

EUROPEAN COMMISSION
DIRECTORATE-GENERAL
REGIONAL AND URBAN POLICY

The Director-General

Brussels,
REGIO DGA2.01

To the Managing Authorities of the following Interreg V-A programmes

Austria-Czech Republic

Germany/Bavaria-Czech Republic

Germany/Brandenburg-Poland

Poland-Slovakia

Slovakia-Hungary

Germany/Saxony-Czech Republic

Poland-Germany/Saxony

Germany/Mecklenburg-Vorpommern/Brandenburg-Poland

Czech Republic-Poland

Slovakia-Czech Republic

Germany-Austria-Switzerland-Liechtenstein

**Subject: Small Project Fund implementation in 2014-2020 European
Territorial Co-operation Programmes**

Ref: Note Ares(2016)1145673 of 04/03/2016 on Small Project Fund in
Interreg CBC programmes received from Secretary of State Kwieciński
on behalf of the Czech Republic, the Federal Republic of Germany, the
Slovak Republic and the Republic of Poland

Dear Sir or Madam

With reference to recent discussions and requests received in the context of implementation issues linked to 'Small Project Funds' receiving support from your programme, I wish to clarify some elements below.

As you are aware, the term 'Small Project Fund' is not referred to explicitly in either Regulation (EU) No 1303/2013 or Regulation (EU) No 1299/2013. These schemes, nevertheless, have existed for many years under cross-border cooperation programmes in the follow-up of past PHARE and TACIS programmes and are considered to have been successful, in particular in terms of facilitating exchanges between people and local organisations in border regions. We recognise this positive contribution to the delivery of cohesion policy and would like to set out certain minimum requirements to ensure the smooth and timely implementation of these schemes.

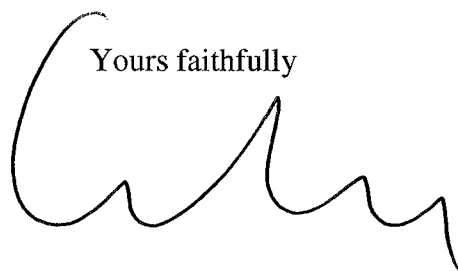
Most importantly, programme authorities need to ensure that when selecting the Small Project Fund operation for support, a basic strategy has been developed based on which the operation is implemented. This strategy would normally form part of the Small Project Fund application to the programme. Along with reference to the strategy, the grant agreement between the programme and the lead or sole beneficiary implementing

the Small Project Fund operation would need to contain indicators and quantified targets to be achieved in line with the content of the programme and its priorities. The selection of projects within the Small Project Fund operation would need to be carried out through the launch of open calls, with transparent selection criteria and their subsequent application. Rolling project submission and selection practices also remain possible as long as they are carried out in a transparent way.

Furthermore, we recognise that management costs form a necessary part of a Small Project Fund operation. To ensure that the maximum level of funding flows through to actual cross-border projects, we consider that up to 20% of the Small Project Fund budget may be used for management costs and that the rest must benefit individual small projects. In addition, the set-up of the Small Project Fund needs to comply with the framework set up for management verifications in Article 23 of Regulation (EU) No 1299/2013.

If grant or other agreements in the context of your Small Project Fund operation do not contain the requirements as described above, their adjustment would need to be undertaken as soon as possible. As long as the above elements are fully respected, we consider a Small Project Fund scheme to be in line with the applicable cohesion policy legal framework.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Walter Deffaa', written in a cursive style.

Walter Deffaa

Copies:

Ms Andersson Pench, Directorate D, Directorate-General Regional and Urban Policy

Ms Monfret, Unit D2, Directorate-General Regional and Urban Policy

Mr Jerzy Kwiecinski, Secretary of State, Ministry of Economic Development,
Republic of Poland

Mr Zdeněk Semorád, Deputy Minister, Ministry for Regional Development, the Czech
Republic

Mr Andreas Obersteller, Deputy Director General, Federal Ministry for Economic
Affairs and Energy, Germany

Mr Viktor Veselovský, Director General, Ministry of Agriculture and Rural
Development, the Slovak Republic

Ms Ilse Aigner, Bavarian State Minister of Economic Affairs and Media, Energy and
Technology, Deputy Minister-President of Bavaria, Germany

Ms Anne Quart, State Secretary, Brandenburg Ministry of Justice, for European
Affairs and Consumer Protection, Germany

Mr Stefan Rudolph, State Secretary, Ministry of Economics, Construction and
Tourism of the State of Mecklenburg-Vorpommern, Germany

Mr Herbert Wolff, State Secretary, Saxon State Ministry of the Environment and
Agriculture, Germany