crises through adequate prevention, preparedness, response and recovery; To enhance interoperability and strategic macro-regional cooperation enabling assistance and rapid response to cross-border accidents and emergencies, including disasters that may have cross-border consequences and impact.

Programming and publications of calls

The CSO will select no later than one month in 2017 and three months in 2018 and 2019 prior to the publication of a call one priority for the following year on the basis of a proposal provided by the PSF Selection Committee (SC).

This priority should be one of the long-term priorities of the CBSS or an identified/specified part of one of the long-term priorities.

The Secretariat will on the basis of the CSO decision formulate a call for proposals which will be published after approval of the CSO. Proposals will be assessed by a SC consisting of the CSO Troika, the Deputy Director General supported by relevant staff of the CBSS Secretariat in close consultation with the relevant Senior Adviser. The CSO member from the country having the Presidency after the Troika may attend the SC meetings as an observer. The Secretariat will provide the necessary secretarial assistance for the PSF Selection Committee.

The assessment and selection of projects will follow the procedure as described under point 6 of this document.

The Secretariat will ensure high public visibility of the CBSS PSF program and activities.

1. WHICH PROJECTS QUALIFY FOR SUPPORT?

Projects financed from the CBSS PSF shall fulfil the following criteria:

- a. Bear relevance to at least one of the above mentioned three long-term priority areas of the CBSS;
 - b. Bring added value to and visibility for macro-regional cooperation in the Baltic Sea Region;
 - c. Engage multiple actors and strive to increase coherence in cooperation among the CBSS Member States;
 - d. Have outcomes of a sustainable character;
 - e. Ensure that the results of the project are disseminated to all relevant stakeholders in the Baltic Sea Region;
 - f. Where applicable, have the potential to become a basis for a network, partnership or cooperation model that would become viable beyond the duration of the project life itself;
 - g. Projects must involve partners from at least three CBSS Member States including the lead partner (LP).
- In exceptional circumstances and for projects below the funding amount of 25.000

Euro, which are considered good practice models, projects with only two participating member states but with three partners might be eligible. In this case the SC has to present the exceptional circumstances to the CSO for decision making.

2. WHO CAN APPLY?

Project proposals to be funded by the PSF are eligible to apply:

- a. Members of the CBSS Expert Groups (EGs) and Networks;
- b. National, regional and local public authorities;
- c. Other public entities (any legal body governed by public or private law);
- d. Associations formed by one or several organisations governed by public law;
- e. NGOs and non-profit organisations;
- f. External actors such as CBSS Observer States or institutions of the CBSS non-member states can submit project proposals together with the CBSS Member State organisations mentioned above;
- g. The CBSS structures can invite third parties (public or public equivalent body or the NGOs' umbrella organizations, including CBSS Observers and Strategic Partners) to submit joint project proposals;
- h. Applying entities must demonstrate having the necessary financial and managerial capacities to carry out the project from initiation to the end. They will need to confirm that, if the project is selected, other sources of funds are secured in order to implement the project as described;
- i. Only legal entities are eligible for funding;
- j. Organisations with at least two years of activity;
- k. In exceptional cases Small and Medium-sized Enterprises (SMEs) can be part of the project. In this case they cannot act as LP.

3. FUNDING TERMS AND CONDITIONS

- a. Project proposals must have secured a minimum of 10% co-funding (funding in-kind included);
- b. PSF funding will range between 10 000 and 65 000 Euros;
- c. The PSF does not provide grants to individuals and does not provide funding for scholarships or tuition assistance for undergraduate or postgraduate studies;
- d. Tax liabilities arising from the payment from the PSF are the responsibility of the recipients;
- e. A project that is already initiated or have been implemented when an application is submitted cannot be granted funds.

4. BUDGET STRUCTURE AND ELIGIBILITY RULES

Every project applicant has to indicate the planned budget in the application form. The planned costs are divided per partner into different budget lines. Projects have to plan and report within the following budget lines:

Eligible cost categories	€	Financing Plan	€	% of eligible costs
Personnel costs		CBSS PSF funding		
Travel and subsistence costs		Contribution of the Lead Partner		

Sub-contracting		Contribution of the Co-partner		
Other direct costs		Other sources of funding		
Administration/overhead				
TOTAL ELIGIBLE COSTS		TOTAL FUNDING		

Costs which are not included in any of these budget lines (e.g. equipment, investments) are not eligible.

The main conditions for eligibility of expenditure are:

- All activities comply with the principles of efficiency, sound financial management and cost-effectiveness;
- All expenditure is directly linked to and necessary for project's implementation;
- Expenditure has to have incurred during the lifetime of the project;
- Expenditure is compliant with applicable tax and social legislation;
- Project costs must be comparable and adequate as well as proportionate to the costs in the country/countries involved. Cost figures are assessed on the experience of the CBSS Secretariat and previous PSF funded projects.

Personnel costs shall be charged in respect of the actual time devoted to the project. They shall be calculated on the basis of the actual gross salary plus obligatory social charges and any other statutory costs include in the remuneration. The time which each employee spends working on the project, shall be recorded using timesheets or an equivalent time registration system.

Travel and subsistence costs shall be charged in accordance with the internal rules of the partner.

Sub-contracting costs relates to work undertaken by external companies.

Other direct costs are costs necessary for the project not falling within a defined category. Expenses listed must be verifiable.

Administration/overhead may be charged at a flat-rate of a maximum of 7% of the total amount of eligible costs actually incurred.

Financial charges (e.g. charges for transnational financial transactions, bank charges for opening and administering the bank account(s) of the project) are not eligible as costs. This also applies to debit interests and exchange rate losses, which have to be borne by project partners.

Exchange rate

Amounts indicated in the application form and expenditure reported in the financial report must be denominated in EUR. Project partners whose national currency is EUR must report the EUR amount booked in their accounting system. Project partners whose national currency is not

EUR must convert the expenditure incurred and paid in national currency into EUR, applying the monthly accounting exchange rate of the European Commission with an accuracy of four digits after the decimal point. The monthly exchange rate is the rate of the month during which the expenditure was paid by the project partner. The European Commission publishes the monthly exchange rates².

Any exchange risk has to be borne by project partners.

Value added tax

Value added tax (VAT), which is recoverable by whatever means, cannot be considered eligible, even if it is not actually recovered by the final partner or individual recipient. Only non-recoverable VAT borne by the project partner that may not be refunded or offset by the tax authorities or by any other means may be included in the final report.

5. APPLICATION PROCEDURE

Three calls for applications are organised within the period 2017-2019. Funds are granted once a year. Call for applications is open from **15 February** and the last day for applications will be **31 March** of each year.

The official language of the CBSS Project Support Facility is English. Therefore, the application, the reports and all obligatory templates must be filled in English.

Submission of applications

The application must be submitted together with the following supporting documents:

- Application Form;
- LP's most recent Annual Report with either the accompanying Audit Report or Registration Certificate of establishment of the organisation of the LP;
- CVs of project coordinator and key implementers.

Applications with all required documents shall be sent to the CBSS electronically at psf@cbss.org and **CC: jekaterina.popova@cbss.org** and by post to the address:

Council of the Baltic Sea States Secretariat
Slussplan 9 P.O. Box 2010
SE-103 11 Stockholm
Sweden

The CBSS Secretariat will send a confirmation to the applicant about the receipt of the application.

If the submitted application is not complete with all attachments when the final date for applications has passed, the application will be considered incomplete and will not be processed.

If the application is complete but clarifications have been requested by the Secretariat, the applicant shall submit these clarifications within the time frame given.

² http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm

6. ASSESSMENT OF APPLICATIONS AND SELECTION OF PROJECTS

Technical eligibility check of the application shall be carried out by the CBSS Secretariat. The Selection Committee may task the Secretariat to consult the technically eligible applications with relevant CBSS Expert Groups or Networks for opinion. When no relevant EG/Network exists, the Secretariat may give an opinion.

Summaries of the project proposals will be sent to all CSO members before the assessment. CSO members can request more information and can provide their written input to the Selection Committee. In addition, all CSO Members will have equal and transparent access to all project proposals in advance of the PSF Selection Committee meetings for consultation via the CBSS Extranet.

The Selection Committee will, taking opinions received into account, make a quality assessment and as a result elaborate a ranking list of the projects, accompanied by recommendations as to financing. The main assessment criteria are following:

- Direct relevance to the implementation of a CBSS long-term priority (15%);
- Project must provide substantial added value for the Baltic Sea Region (20%);
- Coherence, durability, dissemination and sustainability of results (20%);
- Quality of project partnership and of budget and project management capacity (20%);
- Quality of the methodological approach including content and qualities of the project, where applicable (15%);
- Risks of the project (10%).

The Selection Committee will take into account the announced priority for current call. Projects of very good quality representing other areas of the CBSS 3 long-term priorities may also be eligible for selection.

The Secretariat will present the ranking list with recommendations to the CBSS Committee of Senior Officials (CSO) for approval by consensus ten working days before a CSO decision is to be taken.

The Selection Committee and CSO may leave part of the funds for the call unused in the case of lack of projects of required quality or insufficiency of funds for one more project.

The CBSS Secretariat will endeavour to notify all applicants as to the outcome of their application within one month period after the CSO decision.

Applications that have been selected for financing will receive an explanation of the action required to complete the contractual procedures.

Project applications that receive financial commitments from third parties in the case of multiple applications to different funds and instruments must be withdrawn by the LP from the PSF application procedure.

7. CBSS PSF GRANT

After the project is approved by the CSO, the LP is requested to fill in the grant documents that are provided by CBSS Secretariat.

When the grant contract is signed by LP and the CBSS Director General a pre-financing of 80% of the requested amount from CBSS PSF shall be paid to the LP within 30 days following the date of entry into force of the grant contract.

The LP shall distribute the pre-financing only to the co-partners who have acceded to the grant contract.

The Final payment of the balance of 20% of the requested amount from CBSS PSF shall be paid within 30 days by CBSS Secretariat after approving the final reports, audit certificate and payment request.

8. COMMUNICATION AND VISIBILITY

The LP shall use the logo of the CBSS, mention CBSS financial contribution in all public documents regarding the Project and in all public material produced during and at the end of the Project. CBSS PSF Project Communication Guidelines, including a set of project visibility tools, including relevant logos fulfilling basic requirements shall be requested from CBSS via email to psf@cbss.org and CC: jekaterina.popova@cbss.org.

9. REPORTING, MONITORING, CONTROL AND AUDIT

Projects that are up to 12 months are requested to submit only one report after the implementation of the project is finalised. The projects have up to three months to fulfil this obligation.

For projects that are longer than 12 month, progress reports shall be submitted as agreed in the grant agreement.

Financial and technical reports will be sent to the Selection Committee to provide a recommendation for decision from the CSO.

CSO members can request to receive final reports from specific projects of their interest.

The CBSS Secretariat is responsible for monitoring the implementation of the projects and reports to the CSO in the framework of the regular point of the agenda “CBSS Project Development”.

The CBSS Secretariat should be contacted in case:

- the project encounters any difficulties in the implementation phase;
- there is a change in contact data of the LP or the Co-partner;
- there is a change of the bank account of the LP;
- there is a change of the VAT status;
- there are work plan adjustments;
- there is a replacement or drop-out of the Co-partner;
- there is a reallocation between budget lines above the flexible level (10%);
- there is a change in the project duration.

In case of any changes listed above the LP shall submit the request to the CBSS Secretariat one month before the last day of the project duration.

Budget flexibility allows project to exceed their planned total budget lines by 10% without contacting the CBSS Secretariat.

The CBSS Secretariat is committed to transparency and takes appropriate measures to prevent irregularity, fraud or corruption relative to the use of the resources and funds. Thus the Secretariat reserves the right to suspend payments or claim repayment in full of the unused portion of the funds or in part including the interest accuser to the contribution if the funds are found to be misused or not satisfactorily accounted for.

The project shall be **audited** according to the partner's internal rules and the audit report shall be submitted together with the project report. All project partners are obliged to keep all financial and accounting documents concerning the activities financed under the PSF until seven years after the project finalisation (date of the final payment). In particular, originals of the submitted copies of invoices, tickets/boarding cards and other accounting documents must be kept available upon request.

Templates of PSF project report parts, both narrative and financial reports can be found on PSF web page <http://www.cbss.org/project-support-facility/>.

The narrative and financial reports together with the supporting documents such as copies of verifications, invoices, tickets/boarding cards and other accounting documents, timesheets, relevant agreements, publications, action plans, events descriptions, produced documents during the project, etc. must be submitted within 3 months after the final date of the project duration.

Guidelines for reporting:

- Narrative report corresponds to the Financial Report verifications, invoices, timesheets are in order as it is in the main Financial Reporting template (number the supporting document with the number that is equivalent to the line number in the template);
- Documents are in English language or are explained in English (hand written explanation is acceptable);
- All the supporting documents should be enclosed together with the final report: Relevant Agreements, publications, action plans, events descriptions, produced documents during the project, etc.

PSF project final report (both narrative and financial parts with the supporting documents) shall be sent to the CBSS electronically at psf@cbss.org and CC: jekaterina.popova@cbss.org and by post to the address:

Council of the Baltic Sea States Secretariat
Slussplan 9 P.O. Box 2010
SE-103 11 Stockholm
Sweden

10. REPAYMENT OF FUNDS

If the project report is not submitted in time without notifying the CBSS Secretariat or not submitted at all, the CBSS Secretariat reserves the right not to pay the remaining 20% of the grant and to decide that the granted funds shall be repaid, entirely or in part.

Funds that have not been used in accordance with the approval letter shall be reported and repaid to the Secretariat. The repayment shall be made no later than the date on which the final report shall be submitted. If funds are to be repaid, the interest accrued on the disbursed funds shall be included.

GLOSSARY

BSR	Baltic Sea Region
CBSS	The Council of the Baltic Sea States
CBSS Member States	The Council consists of the Ministers for Foreign Affairs from The states are Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, Russia, Sweden and a member of the European Commission
CSO	Committee of Senior Officials
CV	Curriculum Vitae
EG	Expert Group
Final Report	Narrative and financial report with supporting documents (Copies of invoices, timesheets, receipts, publications, leaflets etc.)
Implementers	Project Coordinator ³ , Project Team Members ⁴
In-kind contribution	Contributions that may include personnel, materials, equipment or services that are given without charge to the project
LP	Lead Partner is the organization acting as the contractual partner for the CBSS PSF project
NGO	Non-governmental organization
Public body	A public sector body or a legal entity governed by private law with a public-service mission providing adequate financial guarantees
PSF	Project Support Facility
SC	Selection Committee
SMEs	An enterprise is any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity. SMEs is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro

³ Person responsible for ensuring that the Project Team completes the project. The Project Coordinator develops the Project Plan with the team and manages the team's performance of project tasks. It is also the responsibility of the Project Manager to secure acceptance and approval of deliverables from the Project Co-Partners. The Project Manager is responsible for communication, including status reporting, risk management, escalation of issues that cannot be resolved in the team, and, in general, making sure the project is delivered in budget, on schedule, and within scope.

⁴ Persons responsible for executing tasks and producing deliverables as outlined in the Project Plan and directed by the Project Coordinator, at whatever level of effort or participation has been defined for them.