

# TRANSNATIONAL COOPERATION PROJECTS

A GUIDE  
FOR PROJECT PROMOTERS



EUROPEAN  
SOCIAL FUND



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Human Capital Operational Programme  
NATIONAL SUPPORTING INSTITUTION

# TRANSNATIONAL COOPERATION PROJECTS

A GUIDE FOR PROJECT  
PROMOTERS



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**HUMAN CAPITAL**  
NATIONAL COHESION STRATEGY



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# FOREWORD

We are pleased to introduce a guide for promoters of transnational cooperation projects implemented within the framework of the Human Capital Operational Programme.

This guide has been developed based on the experiences gathered by beneficiaries of the Leonardo da Vinci Programme and the EQUAL Community Initiative. Most of those beneficiaries were involved in transnational cooperation for the first time ever. Their experiences, therefore, provided a particularly important source of knowledge about good and bad practices in transnational cooperation.

The purpose of this guide is to provide project promoters who are in the course of preparing applications for project funding – submitted both in calls for proposals and as system projects - a full scope of information and guidelines regarding transnational cooperation projects, which is necessary to prepare such projects properly. The authors hope to have presented this information in a comprehensive and transparent fashion.

The titles of chapters and subchapters are formulated as questions, to help identify problems inherent in the project preparation process. They should guide the Reader in finding the relevant answer quickly.

The guide follows a logical sequence of issues which arise in the preparation and execution of transnational cooperation projects under the Human Capital Operational Programme (“HC OP”). Chapter 1 presents some basic information about transnational cooperation and identifies specific features of transnational cooperation projects implemented under the Human Capital Operational Programme. Chapter 2 provides guidelines on how to establish a transnational cooperation partnership, what variants of a partnership are available, and what needs to be done to find the right partners. The following chapters present information on how to organise work of a transnational partnership, select the right model of cooperation and manage the financial aspects of the project.

Risk analysis in transnational cooperation project management, which is a necessary part of any project’s preparation and execution, as well as progress monitoring and project promotion, are all activities which are critical to the project’s success. As these issues are not always duly appreciated, it is recommended the Reader takes equally careful account of those aspects as of any other aspects covered by this guide.

The final chapter is devoted to mistakes to be avoided in the project application, so that the proposed project has a solid chance of success.

The guide also contains model documents and many tools which are designed to facilitate the planning of successful and effective transnational cooperation, such as a model of the minimum contents of a transnational cooperation letter of intent under the HC OP, and a model of the minimum scope of a transnational cooperation agreement under the HC OP. Both documents, appended to the *Principles of Project Selection in the Human Capital Operational Programme*, are an obligatory part of transnational cooperation projects and as such represent a unique feature of those projects in comparison with standard projects.

Another useful addition to the guide is an instruction of filling in the minimum scope of a HC OP transnational cooperation agreement, which contains many practical tips, and a checklist for the minimum scope of a transnational cooperation agreement, which will be used by the competent institutions of the Human Capital Operational Programme to appraise and approve the agreement.

The authors are confident that the guide provides a satisfactory scope of information and important guidelines for preparation and execution of good HC OP transnational cooperation projects, whose effects will be successfully applied in various areas of social intervention in Poland.

*National Supporting Institution*

# Chapter 1

## WHAT ARE THE SPECIAL FEATURES OF TRANSNATIONAL COOPERATION PROJECTS IN THE HUMAN CAPITAL OPERATIONAL PROGRAMME?

This chapter is addressed primarily to those Readers who thus far have not been involved in transnational cooperation projects and have only a limited knowledge of the general issues pertaining to the European Social Fund.

For the purposes of clarity and ease of understanding, the information set forth below, taken from official documents (the Operational Programme, the detailed guidelines, etc.), has been presented in a very straightforward manner.

### 1.1. What are transnational cooperation projects?

Transnational cooperation projects belong to the types of projects that can be implemented within the framework of the Human Capital Operational Programme (HC OP). In terms of themes, those projects pertain to the chief intervention areas of the European Social Fund<sup>1</sup>, i.e.:

- adaptability of workers and businesses;
- employment;
- social integration;
- human capital investment;
- promotion of partnership;
- increasing and improving human capital investment (i.e. reforms of the educational system);
- institutional capacity building and better effectiveness of public administration.

According to the principles adopted by all the European Union Member States, transnational cooperation should be a part of all activities co-financed from the ESF. To this aim, each Member State analyses its needs and identifies areas in which transnational cooperation may generate best results.

Poland has decided that transnational cooperation projects will be implemented in all the HC OP's Priority axes, except for projects in support of local initiatives in rural areas in the relevant Measures of Priority axes VI, VII and IX (i.e., respectively, 6.3, 7.3 and 9.5).

In the framework of the HC OP, the elements which distinguish transnational cooperation projects from their "standard" counterparts (i.e. projects which are not transnational cooperation projects) include:

- partners – the project pursues joint activities with a partner from a different country (a Member State of the European Union or a non-EU country);
- operations – the project implements eligible activities<sup>2</sup>:
  - organisation of conferences, seminars, workshops and meetings,

<sup>1</sup> In keeping with the *Regulation (EC) no. 1081/2006 of the European Parliament and the Council dated July 5, 2006, on the European Social Fund*.

<sup>2</sup> In keeping with Appendix 8 of the *Guidelines of the Minister of Regional Development on the Implementation of Innovative and Transnational Cooperation Projects Under the Human Capital Operational Programme*, Ministry of Regional Development, Warsaw 2009 (version as of April, 1).

- research and analysis activities,
- preparation, translation and publication of studies and reports,
- adaptation of solutions developed in another country,
- consulting, exchange of workers, placements and study visits,
- development of new solutions;
- added value– demonstration of real added value resulting from transnational cooperation.

### Remember!

A transnational cooperation project represents more than a standard HC OP project in which the partnership includes, besides the project promoter, a partner from a different country. The key distinguishing aspect of transnational cooperation projects is the additional benefit generated by the cooperation with a transnational partner, the so-called **added value** (the concept of added value is further elaborated in subchapter 2.2).

Table 1  
Standard HC OP projects as compared to HC OP transnational cooperation projects

	Standard project	Transnational cooperation project
<b>Problems</b>	Defined in the context of a HC OP Priority axis; scope: national, regional or local.	Defined in the context of a HC OP Priority axis and a specific scope, with a clear reference to the European dimension and interfaces with the partner(s)' problems. Needs are defined with reference to transnational cooperation.
<b>Objectives</b>	Included in objectives of a given HC OP's Priority axis, addressing specific needs and proposing concrete solutions at the national, regional or local level.	Included in objectives of a given HC OP's Priority axis, addressing specific needs and proposing concrete solutions which can be applied at the European level.
<b>Activities</b>	Included in the types of operations named in the HC OP.	Included in the types of operations named in the HC OP and compliant with the forms of eligible activities for transnational cooperation projects, assigned to the individual partners and requiring their involvement in the execution of successive stages of the project.
<b>Results</b>	Defined at the project level, i.e. national, regional or local.	The project defines results as generated by the transnational cooperation; the results developed by the project at the national level are used in a broader European context; or the project defines new results, developed jointly with the transnational partner(s).
<b>Added value</b>	An additional value, taken into account in project appraisal which is not a direct effect of the project, but has resulted indirectly from the project execution, e.g. from the fact that the project was co-financed from the ESF or from the nature of cooperation implemented within the structure of the project.	An additional value closely linked to transnational cooperation, comprising objectives, products and results, and going beyond added value of a standard project (for more see subchapter 2.2).

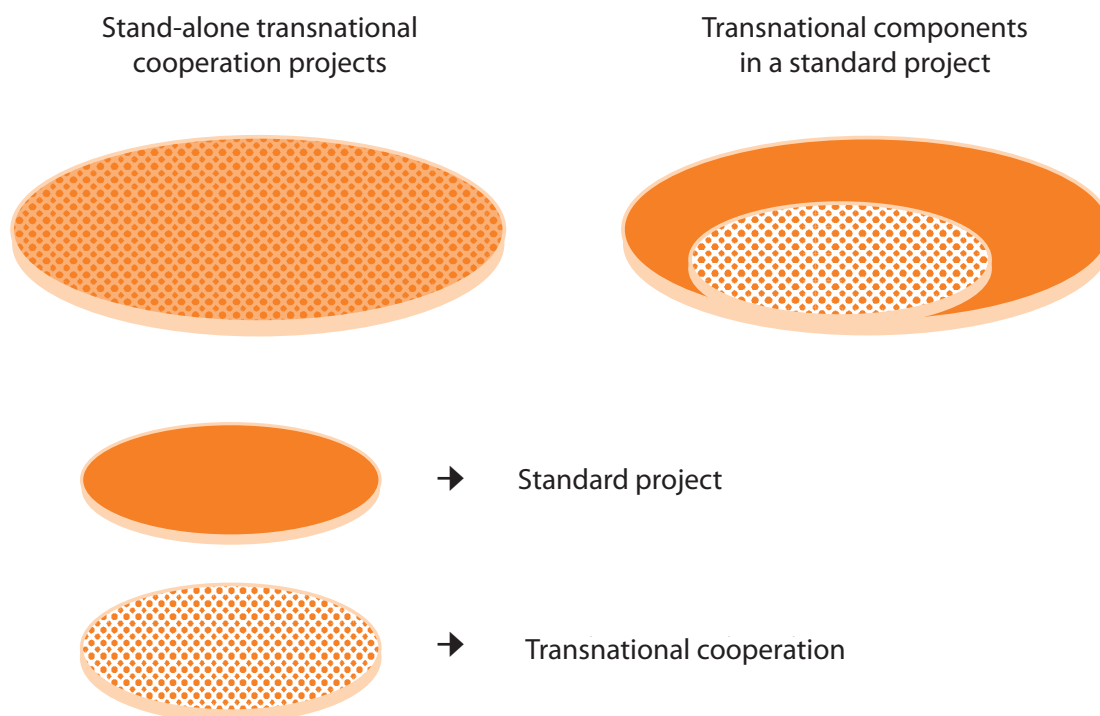


## 1.2. What are the types of transnational cooperation projects?

Considering the formal application paths and their positioning in the entire HC OP system, transnational cooperation projects can be divided into two groups (diagram 1).

Diagram 1

**The scope of transnational cooperation: stand-alone transnational cooperation projects and transnational components in standard projects**



### Stand-alone projects

Distinguishing features: The scope of the project overlaps with the scope of transnational cooperation; the general objective and all detailed objectives of the project are defined in the context of transnational cooperation. Transnational cooperation is assumed at the stage of project development; hence transnational cooperation is an integral premise of the project planning process. The partner(s) of the project promoter are involved in developing the substantive framework and objectives of the project. All activities of the project involve transnational cooperation. The exchange of knowledge, experiences and the reciprocity of the learning process contribute to real added value.

**Components of national projects bringing a transnational cooperation aspect into the project** – at least one aim of the project is hinged upon transnational cooperation; the transnational component may be included both at the planning stage, as well as in the implementation phase of the project (this modification must be approved by the institution which is a party to the project HC OP co-financing agreement).

Distinguishing features: Except for transnational cooperation, the project envisages other activities as well, and only a part of the project (called “a transnational component” in the official documents and guidelines) is implemented as transnational cooperation. The transnational cooperation aspect is justified for the purposes of problem analysis and/or identification of needs. The component has an impact on successful achievement of project objectives and generates added value (e.g. one of the project activities is a comparison of results of independent studies). In justified cases, the transnational element may be included into the project structure after the execution of the project has already started (with the corresponding increase of the project budget); it is then treated as a modification of the original project application.

In the course of a call for proposals, the Institution Organising the Call for Proposals may choose the type of projects to be covered by the Call and the number of allocation pools out of six possible paths (Table 2).

Table 2  
Types of projects and HC OP Call for Proposals paths

Path	Subject of the Call for Proposals		
	projects (standard)	projects with a transnational component	stand-alone transnational cooperation projects
1	X	X	X
	1 <sup>st</sup> pool of resources		2 <sup>nd</sup> pool of resources
2	X	X	
	1 <sup>st</sup> pool of resources		
3	X		X
	1 <sup>st</sup> pool of resources		2 <sup>nd</sup> pool of resources
4		X	
		1 <sup>st</sup> pool of resources	
5			X
			1 <sup>st</sup> pool of resources
6 (two options)		X	X
		1 <sup>st</sup> pool of resources	
		X	X
		1 <sup>st</sup> pool of resources	2 <sup>nd</sup> pool of resources

In the first three paths, the Call for Proposals is announced jointly for HC OP national projects and HC OP transnational cooperation projects. Paths 4 to 6 envisage a separate Call for transnational cooperation project proposals. Relative to the number of pools of resources (allocations) available for the Call, one or two ranking lists are drawn up.

Table 2 shows that – relative to the path chosen – the project promoter of a stand-alone transnational cooperation project will compete with projects with a transnational cooperation component in only one case; never does a transnational cooperation project compete with a standard HC OP project. On the other hand, projects with a transnational cooperation component may compete with both standard HC OP projects and stand-alone projects.

### 1.3. Are HC OP transnational cooperation projects a continuation of the EQUAL Community Initiative?

The principle of transnational cooperation was already applied in projects implemented in Poland in 2004–2006 under the EQUAL Community Initiative.

EQUAL was a testing platform for new solutions applicable to selected thematic areas. EQUAL projects revolved around development partnerships created on the national and transnational levels. On the basis of studies and analyses, it has been decided to continue this type of projects in the new programming period. In order to make the objectives and allocation of resources more transparent, the idea of a separate “programme” or “initiative” was dropped. Consequently, in the programming period 2007 – 2013, transnational cooperation projects have been incorporated into the mainstream activities of the European Social Fund. However, a separate pool of resources was set aside to finance those projects.

#### Important!

In the new programming period, transnational cooperation projects are operated differently than in EQUAL, i.e.:

- there is no requirement to build a national partnership;
- there are no specialised programming documents;
- project objectives must be aligned with the HC OP;
- projects are governed by the *Guidelines of the Minister of Regional Development on the Implementation of Innovative and Transnational Cooperation Projects Under the Human Capital Operational Programme*.

### 1.4. What is the essence of transnational cooperation projects?

The decision to develop a project involving transnational cooperation can be made at the planning stage. However, the transnational cooperation dimension can also be added in the course of project development work or even in the implementation phase.

The so-called added value is the essence of transnational cooperation. In other words, the key is not to have a plan, time or a group of reliable partners, but an **incontestable additional benefit** arising from the project (i.e. everything that we would not have achieved be it not for the fact of transnational cooperation).

Any transnational cooperation project must generate **real added value**, i.e. objectives, specific products and results that have been made possible only through cooperation with transnational partners.

The concept of added value is further elaborated in subchapter 2.2.

### 1.5. Who can act as a project promoter in transnational cooperation?

Transnational cooperation projects can be implemented by all entities named in the individual Priorities of the Human Capital Operational Programme. For example, in Priority 7 Submeasure 7.2.2, all entities except for natural persons (but including sole traders or natural persons conducting educational activities based on specialised regulations) can act as project promoters. A relevant distinction to be reminded in this context is that between a beneficiary and a project promoter.

A project promoter is an entity qualified to submit applications for project co-financing. A beneficiary, on the other hand, is an entity which implements the project after it has been approved and the project implementation agreement has been signed.

Diagram 2

### A project promoter and a beneficiary



## 1.6. Why is it worthwhile to implement transnational cooperation projects?

Experiences of European Union Member States gathered to date show that transnational cooperation increases the effectiveness of integration and understanding of legal contexts. Furthermore, this type of cooperation enhances the quality of partners' activities, develops a European way of thinking, and builds formal and informal cooperation networks. Finally, transnational cooperation facilitates better promotion of innovative activities and transfer of project results into policies and practice<sup>3</sup>.

In view of those benefits of transnational cooperation, the European Social Fund – designed to stimulate changes and reforms in the area of employment and integration – calls for this form of cooperation. This aim can be well-served in particular by exchange of information, experiences, project results and good practices, as well as by development of complementary approaches and coordinated joint actions.

Studies of results worked out by EQUAL Community Initiative projects show a high usefulness and value of transnational cooperation in many areas<sup>4</sup>. Almost 45 percent of project participants considered transnational cooperation very useful, and 39 percent – as fairly useful. The input of transnational cooperation principles into the achievement of EQUAL objectives was viewed equally positive: 33 percent of project participants considered it very good, and 60 percent – as good. Partnerships gave on average 1–2 examples of benefits achieved thanks to transnational cooperation. At the same time, the respondents rated higher the benefits of substantive exchanges, related directly to the issues taken up by the projects, rather than benefits of a typically managerial nature.

When justifying their choices, respondents highlighted diverse benefits of transnational cooperation, such as<sup>5</sup>:

- the possibility of exchange of experiences and good practices (a broader choice for project participants);
- the possibility to verify skills in contacts with transnational partners;
- greater motivation of national project participants;
- establishment of institutional contacts for the purposes of future cooperation;
- learning about each other and learning how to act and operate together;
- a chance to promote Poland and the project's home region.

<sup>3</sup> See *The Principle of Transnational and Interregional Cooperation in the New ESF Programmes (2007–2013)* ([http://ec.europa.eu/employment\\_social/equal/data/document/200606-reflection-note-trans\\_en.pdf](http://ec.europa.eu/employment_social/equal/data/document/200606-reflection-note-trans_en.pdf)).

<sup>4</sup> Cited from: *Human Capital Operational Programme*, Ministry of Regional Development, Warsaw 2008, p. 208 and following.

<sup>5</sup> *On-going Evaluation of the Operational Programme "EQUAL Community Initiative in Poland 2004–2006", 2<sup>nd</sup> Interim Report* (<http://www.equal.gov.pl/Materialy+publikacje+ekspertyzy/>).

## Chapter 2

### HOW TO PREPARE FOR TRANSNATIONAL COOPERATION?

#### 2.1. How to define objectives of transnational cooperation?

For individual Priority axes of the Programme, the objectives to which transnational cooperation can contribute real added value (for both the central and regional components) are defined by the competent Intermediate Body (further on referred to as “IB”). The IB specifies the measures/submeasures which will incorporate transnational cooperation.

In the course of a standard project, a beneficiary may also demonstrate added value resulting from transnational cooperation and request that the project’s scope be expanded to include a transnational component.

When considering potential transnational cooperation, one should first diagnose the problem area(s) and specify what the **objective** of the cooperation should be (Diagram 3). As a next step, one should reflect on what **partner(s)** could contribute most effectively to the achievement of this objective.

Diagram 3

#### Successive steps of an analysis of transnational cooperation objectives

Diagnose the problem → Set a general objective → Set a transnational cooperation objective

When identifying the objective of transnational cooperation, one should above all consider the objectives of project activities at the national level and then reflect upon what type of cooperation at the European level could let the project achieve those objectives most effectively. It means that one has to specify in detail whether a given objective is to be achieved through adaptation of solutions already known in other countries or through joint activities (e.g. development of a shared result).

In both cases, the project may test and adapt solutions worked out elsewhere to a different target group, a different milieu/culture or a different legal or administrative system. When the objective is defined in this way, it becomes clear that the project needs a partner who can already offer specific solutions and operates in similar problem areas. For example, in a project devoted to reconciliation of professional and family lives, the objective of transnational cooperation may be to describe and implement solutions or good practices from a country which has already successfully resolved these issues. Alternatively, the project partners may want to identify the common problem areas together and then set objectives for their cooperation, plan project activities, and implement the results worked out in each of the respective countries.

### 2.2. How to identify the added value of transnational cooperation?

According to the *Guidelines of the Minister of Regional Development on the Implementation of Innovative and Transnational Cooperation Projects Under the Human Capital Operational Programme*: “Added value should be understood as project objectives and specific products and results that are achievable only through transnational cooperation, and which could not be realised by a project of national scope alone.”

For projects financed from the ESF, added value includes:

- achievement of comprehensive results (e.g. results which have been tested and adapted to different conditions, thematic groups or problem areas);
- innovation (introduced into existing projects, policies, etc.);
- allowing the project to have a broader scope and farther reach of activities;
- ensuring the best quality of activities and results;
- results other than those offered by the planned activities.

#### Important!

**Alike project results, a properly identified added value should be defined at the project planning stage. It is a part of project implementation, and not an unplanned and unexpected effect of project activities. Noteworthy, added value should be identified for each project partner. A detailed description of added value of the project should be given in items 3.1 and 3.4 of the project application<sup>6</sup>.**

Transnational cooperation projects co-financed from the European Social Fund are subject to the highest requirements. Therefore, at the project preparation stage one should ensure not only cost-effective utilisation of Community funding, but also – and above all – a high quality of results and satisfactory added value of the project.

Diagram 4 shows three levels:

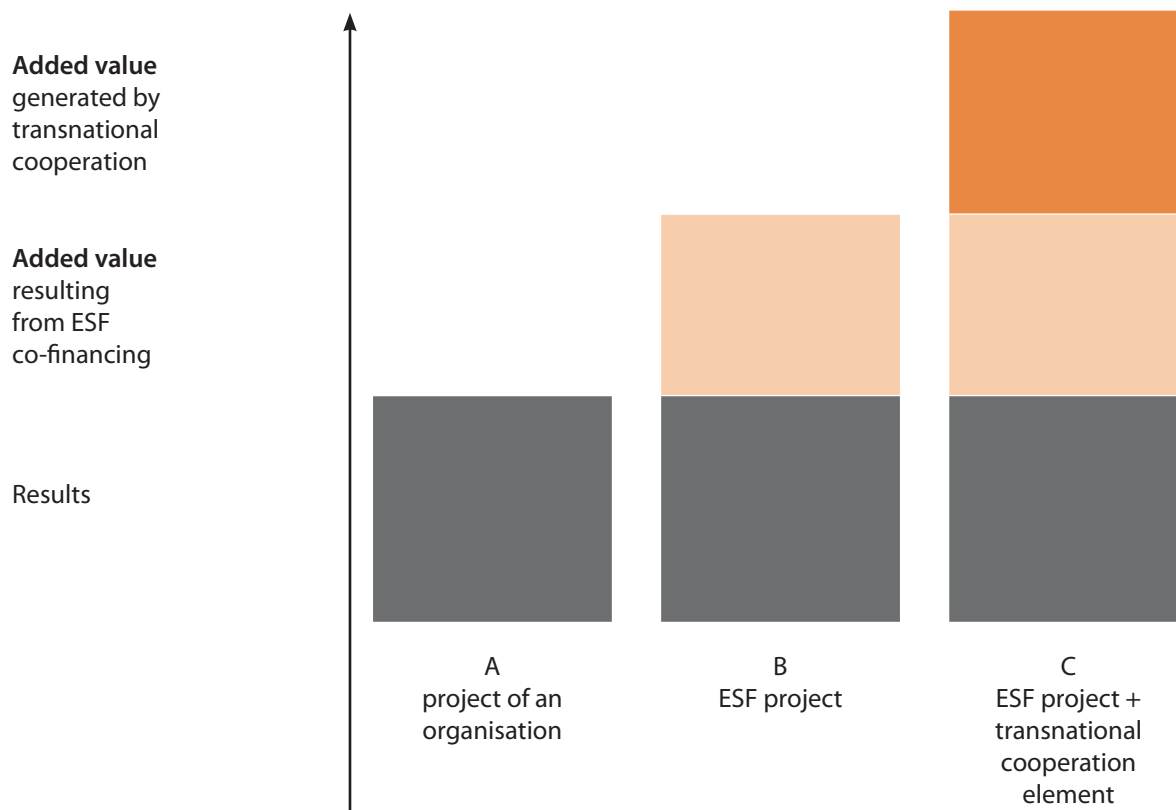
- results;
- added value generated by the ESF co-financing;
- added value generated by transnational cooperation with reference to three different projects:
  - an ordinary action under a project of an organisation (A);
  - a project co-financed by the EFS (B);
  - a project with a transnational cooperation element co-financed by the EFS (C).

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<sup>6</sup> See *Preparation of Project Applications in the Human Capital Operational Programme – A Manual*, Ministry of Regional Development, Warsaw 2009 (version as of April 1, 2009).

Diagram 4

**Added value generated by transnational cooperation, added value generated by the ESF co-financing, and project results in relation to a project of an organisation, an ESF project, and an ESF project with a transnational cooperation element.**



The analysis that should identify added value may initially proceed along two types of approaches:

- first analyse the planned products and results, and then consider whether a transnational cooperation element can help raise the quality of those products and results;
- consider what new products and results that could not be achieved by a national project alone are achievable thanks to the transnational cooperation element of this project.

### Some recommendations

When asked about benefits and advantages of transnational cooperation, beneficiaries of the EQUAL Community Initiative also mentioned the following:

- learning about new organisational and technical solutions;
- improved work methodology;
- gaining a new perspective on problems, solutions and methods;
- an opportunity to develop a truly European mode of thinking;
- vocational placements and exchanges;
- inclusion of professional staff in international exchanges;

- transfer of good practices between partners;
- growing awareness (e.g. of discrimination) and knowledge (e.g. of legislation);
- a possibility to apply solutions already developed by others and good practices worked out by transnational partners;
- a possibility to use products and results developed by a partner in a target group of a national project;
- new experiences in building and managing a partnership;
- usefulness of cultural diversity in exchanges of experiences;
- development of a well-functioning cooperation network.

### 2.3. How to develop a work plan for transnational cooperation?

In transnational cooperation, partnerships establish cooperation with entities from other countries (European Union Member States or non-EU countries). It means that they may have to face not only potential difficulties in cooperating within the partnership, but also – possibly – problems resulting from cultural differences, specific work methods of another country, as well as different ways of work organisation and working styles.

Therefore, when planning a transnational cooperation project, the project promoter should:

- Define the scope of cooperation:
  - set objectives;
  - identify potential partners.
- Conduct talks:
  - choose the partner carefully, avoid hasty decisions;
  - think strategically and in the long term (it is not all about short term benefits);
  - ensure that the common objectives (your own and those of your partners) are well understood;
  - remember about all formalities (agreements, signatures and official representations are all necessary).
- Plan realistically:
  - plan sufficient time for getting to know each other, exchange of views, and informal meetings;
  - develop good communication;
  - devote sufficient time to detailed planning;
  - make sure that all the partners have the same vision of project activities, plan and methods of achieving results.
- Synchronise the process of preparation and submission of applications. Specify precisely who and when should submit applications for co-financing, what kind of applications they should be, and what documents should be prepared by each partner:
  - prepare a fallback plan should the application be rejected or the grant delayed.
- Manage well:
  - take care of good communication;
  - be aware of cultural differences;
  - plan realistically;
  - support each other.



## 2.4. How to build a transnational partnership?

The evaluation of projects implemented under the EQUAL Community Initiative<sup>7</sup> shows that successful transnational cooperation is hinged upon:

- good selection of partners; the partner should be adequate from the point of view of the problem area and the planned project objectives;
- having a partner who has a similar budget for transnational cooperation;
- proper structure of the budget vis-à-vis the planned tasks to be performed by the individual partners;
- common interests and objectives;
- a precise work plan and adequate involvement of all partners;
- sufficient time devoted to developing the transnational partnership.

The project management model depends on the number of partners in the partnership. For example, it is easier and faster to organise a meeting and adopt decisions in a group of a few, rather than over a dozen, partners. Noteworthy, the more partners in a partnership, the more time and energy should be devoted to on-going management and effective communication. Whenever a project requires a partnership of many partners, adequate resources should be set aside for administrative support and management.

In transnational cooperation projects, cooperation may be established with entities from:

- Member States of the European Union which implement projects co-financed from the ESF;
- Member States of the European Union which do not implement such projects;
- Non-EU countries.

A necessary condition is to establish cooperation with at least one foreign partner.

The cooperation may involve:

- projects implemented in various countries;
- networks of organisations (e.g. industry organisations) operating in similar areas or project promoters from various countries who are members of similar networks in their respective countries;
- institutions operating in the same area and supporting each other (*twinning* cooperation, applicable to public sector institutions).

Relative to the number and type of partners, the following categories of partnerships can be distinguished:

- single-sector or multi-sector partnerships;
- bi-national or multi-national partnerships.

Documents regarding transnational cooperation projects also mention institutional partnerships of public entities (i.e. *twinning*, a type of public sector partnership).

The classification presented above implies that projects may be implemented by partnerships with very diverse structures, for example partnerships of:

- businesses, e.g. training or research companies (single-sector) from three different countries (multi-national);
- businesses, administrative bodies and non-governmental organisations (multi-sector) from two different countries (bi-national);
- non-governmental organisations (single-sector) from two different countries (bi-national).

<sup>7</sup> EU-wide Evaluation of the EQUAL Community Initiative 2000–2006, Final Report 2006 ([http://ec.europa.eu/employment\\_social/equal/data/document/eva-eu-vol1.pdf](http://ec.europa.eu/employment_social/equal/data/document/eva-eu-vol1.pdf)).

There can also be projects in which the project promoter co-operates with different partners at different stages of the implementation process, with no single common agreement of all the partners having been concluded.

### Example

**Task 1: Project promoter (P) co-operates with Partner A – a letter of intent between P+A.**  
**Task 2: (or any successive task): Project promoter (P) co-operates with Partner B – a letter of intent between P+B.**  
**In this situation there is no common letter of intent for P+A+B, and no cooperation occurs between A and B.**

### 2.4.1. What is a multi-national partnership?

Under the HC OP transnational cooperation, it is possible to create a partnership with one foreign partner or more. A multi-national partnership implies that the project promoter co-operates with partners from more than one country.

The simplest model is that the project promoter cooperates with one foreign partner. Documents which regulate transnational cooperation projects do not set any limit on the number of partners, but they do recommend that the number of partners in transnational cooperation be not greater than four:

#### The HC OP project promoter + 3 partners

In multi-national projects, the transnational partners of the project promoter come from at least two different countries. Noteworthy, the more partners there are in the partnership, the more complex the management of the project and the higher the risk of unsuccessful implementation of the project.

At the same time, the multi-national partnership model offers more opportunities. It not only provides exposure to a greater range of experiences and models, but also allows the project, for example, to implement a model from a more experienced country in less experienced regions with different specificity, which can lead to valuable results.

### 2.4.2. What is a multi-/single-sector partnership?

Partnerships created to implement transnational cooperation projects may involve partners from one or many sectors.

The choice between a single-sector or a multi-sector partnership, as well as of the sectors themselves, should be made in the context of the general objectives of the project, its planned results and added value.

A project implemented by a single-sector partnership, made exclusively of businesses, will achieve completely different objectives than a project implemented by non-governmental organisations. This type of partnerships is particularly recommended for projects designed to adapt solutions developed in a different country (or countries).

A project implemented by a partnership representing three sectors: public, private and non-governmental, i.e. covering a full spectrum of organisation types, has a greater chance of success thanks to the diversity of partners and their respective experiences. This model of partnership is advisable for projects set to develop solutions addressed to various entities. Equally valuable are initiatives involving two different sectors, e.g. public and non-governmental or non-governmental and private.

### 2.4.3. What is an institutional partnership of public entities (twinning)?

The so-called *twinning* is a special type of partnership – cooperation of public institutions<sup>8</sup>. Projects implemented by institutional partnerships of public entities may revolve around direct mutual assistance and identification of good practices. The cooperation may take the form of transfer of experiences, specialised seminars or study visits. Importantly, all such projects are geared towards an improvement in the functioning of a given institution.

### 2.4.4. How to establish transnational contacts?

In the 2007–2013 programming period, project promoters may invite cooperation of many diverse entities with unique experience, i.e. coming from various regions and countries (including non-EU countries), as well as sectors and industries. The partners may be found among the existing contacts of the promoting institution or the partner search may be assisted by earlier project experiences as well as materials from conferences, meetings, placements and study visits.

The European Commission has developed a tool to assist the transnational partner search process, the so-called *TOOLKIT – Transnational Partner Search*. The tool can both receive partner data into the database (via a special form) and search potential partners for new projects<sup>9</sup>.

It is always advisable to start partner search well in advance, to allow enough time for cooperation planning and joint elaboration of objectives and activity plans. In the case of unknown organisations, it is advisable to request references from other projects they had taken part in.

### 2.4.5. How to select transnational partners?

The more similar the partners are, the better their chance for good understanding and communication, even if they come from different countries. It is highly likely that two non-governmental organisations (e.g. involved in work with the unemployed) will find a common language as well as problems and themes of mutual interest, as will two local administration bodies representing two regions of similar problems and structure.

In partner search, it is therefore important to gauge the degree of diversity well. Too many differences between the partners may hinder understanding. At the same time it is important to leave enough space for the verification (or defence) of one's own views, opinions and methods.

<sup>8</sup> The term *twinning* comes from a European Commission programme dating back to 1998, whose major objective was to support public institutions and to contribute to the development of modern administration in the countries covered by European Union-financed programmes (such as Phare, Transition Facility, CARDS, TACIS).

<sup>9</sup> The database is available at: <http://www.transnational-toolkit.eu/>. Another recommended partner database can be found at the following sites: <http://www.leonardo.org.uk/partnersearch> and <http://www.adam-europe.eu/adam/homepageView.htm>, the latter also describing products and results of the Leonardo da Vinci programme. A database of EQUAL Community Initiative projects from previous years can be found at [http://ec.europa.eu/employment\\_social/equal/index\\_en.cfm](http://ec.europa.eu/employment_social/equal/index_en.cfm).

Every project, transnational cooperation projects including, has the overriding objective to effect change or pass onto a different level, rather than to maintain the status quo and the existing level of self-satisfaction.

Noteworthy, too big differences between and among partners may also have an adverse impact on joint work. It is worthwhile to work with a partner who represents a slightly higher level (e.g. in management or work quality), but at the same time this level must be achievable for the other partners. Too large a gap in this respect will not motivate reflection or encourage changes, but rather will stimulate aggression (demonstrated directly or indirectly).

If the project work is to be based on the partnership principle, one should avoid too large a disproportion among the partners. This risk exists when, for example, a large partner from the business sector goes into a partnership with a small non-governmental organisation and a local administration body. In such a case, it may be hard to maintain good partnership rules (including that of equality of all partners), as the strongest partner may want to dictate rules to the other or – in contrast – be released from any kind of activity.

When building a transnational cooperation partnership, the following factors may be considered:

- The partner's home country (a "new" or "old" Member State of the European Union) – in the EQU Community Initiative, partnerships diverse in this respect generated very interesting results.
- Specific features of the region, city or rural area – e.g. partnerships focusing on problems of one similar region, or comparing various regions and thus generating added value for the project.
- Sector (administration, business or non-governmental organisation) – single- or multi-sector partnerships; sectoral diversification creates better opportunities for learning about new concepts of work or methods of problem-solving.
- Size of the partner organisation (the number of staff, level of sales, decision-making processes).
- Experience in project management (Is the first or a successive project for a given partner? What size of projects did the prospective partners manage in the past?)
- Experience as regards the subject matter or problems covered by the project (a highly experienced partner, with lots of expertise; a new-comer to the field, with little experience; a partner with lots of practical experience or – alternatively – with extensive theoretical knowledge).

As regards partner selection, entities named in Art. 3 par. 1 of the *Public Procurement Act* (dated January 20, 2004) should apply the provisions of Art. 28a par. 4 of the *Regional Policy Principles Act*.

Table 3 presents an example of a potential partner chart, a useful tool in collecting information about partners. The chart covers both formal issues, as well as such areas as expectations, motivation or relationships.

### **2.4.6. Are the partners required to be experienced in implementing transnational cooperation projects?**

Having a partner who is experienced in the implementation of large projects, projects financed from Community funds or transnational cooperation projects may raise the ranking of the project application. Nevertheless, even though it can act as a mentor or instructor in the course of the project, it is not a necessary condition to have such a partner as a member of the partnership.

### 2.4.7. What is formally required, and what is good practice, in building transnational partnerships?

At the project application stage, copies of a **letter(s) of intent** with the potential partner(s) must be submitted with the application. The transnational cooperation agreement must be approved by the Polish Intermediate Body/2nd Level Intermediate Body prior to the conclusion of the co-financing agreement.

On the other hand, all guides and manuals concerning partnerships, guides presenting descriptions of EQUAL projects or conclusions of evaluation studies can only serve potential project promoters as an example of good practice. The project descriptions (e.g. management structures for EQUAL Development Partnerships) present a more general picture of diversity and dynamic adaptation of styles and forms driven by the character of individual partnerships, rather than a set of rigid working rules and methods.

An example of good practice is going back to the fundamentals of partnership and applying them as the basis for project work.

Partnership is all about:

- voluntary participation of the partners;
- equality of the partners;
- common objectives, responsibility and benefits.

These three elements may serve as a point of departure for a later development of detailed principles of cooperation. Before that, however, the minimum conditions must be ensured. Although voluntary character of participation may seem obvious, it is worthwhile to verify the motivation of both the institutions and/or organisations, as well as the individual persons to be involved in building the partnership. It may save future troubles hinged upon lack of commitment or failure to perform.

Equality of the partners means an equal right to take part in the decision-making process, as well as the recognition that every type of contribution is important.

All persons participating in a partnership should be aware of its objectives and be accountable for their respective contribution and commitment. Noteworthy, the specific individual benefits to be derived by each partner from the partnership are equally important. It is a common duty to take care of the benefits, as without them the partnership may disintegrate<sup>10</sup>. The conditions described above cannot be satisfied without open and honest communication. It is therefore very important that from the very initial meetings the partners work out and apply the rules of effective and transparent communication (cf. subchapters 3.6 and 3.7). Similarly, the transnational cooperation agreement should define such principles (cf. the Instruction of filling in the minimum scope of the HC OP transnational cooperation agreement and the Checklist).

## 2.5. What are the basic rules of building a transnational partnership?

In summary, here are a few valuable basic principles that may help bring about a successful transnational partnership:

- clear identification of the objective that the partnership should strive to achieve;
- good rapport – will of cooperation, openness, communication, respect for the partners (cf. chapter 3);

<sup>10</sup> Cited from *EQUAL Community Initiative. A Transnational Cooperation Guide 2004–2008*, Task Force for Training and Human Resources, Cooperation Fund, Warsaw 2005.

- clear, unequivocal definition of tasks and benefits for all the partners;
- devoting sufficient time for each stage of the project. It is helpful to see a transnational cooperation project as a process of learning, and not only a plan that should “get us to the results”;
- ensuring that all formal requirements are met.

Table 3

**A potential partner chart (for the purposes of information gathering)**

<b>BASIC DATA</b>	
Name	
Country	
Contact details (tel./e-mail)	
Decision-maker	
Contact person	
References/source of contact	
<b>INFORMATION ON ACTIVITIES</b>	
General characteristics	
Achievements, expertise, other interesting projects	
Region of operation – general characteristics	
Clients	
Experience in EU projects	
Number of staff	
Level of sales, assessment of financial standing	
<b>POTENTIAL FOR COOPERATION</b>	
Why is the partner interested in the project (motivation, expectations)?	
Strengths from the viewpoint of cooperation	
Weaknesses from the viewpoint of cooperation	
<b>RELATIONSHIPS</b>	
Corporate/organisational culture – system of work, atmosphere, communication	
Contact language	
<b>OTHER COMMENTS</b>	
Did anything capture our attention during meetings and/or contacts?	

## Chapter 3

### HOW TO PLAN THE WORK OF A TRANSNATIONAL PARTNERSHIP?

Implementation of a partnership-based project, and – in particular – a project of transnational cooperation, is much more difficult than when the project is implemented by a single organisation alone. However, in return the project can generate unique experiences, broaden perspectives and achieve better and more solid results.

In order to work out added value in transnational cooperation, the project must be very well planned. This chapter provides advice on how to prepare oneself to a transnational cooperation project and how to organise cooperation with a foreign partner.<sup>11</sup>

When planning cooperation with a foreign partner, project promoters may encounter many challenges, including above all:

- the need to select the right model of cooperation;
- the necessity to develop the right partnership management structure;
- the necessity to develop proper methods of work and documentation of activities;
- the need to estimate the necessary financial, organisational and human resources, as well as – most importantly – the time needed for the project;
- the skill of working when exposed to cultural and linguistic differences and unknown circumstances;
- the necessity to create a proper system of information flows among the partners;
- the need to retain the same staff – from project design to results dissemination stage.

#### Remember!

A good transnational partnership means well prepared cooperation.

### 3.1. What model (models) of transnational cooperation should be adopted to achieve project objectives?

Transnational activities should always produce specific results and generate added value which is different from added value produced by standard HC OP projects. A right model of transnational cooperation may significantly enhance its effects.

<sup>11</sup> Transnational cooperation projects may be implemented on a stand-alone basis by a HC OP project promoter in cooperation with a transnational partner or partners, or within the framework of a national partnership project in cooperation with a transnational partner or partners. This guide focuses on planning cooperation with a transnational partner or partners. Implementation of national partnership projects has been discussed in a guide publication entitled *Scope of Implementation of Partnership Projects as Defined by the Managing Authority of the Human Capital Operational Programme*, Ministry of Regional Development, Warsaw 2009 (version as of April 23).

The primary models of transnational cooperation include:

- exchange of information and experiences;
- parallel development of novel solutions;
- import, export or adoption and adaptation of new methods to the relevant situation;
- joint development of a product or system – a division of tasks geared towards achievement of a common objective;
- exchange of key personnel on the project team or project participants.

### **Model 1: Exchange of information and experiences**

Cooperation with a foreign partner(s) in the form of an exchange of information and experiences is the simplest model of transnational cooperation. It also may serve as a point of departure for future projects set to develop novel solutions or common products.

Exchange of information and experiences is a way of learning about the realities and strategies applied in a given intervention area in the individual partners' home countries. One example is a project which prepared an information and promotion campaign based on the experiences of a foreign partner(s), in the form of a description of good practices, interesting promotional tools or forms of information messages. This model also serves well as a basis for benchmarking, i.e. using well-tested solutions and adapting them to new local or regional circumstances.

In fact, each of the cooperation models presented below should include an element of an exchange of information and experiences.

When selecting this model, one should not forget about:

- deciding upon the right strategy of communication among the partners, which should also allow the partners to exchange experiences;
- selection of proper tools to support information exchange;
- mitigation of language barriers by the way of selection of proper project personnel and participants;
- elimination of too general exchange mode of information and experiences, which may lead to loss of focus.

When considering this model as a vehicle of cooperation, it should be remembered that it should not be the sole model of cooperation in stand-alone transnational cooperation projects and in projects with a transnational component. Instead, it should accompany a model of more intensive cooperation among the partners (e.g. one which envisages parallel development of novel solutions or the import, export or adoption and adaptation of new methods to the relevant situation).

### **Model 2: Parallel development of novel solutions**

Parallel development of novel solutions with a transnational partner(s) is based on a division of tasks among the individual partners. In this kind of project, each partner prepares specified products as geared towards the specific circumstances of this partner's country (e.g. development of individual training curricula or initiative to stimulate the activities of selected target groups). The added value in such projects is primarily the sharing of experiences in the chosen areas and using those experiences to develop better, more up-to-date and more innovative solutions than those available thus far. The primary type of activities in this model of cooperation is activities facilitating exchange of experiences (though in a much more detailed scope than in Model 1) and contacts of experts.



The chief activities leading up to the development of parallel solutions include:

- organisation of workshops, seminars and conferences;
- meetings of experts;
- development of discussion fora;
- studies and analysis.

Cooperation projects seeking to develop parallel solutions are an opportunity to work out products which are better than their existing counterparts, based on the experiences of the other partners and aligned with the specific circumstances of a given country.

The model gives the project partners much freedom in the development of individual products. However, this feature leads to the risk that the individual partners will not be sufficiently committed and the partnership will have problems in identifying a single common objective. This is so because the partners are more interested in developing products that would suit their own circumstances. As a result, the products of the project may end up being very diverse or the partnership may end up implementing the tasks proposed by a partner having a greater potential in, and stronger influence on, the partnership.

Therefore, the key to successful utilisation of this model is the proper definition of the framework of cooperation and on-going monitoring and oversight of the project.

When considering this model as a vehicle of cooperation, it should be remembered that:

- there must be the right strategy of communication among the partners, allowing them to exchange experiences effectively;
- a database of experts conducting transnational cooperation should be identified;
- the project needs to examine the legal, social and economic possibilities of the introduction in Poland of solutions based on experiences from other countries;
- the project needs to secure the rights to use the developed products (intellectual property rights) and/or to distribute them.

This model may be a sole format of cooperation among transnational partners, both in stand-alone transnational cooperation projects as well as projects with a transnational component.

### **Model 3: Import, export or adoption and adaptation of new methods to the relevant situation**

The import, export or adoption and adaptation of new methods to the relevant situation is a method based on the presumption that one of the partners has a product, service or solution which is a better and more effective tool to solve the problem identified by the project. This partner acts as an “expert”, sharing knowledge and experience with the other partners.

This model of cooperation significantly reduces costs and saves time of the project, as the solution to be implemented already exists and no new method or product needs to be developed. Furthermore, the model minimises the risk of potential errors and problems, as the “expert” partner – sharing its experience – can in advance identify the pitfalls related to the implementation of the new solution.

An example of use this model is a project designed to apply the path of breaking away with homelessness developed in a partner country in Polish conditions, or vice versa.

This model is frequently used in effect of earlier cooperation models, especially the model of parallel development of novel solutions.

When selecting this model for cooperation, the following should not be ignored:

- the foreign partner should be carefully selected. The partner should have a method that is amiable for use in realities of another country;
- the partners should exchange experiences with the view to further improve the implemented method;
- proper tools should be selected to educate the other partners (training, coaching, mentoring, publications, implementation of new procedures);
- before solutions based on the experiences of other countries are to be introduced in Poland, it is necessary to examine the legal, social and economic possibilities of their introduction;
- issues related to intellectual property rights should be analysed.

This model may be a sole format of cooperation among transnational partners, both in stand-alone transnational cooperation projects as well as projects with a transnational component.

### **Model 4: Joint development of a product or system**

Joint development of a product or system with a foreign partner is the most common format of transnational cooperation. In this model, all partners act together in order to produce common results. The added value of such a project is primarily the products, shared by all the partners, which can bring benefits to target groups in more than one country.

Typical products developed by partnerships based on this model include:

- training curricula covering the individual intervention areas of the ESF;
- consulting tools and methods;
- activation programmes addressed to people disadvantaged in the labour market;
- publications, materials and reports;
- studies and analyses.

Projects designed to develop common products allow the partnership to work out novel solutions while drawing from the potential and different circumstances of all the partners.

This model secures benefits for all the partners and has the strongest potential for generating added value. At the same time, it is the most difficult model to manage, calling for the greatest degree of commitment from all the partners.

When selecting this model for cooperation, the following should be remembered:

- the project should compare the situation, conditions and activities undertaken in the various partnership countries in order to establish how to improve the practical activities and solutions to be applied in each of them;
- strengths of each partners should be drawn on in the creation of common processes or products;
- the project should also test the usefulness of the developed products for the selected target groups;
- the partnership should design the right promotion strategy for the common products (the strategy may have to vary from one country to another);
- the partnership should secure the rights to use the common products (intellectual property rights).

This model may be a sole format of cooperation among transnational partners, both in stand-alone transnational cooperation projects as well as projects with a transnational component.

### Model 5: Exchange of key personnel on the project team or project participants

An exchange of key personnel on the project team or project participants most frequently accompanies one of the other models described above. To apply this model, the transnational activities planned by the project must go beyond study visits (which are the primary tool of cooperation in model 1). In this model, the major forms of cooperation include placements, exchange of the project promoter's staff or collaborating personnel and study visits. The participants of exchanges may include project personnel, staff and collaborating personnel of the project promoter or beneficiaries of the intervention.

Exchange of key personnel – when organised as a complimentary action to the other models, enables the project to plan for more permanent results (e.g. in a project designed to adapt methods of breaking away with homelessness developed by the partner, a placement for staff at the partner's organisation will be an opportunity to learn about the practical aspects of the adopted tools) and define adequate channels of the exchange of experiences and information.

When selecting this model for cooperation, the following should be remembered:

- it is important to select the right people, including from the viewpoint of their communication skills;
- the timing of the exchange should be carefully selected (to avoid peak periods of work at the partner's institution or – alternatively – holidays);
- exchange participants should prepare to the exchange by learning in advance about cultural differences;
- technical and logistical aspects of the trip cannot be ignored (insurance, accommodation, necessary medical check-ups, maintenances costs, etc.);
- the experiences gathered by the exchange participants should be used to improve the activities of the project promoter (the idea of experience sharing).

It should be noted, however, that this model of cooperation cannot be used as a sole vehicle of cooperation in stand-alone projects of transnational cooperation. It should accompany models which envisage a more intensive cooperation among the partners (e.g. parallel development of novel solutions or import, export or adaptation of new methods to the relevant situation). On the other hand, cooperation consisting only in an exchange of key personnel may be used as a sole format of cooperation in projects with a transnational component.

Table 4  
Models of transnational cooperation most suited for the individual types of projects

Cooperation model	Type of project		
	Stand-alone project of transnational cooperation	Project with a transnational component included at project development stage	Inclusion of a transnational component – a modification of the project application
Exchange of information and experiences	x (but only in combination with other models)	x (but only in combination with other models)	x (but only in combination with other models)
Parallel development of novel solutions	x	x	x
Import, export or adoption and adaptation of new methods to the relevant situation	x	x	x
Joint development of a product or system – division of tasks leading to a shared objective	x	x	x
Exchange of key project personnel or participants	x (but only in combination with other models)	x	x

The choice of a transnational cooperation model is also greatly influenced by the type of project involved. Table 4 presents which models of transnational cooperation are best suited for the individual types of transnational cooperation projects.

### Remember!

Regardless of the transnational cooperation model selected by the partnership, there are some important principles that help make any transnational cooperation project a success:

- careful selection of partners invited to form the transnational partnership;
- identification of an objective common to all partners;
- detailed planning of cooperation results;
- development of a detailed schedule and budget for the planned activities;
- development of an effective communication model;
- definition of the partners' respective competencies and scopes of responsibility, as well as designation of personnel engaged in transnational cooperation.

### 3.2. What forms of activities may be used in one transnational cooperation project<sup>12</sup>?

Once you have decided to implement a transnational cooperation project based on one of the models described above, you need to choose the form of activities to be pursued by the project. Models lay down the overriding objective of the cooperation, whereas forms of activities lay down the path to achieve it.

Transnational cooperation may take various forms. Appendix no. 8 to *"The Guidelines of the Minister of Regional Development on the Implementation of Innovative and Transnational Cooperation Projects Under the Human Capital Operational Programme"* lists the following forms of activities pursued in transnational cooperation:

- organisation of conferences, seminars, workshops and meetings,
- research and analysis activities,
- preparation, translation and publication of studies and reports,
- adaptation of solutions developed in another country,
- consulting, exchange of workers, placements and study visits,
- development of new solutions.

The forms of activities to be chosen for the project may depend on the stipulations of the plan of actions or the Call for Proposals specification. The Institution Organising the Call for Proposals may recommend certain forms of activities as having priority over other types of operations or may require that certain forms of cooperation are combined. If no such restrictions apply, it is the project promoter who will decide which forms of cooperation will be used in the project. In this case, the promoter's choice is only limited by his or her imagination! The more forms of activities are incorporated into the project, the more comprehensive it becomes, and the greater its chance to develop better and more solid results. If a project of transnational cooperation intends to develop or adapt solutions already applied in a given field, this activity will be well supported by exchanges of workers, study visits or additional workshops and meetings. In this way the risks inherent in introducing new work

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<sup>12</sup> Comprehensive activities – using diverse forms of activities, compliant with Appendix no. 8 of *The Guidelines*, in one project, cf. Footnote 2.

methods or processes are reduced. Study visits and exchange of workers will help the project's staff learn about other systems of work, while common meetings and workshops will enable the project to test potential situations that may arise when a new idea is implemented.

On the other hand, when a transnational cooperation project is based on only one form of cooperation, it may focus on one activity and pursue it much more effectively. All the resources of the partners (technical, financial as well as human) are channelled into the implementation of the chosen form of activity. This approach reduces the risk inherent in any transnational cooperation project, because it ensures greater specialisation and much more thorough execution.

The advantages and disadvantages of the individual forms of cooperation are presented in Table 5.

Table 5  
**Combined forms of cooperation and a single form of cooperation – advantages and disadvantages**

Form of activities	Advantages	Disadvantages
Combining various forms of cooperation	<ul style="list-style-type: none"> <li>• more comprehensive approach</li> <li>• potential of more solid and permanent results</li> <li>• more intensive transnational cooperation</li> <li>• generation of added value is guaranteed</li> </ul>	<ul style="list-style-type: none"> <li>• greater risks</li> <li>• higher level of complexity of the project</li> <li>• necessity to create an extensive organisational structure</li> <li>• high costs of cooperation</li> </ul>
A single form of cooperation	<ul style="list-style-type: none"> <li>• specialisation</li> <li>• devoting all resources to one form of cooperation</li> <li>• ease of project execution</li> <li>• simple procedures</li> </ul>	<ul style="list-style-type: none"> <li>• only one form of cooperation may be insufficient to ensure that the objectives of the project are achieved</li> <li>• risk of emulating earlier projects</li> </ul>

When deciding on the forms of transnational cooperation, it should be remembered that not all forms may be used on a stand-alone basis in a project of transnational character. Some forms should accompany another format of activity. Table 6 presents recommended combinations of eligible forms of transnational cooperation activities which may co-exist in the individual types of transnational cooperation projects.

Table 6

**Forms of transnational cooperation vis-à-vis the type of project**

Form of activity	Type of project		
	Stand-alone project	A transnational component included at project development stage	Inclusion of a transnational component – a modification of the project application
Organisation of conferences, seminars, workshops and meetings	Only in combination with other forms	Only in combination with other forms	Only in combination with other forms
Research and analysis activities	Only in combination with other forms	Solely	Solely
Preparation, translation and publication of studies and reports	Only in combination with other forms	Only in combination with other forms	Only in combination with other forms
Adaptation of solutions developed in another country	Solely	Solely	Solely
Consulting, exchange of workers, placements and study visits	Only in combination with other forms	Solely	Solely
Development of new solutions	Solely	Solely	Solely

When choosing the forms of cooperation for a transnational cooperation project, it is advisable to consider the following:

- If your organisation is not experienced in implementing partnership-based projects (transnational cooperation projects in particular) it is better to choose one or two forms of cooperation only. Thus you will reduce the risks and have more opportunity to learn what a partnership project execution is all about.
- If you would like to combine various forms of cooperation, it is advisable to choose at least one partner whose style of cooperation you already know from earlier ventures.
- If you would like to combine various forms of cooperation, it is advisable to plan for a longer time of project execution.

### **3.3. What should be the duration of a transnational cooperation project / duration of a transnational component?**

The duration of a transnational cooperation project depends primarily on the project's complexity. Usually, the more forms of transnational cooperation are envisaged in the project, the longer the time of its execution. Typically, the execution of transnational cooperation projects takes longer than the execution of projects which only incorporate a transnational component.

Projects based on the model of joint development of products and systems, parallel development of novel solutions and import/export/adaptation of existing methods take longer to implement than projects based on the model of an exchange of information and experiences or exchange of key person-

nel. Considering the specific character of transnational cooperation projects, their time of implementation should not be shorter than twelve months. Indeed, transnational cooperation projects should be implemented over the timeframe of one year or two to three years. On the other hand, the execution of a transnational component in a standard HC OP should be planned from 6 to 24 months.

The following factors should be taken into account when planning the duration of a transnational cooperation project:

- **Form of communication among the partners.** If the project envisages intensive direct communication, it should be remembered that it takes time and effort. Preparation of a general meeting of all partners requires that a date be found that suits everyone (and frequently the partners will be institutions with busy schedules of their own projects in their home countries), as well as a venue for the meeting that is not too difficult to access (the available means of transport may have a significant impact on the possibilities to organise individual meetings/workshops/conferences).
- **Procedures of subcontractor selection.** The selection of subcontractors to provide specific services planned in the project may significantly prolong the duration of the project. In Poland, the *Public Procurement Act* and the fair competition rules require the procuring entity to follow prescribed public procurement procedures, including time limits applicable to the selection of subcontractors. Furthermore, in a transnational cooperation project account should be taken of subcontractor selection procedures applicable in the partners' countries. Consequently, whenever project activities are to be financed from funds originating in various countries, the selection of subcontractors should be performed in keeping with the rules binding in the respective countries of those partners who are financially responsible for a given task.
- **Partners' working style.** Successful transnational cooperation is not possible without due account being taken of the working styles of the partners coming from various countries (e.g. the working style followed by inhabitants of the Mediterranean countries is different from the working style of inhabitants of the Nordic states). When this diversity of working styles is recognised at the project planning stage, it is possible to allow for a sufficient time to implement each task. For example, the Greeks, Spaniards or the Portuguese work in a different daily rhythm than the Swedes or Norwegians. Thus it is worthwhile to remember about the traditional siesta in Southern Europe, which may be an important consideration in the work system of partners coming from that region. Similarly, Poles can boast the longest extended weekends in the world, while the English will never skip a lunch break.
- **Language skills of project personnel.** Although the working language of the project is usually agreed at the very outset of the project (usually English or German), in practice it frequently turns out that not all persons representing the project personnel have the sufficient command of this language. Unique definition of concepts pertaining to the project (e.g. drawing up a glossary of terms) takes time and it should be planned for in the project execution timeline. Furthermore, in the course of the project there frequently arises a need of interpreter or translator support. These activities, unavoidable in transnational cooperation projects, do not only generate additional costs, but also may require that additional time be planned for.
- **Financial settlement procedures.** In soft projects, financed by a system of advances, implementation of individual activities may be significantly dependent on the availability of funds. Consequently, any time planning exercise in a transnational cooperation project should incorporate a leeway to absorb the time needs of the various systems of project grant payments applicable in the partner countries.
- **The number of selected forms of cooperation.** The more joint activities are planned in the project, the longer the execution time of the project should be. Planning of a number of activities to be performed concurrently is very risky, as it requires the partners to work very intensively and may lead to logistical, financial or human resources problems.

- **Rotation of project personnel.** Given the typical timeframe of transnational cooperation projects, i.e. at least one year, the risk of project staff leaving their jobs should be taken account of. Every change on the project team may translate into longer implementation time of the individual tasks.

Besides the aforementioned substantive factors pertaining to the implementation of transnational cooperation project, the minimum and maximum duration of a project may also be prescribed in the Action Plan drawn up by the Intermediate Bodies/2nd Level Intermediate Bodies, or in the documentation regulating the Call for Proposals.

### 3.4. How to prepare a program of transnational activities (a schedule)?

The project schedule prepared at the planning stage is of preliminary character and contains only an outline of tasks envisaged for implementation. The project should be divided into as many tasks as is required to achieve the expected objective. Schedules of transnational cooperation projects are subject to additional requirements resulting from the nature of this type of cooperation. They should incorporate a division of tasks among the individual partners, as well as allow for the time constraints typical to transnational cooperation (for more discussion see subchapter 3.3).

#### Remember!

**Development of the right schedule for a transnational cooperation project is one of the key factors of the project's success. A good schedule enables the project to:**

- **plan for adequate time of project execution (including a "safety margin");**
- **define the responsibility of individual persons and partner institutions;**
- **estimate the time commitment needed from the individual members of the project team, including the persons engaged in direct contacts with foreign partners;**
- **start project budgeting – one of the fundamental elements determining the budget is the duration of individual activities planned in the project.**

In order for the schedule to be realistic:

- it must be developed at least in a quarterly format (a year quarter is the maximum acceptable budgeting time unit) – the longer the project, the longer the time unit. Noteworthy, however, a project schedule drawn up over a shorter time unit (e.g. a month) may be used as a monitoring tool. Furthermore, in a HC OP project schedule prepared in the project application, the Application Generator imposes the applicable time unit (a month for the first year of the project duration, and a quarter for the following years).
- it must contain elements pertaining to the implementation of a partnership-based project, i.e. specific forms of transnational cooperation chosen by the partners, a division of roles among the partners, administrative tasks related to the execution of the project (organisation of the project office and the partnership secretariat, working meetings, etc.);
- it must be transparent;
- the adopted execution deadlines must be achievable and take account of the various organisational cultures, working styles and existing laws.
- it must include various variants of task execution, i.e. a realistic, optimistic and pessimistic scenario (or minimum, average and maximum time of execution).



It is advisable to develop a project schedule according to the following principles:

#### **Drawing up a list of the main project tasks**

The project's main tasks are, in a way, a summary of what should be done for the project to achieve the expected objectives. In this sense, a list of the main tasks can serve as a point of departure for the development of a more detailed project schedule. It is always recommendable to consider whether the list should contain some other important tasks that can help the partnership achieve the planned products, and – consequently – the desired results.

#### **Remember!**

The level of detail in the description of tasks is relative to the timeframe of the project. It is always worthwhile to draw up a more detailed account of what will go on in the nearest future (e.g. within a year's time). If the project is designed over two years, on the other hand, the tasks of the first year should be divided more precisely, while the tasks for the second year may be described in more general terms.

#### **Division of tasks into manageable stages**

Dividing tasks into stages eases management and work organisation. A person responsible for execution may be assigned to each task and its stage. Thus a stage of a task becomes a short-term objective for the person responsible.

#### **Remember!**

The division of tasks into stages should proceed so long as to bring you to a point in which each stage can be easily assessed in terms of the time and resources needed to implement it. Once this is the case, the person responsible for the execution of such a stage will have full clarity of what should be done and when.

At the same time, division of a task into too many stages brings no benefits, but, on the contrary, makes the project schedule more obscure. For example, a transnational cooperation project designed to prepare and conduct workshops could be divided into the following tasks:

- project management;
- recruitment of participants;
- preparation of the workshops;
- conducting of the workshops;
- project evaluation.

The activity "preparation of the workshop" could be divided into:

- recruitment of trainers;
- drawing up workshop materials;
- finding a venue for the workshop;
- organisation of transport for the participants;
- organisation of catering, etc.

However, there is no need to further divide the activity "organisation of catering" into:

- provision of lunch;
- provision of tea and coffee;
- provision of dinner.

This level of detail will not make the project management more effective.

### **Defining the order of tasks and the relationships between tasks/activities**

First, the logical sequence of the individual tasks should be considered. Some tasks, to be performed at all, must precede other tasks. There are tasks which cannot be started before other tasks are started or completed. At the same time, the relationships within tasks should be identified. Such relationships may derive not only from the nature of the tasks, but also from who is responsible for their implementation. It may be that one person will not be able to perform more than one task concurrently. For example, in a training project, the activity “recruitment of participants” must be performed before the activity “conducting of the workshop”.

### **Setting the starting time, duration and the time of completion of individual tasks/activities**

Specifying the duration of individual tasks calls for a very realistic approach and is extremely important for the success of the project.

#### **Remember!**

**For every task, to be performed in six months’ time, in a year’s time or in 18 month’s time, the project needs to specify its starting date, the date of completion, and duration. All factors that may extend the duration of a task must be taken into account, such as the necessary procedures, a potential need to repeat a phase of the task, or occurrence of some unexpected additional limitations.**

If you are defining a task for the first time or when the task is entirely new for you or your institution, it is worthwhile to turn for support to other people, who may help you in estimating the duration of the task and let you use information from similar projects.

Underestimating the duration of individual tasks, and - consequently - the execution time of the entire project, is one of the most common mistakes made in project planning. This is primarily due to:

- overseeing tasks which are important for project execution;
- erroneous identification of relationships between tasks;
- inadequate distribution of resources necessary for implementation of the tasks.

### **Summing up the duration of all tasks**

After the starting and completion dates and the duration of the individual tasks have been specified, the duration of the individual stages of each task should be summed up. Next, the duration time of all tasks should be summed up in order to specify the timeframe of the entire project.

#### **Remember!**

**The duration of a project, and the duration of a given activity are not a simple function of the aggregate time of all tasks. It is usually shorter due to the fact that some tasks may be performed concurrently.**

### **Specifying the milestones of the project**

The milestones of the project should be identified. Milestones are key events which can serve as a gauge to measure the progress of the project. In a way, milestones are also a kind of objectives which the project team set to themselves. Usually the moment of completion of the individual tasks are identified as project milestones.

**Identification of necessary knowledge and experience**

Besides specifying the duration of the project and its parts, i.e. tasks and stages, the project schedule should also enable the partnership to allocate resources, including human resources. A person responsible should be assigned to each task, to oversee its performance. To this end, it is necessary to specify the skills this person should have. Sometimes, such needed qualifications are known in advance, and it is sufficient just to verify if the person chosen to oversee the task commands those skills.

**Assignment of tasks to project team members**

The project should designate persons responsible for each task. It means not only that tasks and activities are assigned to individual project team members, but also that persons responsible for achieving the successive milestones will be clearly identified.

### 3.5. What organisational arrangements and decision-making structures are needed in a transnational cooperation project?<sup>13</sup>

The organisational structure of a transnational cooperation project specifies the mutual relationships between the individual members of the project team or institutions, as well as the responsibilities for the activities pursued by the project and basic rules of internal communication.

The type of structure chosen should improve the productivity and effectiveness of the project team and – consequently – its activities.

An effective organisational structure of a transnational cooperation project should:

- provide solutions in case of project staff rotation or lack of direct supervision of the project leader over human and technical resources of the partner institutions;
- provide solutions to problems arising from differences in organisational cultures, working styles and language;
- increase the effectiveness of communication among the partners;
- ensure integration of the individual project elements.

#### Remember!

**There is no ideal organisational structure! A model which proved effective in one project may be unsuitable for another. The organisational structure should be reconciled with the kind of the project, types of the partner institutions and qualifications held by members of the project team.**

The most frequently used types of organisational structures include:

- isomorphic;
- expert;
- collective;
- surgical.

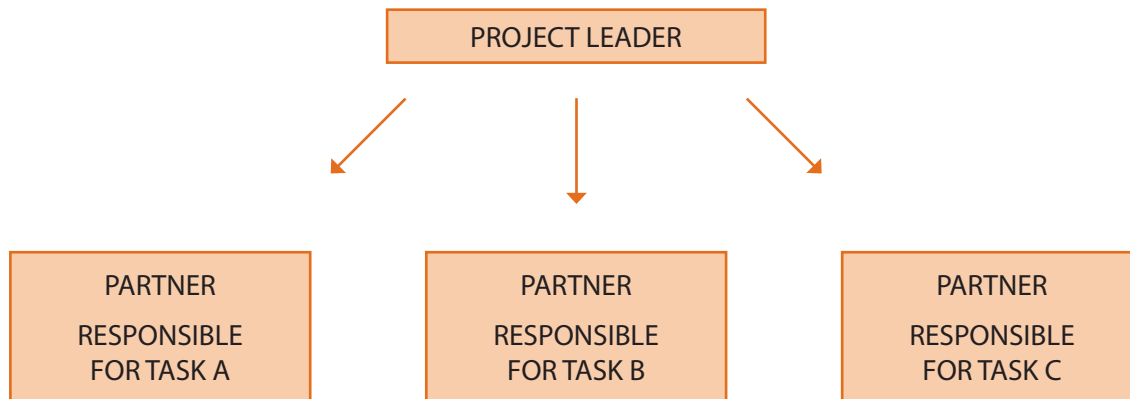
<sup>13</sup> Cf.: J. Davidson, *Project Management. A Practical Guide for Those Who Don't Like Wasting Time*, Wydawnictwo K.E. Liber s.c., Warszawa 2002 (Polish edition); D. Lock, *Fundamentals of Project Management*, PWE, Warszawa 2002 (Polish edition); M. Trocki, B. Grucza, K. Ogonek, *Zarządzanie projektami*, PWE, Warszawa 2003; N. Minus, *Zarządzanie projektami*, Wydawnictwo Helion, Gliwice 2002; P. Pietras, M. Szmit, *Zarządzanie projektem. Wybrane metody i techniki*, Oficyna Księgarsko-Wydawnicza "Horyzont", Łódź 2003.

### Isomorphic organisational structure

An isomorphic structure of a project team is a reflection of the structure of the project and its products. If, for example, your project consists in the development of a new modular training curriculum, in an isomorphic structure the individual partners will be responsible for the preparation of the individual modules (one or more) – see Diagram 5.

The primary task of a project leader is to coordinate work and cooperate closely with the project partners. It is the leader to ensure that the products of the transnational cooperation project make up a consistent project outcome.

Diagram 5  
Isomorphic organisational structure of a project team



Major advantages of this organisation of work include:

- **simplicity** – the structure ensures a clear-cut division of tasks and responsibilities, and minimises the number of information channels, thus reducing the risk of faulty internal communication;
- **speed of execution** – the division of the project into a number of parts and assignment of those parts to the individual partners enables the project to implement a number of tasks concurrently. Consequently, the project may be executed over a shorter timeframe;
- **productivity** – the division of the project into stand-alone parts increases the productivity of each of the partners;
- **ease of use** – it is one of the most traditional work organisation structures;
- **ease of management** – the structure grants full control over the activities of individual partners.

Disadvantages of the isomorphic structure include:

- **increased substantive risk** – given that elements of the product are developed independently of one another, it may lead to less than ideal consistency of the overall project outcome;
- **the project leader is focused on formal aspects** – given that the responsibilities are divided among the individual partners, the leader should pay particular attention to ensuring a uniform style of work across the project team and consistency of the developed elements of the product;
- **spending lots of time and effort on working contacts** – in order to avoid the lack of consistency problem, the leader should conduct on-going cooperation with all the partners and evaluate progress.

## Remember!

The isomorphic organisational structure may be used by projects in which:

- the cooperation model is based on parallel development of products and results;
- the individual project elements are independent of one another (i.e. various types of intervention instruments are used, e.g. workshops, consulting, publications);
- the target product is based on a number of parts which can be developed concurrently (e.g. a report, a training curriculum).

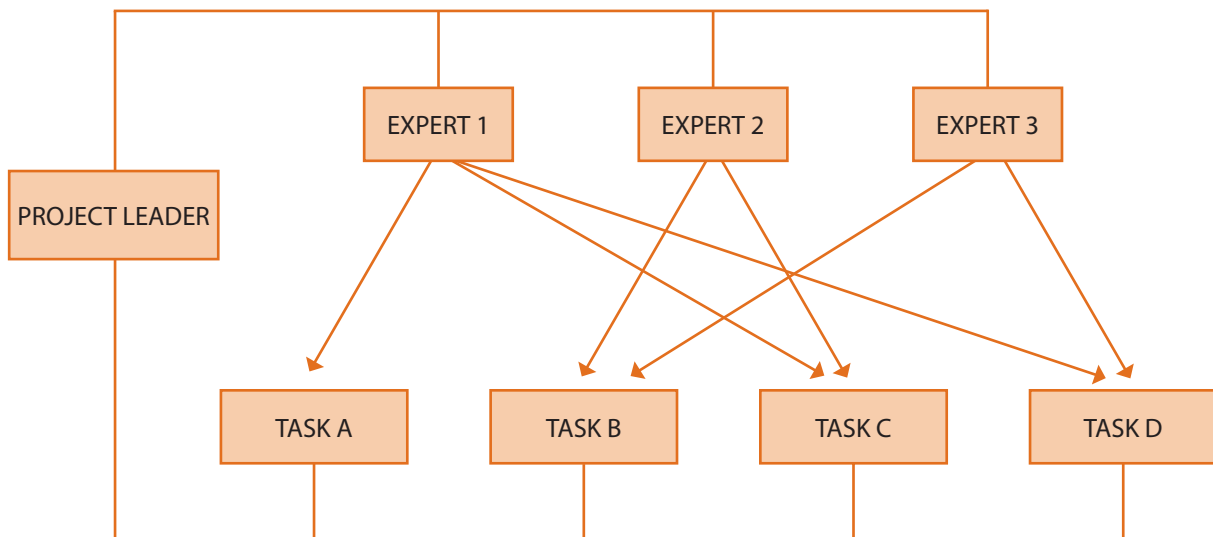
The isomorphic structure is also well-suited for institutions which have little or no experience in project implementation.

### Expert organisational structure

In an expert organisational structure, the individual members of the project team, representing the partner institutions, perform various tasks related to their respective areas of expertise and to various elements of the project (Diagram 6). The partners' skills are used exactly where and when they are needed. The expert structure is a variant of a matrix structure, whereby the individual elements are applied in various tasks, relative to the arising needs. In this structure, the project leader bears responsibility for the entire project. At the same time, however, he or she does not have full control over the implementation of the project elements, and in particular over the resources engaged in implementation of those elements.

Diagram 6

#### Expert organisation structure of a project team



Major advantages of the expert structure include:

- **a large scope of independence** – the structure gives the individual partner institutions a lot of independence in how they pursue project activities;
- **less burden on the project leader** – each partner institution coordinates its activities on its own. In doing so, it independently takes many decisions regarding how to proceed with the individual project tasks.

Disadvantages of the expert structure include:

- **lack of clear assignment of responsibility** – the structure only highlights the responsibility of the project leader for the entire project, but it does not define lines of partner institution responsibility for the individual parts of the project. In case of delay or errors arising from common work over a given part of the project, the partners may fall into the trap of mutual attribution of blame;
- **unequal division of work** – the responsibilities are divided according to the partners' respective knowledge and expertise, which may lead to assigning too many tasks to some partners and too few tasks to others;
- **problems with internal communication** – the free flow of project team members between partner institutions on the one hand, and individual tasks on the other, may lead to communication bottlenecks.

### Remember!

An expert structure may be used by projects in which:

- the model of cooperation is based on the development of common products and results;
- the cooperation will be conducted with institutions which employ expert staff and appreciate independence in performing individual tasks;
- the individual parts of the project are closely integrated and their implementation requires exchange of personnel with specific knowledge.

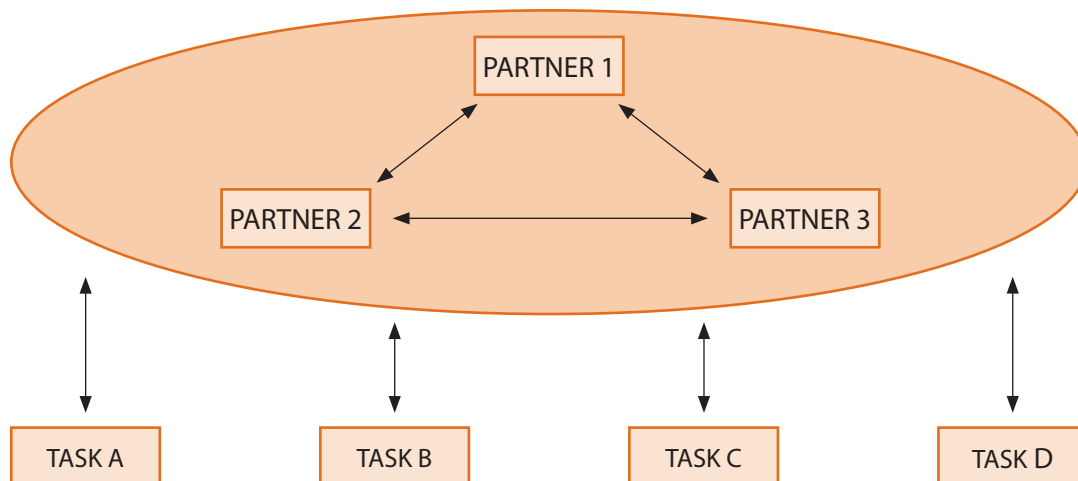
### Collective organisational structure

In a collective organisational structure there is no clear leader. Decisions are taken after a general agreement is reached within the partnership, and project tasks require active involvement of all the partners (Diagram 7).

A collective structure minimises the potential negative influence of one strong partner institution on the final outcome of the project.

Diagram 7

Collective organisational structure of a project team



Major advantages of the collective structure include:

- **intensive internal communication** – the structure induces on-going contacts to be maintained among all the team and partnership members in order to make decisions pertaining to the project. It is an effective safeguard against possible failures in communication processes;
- **integration of individual parts** – given the high degree of coordination and joint work of the partners, the individual elements and products of the project are interrelated and integrated into one self-containing outcome;
- **possibility to implement future-oriented pilot activities** – in the case of pilot projects, which at the start have only an outline of future products and results, the collective structure – through the common work and multi-directional flow of information and thought (frequently taking the form of brainstorming) – enables the project to create new concepts and use the synergies of joint actions.

Disadvantages of the collective structure include:

- **long time of decision-making** – the rule of all the decisions being taken by all the partners calls for a readiness to compromise and general discussion of all the project elements. This may prolong decision-making processes, because of the inevitable confrontation of differing views and solutions;
- **lack of a clear leader** – the lack of a clear leadership role to span the entire project may cause it to go astray of the planned schedule, especially in terms of time;
- **lack of clear links between tasks and partners** – the development of the individual elements of the project or its products is always attributed to the partnership as a whole, without any specific merit being assigned to any particular institution in the partnership. This may hurt ambitions of the individual partners;
- **excess of communication channels and bureaucracy** – in the case of partnerships with many partners, communication channels may multiply, which is conducive to excessive bureaucracy and a more rigid approach to project implementation.

### Remember!

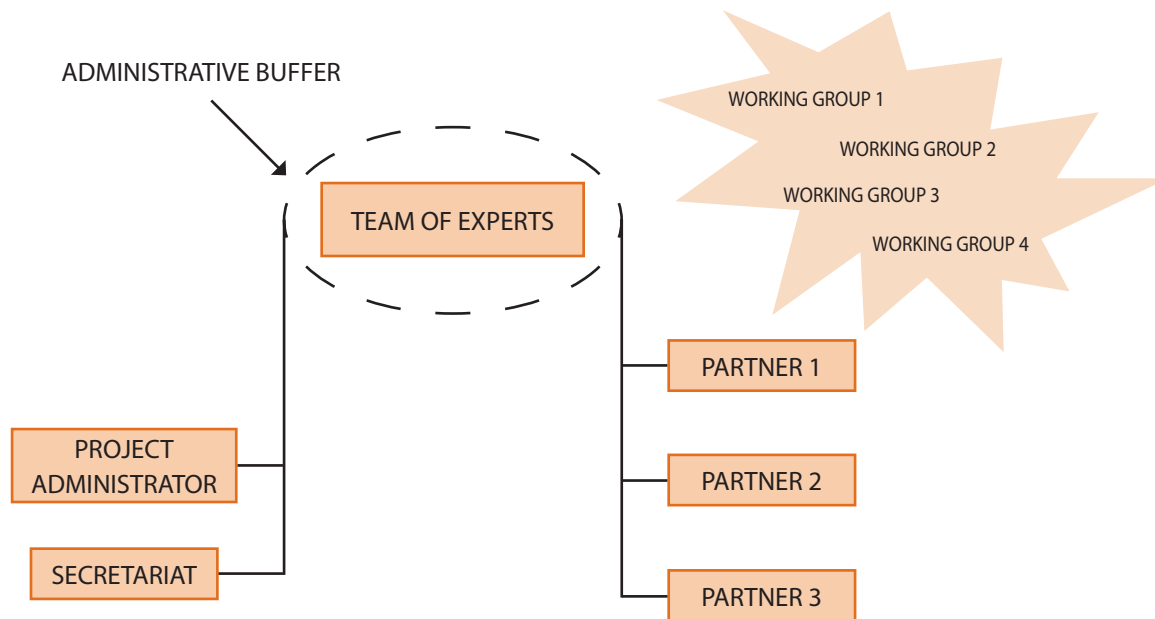
A collective organisational structure may be used by projects in which:

- the model of cooperation is based on the development of common products and results;
- innovative approach and results are considered important;
- the project team is exposed to a given problem for the first time ever.

### Surgical structure

A surgical structure means that one institution is assigned full responsibility for the main project activities, and at the same time it does not perform any administrative duties. In other words, this structure makes a clear separation of substantive functions of the project from its technical support functions. The project leader acts only as the project administrator, whose task is to manage project resources so that they are delivered - in the right time, place and amount - to the chief specialist team (composed of representatives of partner institutions), who in turn are responsible for the substantive value and quality of the project (Diagram 8).

Diagram 8  
Surgical organisational structure of a project team



Major advantages of the surgical structure include:

- **strong integration of all activities** – the „chief team“ is responsible for all elements of the products developed by the project, which significantly reduces incongruities and duplication of efforts;
- **high effectiveness** – in a project designed to produce a publication or a new programme, this structure can ensure a very high effectiveness;
- **potential to increase the productivity of large projects** – the larger the project, the less flexible its operations are and – frequently – the lower the productivity. By dividing a large project into smaller chunks, each of them having a team organised in a surgical structure, allows the project to generate positive effects traditionally associated with small projects.

Disadvantages of the surgical structure include:

- **the necessity to find a highly qualified project manager;**
- **the potential of conflicts between project personnel** – conflicts arising between the project leader and the partners may undermine the effectiveness and productivity of the project, as resources may be insufficiently matched with the on-going needs articulated by the project manager.

### Remember!

A surgical organisational structure may be used by projects which:

- develop technical solutions;
- require a significant integration of the individual parts of the project.



When considering what organisational structure should be used in a given project, it is worthwhile to reflect upon the administrative aspects of partnership-based project management. This is particularly true for transnational cooperation projects. The clash of different languages, institutions, procedures as well as legal and economic circumstances of the partners calls for a specially organised project head office (or secretariat). This office should be responsible for:

- organisation of project documentation flow;
- coordination of partner meetings;
- due care for internal communication within the partnership;
- solving language and conceptual problems;
- preparation of reports for the partners.

In the case of large partnerships and multi-annual projects (of 3 to 5 years), it is advisable to rotate the project management role to each successive partner (just as the EU Presidency). This administrative organisation model allows each partner to feel a fully-fledged member of the project.

There are some universal elements which every organisational structure should incorporate, i.e.:

- the leader – the lead organisation, responsible for managing the transnational cooperation, as well as for monitoring the work undertaken by the individual partners and the partnership as a whole;
- transnational cooperation secretariat – a place where all the information regarding the project work is processed, and which sends out all the messages concerning the planned and on-going activities, partnership meetings, etc.;
- a steering committee – a group composed of representatives of all the institutions in the partnership. These persons should be competent to take binding decisions on behalf of their home organisations, in case changes should be needed in the transnational cooperation;
- a working group – representatives of partner institutions involved in the substantive work of the project.

When organising the work of a transnational partnership-based project, the project promoter should remember about the following:

- each partner institution should designate a person responsible for the coordination of the cooperation on the part of this institution;
- the lines of subordination of the transnational cooperation project staff to the cooperation coordinator should be clearly defined;
- the partnership must specify the rules of communication (working language, procedures, documents, etc.);
- an adequate budget should be planned for the technical aspects of partnership management (cost of meetings, evaluation, monitoring, etc.).

### 3.6. What system of communication and information flow is best-suited for a transnational cooperation project?

To ensure effective communication in a transnational cooperation project is no easy task, as there are so many diverse authors and recipients of messages in the process. Organisation of proper communication should therefore be an important objective in itself. Noteworthy, the number of communication channels is growing with the growing number of people and institutions engaged in the project.

The planning of a communication system should be based on:

- **Use of varied communication channels, corresponding to the specific type of work performed by the individual project team members and partner institutions.** The communication system designed for the project should reflect the type of work of individual project team members. For example, if your team members will work mainly in the field, the internet and electronic mail will not be the fastest communication channel (unless they are equipped with web access outside of the project office). In large projects, implemented by more than one substantive team, it is advisable to schedule periodical working meetings of those teams, as well as meetings of the teams' respective coordinators with the project coordinator.
- **Messages suitable for the recipient.** It is always the addressor who is responsible for the message. So it is the addressor who should adapt the contents, language and the way of communicating the message to the specific needs of the recipient. The better the recipient can understand the message, the faster he or she will respond to it and perform the required tasks. In transnational cooperation projects, in which the project working language is frequently not the native tongue of all participants, industry and sector-related terminology may be misunderstood. Furthermore, faulty pronunciation may lead to lack of understanding or misinterpretation of the message. Finally, some words may sound neutral for one person, but impolite, or even vulgar, for another.
- **Consistency of verbal and nonverbal messages.** Noteworthy, a verbal message (i.e. what we are saying) is more credible when it appears consistent with our nonverbal behaviour (i.e. what we communicate through gestures, clothes, posture, facial expression or tone of voice). Our recipient will believe primarily what he or she sees, rather than what they hear. Learning about the meaning of symbols and gestures in various cultures is one of the major factors of successful communication in a transnational cooperation context.
- **Mutual trust.** Every kind of cooperation, including a transnational cooperation project, should be based on mutual trust, which increases the credibility of both the addressor as well as the recipient of the message. In well-integrated project teams information flows more effectively and the team responds faster to the changes in the project and its environment.

Poor communication in a transnational cooperation project may result in conflicts, which in turn can lead to:

- lack of progress in project implementation;
- delays in the implementation of the individual stages of the project;
- holding back new ideas and concepts;
- poor, incomplete exchange of information;
- conflicts on cultural grounds;
- variable understanding of concepts processes, products and results.

## Remember!

**Conflicts growing within the partnership may create barriers to the project implementation, and – in the worst case scenario – cause discontinuation of the project.**

When planning a system of communication for a transnational cooperation project, it is advisable to remember the following:

- The project should choose its official working language – this language should be used both in the project documentation as well as in direct communication (working meetings, study visits, workshops, etc.).
- The project should secure access to interpreters and translators – having a project working language does not solve all the communication problems. Representatives of the partner institutions will demonstrate a variable level of language competence. Therefore, having an interpreter at meetings or translation of the basic project documents (reports, office memos, etc.) or products (tools, methods, processes) into the partners' respective native tongues will reduce the risk of misunderstandings.
- At the very outset of cooperation, the project team should compile a glossary of terms and discuss all the fundamental concepts.
- The most important verbal agreements should be recorded in project documentation or confirmed in writing (by e-mail, facsimile, etc.) – a majority of misunderstandings originate from verbal contacts (faulty pronunciation, improper use of terminology). Having the decision confirmed in writing can reduce the potential of misinterpretation.
- Direct communication is irreplaceable. Therefore the project team should organise short meetings of staff responsible for transnational cooperation at the national level. Such meetings are a fundament of relationship building, and good relationships increase the effectiveness of communication systems.
- Use modern communication devices (on-line communicators, video-conferencing, etc.). If needed, provide the partners with a short training in using those tools for the purposes of the project.
- The project should create an internet platform, which can also be used for the purposes of information exchange.
- The project should have a system of archiving all the documents developed in transnational cooperation, in both paper and electronic forms (a server, an internet platform).
- The project should define the basic procedures for project documentation flow and rules of access to decision-makers.

### 3.7. How to overcome cultural differences?

In spite of globalisation and uniformisation of activities in European countries, cultural diversity is still a very important factor in both personal and professional contacts. Being aware of, and accepting, cultural identities is a key to successful transnational cooperation.

There are many sources of problems related to cultural differences that may arise in the implementation of transnational cooperation projects, including:

- Differing working styles – people who grew up in different cultures frequently adopt a style of work typical to a given country. The relevant differences may concern the organisation of one's workplace, speed of work or the way of prioritising tasks.

- Different working time – in various countries working time is determined by the climate (e.g. the siesta in southern countries), tradition (e.g. lunch in Anglo-Saxon countries) or the economic and social determinants (bank holidays, religious holidays). Another important factor is the social norms and customs related to meetings (e.g. acceptable time of unpunctuality);
- Ignorance about the customs of a given country – norms of good behaviour acceptable in one country may raise the eyebrow or even cause embarrassment in other cultures (e.g. kissing a woman's hand or letting a woman pass first; other gestures typical for individual cultures);
- Inadequate distance in professional relationships – office hierarchies are more important in some countries than others. The project may encounter problems with professional titles (very important in Germany), acceptance for establishment of personal relationships during professional contacts, or the manner of conducting business conversations.

In view of the above, the following tips may be useful in planning transnational cooperation with due account of cultural differences:

- Learn about the rules of expressing emotions in public places in the respective partner countries (the degree of using gestures and facial expressions).
- Learn which status markers should always be used. It is advisable to use nonverbal behaviour typical for a given country to show that you recognise the differences in status.
- Learn about the rules of private space (keeping the right physical distance), dedication and accessibility typical to the individual countries.
- Be sensitive to culturally-specific expectations regarding the use of touch, gesture, eye contact and punctuality norms, in order to be able to act in the proper cultural mode of a given country.
- It is worthwhile to learn about the kinds of behaviour which may be perceived as insulting or offensive. Try to avoid them.
- Learn about the dress codes: what kinds of clothes and personal accessories are accepted by the cultural convention, and which are not.

It is worthwhile to devote some time, resources, and efforts at the beginning of the project to learn about the cultural background of the partners. It may help avoid a majority of misunderstandings and problems resulting from cultural differences. Furthermore, besides meetings devoted to the project execution, partners also need meetings of integrative character, to better understand cultural, historical and psychological differences between inhabitants of the individual project countries. Without such cultural understanding, it is frequently hard to understand each other's objectives and lay down a common path to achieve them.

## Chapter 4

# HOW TO MANAGE THE FINANCES OF A TRANSNATIONAL COOPERATION PROJECT?

A project budget is a presentation of the expenses necessary to implement the project (the cost side) and the sources of project funding (the income side).

### Remember!

The budget is one of the critical elements determining success of the project. A realistic estimation of the project's expenditure will take you immediately halfway towards this success.

In projects co-financed from the European Social Fund under the HC OP, the budget must be drawn up both in sufficient detail to allow the supporting institution to assess it, and with sufficient leeway to equip the project with necessary flexibility. In projects financed from foreign assistance funds, project expenditures are divided into two categories: eligible expenses and ineligible expenses.

**Eligible expenses** are expenses which satisfy the eligibility criteria defined for the relevant fund and programme. Every programme, Human Capital Operational Programme including, which forms a basis for granting financial support, defines the types of expenditure regarded as eligible expenses.

**Ineligible expenses** are expenses incurred by the project promoter in relation to the project implementation, which are not taken into account by the supporting institution when it assesses the level of the grant.

The project budget, which is the basis for co-financing, includes only eligible expenses.

This chapter should help project promoters in preparing a budget for a project of transnational cooperation and explain the rules of cooperation pertaining to financial management. Noteworthy, expenditure incurred on the execution of a transnational cooperation project must be borne and settled in accordance with the HC OP documents. Therefore, when preparing a project budget, including a budget for transnational cooperation, project promoters must follow the rules and principles defined in *The Guidelines of the Minister of Regional Development on the Qualification of Expenses Under the Human Capital Operational Programme* and *The Financing Rules of the Human Capital Operational Programme*.

## 4.1. Which expenses of a transnational cooperation project are eligible?

### Remember!

The project budget presented in the project application under the HC OP includes only and exclusively eligible expenses and costs. It means that the project will have to bear some expenses incurred on the implementation of transnational cooperation from its own sources, and these costs will not receive co-financing. The project promoter must therefore find other sources to cover the ineligible expenses.

The income side of the project budget is the sources to finance eligible expenses. Typical sources of financing for transnational cooperation projects include:

- funds received from the supporting institutions;
- direct financial contribution of the project promoter(s) from their own sources;
- financial contributions from other parties;
- contributions in-kind.

*The Guidelines of the Minister of Regional Development on the Qualification of Expenses Under the Human Capital Operational Programme* is a document which defines the rules of eligibility for expenses incurred by projects implemented under the HC OP, including the transnational cooperation projects. In contrast to the previous financial perspective, in the current perspective there is no closed list of eligible expenses, but only rules of specifying in what case a given expense may be considered eligible. The decision is closely linked with the specificity of the project, type of the target group and the selected forms of transnational cooperation.

Eligible expenses are expenses which meet **all** of the criteria given below:

- **are indispensable for implementation of the project (are related to the project objectives).** In order to implement a project, you have to incur specific outlays. All the expenses that you incur may qualify as eligible. As the project promoter you have to demonstrate a link between the expense and the project. For example, eligible are expenses incurred to cover the travel of project participants to a workshop in another country. But is such an expense always indispensable to achieve the objective? Perhaps it would be better to organise the workshop in your own country and invite a lecturer from a partner institution. If the project participants are disadvantaged people (e.g. unemployed), lack of money to pay for the trip may prevent them from taking part in the workshop, and the objective of the project will not be achieved. Fixed costs of your institution (such as the office rent, electricity, gas) may be considered as necessary for the implementation of the project, but only in a proportionate part against the entire scale of the institution's operation.
- **are rational and cost-effective (i.e. are not overpriced against the market rates and comply with the rules of efficient financial management).** Cost-effectiveness is a part of the high quality of a project. Expenditure should be planned so as to receive the best value for money. It is not to say, however, that only inexpensive projects should be implemented. What should be ensured is that the expense is proportionate to the effect that the project can generate. For example, if you implement a project which takes five months, you will achieve the same effect using a multimedia projector regardless of whether you will buy or hire it. However, if it is cheaper to hire the projector rather than buy a new one, the rule of cost-effectiveness implies that the equipment should be hired.

- **have been envisaged in an approved budget of the project, in keeping with the HC OP's budgeting rules.** The individual expenses of your project can only be eligible if they have been included in the project's budget. In other words, any expenditure which has been excluded from the estimation of costs increases the balance of ineligible costs, i.e. ones that the project has to finance by itself. According to the *Financing Rules of the HC OP*, in the course of implementation the project may incur expenses not shown in the detailed budget whenever they are linked to the execution of tasks named in the project budget and are compliant with *The Guidelines on the Qualification of Expenses Under the Human Capital Operational Programme*.
- **comply with the detailed rules specified in *The Guidelines on the Qualification of Expenses Under the Human Capital Operational Programme*.** The financial settlement of the project and the compliance of expenses with the expense eligibility rules, including the eligibility timeframe, are verified against the rules defined in *The Guidelines on the Qualification of Expenses Under the Human Capital Operational Programme*.
- **have been actually incurred in keeping with the rules specified in *The Guidelines on the Qualification of Expenses Under the Human Capital Operational Programme*.** At the project planning stage, the budget of the project is only an estimate. In the course of implementation, however, some expenses may turn out to be lower, while other may not be incurred at all. Eligible expenses are expenses that have been actually borne by the project, i.e. a flow of funds has occurred<sup>14</sup>. In other words, there has been a financial outflow for the project promoter. Every expense must be eventually incurred by the beneficiary and disclosed in its accounting records.
- **are documented.** Every expense should be validated by a relevant document. The primary kind of a document validating that an expense has taken place is an invoice with a document confirming that a payment has been made (such as a bank statement or cash-desk receipt for cash payments). In some situations, other equivalent documents may be demonstrated (bills, payroll documents, internal accounting documents, etc.).
- **are compliant with relevant national and Community laws.** The funds allocated to HC OP projects are public funds, subject to the same rules as other kinds of public funding. Therefore, any expenses incurred in a way other than prescribed by the relevant legislation, e.g. the *Public Finances Act* or *The Public Procurement Act* are considered ineligible.

Noteworthy, an expense considered eligible at the project application stage need not turn out so at the project implementation stage. This is due to the fact that some eligibility rules may be verified already at the stage of the substantive appraisal of the project application, while the other cannot (the first four rules can be verified at the project application stage, and the remaining three – only at the project implementation stage).

In transnational cooperation projects, examples of eligible expenses include:

- expenses related to project management:
  - remuneration of administrative staff (e.g. project manager, transnational cooperation coordinator, settlement specialist),
  - travelling expenses (e.g. cost of travel, including air tickets, accommodation, meals),
  - expenses related to the organisation of working meetings (e.g. cost of translation and interpretation, including simultaneous interpretation, costs of materials, legal services, catering),

<sup>14</sup> This rule does not apply to costs in the form of contributions in-kind, the cost of depreciation and expenses borne by third parties. These types of expenses are deemed incurred if they have been properly documented (see below for more discussion on contributions in-kind). Furthermore, this rule does not apply to indirect costs settled in lump sums.

- expenses related to communication with the partners (e.g. the cost of project management systems, internet platform, internet connection, video-conferencing equipment and software, postal and courier services),
- expenses related to project monitoring, oversight and evaluation,
- purchase / depreciation of equipment to support the project office,
- expenses related to the financial aspects of the project (e.g. insurance costs, cost of audit – if it is required, costs of bank wire transfers, current bank account fee, notary's public fees);
- expenses related to the organisation of conferences, seminars, workshops and meetings:
  - remuneration of training personnel (e.g. trainers, speakers, panel discussion moderators),
  - expenses involved in the organisation of conferences and meetings (e.g. the cost of simultaneous interpretation and the accompanying technical service, the cost of hiring a venue and the relevant equipment, the cost of catering, travel and accommodation of the participants, the cost of training/conference materials and conference proceedings, including translation of such materials);
- expenses related to research and analysis activities:
  - remuneration of the research personnel (e.g. researchers, experts, pollsters, moderators),
  - expenses related to the statistical elaboration of the studies,
  - costs of expert analyses,
  - expenses related to the organisation of research and analyses (e.g. cost of research materials, room and equipment hire, purchase of databases, travelling expenses of research staff, purchase of expert publications, licensing fees);
- expenses related to the preparation of publications, study papers and reports:
  - remuneration of authors of the publications, study papers and reports,
  - remuneration of reviewers,
  - expenses related to expert study papers,
  - expenses related to the preparation of publications/study papers/reports (e.g. cost of translation, typesetting, editing, print and distribution);
- Expenses related to consulting, exchange of workers, placements and study visits:
  - remuneration of consultants and carers for placement beneficiaries,
  - placement allowances,
  - the preparation costs of placements and study visits (organisation cost of induction activities (language and cultural preparation), cost of materials intended for the placement beneficiaries, travelling and accommodation costs of the participants, costs of meeting organisation, insurance of the placement beneficiaries and the placement staff, etc.);
- expenses related to promotion of the project:
  - remuneration of persons dealing with promotion of the project,
  - cost of development of project visualisation,
  - cost of promotional materials (boards, posters, leaflets, banners, promotional gadgets, etc.),
  - cost of advertising and public relations activities;
- other expenses
  - cost of adaptation of new solutions (cost of translation, expert studies, creation of new facilities, such as assistance centres, consulting points, etc.),
  - any other expenses necessary for the project to be implemented.

In comparison with the previous financial perspective, the current perspective has extended the list of expenses eligible to be co-financed from the European Social Fund to include eligible costs under the European Regional Development Fund, based on cross-financing.



Eligible expenses under a cross-financing intervention may include:

- purchase and leasing (financial leasing and lease sale and lease back) of vehicles and furniture;
- purchase and leasing (financial leasing and lease sale and lease back) of equipment qualifiable as fixed assets (excluding vehicles and furniture) with initial value higher than 10 percent of the amount specified by taxation regulations which allows the tax-payer to charge a one-off depreciation write-off;
- adaptation of buildings, premises and work stations (e.g. related to the adaptation of new solutions or adaptation to the needs of people with disabilities).

The sum total of expenses eligible under cross-financing cannot exceed 10 percent of the eligible expenses presented in the project budget. The value of expenses eligible under cross-financing to finance activities pursuing the priorities pertaining to social integration has been increased to 15 percent.

In contrast to the open-ended list of expenses eligible under the HC OP, there is a closed list of ineligible expenses, i.e. expenses which will never receive any support. The complete list of ineligible expenses is given in the *Guidelines on the Eligibility of Expenses in the Human Capital Operational Programme*. Noteworthy, however, ineligible expenses include commissions paid on the exchange of foreign currencies and foreign exchange gains and losses. These categories of expenses are particularly common in transnational cooperation projects.

## 4.2. How to prepare a budget proposal for a transnational cooperation project?

In the budget of a transnational cooperation project implemented under the HC OP, all project costs are divided – as in standard projects – into two categories: direct costs and indirect costs.

**Direct costs** are costs which can be attributed to a specific task. The task, as planned in the project schedule, can only be executed if those costs are incurred. Subchapter 4.1 presents examples of direct costs in a transnational cooperation project as related to individual project tasks.

**Indirect costs** are costs which cannot be attributed to a specific task, yet the project could not be executed if those costs have not been incurred. Typically indirect costs are fixed costs linked to the technical support for the project. There is a closed-ended set of indirect costs, including:

- cost of management (i.e. cost of remuneration of the persons authorised to represent partner institutions, whose scope of responsibilities is not exclusively attributable to the project, e.g. salary of the institution's manager);
- cost of support personnel (i.e. the remuneration of persons not assigned directly to the project, but providing on-going technical support to the institution as an economic operator. The implementation of the project usually increases the amount of work required of this personnel as the number of economic operations of the institution increases. These personnel include staff of the human resources department, secretariat, and the legal department);
- cost of the accounting support (i.e. the remuneration of the chief accountant or other persons keeping the accounting records of expenses. If this service is provided by an accounting firm – the cost of this service);
- cost of office consumables (e.g. ball pens, paper, files, printer toner, CDs, floppy discs, etc.) not attributable directly to project tasks;

- cost of mail, telephone, internet, courier services;
- copying costs;
- office space leasehold rent;
- utility charges for electricity, heat, gas, water, transmission charges, sewage services, etc.;
- cost of fixed asset depreciation (e.g. a building);
- cost of property insurance;
- cost of security services;
- cost of office cleaning services (including cost of detergents used for everyday cleaning, as well as detergents used for disinfection, desinsection, deratisation, etc.).

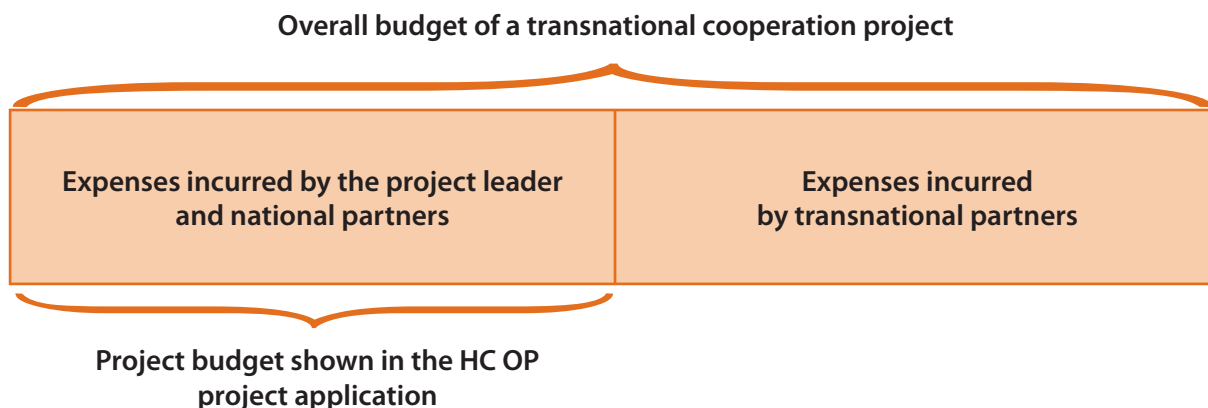
The types of costs listed above may also qualify as direct costs provided that they can be attributed to a specific project task. It is the project promoter who decides about the direct or indirect character of costs. For example, the cost of office consumables may be an indirect cost, but if these consumables are used in the task "Project management", they can be considered a direct cost. The project promoter will then have to demonstrate that these costs are attributable only and exclusively to this particular task.

Noteworthy, the types of expenses borne in transnational cooperation are relative to the kind of project being implemented. In stand-alone projects, all the project expenses are simultaneously expenses related to transnational cooperation (both direct and indirect). In the case of a project with a transnational cooperation component, only direct expenses related to transnational cooperation activities can be qualified as linked to transnational cooperation (i.e. the budget items shown in the heading "Transnational Cooperation" in the project application).

When drafting the budget of a transnational cooperation project, it should be remembered that a part of the expenses will be financed by the project leader and national partners, and another part by transnational partners. The HC OP project application shows **only and exclusively** the expenses to be incurred by the project leader and national partners. The entire budget of transnational cooperation (including the expenses to be borne by the transnational partners) will be included in the transnational cooperation agreement. Diagram 9 shows the division of expenses related to a transnational cooperation project.

Diagram 9

### Division of expenses related to a transnational cooperation project



When preparing the budget of a transnational cooperation project, the following action plan should be followed:

### 1. Specify the division of costs among the partners

Before you start to estimate the individual costs of a transnational cooperation project, you have to specify how the project costs will be distributed among the partners. Below we will discuss two principles relevant in this context: the principle of reciprocity and the cost-sharing principle. Based on the principle chosen we can identify which costs will be taken into account in the HC OP project application (i.e. only those costs that will be borne by the project leader and the national partners), and which will be included only in the transnational cooperation agreement. Next, the costs of individual tasks should be attributed to the individual partner institutions.

The budget estimation stages described below are applicable to those activities that must be completed in order to identify the transnational cooperation budget to be incurred by the project leader and the national partners.

### 2. Compile a list of all planned eligible direct costs

On the basis of the project schedule, prepared earlier, specify all the cost items related to the individual tasks and their stages.

#### Remember!

The better you specify all the costs of tasks, the better the chance of developing a good budget for the entire project. It is therefore advisable to use all the sources of information available.

### 3. Identify the type of unit for the individual costs

The identification of a unit for each individual cost is a very important element of cost estimation. Indeed, the unit of cost you specify lays down the path for the entire expense estimation process.

A properly selected unit can ensure a better flexibility in the implementation of the project. For example, the unit to estimate the cost of office consumables needed for the task "Project management" may be set in two ways:

- per piece. It means that this unit will serve to estimate each, even the smallest, expense, e.g. purchase of office consumables (12 reams of paper, 20 boxes of paper clips, 40 ball pens, etc.);
- per month, e.g. purchase of office consumables (paper, paper clips, ball pens, etc.) for EUR 50 per month.

Both methods are correct, however only the second one will give you greater flexibility in project implementation. It is hard to predict whether project tasks to be executed in six months' time will require us to use 12, and not 13 reams of paper. When setting the unit in the terms of a flat rate monthly amount, similar expenses, which – however – are not always predictable at the planning stage of the process, can be catered for as well.

### 4. Set the number of units of a given cost

In order to estimate the planned costs, you first have to specify the number of units needed. You can do this by considering four basic parameters:

- **Duration of the project.** Some costs are relative to the duration of tasks, stages and the entire project. The duration data allows you to estimate the number of costs units, such as the salaries of administrative staff, rent, office consumables or depreciation.

- **Number of project participants.** The amount of costs will also depend on the number of people we want to be covered by the intervention (e.g. if the project team will consist of 15 people, you will need 15 sets of training materials, 15 lunches, 15 hotel nights, etc.).
- **Number of instruments used in the project.** The number of necessary cost units in the project is also relative to the number of intervention instruments used (e.g. if a training course is planned over 16 hours, the trainer's remuneration will need to cover this number of hours, as will the time of room and equipment hire, etc.).
- **Number of partners.** Partnership-based projects are usually more expensive than projects implemented by one institution. At the same time, they generate a higher added value. Higher costs of partnership projects are linked mainly to the expenses involved in managing a transnational cooperation project, which are assessed based on the number of partners (e.g. the number of bank accounts opened for the project, the number of project coordinators representing the individual partners, etc.).

### 5. Identify the unit price for the individual types of costs

You should refer to various sources of information and on this basis specify the unit price of the individual cost items.

#### Remember!

You estimate the expenses that you expect to arise in the course of the project. For some cost items, the estimate will be on a monthly basis, for other – on an annual basis. The unit price should be set in present-day prices; however, you should be aware that these rates may change. Therefore, you have to plan for a potential price increase, as well as adopt a reasonable financial safety margin.

For transnational cooperation projects, the following should be taken into account when estimating the prices applicable to the individual cost items:

- different level of prices in different countries;
- different level of remuneration received at equivalent project positions in the individual project countries (which is important when, for example, the Polish partner is to cover the cost of hiring foreign experts, consultants or trainers);
- foreign exchange fluctuations and their impact on the prices of goods and services;
- different applicable laws in different countries, setting minimum or maximum rates for certain goods and services.

#### Remember!

A well-estimated budget is a pre-requisite of a successful implementation of the project and furnishes it with adequate adaptability to changes occurring in the course of project execution.

In the budget planning process, the following sources of information may be used:

- **The market.** Some costs may be estimated based on going market rates. You should not hesitate to call, ask and inquire from potential service providers about the rates they are likely to charge. In some cases these inquiries may help you elaborate the project budget to include some costs that have not been included in the first stage of the planning process.
- **The institution of the project promoter and the partner institutions.** Information about rates applicable to some expenses may be received internally in your own institution or from partner organisations. These costs comprise remuneration of personnel, including administrative support staff, or fixed costs such as energy, gas, depreciation, etc.

- **Other projects.** It may be that your institution or the partner institutions have already implemented some projects (e.g. under the EQUAL Community Initiative). It is worthwhile to use the experience gathered by similar projects to estimate the potential expenses of your new project. The experiences of other projects should help in better assessment of the individual costs.
- **Internet.** The Internet is an indispensable and invaluable source of knowledge. If you cannot find the information about the level of potential costs elsewhere, try the Internet. Use one of the search engines available. Perhaps you will find information about a similar project implemented in another region or country.
- **Your own experience.** The experiences of the team members planning the project may be an important source of information for cost estimation, so use your own and other project members' experience.
- **Expert's opinion.** For very innovative projects it is not possible to estimate the level of expenses on the basis of the going market rates or existing experiences. The only way to get this information is to obtain an expert's opinion, who will assess the approximate costs of the individual tasks.
- **Official rates.** For some kinds of expenses you can use the rates applicable on the basis of official valuations or stipulated by the existing laws, in both your own country and the partners' countries. Use this source of information to plan the costs of per diems, per mile rate of car travel, training allowances or scholarships, purchase of real estate, materials, and construction works, depreciation, etc.

## 6. Calculate the sum total

In order to arrive at a total cost of the project, you have to first estimate the total costs of the individual budget items. A simple formula can be used to this effect:

$$\text{Total cost} = \text{number of units} \times \text{unit price}$$

Next, all the cost items should be summed up. The result is the total direct cost of the implementation of the project.

## 7. Specify the indirect costs

After you have specified the direct costs of the project, you have to estimate what portion of the project costs will be linked to the fixed costs of your institution. To this end, you may apply to methods:

- Plan indirect costs for each individual category. In this method, you proceed according to the same rules as for direct costs: specify the cost items, the corresponding units (usually one month), the number of units (usually as many months as the planned duration of the project, and estimate the unit price (mainly based on the data provided by your own institution and the partner institutions – yet only those of the national partners).
- Specify the percentage defining the share of the project indirect costs in the overall costs of your institution in a given category. You may use the flat rate method, i.e. define the coefficient (a flat rate) which will help you assess the amounts of expenses in the individual indirect cost categories.

## Example

An organisation is planning a transnational cooperation project for 18 months. To estimate the indirect costs, the organisation decided to use two methods:

**1. Calculation of indirect costs on the basis of the organisation's income generated over a period comparable with the duration of the project**

Let's assume that the planned project's direct costs have been estimated at PLN 1,500,000. Over 18 months, the institution generated an income of PLN 3,576,234. It means that the proportion of the project's direct expenses to the institution's income is 41.94% ( $1,500,000/3,576,234$ ). This percentage can then be applied to calculate the following cost items:

- remuneration of management;
- remuneration of support personnel;
- cost of accounting services;
- cost of office consumables;
- cost of mail, telephone, Internet, courier services;
- cost of copying services.

For each category of these costs you have to find information about the average monthly expense, and then multiply this amount by the coefficient received as shown in the above calculation. The result is the monthly cost incurred by the project in a given category, for example:

cost of accounting services = PLN/month 3,500 (the actual remuneration of the accountant) x 41.94% (project flat rate) = PLN/month 1,467.90.

As a result, the project's expense on accounting services is going to be:  
 PLN/month 1,467.90 x 18 months = PLN 26,422.20.

**2. Calculation of indirect project costs on the basis of project office space in relation to the entire institution's office space.**

Let's assume that the project will be implemented in two rooms of the total area of 45 m<sup>2</sup>. The organisation operates in an office of a total area of 350 m<sup>2</sup>. It means that the rate of the project premises to the total office area is 12.86% ( $45/350$ ). This coefficient can be used to calculate such project expenses as:

- lease hire payment or rent for office space;
- utility charges: electricity, heat, gas, water, transmission fees, sewage collection, etc.;
- depreciation of fixed assets (e.g. a building);
- cost of property insurance;
- cost of security services;
- cost of office space cleaning (including cleaning detergents and detergents for disinsection, disinfection and deratisation, etc.).

For each indirect cost category, you have to find information about the average monthly expenditure, and then multiply this figure by the project flat rate. The result is the monthly project cost in a given category, e.g.:

Rent = PLN/month 4,200 (the actual rent for the entire office space of the organisation) x 12.86% (project flat rate) = PLN/month 540.12.

Therefore, the rent expense of the project is going to be:  
 PLN/month 540.12 x 18 months = PLN 9,722.16.

The calculations presented above are only an example which may be followed in order to estimate indirect costs. The project promoter may also use other reference values such as the institution's level of costs, sales, financial plan, the number of staff or the number of customers. Importantly, however, each time the project promoter should be able to justify that the methodology chosen allows to show the actual financial burden that the transnational cooperation project represents for the organisation.

#### 8. Specify the total amount of indirect costs of the project

The method of calculating indirect costs determines the sum total of indirect costs in the project.

If the indirect costs are estimated and settled in the same way as the direct costs, the result is the amount of eligible indirect costs related to the implementation of the project. In other words:

$$\text{Total costs of the project} = \text{sum total of direct costs} + \text{sum total of indirect costs}$$

If you select the method of a flat rate-based estimation of indirect costs, you should check if the total amount of indirect costs does not exceed the highest acceptable level of indirect costs specified in the *Guidelines on the Eligibility of Expenses under the Human Capital Operational Programme*. It means that if your calculations give a sum total of all types of indirect costs that is higher than, respectively, 20%, 15% or 10% of direct costs, excluding cross-financing, the project budget may include only the maximum level allowed by the *Guidelines* (i.e. 20%, 15% or 10% respectively).

On the other hand, if the sum total of all types of indirect costs is lower than the limits defined in the *Guidelines*, the project budget should include the actual result of the calculations. It means that the level of indirect costs will be lower than the highest acceptable level.

#### 9. Specify the possible level of co-financing

The specification of the Call for Proposals defines the level of maximum co-financing available for HC OP transnational cooperation projects. Some Calls for Proposals may require the partnership's own contribution to project financing.

#### 10. Specify the source of financing for the remaining expenses

Once you know that some of the eligible expenses will have to be covered from other sources, you have to consider what sources these may be. This is the best moment to look for some extra internal sources (e.g. own funds earned by the institution) or external sources (revenue, etc.).

#### Remember!

The project funding is frequently underestimated or overestimated. This is due to the following reasons:

- failure to collect adequate cost information;
- overoptimistic planning (failure to allow for possible price increases or foreign exchange fluctuations);
- failure to take account of the settlement systems used in the project promoter's institution and the partners' institutions in the planning process;

- inadequate knowledge of the individual intervention instruments;
- scheduling the project over too short a time, which leads to underestimation of fixed costs;
- inadequate knowledge of going market rates.

Table 7 presents an example of a form that can be used in estimating the budget of a transnational cooperation project. In the form, you can tabulate all the expenses involved in the implementation of the project to be incurred by all project partners (Polish and foreign). The information provided in this form can then be used in drafting the financial section of the transnational cooperation agreement. At the same time, the columns presenting expenses to be borne by the Polish promoter can be used in filling in the detailed budget section of the HC OP project application.

Table 7  
An example of a budget estimation form for a transnational cooperation project

Type of cost	Unit	Number of units	Unit price	Total (unit price x number of units)	Cost sharing rule <sup>a</sup>	Partner		
						Leading partner (leader)	2	[...]
<b>Task 1. Project management</b>								
Project manager	month							
Office staff	month							
Partners' coordinators	month							
Purchase of a printer to the project office	piece							
[...]								
<b>Task 2. Organisation of placements</b>								
Remuneration of the trainees' carers	hour							
Placement allowances	hour							
Trainee travel	person							
Trainee accommodation	person							
[...]								
<b>Indirect costs</b>								
<b>TOTAL</b>	<b>x</b>	<b>x</b>	<b>x</b>		<b>x</b>			

<sup>a</sup> See this chapter below for more information on the cost sharing arrangements among the partners.



In summary, when **construing a budget of a transnational cooperation project for the purposes of a transnational cooperation agreement and the HC OP project application**, it is worthwhile to remember the following:

- Budgets of transnational cooperation projects may vary significantly, relative to the composition and organisation of the partnership, type of project, as well as the form and model of transnational cooperation and the principles of the distribution of costs among the partners.
- Specifying in advance the rules of financing the individual tasks by the respective partner institutions (i.e. deciding who pays for what) will help the partnership avoid financial conflicts in the course of the project.
- Partners from different countries will work based on different financial regulations and rules, typical for their respective home countries.
- For projects with a transnational component, a separate budget should be created for the transnational activities, in order to identify the transnational cooperation expenses.
- The transnational cooperation budget to be included in the transnational cooperation agreement will be denominated in Euro (except for the cases when the agreement stipulates that all costs will be borne by the HC OP project promoter, when the costs may be denominated in Polish zloty (PLN)), while the budget given in the HC OP project application – in PLN<sup>15</sup>.

### 4.3. How to distribute costs in a transnational cooperation project?

When drafting the budget of a transnational cooperation project (stand-alone or with a transnational component), you should be aware that you will be exposed to financial regulations and procedures applicable in the respective transnational partner countries (which are frequently different from Polish regulations). Furthermore, you should not forget about the specific rules and procedures unique to the implementation of a transnational cooperation project (stand-alone or only with a transnational component) financed under the Human Capital Operational Programme.

In this context, the financial implementation of the project is of critical importance, in particular how the project is going to be settled among the partners, how the costs are going to be divided and how to avoid double financing<sup>16</sup>.

A transnational cooperation project must generate added value also in the financial aspect. This value must be taken account of. In other words, **in principle** the costs of transnational cooperation should be borne by the partners proportionately to the benefits they respectively derive from the transnational cooperation.

The distribution of transnational cooperation project costs among the individual partners may be based on two fundamental principles: the principle of reciprocity and the cost sharing principle.

<sup>15</sup> The exchange rate to be used to convert the budget into EUR is the monthly settlement currency exchange rates applied by the European Commission and published electronically at ([http://ec.europa.eu/budget/infocore/index.cfm?fuseaction=currency\\_historique&currency=153&Language=en](http://ec.europa.eu/budget/infocore/index.cfm?fuseaction=currency_historique&currency=153&Language=en)). The rate to be applied is the exchange rate for the month in which the Call for Proposals was launched/a system project was submitted/modifications to the project application were submitted.

<sup>16</sup> Double financing arises when, for example, a fixed asset is purchased from public funds, and the same source of funds is used to cover its depreciation.

**The principle of reciprocity** means that the transnational partners derive equal benefits from the transnational cooperation. Therefore the costs of this cooperation are divided based on the assumption that each partner pays for its own costs related to the project. In other words, if the expenses result from a task implemented by a given partner, it is this partner that covers these expenses. For example:

- Execution of the task “Project Management” requires that the management personnel of the project leader go to a working meeting organised by one of the partners. In this situation, the travelling expenses, accommodation and meals are covered by the leader, and the organisation of the meeting (venue, equipment, etc.) is covered by the partner organising the meeting.
- In the execution of the task “Placements of project participants”, the placement allowances and the beneficiaries’ travelling expenses, accommodation and meals are covered by the sending partner, and the cost of the carers looking after the placement beneficiaries are covered by the receiving partner.

The principle of reciprocity may be followed on an equal-percentage basis (i.e. when all the partners participate in the execution of one common task, each of them is responsible for the individual stages of the task, and the costs of these stages are the same, e.g. for two partners the percentages will be 50:50) or on a variable-percentage basis (i.e. each partner participates in the execution of one common task and is responsible for the individual stages of the task, but the stages have different costs, so for two partners the percentages may be, for example, 75:25). Table 8 presents an example of the application of the principle of reciprocity on an equal-percentage and variable-percentage basis.

The principle of reciprocity is the best to reflect the cardinal idea of transnational cooperation, and is therefore recommended by the HC OP Managing Authority to a majority of transnational cooperation projects.

Table 8  
An example of the application of the principle of reciprocity

Type of expense	Total expenses	Type of principle of reciprocity	Partner		
			1	2	3
<b>Task: Development of a training curriculum</b>	<b>108,000</b>	Equal	<b>36,000</b>	<b>36,000</b>	<b>36,000</b>
1. Analysis of the causes of employment rotation	36,000		36,000	–	–
2. Training audit	15,000		–	–	15,000
3. Development of a training curriculum	36,000		–	36,000	–
4. Development of training modules	21,000		–	–	21,000
<b>Task: Development of a training curriculum</b>	<b>108,000</b>	Variable	<b>36,000</b>	<b>15,000</b>	<b>57,000</b>
1. Analysis of the causes of employment rotation	36,000		36,000	–	–
2. Training audit	15,000		–	15,000	–
3. Development of a training curriculum	36,000		–	–	36,000
4. Development of training modules	21,000		–	–	21,000

Given the specific features of the individual project models, this principle is the sole adequate rule of cost sharing for transnational cooperation consisting in:

- exchange of information and experiences;
- parallel development of novel solutions;
- joint development of a product or system (division of tasks leading up to a common goal);
- exchange of key project personnel or participants.

**The cost sharing principle** means that the costs of cooperation are distributed among the partners according to a pre-determined coefficient. For example, in a project implemented by three partners, the total cost of task "Studies" is PLN 60,000. This cost may be divided equally among the partners (i.e. each of them pays PLN 30,000) or according to a proportion defined by the partners (e.g. 50:25:25, which means that the first partner pays PLN 30,000, and the remaining two partners: PLN 15,000 each).

To apply cost sharing principle, the partnership needs to specify the tasks to which the principle should apply (see Table 9). Usually these are: project management, studies, publication of reports and other materials.

The cost sharing principle may involve a transfer of funds between the partners (e.g. one partner orders products and services used by all the partners, receives and pays the subcontractor invoices, and then is reimbursed by the other partners based on billing documents reflecting the applicable model of cost sharing) or *pro rata* invoicing (whereby one partner concludes a contract with a third party on behalf of all the partners, and the contract defines the proportions in which the fee should be individually invoiced to, and then paid by, each partner directly).

However, such a situation may lead to many problems in the course of project implementation, related to, *inter alia*, different procurement procedures in the other partners' countries, or differing rates of VAT. It should be stressed, therefore, that the Managing Authority recommends that among partners coming from different countries flows of funds should be minimised, and re-invoicing and *pro rata* invoicing should be avoided altogether.

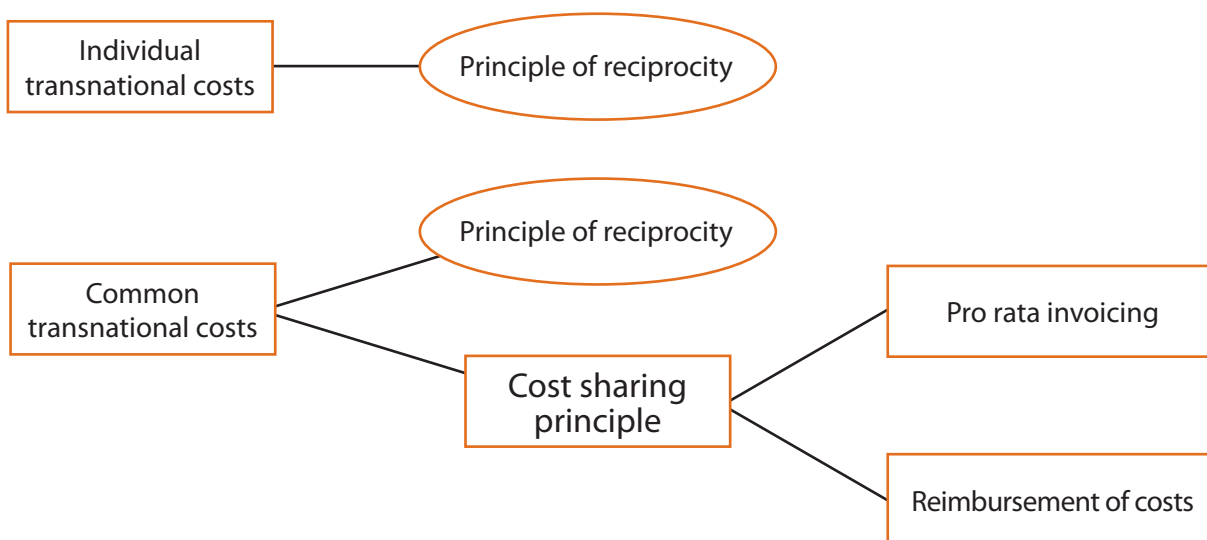
It is also possible to use both principles in one project – the reciprocity principle being attributed to some tasks, and the cost sharing principle being assigned to others.

Table 9  
An example of the division of costs principle (in PLN)

Type of expense	Total expenses		Partner		
			1	2	3
<b>Task: Development of a training curriculum</b>	<b>108,000</b>		<b>36,000</b>	<b>36,000</b>	<b>36,000</b>
1. Analysis of the causes of employment rotation	36,000	Equal	12,000	12,000	12,000
2. Training audit	15,000		5,000	5,000	5,000
3. Development of a training curriculum	36,000		12,000	12,000	12,000
4. Development of training modules	21,000		7,000	7,000	7,000
<b>Task: Development of a training curriculum</b>	<b>108,000</b>		<b>54,000</b>	<b>27,000</b>	<b>27,000</b>
1. Analysis of the causes of employment rotation	36,000	Variable (50:25:25)	18,000	9,000	9,000
2. Training audit	15,000		7,500	3,750	3,750
3. Development of a training curriculum	36,000		18,000	9,000	9,000
4. Development of training modules	21,000		10,500	5,250	5,250

Diagram 10 shows when each principle can be used.

Diagram 10  
Model of cost sharing in a transnational budget and its management



Source: EQUAL Community Initiative. *Transnational Cooperation Guide 2004–2008*, Task Force for Training and Human Resources, Cooperation Fund". Warsaw, 2005.

The cost sharing principle may also be applied – in unique and justified cases – in transnational cooperation projects based on the model of import/export or adoption and adaptation of new methods to the relevant situation. Noteworthy, however, each application of this principle must be additionally justified, and all expenses covered by the principle must conform to all eligibility criteria, and in particular: be necessary to achieve the project objective, rational and cost-effective.

#### 4.4. How to negotiate a budget with the transnational partners?

Development of the financial part of the project is an important element of any project preparation, and a sensitive issue, as well.

Budget negotiations with the transnational partners should above all cover the following issues:

- the amount of expenses related to the execution of individual project tasks. Particular attention should be paid to administrative costs;
- the financial share of costs to be borne by each partner. Each partner's share of expenses should be proportionate to the benefits they will derive from the project implementation;
- rules of settlements among the partners. Noteworthy, the Managing Authority recommends that the reciprocity principle be used wherever possible.

The following should be borne in mind at the outset of project budget negotiations:

- Never start negotiations unprepared: consider in advance, what questions can be asked by the potential partners, prepare a few options of your answer. Prepare pricing comparisons, estimations of costs and other calculations.
- The person opposite you at the negotiations table is not your enemy – be ready for a compromise. Remember that the reason you are talking is a project designed to bring benefits to all the partners, and – primarily – the beneficiaries of the intervention.
- Never sit alone at the negotiations table – negotiating in a team will help you avoid misunderstandings resulting from erroneous interpretation of intentions or language expressions (the language of negotiations may not be the native tongue of all parties negotiating), and find good common solutions faster.

Before you start to negotiate a project budget, prepare a detailed schedule, specifying:

- the number of tasks;
- the number of products and results (including parallel and common products/results);
- the number of meetings, exchanges and other activities needed to develop the planned products/results;
- time and place of task execution.

This schedule can serve as a basis for discussion of expenses needed to implement the planned tasks. When negotiating the financial conditions, it is advisable to remember about the objectives of the project and transnational cooperation of the partners. In order to avoid problems with communication, keep a written record of the negotiations (agreements already achieved and outstanding issues to be negotiated later), as well as a graphical presentation of the negotiations outcome (diagrams, graphs, drawings; pictorials can help avoid misunderstandings resulting from language and cultural differences).

## 4.5. What is financial management in a transnational cooperation project?

Securing HC OP co-financing for a transnational cooperation project is only the first – and not the hardest – step that a potential project promoter must achieve. In order to actually receive the co-financing, the planned project must be implemented in keeping with the description given in the project application and the co-financing agreement concluded with the Institution Organising the Call for Proposals. Above all, however, the project must be implemented in accordance with Polish and Community laws.

In order to implement a HC OP transnational cooperation project well, it should be borne in mind that the fundamental rules to govern the project are stipulated in legislation and programming documents. Below is a list of the major laws and papers, with an explanation of their relevance for beneficiaries.

- **Regional Development Policy Act, dated December 6, 2006** (Journal of Laws 2006, no. 227, item 1658, as amended)

This Act is the primary law regulating the implementation of operational programmes financed from the European Community structural funds and projects executed within the frameworks of operational programmes. It serves as a basis for programming documents, such as the operational programme, detailed description of operational programme priority axes, as well as the guidelines of the Ministry of Regional Development and institutions in charge of managing the individual programmes. The Act also stipulates, *inter alia*, the procedures for the selection of project partners.

- **Public Finances Act, dated June 30, 2005** (Journal of Laws 2005, no. 249, item 2104, as amended)

The development grant, i.e. the project co-financing, is public funds. Therefore, the spending of those funds is subject to careful scrutiny. Even if the project promoter institution is not a public entity, in the context of a development grant it must operate pursuant to the *Public Finances Act*. The following two examples illustrate the impact of the Act on project implementation:

- The development grant is not fully used in a given budget year. Although your project may be implemented over a two-year horizon, and the funds awarded to this project also correspond to this timeframe, pursuant to the Public Finances Act the settlement of the funds must follow the rules stipulated in the Act. In other words, funds awarded for a given budget year should be spent in the same year. According to Art. 144 of the Act, if a part of the development grant has not been spent in a given year, the competent institution should reimburse the funds back into the state budget, to a designated account. At the same time, the Act allows the unused funds to be designated as unexpired, to let them be spent in the following year.
- Subcontracting. In the course of the project it may be necessary to subcontract certain services to external subcontractors. First, this step must be planned already at the stage of project application, whereby relevant remarks should be included in the budget, i.e. in the comments to the individual substantive tasks, or parts thereof, that are to be subcontracted. Secondly, it must be remembered that according to Art. 28 of the Act, public spending should be purposeful and economical, should ensure timely execution of tasks, and must follow the amounts and time limits resulting from already assumed obligations.

- **Public Procurement Act dated January 29, 2004** (Journal of Laws 2004, no. 223, item 1655, as amended.)

This is the primary law which regulates procurement financed from public funds. Pursuant to Art. 3 of the Act, all public entities are obliged to follow public procurement rules when spending public funds. According to Art. 3 par. 5, project promoter institutions which are not public organisations are bound to follow the Act only if the following three conditions apply concurrently: (1) over 50% of the order value is financed from public funds, (2) the order value exceeds the amounts stipulated in Art. 11 and (3) the order involves construction works of a specific scope. In practice, such situations do not arise in ESF projects. The only exception is construction works necessary for architectural adaptation of buildings to the needs of persons with disabilities. Therefore, non-public entities should follow competitive bidding procedures when commissioning orders of the net worth of EUR 14,000. In other words, the beneficiary is obliged to request offers from at least three potential bidders. The beneficiary then selects the subcontractor following an open, transparent and non-discriminatory procedure. The transaction should be awarded to the bidder whose offer is the best in view of the order's terms of reference.

Whenever a transaction calls for public procurement, the relevant procedures applicable in the country in which a given task is to be performed should be used. At the same time, the tasks to be financed by the partner who submits the HC OP application should be financed in keeping with Polish law, regardless of which partner bears the substantive responsibility for this task. Therefore, and due to the fact that different countries apply different procedures of subcontractor selection, transnational partners should avoid joint execution of tasks that involve public procurement or special competitive rules. Whenever it is necessary to apply these rules, the task involving a given order should be assigned to one partner only. This partner should bear the substantive and financial responsibility for this task and should select the subcontractor pursuant to the laws of the partner's country.

- **Regulation of the Minister of Regional Development on the Detailed Spending Rules in Operational Programmes, dated September 7, 2007** (Journal of Laws 2007, no. 175, item 1232, as amended.)

This Regulation defines the possible forms of public funds support for operational programme projects and the procedures of transferring and settling development grants. It served as a basis for the development of the primary financial rules in the HC OP.

- **Financing Rules of the Human Capital Operational Programme**

The Rules are a part of the "Implementation System of the Human Capital Operational Programme", i.e. a document specifying the implementing rules for the HC OP as regards the Priority axes, measures, subsmeasures and individual projects. It defines rules of drawing up detailed project budgets, financial settlements, transfers of development grants and project accounting.

- **Human Capital Operational Programme, Detailed Description of HC OP Priority Axes, Action Plan**

These documents serve as a basis of preparing HC OP projects. They present the type of interventions that may be supported by the ESF and the institutional system of the operational programme. The *Detailed Description of Priority Axes* provides information about the eligible types of projects, target groups and beneficiaries. In the Action Plan, the Intermediate Institution may narrow down the

list of eligible types of projects, target groups and beneficiaries in a given year. Noteworthy, in the course of the project, ineligibility of activities and project participants (i.e. when they do not comply with the programming documents) results in the ineligibility of any expenses related to those activities or participants.

Relative to the type of a transnational cooperation project, other specialised acts of law may also be applicable to the financial execution of the project, e.g. the *Promotion of Employment and Labour Market Institutions Act* or the *Act on the Vocational and Social Rehabilitation and Employment of Persons with Disabilities*.

The **Project Co-financing Agreement** is the fundamental document regulating transnational cooperation of a HC OP project. It defines the rights and obligations of both parties, as well as the scope and value of the agreement, level of co-financing, project timeframe, payment conditions, reporting and oversight rules, and sanctions for undue performance of the agreement.

The agreement specifies all the vital financial data related to the execution of the project, such as the amount and level of co-financing, and the beneficiary's self-financial. Consequently, the beneficiary knows the actual amount of co-financing only when the project is completed. The amount or level of co-financing may vary depending on the actual expenses incurred by the beneficiary.

### Remember!

The total expenses of the project are planned at PLN 1,000,000, out of which PLN 950,000 is the co-financing set at 95% of the total project eligible expenses, and PLN 50,000 is the beneficiary's self-funding.

- Situation 1. Instead of the planned expense of PLN 1,000,000, the beneficiary has spent only PLN 950,00. In the final settlement, the beneficiary will receive co-financing at the level of 95% of the total expenses, i.e. PLN 902,500, instead of PLN 950,000. At the same time, the beneficiary's own contribution should be at least PLN 47,500.
- Situation 2. The beneficiary has spent the planned PLN 1,000,000, but has demonstrated self-funding of only PLN 45,000. Therefore, in the final settlement, the co-financing will be reduced proportionately to the actual own contribution of the beneficiary, i.e. to the amount of PLN 855,000, which is 95% of the co-financing matched to the lower own contribution. In other words, the total amount of eligible expenses will be PLN 900,000, whereby the co-financing is PLN 855,000 and the beneficiary's own contribution – PLN 45,000. It means that if the beneficiary had received all the planned advance payments, in the final settlement it should return to the Implementing Institution the amount of PLN 95,000 – if the Institution requests so.

Any beneficiary implementing a co-financed transnational cooperation project should be particularly prudent, especially in regard to finances. In order to maintain transparency of the project's financial operations, the beneficiary must establish separate individual, summary and off-balance sheet accounts used only for the project, as well as maintain an accounting serial numbering system for all financial documents validating project expenses.

A beneficiary that typically does not maintain full accounting records should establish an additional recording system which allows the institution to uniquely identify costs by assigning an individual



accounting code. This kind of records may be maintained, for example, in a spreadsheet, which will enable the beneficiary to generate summary information and reports, as well.

For the purposes of project monitoring, it is advisable to relate individual accounts to the individual tasks/items of the project's detailed budget.

When settling the project (i.e. when preparing the successive request for payments), the beneficiary may present to the Implementing Institution print-outs from the accounting records system, in the place of appendix 1 of the payment request. However, to allow this, the accounting records system must have the functionality of generating print-outs by tasks, including the following information:

- external number of a VAT invoice or other document;
- internal (system-assigned) number of the accounting document (sequential number);
- date of issue of the accounting document;
- type of the eligible expense;
- amount of eligible expenses (gross eligible expenses and eligible value-added tax);
- date of payment;
- information about expenses in cross-financing.

The project partners are also obliged to maintain a separate accounting records system for the project. However, this obligation varies for national partners and transnational partners. A transnational cooperation project may be implemented by a partnership with only one Polish organisation (a transnational partnership), as well as by partnerships composed of a number of Polish organisations and transnational partners i.e. the project is implemented by both a national and a transnational partnerships. In a transnational cooperation project, the national partners also use co-financing from the HC OP, and therefore all of them (and not only the partnership leader) should maintain a separate accounting records system for the project. The transnational partners, on the other hand, use other sources of financing the project, and not the HC OP (they may be using ESF funds, but distributed by other programmes implemented in the partners' respective countries). Therefore, transnational partners should account for the operations of the transnational cooperation project pursuant to the laws of their own countries.

For the purposes of the transnational cooperation project, the beneficiary is obliged to open a separate bank account (or subaccount), which will receive the successive tranches of the grant and pay for project expenses. This obligation applies to all national partners involved in a transnational cooperation project. The only exception from this rule is when a national partner does not incur any project expenses; then a separate bank account should be opened by the leader of the national partnership only. The costs of opening the account and the account fees are eligible expenses.

Alternatively, the beneficiary may pay for the project expenses from its primary bank account and then refund them from the project accounts. This situation may apply when a given expense is only partly related to the transnational cooperation project (e.g. remuneration of personnel only partly involved in the project, or electricity charges), or when there are not sufficient funds in the project accounts. Should this happen, the paying beneficiary must ensure the transparency and traceability of all the banking transaction to be able to unequivocally demonstrate their link to the project. However, the primary rule is that whenever possible, payments should be made directly from project accounts.

### Important!

**The separate project account can never be used to pay for expenses that are unrelated to the project. In other words, the beneficiary institution cannot "credit" its own expenses from the project account.**

In partnership-implemented projects, any payments between the partnership leader (the beneficiary) and the national partners should be made from the project's own bank account. As regards the transnational partners, the beneficiary should ensure that there are no financial transfers between the leader or national partners on the one hand, and the transnational partners on the other. Whenever a transnational partner is responsible for implementing a task financed from the budget approved in the HC OP project application, all the expenses related to this task are covered directly by the HC OP project promoter (there are no financial transfers between the partners). This situation may apply, for example, when the project plans to organise a study visit to the institution of a transnational partner which cooperates with the HC OP project promoter to adapt a solution to Polish circumstances. The purpose of the study visit is to see the solution functioning in practice and meet with an expert, the author of the solution. The transnational partner is responsible for all the aspects of the study visit at its own institution (i.e. room and equipment hire, inviting the speakers, organisation of the meetings, inviting the expert). The HC OP project promoter, on the other hand, takes care of the participants' travel and accommodation, and finances the tasks for which the transnational partner is responsible (the documents validating that the service has been provided are issued for the name of the HC OP project promoter).

In transnational cooperation projects, expenditure in foreign currencies will occur much more frequently than in other types of HC OP projects. In the accounting records of the project, and in payment requests, these expenses are recorded in Polish zloty, while the corresponding financial documents (invoices or equivalent) are issued in foreign currencies. The currency exchange rate is therefore very important. For the HC OP operations paid for in foreign currencies, the beneficiary should apply the exchange rate as stipulated by Polish laws on income tax, VAT and accounting principles. For transactions in foreign currencies performed by a transnational cooperation project, on the other hand, the beneficiary may apply the following exchange rates:

- when the payment is made from a bank account, the foreign exchange rate applied should be compliant with the rules for foreign currency cash transactions applicable at the beneficiary's institution (if any). If there are no such rules, the selling rate of the beneficiary's bank applied by the bank to perform the transaction should be applied as documented by a confirmation note issued by the bank or a bank statement);
- for cash payments, the PLN value of the transaction should be calculated at the rate for which the foreign currency was bought (documented by a currency purchase receipt);
- for cash payments made outside of Poland in a bank that does not quote any exchange rate into Polish zloty, the selling rate of the currency in question announced by the National Bank of Poland (NBP) on the transaction date should be applied; if such rate is not available, the average NBP rate from the transaction date should be applied.

Correct choice of the applied currency exchange rate will be verified in the course of an on-site document audit at the beneficiary's institution.

Therefore, the following should be remembered when making foreign currency payments for transnational cooperation projects:

- adopt the correct foreign currency exchange rate in order to adequately express the value of expenses in Polish zloty;
- avoid financing foreign exchange losses – which are ineligible expenses – when settling cash payments (such risk may arise mainly when settling business trips of project personnel on the basis of a business trip order.

Proper documenting of the incurred expenses is another highly important matter for the project. Only correctly documented expenses can be eligible and settled within the project budget. Any expenses which are not properly documented will be rejected as ineligible even if they conform to

other eligibility criteria. This rule applies to all direct expenses of the project, and to indirect expenses settled on the basis of actually incurred costs. The only exception is indirect costs settled on a flat-rate basis, which need not be separately documented within the project. When settling indirect costs with the flat-rate method, the beneficiary only needs to document the methodology of calculating indirect costs and justify the percentage coefficient used in those calculations.

Table 10  
Ways of documenting eligible expenses in HC OP

Category of expenses	Way of documenting the expenses
Remuneration of personnel	<ul style="list-style-type: none"> <li>– payroll list (employment agreement / posting order / job description),</li> <li>– subcontract agreement + bills settling the remuneration received under these contracts,</li> <li>– records of receipt and acceptance of work/services,</li> <li>– invoices/bills for services issued by self-employed personnel,</li> <li>– social insurance forms (ZUS DRA) or other documents specifying the amount of payroll overheads.</li> </ul>
Procurement of goods and services	<ul style="list-style-type: none"> <li>– VAT invoices</li> <li>– bills and receipts,</li> <li>– business trip orders, records of personal car mileage,</li> <li>– agreements with subcontractors,</li> <li>– other equivalent accounting documents (e.g. internal summary reports).</li> </ul>
Documents validating contributions in-kind or contributions of a third party	<ul style="list-style-type: none"> <li>– a list of invoices documenting sale of goods/services (e.g. from the month preceding the month in which they were contributed),</li> <li>– documented prices of goods/services, such as relevant listings from commodity exchanges or price lists of other entities,</li> <li>– real estate valuations,</li> <li>– payroll lists showing remuneration paid out (if the contribution is remuneration of third persons),</li> <li>– an agreement concluded with a volunteer, including the job description; volunteer work chart.</li> </ul>
Depreciation of tools and equipment being fixed assets of the beneficiary	<ul style="list-style-type: none"> <li>– fixed assets depreciation charts or equivalent fixed asset depreciation tables used by the project,</li> <li>– specification showing the time of use of the individual fixed assets for training purposes within the period of the project being settled.</li> </ul>
Cost of leasing rent for leasehire of equipment necessary for the project	<ul style="list-style-type: none"> <li>– leasing agreements,</li> <li>– leasing rent invoices,</li> <li>– representation stating that the leased fixed assets have not been financed from public funds.</li> </ul>

**Important!**

**For any expense to be classified as eligible, it should be documented as actually incurred by the project and paid up in full. Acceptable documents include bank statements and cash reports. A wire transfer order is not recognised as documenting project expenses.**

All accounting and book-keeping documents (invoices, bills, business trip forms, payroll lists, etc.) should be described as to demonstrate an unquestionable link between the document and the HC OP co-financed project. It is therefore recommended that all financial documents pertaining to a HC OP co-financed project be described as follows:

„Financed by the European Social Fund,  
Submeasure 5.2.1 HC OP. Project title:  
.....  
.....  
Agreement no. ....  
Name of task .....  
Eligible amount PLN .....  
.....  
Date and authorized signatures

Substantive check by:  
.....  
Date and authorised signatures  
  
Formal and accounting check by:  
.....  
Date and authorised signatures  
  
Approved for payment by:  
.....  
Date and authorised signatures

As regards expenses covered by the Public Procurement Act or expenses covered by the competitive bidding rules, accounting documents should be additionally described so as to clearly demonstrate the legal basis and the conformity of the expense with the Act or the competitive bidding rules:

This expense complies with the Public Procurement Act, dated January 29, 2004:  
.....  
(Legal basis)

When managing the finances of a transnational cooperation project, it is also advisable to remember about the following:

- retain full documentation of all financial transactions of the transnational cooperation project, over the time specified in the HC OP co-financing agreement;
- plan the individual tasks well over time, so that expenses do not mount up unexpectedly, creating payment bottlenecks;
- never make any payments without the original invoice or another equivalent accounting document;

- develop internal procedures for the event of financial changes occurring in the course of the project (shifts of costs among the partners, moves of funds between tasks, etc.);
- develop a fallback plan for financial emergencies (financial and substantive delays in the work of individual partners). It should be remembered that the partners' activities in our project are frequently a part of other projects they are implementing themselves, as financed from the ESF or other sources;
- prepare cash flow plans for the entire project and for the individual national partners. Such plans are a good project management tools in case of overdue payments or unexpected additional costs.

## 4.6. How to settle a transnational cooperation project?

An anecdotal principle of project management (cited also in the European Commission's manuals for the Youth Programme) says: *No serious project has ever been implemented by the agreed date, according to the agreed budget and with the people initially planned. Yours will not be the first.*

Every project – be it an investment or training venture – is always exposed to the risk of change (in available financial resources or people). Project co-financed from the HC OP are no exception to this rule. For large open projects, which offer several kinds of training for a diverse target group, this risk of deviation from the plan presented in the project application is even higher.

The fundamental financial principles for a HC OP project can be summarised as follows:

- **The beneficiary cannot exceed the total amount of eligible expenses planned for the project.**

New implementation rules for HC OP projects co-financed from the ESF make room for a more flexible approach to the financial aspects of the project. The beneficiary settles the project primarily on the basis of section IV of the project application (Project Budget). The key piece of information in this part of the application is the total value of the project, which - for the HC OP projects - is equivalent to the total amount of eligible expenses.

### Example

The planned total expenditure of the project is PLN 1,000,000, out of which PLN 950,000 is the co-financing at the level of 95% of the project total eligible expenses, and PLN 50,000, i.e. 5% of the project total eligible expenses, is contributed by training participants – local government workers. Instead of the planned PLN 1,000,000, the beneficiary spent as much as PLN 1,500,000. In the final settlement, the beneficiary is going to receive co-financing as specified in the agreement, i.e. PLN 950,000, and not 95% of the project total expenses (PLN 1,350,000 in this example). Training participants will still contribute PLN 50,000. The remaining shortfall will have to be covered by the beneficiary from the institution's own resources, and will be treated as ineligible expenses.

- **The beneficiary is bound by the limits specified for the individual tasks. There is no need to rigidly stick to the detailed number of units and unit costs specified in the budget, nor to the costs of individual budget items.**

The project is settled on the basis of the implementation of the tasks planned in the project application form, and not on the basis of the individual budget items given in the detailed budget appended to the application. Deviations from the planned budget items are admissible provided that the task will be executed in a way ensuring that all the planned objectives and results of the project are eventually achieved.

### Example

The total expenses of the project are planned at PLN 1,000,000. The beneficiary has planned four tasks to be implemented by the project:

- “Project Management”, worth PLN 250,000;
- “Promotion and Recruitment of Participants”, worth PLN 100,000;
- “Training”, worth PLN 550,000;
- “Project Evaluation”, worth PLN 50,000.

The beneficiary has also planned for indirect costs of PLN 50,000, which is 5.26% of the direct costs.

In task 3, the beneficiary has planned the following budget items:

- remuneration of foreign trainers (PLN 165,000);
- hire of training premises (PLN 30,000);
- hire of training equipment (PLN 15,000);
- catering for the participants (PLN 90,000);
- accommodation for the participants (PLN 130,000);
- training materials (PLN 120,000).

In the course of the project it turned out that all training activities will take place in one training centre, which allowed the beneficiary to negotiate a lower rate for the training premises (PLN 22,000) and accommodation for the participants (PLN 100,000). At the same time it turned out that the training materials would be more expensive than originally planned (PLN 128,000).

Can the beneficiary settle this task successfully?

Yes. The shifts in the actual amount of the expenses vis-à-vis the planned expenditure for task 3 does not result in a higher total amount envisaged for this task (actually, the amount is lower by PLN 30,000) even though a few individual budget items had indeed been higher than planned. However, these changes do not undermine the conditions of project implementation and still allow the project to achieve its objectives and results.

- **Expenses not envisaged in the project budget are allowed provided that they are linked to the execution of tasks included in the project budget and comply to the Guidelines on the Eligibility of Expenses in the HC OP.**

Expenses on project tasks are planned a lot of time before the tasks are actually executed. It may therefore turn out that the beneficiary had not been able to foresee all the expenses that are necessary for the tasks to be completed. If this happens, expenses not planned in the detailed budget are allowed provided that they are necessary for a given task to be completed and meet the general criteria of expenses eligibility defined for the HC OP.

### Example

Returning to the previous example, we may assume that in the course of the project – due to the fact that all the training was organised in one training centre – the beneficiary had not only negotiated lower rates for the hire of training premises and accommodation of the participants, but also receives the training equipment to use free of charge from the subcontractor, as a part of this large order. Unfortunately, when planning the project the beneficiary had forgotten about catering for the participants, worth in total PLN 42,000.

Can the beneficiary incur this new expense?

Yes. Thanks to the successful negotiations, the beneficiary accumulated a saving of PLN 45,000. Catering for training participants is linked to the execution of this task (especially for training courses going on for a full day), allows the project to achieve its objectives and results, and conforms to the Guidelines on the Eligibility of Expenses in the HC OP. At the same time, the new expense will not cause that the budget limit for task 3 is going to be exceeded.

- **Shifts in the project budget are allowed provided they do not exceed 10% of the amount allocated to both tasks (i.e. the task whose budget balance is reduced and the task to which the funds are moved).**

### Example

Returning again to the previous example, we may assume that in the course of the project an increase of expenditure on task 2 “Promotion and Recruitment of Participants” has become evidently needed. Considering the savings achieved in task 1, the beneficiary would like to move PLN 20,000 from task 1 to task 2.

Can the beneficiary take this decision on its own?

No. The beneficiary can decide about shifts in budget balances only up to 10% of the value of the funds. In our example, the maximum amount that can be moved from task 1 is PLN 20,000. However, the funds are to be moved to task 2, which has a lower balance, and consequently allows the beneficiary to move only PLN 10,000 (i.e. 10% of the value of task 2) on his own accord.

The beneficiary will be able to effect the planned change of PLN 20,000, but only after the procedure of changes envisaged in the co-financing agreement is completed. In other words, the beneficiary must make a written request to the Intermediate Body/2nd Level Intermediate Body, which will take a decision within 15 days as from the date of receiving the request. It is only after receiving a written consent of the Intermediate Body/2nd Level Intermediate Body level that the beneficiary may implement the change in the budget.

Noteworthy, any budget shifts of up to 10% do not require notification to the Intermediate Body/2<sup>nd</sup> Level Intermediate Body only if:

- they do not result in a higher amount of the total expenses assigned to cross-financing;
- they do not result in a higher amount of the total expenses assigned to the task "Project Management";
- they do not change the amount and designation of state aid in the project.
- **Lowering of direct expenses reduces proportionately the amount of flat-rate indirect costs and the amount of cross-financing.**

In a majority of HC OP projects, indirect costs are settled based on the flat-rate method. In other words, in the project budget indirect costs are expressed both as an amount as well as a percentage. In the course of the project, the amount of eligible indirect costs is being specified primarily based on the amount of completed direct expenses and the percentage of indirect costs specified in the co-financing agreement.

### Example

The amount of indirect costs is PLN 50,000, i.e. 5.26% of direct expenses. The beneficiary has completed project expenses for the total value of PLN 950,000, however in the course of the payment request verification the Implementing Institution level decided that direct expenses of PLN 20,000 were ineligible.

Can the beneficiary continue to assume that the amount of PLN 50,000, i.e. the indirect costs of the project, is still an eligible expense?

No. According to the co-financing agreement and the allowed percentage of indirect costs it stipulates (5.26%), the total amount of eligible indirect costs is PLN 48,918 (i.e. PLN 930,000 x 5.26%).

- **Income generated by the project is returned.**

Both the income planned in the project application form, as well as unplanned income generated by the co-financed project, should be returned to the account designated by the Implementing Institution. The beneficiary is obliged to disclose all project income. In the HC OP projects, sources of potential project income include:

- Training, consulting services, courses (enrolment fees – unless paid in as own contribution, and equivalent charges, sale of goods and services produced in the course of such activities);
- Practical activities, traineeships, placements (sale of goods and services produced in the course of such activities, enrolment fees and equivalent charges);
- Purchase, leasing, lease hire, depreciation of equipment (rental, fees for use of equipment, sale of equipment bought earlier)
- Contractual penalties due to a case of default by a subcontractor.

Project income is repayable by the end of each calendar year. However, the Implementing Institution may request that income be repaid on a different date set at its discretion.



## Chapter 5

### HOW TO ANALYSE THE RISKS OF A TRANSNATIONAL COOPERATION PROJECT?

The risk factors typical for a HC OP transnational cooperation project, which bear significantly on the preparation, implementation and monitoring of the project, can be classified into five categories:

- cultural differences between the project partners' countries;
- selection of partners for transnational cooperation;
- functioning of the transnational partnership;
- implementation of the project by a transnational partnership;
- budget of the transnational cooperation project.

In order to manage risks inherent in a transnational cooperation project effectively, specific risk factors should be identified that can undermine the correct implementation of the project. Next, the methods of mitigating those risk factors should be proposed.

Table 11 may be a useful tool in this context. Filling it in will help every project manager to clearly identify the main types of risks, i.e. situations which should be avoided if the project to be successfully completed.

The first category of risks, i.e. cultural differences between project partners' countries, may materialise at every stage of the project's preparation and execution. The risk factors in this category include:

- different working styles;
- different working time;
- excessive bureaucracy or - in contrast - neglect for formal requirements and documenting obligations;
- ignorance as regards customs of a different country;
- improper distance in official relationships.

In order to avoid misunderstandings caused by cultural differences, no efforts should be spared to learn about the culture and customs of each partner's country. How? One idea (suitable primarily, though not exclusively, for exchange and placement projects) is to organise a training course delivered by a person coming from the partner's country, yet living in Poland for a longer time. Such a person will be a very good source of knowledge about his or her country's customs and what is considered good manners. He or she may also see particularly clearly the cultural differences that struck them as odd upon coming to Poland.

The second category of risks, pertaining to the preparation and execution of transnational cooperation projects, involves selection of partners into the project partnership. The major factors in this category include:

- misconceptions about mutual expectations of the partners at the stage of establishing the cooperation;
- distrustfulness of the partners, resulting in, for example, unwillingness to share know-how with others;
- withdrawal of a transnational partner in the course of project implementation.

In order to minimise the above-mentioned risk factors, two procedures come in handy. The first relates to the selection of partners for transnational cooperation. It is best to invite partners whom you already know, or their representatives. Therefore, it is advisable to take part in conferences and industry seminars, as there you can learn about the potential partners' activity profile or meet their representatives. If you are searching for partners with a clear project idea already in your mind and your project is already defined, it is advisable to take with you an abstract (format A4 maximum), describing the project's major objectives, planned activities and their results, preliminary schedule, planned budget and financing sources, as well as setting out precise expectations vis-à-vis partners from other countries. Another good practice is to request foreign institutions you already know to recommend a reliable partner for your planned project. Again, an abstract will be very useful at the early stage of defining mutual expectations.

The second rule pertains to the clearly articulation of the expectations that each partner of a transnational cooperation project may have at the very outset of the cooperation. At the stage of preparing the project application, it is advisable to set priorities and the scope of responsibility borne by each partner, so that everyone is confident that the project will generate a true added value that each of them will be able to contribute to their respective home institutions.

The most severe risk factor is that of withdrawal of a partner when the project is already underway. How to prevent it? The key to success seems to be an honest conversation among the partners as soon as the first signs of difficulties become apparent. A good custom for projects longer than one year is to hold cyclical meetings of the project management team, organised in the head offices of the individual partners. The agenda of such a meeting may always be supplemented with an item concerning the level of the partners' satisfaction with the project progress and a discussion of the cooperation so far. Each partner should have a chance to express the needs of the institution, and state to what extent its expectations have been met by the project. This approach not only increases the productivity of the partnership itself, but also can help eliminate – at the very outset of the cooperation – the potential risks stemming from dissatisfaction with the course of the transnational cooperation or its results.

The third category of risks is factors related to improper functioning of the transnational partnership, including:

- failure to safeguard the principle of mutual benefits for all partners of a transnational cooperation project;
- unrational division of work among the transnational partners;
- dominant position of one partner in the project;
- difficulties in communication between the partners.

How to prevent these problems? Above all, you need to plan the work of the entire partnership well. It is not to say that the work needs to be divided equally among the partners and they will each have an equal share of the project benefits. Frequently this is not needed, or even unfeasible. Furthermore, too much of mutual control among the partners may lead to conflicts. The best solution is to ensure proportionality between the work input and the resulting benefits gained by a partner. The risks in this category can be monitored by using the above-mentioned method of surveying the satisfaction of all partners with the progress of the project and results of the partnership's work.

The final risk in this category is difficulties in communication between the partners. How to eliminate this factor or at least mitigate its impact? A good practice used by some transnational cooperation projects is to develop, at the very outset of the cooperation, a document called "The Communication Plan". It specifies the tasks of each partner as regards promotion of the project and describes the communication channels within the partnership. Appended to this document is a list of all partner institutions, with names of their representatives, scope of responsibility and contact details (e-mail, telephone number, postal address). Knowledge of foreign languages is also important. It would be ideal if all partners' representatives knew one common foreign language in which they can communicate well. However, experiences of many projects show that this ideal situation is very hard to attain. This is due to two reasons:

- poor knowledge of foreign languages among decision-makers of the partners willing to take part in the project;
- the need of hiring eminent experts, who may not know foreign languages but who can contribute a lot to better added value of the project.

A good solution to this problem is to hire an interpreter, who can assist in communication of persons with poor knowledge of foreign languages or no such knowledge at all.

The fourth category of risks present in transnational cooperation projects is risks arising in the course of project implementation:

- different understanding of the same concepts;
- default of a partner (partners) on their obligations, including failure to perform tasks or untimely performance of tasks;
- lack of partner's personnel commitment to project implementation.

The first risk can be mitigated by effective communication among the partners. A good idea is to develop a glossary of project terms (for example of the kind given in Chapter 9), which will explain the basic terms in all languages of the partnership or, alternatively, explain the terms only in English, with translation into all mother tongues of the partnership members.

The second risk should be monitored by both the project manager and by each partner's project coordinator, as a part of substantive progress monitoring described in subchapter 6.1. The tool presented in Table 12 may come in useful to this end.

The final risk, i.e. lack of the partner's (partners') commitment to project implementation, or even – in extreme cases – treating the project as a mere opportunity for a tourist trip, is very hard to eliminate completely. Direct contact with such a partner may help, whereby they should be asked about the causes of this situation and involved in searching for a compromise solution. In extreme cases (i.e. when the partner's personnel treat the project as a mere opportunity to visit the other partners'

countries), a duty may be introduced to sign off daily attendance lists at the partners' meeting, and to draw up a written report of the meeting, or else to report back on the partners' meeting to the partner's institution personnel. However, the proper selection of participants invited to a transnational cooperation project remains critical.

The final category of risk factors is risks related to the financial aspect of the project, and in particular to the planning and execution of the project budget and the financial and accounting settlement procedures of the project. These include:

- the risk of a remuneration-related conflict;
- under- or overstated budget of one of the partners.

The first risk may materialise in particular when remuneration at equivalent posts in different countries of the European Union is compared. How to avoid such misunderstandings? A good practice is to benchmark vis-à-vis the typical remuneration at a given partner's institution. For example, if a daily rate of a trainer's work in a given institution is EUR 300, it is justified to offer an external trainer the same daily rate for a training delivered in the course of a project. Internal trainers, on the other hand, should be remunerated as per the payroll rules of the institution.

The other risk is an understated or overstated budget of one of the transnational cooperation project's partners. How to avoid this difficulty? If the project has generated some savings, the funds could be assigned to the national partner with the understated budget. In the case of a transnational partner, when such moves of budget allocations are not possible, the partnership may consider a revision in the allocation of tasks, so that the proportion of the tasks to be performed by the partner is more proportionate to the budget they have at their disposal. It is advisable to resolve all budgetary issues at the stage of the project application. Of course, resolving budgetary issues at the project application stage is easier for those partnership-based projects for which the application is requesting co-financing for the project as a whole. The likelihood of budgetary problems increases when each transnational partner is going to apply on its own for a grant to finance their own activities in the project alone. In this situation, the partnership must consider the specific ESF priorities in the individual countries, their scope, and potential restrictions, for example as regards eligibility of expenses. This kind of problems should be solved by a consensus worked out by the transnational cooperation partners. Noteworthy, too, the solution must conform to the provisions of the transnational cooperation agreement and the *HC OP Financing Principles*.

Table 11 presents a simple tool to evaluate the level of risks inherent in a transnational cooperation project. It contains a list of all the risk factors described above. Each factor is rated against two criteria: likelihood and the potential impact on the project, on a three-grade scale, whereby 1 represents the lowest likelihood and impact, and 3 represents the highest. The scores assigned to each criterion should then be multiplied. The higher the result, the higher is the likelihood of a risk with a strong impact materialising in the project. Typically, any risk with a score of 6 and higher requires regular monitoring by the project manager.

Table 11  
A tool to evaluate risks in a transnational cooperation project

Risk	Likelihood (Scale 1–3)	Impact (Scale 1–3)
Different styles of work		
Different working time		
Excessive bureaucracy or - in contrast - neglect for formal requirements and documenting obligations		
Ignorance as regards customs of a different country		
Improper distance in official relationships		
Misconceptions about mutual expectations of the partners at the stage of establishing the cooperation		
Distrustfulness of the partners, resulting in, for example, unwillingness to share know-how with others		
Withdrawal of a transnational partner in the course of project implementation		
Failure to safeguard the principle of mutual benefits for all partners of a transnational cooperation project		
Unrational division of work among the transnational partners		
Dominant position of one partner in the project		
Difficulties in communication between the partners		
Different understanding of the same concepts		
Default of a partner (partners) on their obligations, including failure to perform tasks or untimely performance of tasks		
Lack of partner's personnel commitment to project implementation		
The risk of a remuneration-related conflict		
Under- or overstated budget of one of the partners		

## Chapter 6

### WHAT ARE THE MONITORING METHODS OF TRANSNATIONAL COOPERATION PROJECTS?

Before we answer the question about the methods of monitoring transnational cooperation projects, it is worthwhile to consider what monitoring of transnational cooperation projects, or even – to put the matter in a broader perspective – monitoring of projects financed by European Union grants is all about. Monitoring is one of the major tasks of the project manager. It consists in a cyclical examination whether the project is implemented according to the original plan, objectives set out in the project application and the co-financing agreement. In other words, monitoring is about periodic checks (once a week or once a month) to find out if the project under management is implemented according to the relevant procedures (all duties of the beneficiary are stipulated in the project co-financing agreement) and the obligations stated in the project application.

There are the following types of monitoring:

- monitoring of substantive progress;
- monitoring of financial progress;
- monitoring of the achievement of planned results.

#### 6.1. What is substantive monitoring?

Substantive monitoring consists in checking if the project is being executed as per the adopted schedule. It is a fundamental task of the project manager. A rational and well prepared schedule is the key to effective project management. The preparation of a transnational cooperation project schedule has been discussed in subchapter 3.4. A precise schedule is the basis for substantive project monitoring.

##### How to perform substantive monitoring of a HC OP transnational cooperation project?

The tool presented in Table 12 may be useful in substantive monitoring. The columns show the sequential numbers of successive weeks of project implementation (from week 1 to the final week, as per the planned schedule), and the rows list all the tasks planned in the project that are subject to monitoring. Importantly, the tasks should be listed in the same order as in the “Project Implementation Schedule” section of the application form. Each task takes two rows of the table. The upper row shows the approved schedule of project implementation, i.e. it informs the project manager in what time (in weeks) the individual tasks should be executed. The lower row, on the other hand, is the monitoring tool proper – it is where the project manager, in each week, annotates which tasks are already being executed, which tasks are being started and which tasks are already completed. Given

that above each task the table shows the approved project schedule, the manager can immediately see clearly which tasks are proceeding according to the schedule, and which are not.

Table 12, filled in as an example, shows that the execution of tasks 1 and 2 proceeds one week ahead of the schedule, of tasks 3 and 4 – in line with the schedule, and of tasks 5 to 7 – behind the schedule. In this example, substantive monitoring performed in week 5 should show that a task has not been started as per the schedule. Regrettably, lack of a fast and effective response (e.g. development of a corrective programme) resulted in the next task being started as late as in week 6, i.e. two weeks behind the schedule.

Whenever this happens, the situation calls for decisive actions. Two solutions are available: a shift of the tasks in the schedule made upon the consent of the Intermediate Body/2<sup>nd</sup> Level Intermediate Body or an effective corrective action. Noteworthy, execution of tasks ahead of the schedule may cause as much project management problems as execution which is lagging behind. Why is it so? The reason lies mainly with the project finances. Tasks that have been completed earlier must be paid for earlier, while the successive tranches of the development grant are always paid out in line with the original schedule of payments.

Table 12  
**A tool for substantive monitoring of a transnational cooperation project**

Task	Time (number of the week)													
	1	2	3	4	5	6	7	8	9	10	[...]	n-1	n	
1	█	█	█											
2		█	█	█										
3			█	█	█									
4				█	█									
5					█	█	█	█						
6						█	█	█	█					
7								█	█					
[...]														
n-1														
n														

## 6.2. What are the monitoring methods of the project's financial progress?

The monitoring of a project's financial progress consists in checking if the amounts paid for the execution of individual tasks are in line with the project's detailed budget. It is the most important task of the project manager, which he or she cannot delegate to anyone else. It is virtually impossible to plan project expenses with accuracy to one penny. In the project budget, there is always a margin of small savings in some items, and a potential shortfall in other. Monitoring the project's financial progress allows the project manager to have an on-going control over such situations and take informed decisions about how to utilise the spared funds.

Table 13 shows a useful tool for financial progress monitoring. The rows list all the tasks, in the order and numbering taken from the project implementation schedule. The final row shows the aggregate amounts for all rows. On the other hand, the first column shows the planned value of each task (as per the budget). The successive columns show the amounts from the individual months of project duration. There are two columns for each month – the left-hand side column shows the expenses planned for the task in a given month, and the right-hand side column shows the actual expenses incurred in this month. The final column shows the "Savings". The formula:

$$S = \sum_{m=1}^n P_m - I_m$$

where:

$S$  – savings,

$m$  – number of the month, from month 1 to the final month of the project (numbered as  $n$ ),

$P_m$  – expenses planned in month  $m$ ,

$I_m$  – expenses incurred in month  $m$

allows the project manager to calculate the real savings in the project. Knowing the amount of savings, the manager may plan rational spending (for example, move funds between tasks, provided that the amount in question does not exceed 10% of the budget balance envisaged for the task for which the funds are decreased and the task to which the funds are moved). The tool also allows the manager to monitor concurrently the savings achieved in the individual tasks, and informs about the level of total project spending as of the end of the successive months of project implementation.

In the example in Table 13, the project manager moved unused funds from one month to another within one task, as well as moved funds between tasks. For example, task 2 started clearly behind schedule. In the first month of project implementation only PLN 10,000 was spent out of the planned PLN 15,000. The manager moved the saved PLN 5,000 to the second and third months, by increasing the balance of month 2 from PLN 10,000 up to 14,000, and moving the remaining PLN 1,000 to month 3, when it was actually spent. In month 5, on the other hand, a good example of moves of funds between tasks can be observed. The project saved PLN 10,000 in task 5, and the project manager moved PLN 7,500 to task 6. To the remaining savings in task 5, i.e. PLN 2,500, the manager added PLN 500 unspent in task 1. The aggregate of PLN 3,000 was moved to task 7, where the expense limit was consequently increased from PLN 20,000 up to PLN 23,000. The project manager was able to decide about all those moves of funds on his/her own, because none of the transfers exceeded 10% of the balance of the tasks involved. The detailed rules of moving funds between budget items have been discussed in subchapter 4.5.



Table 13

**A tool for financial progress monitoring of a transnational cooperation project (in PLN)**

Task	Task Value	Month										Savings
		1		2		3		4		5		
		P	A	P	A	P	A	P	A	P	A	
1	100,000	20,000	19,500	20,000	19,800	20,000	20,400	20,000	20,000	20,000	19,800	500
2	25,000	15,000	10,000	10,000	14,000	0	1,000	0	0	0	0	0
3	50,000	20,000	18,000	20,000	18,000	10,000	12,000	0	0	0	0	2,000
4	60,000	0	0	10,000	10,000	20,000	20,000	20,000	20,000	10,000	10,000	0
5	75,000	0	0	0	0	30,000	24,000	30,000	27,000	15,000	14,000	10,000
6	120,000	0	0	0	0	60,000	60,000	60,000	58,000	0	7,500	-5,000
7	70,000	10,000	10,000	10,000	10,000	10,000	12,000	20,000	22,000	20,000	23,000	-7,000
Total	500,000	65,000	57,500	70,000	71,800	150,000	149,400	150,000	147,000	65,000	74,300	0

P = planned, A = actual.

### 6.3. Why is it so important to monitor the achievement of project results and products?

If someone asked about what is the essence of transnational cooperation projects, one of the most commonly answers given would be "To demonstrate a real added value resulting from a transnational cooperation project." This answer leads to another two fundamental questions:

- What is real added value of a transnational cooperation project?
- How can it be demonstrated that real added value was in fact achieved as a result of a HC OP transnational cooperation project?

The first question has already been answered in subchapter 2.2. An answer to the other question needs to be discussed in more detail.

First one has to identify problems or needs of the target group. The next step is to set the general objective and individual goals of the project, which will solve the problems or satisfy the needs of the project participants, but only in cooperation with a transnational partner. Further on, the project has to define specific activities which will lead the partnership to the desired goals and objectives. And finally, the project needs to relate products and results to each activity, i.e. to show concrete outcomes measured by the end of each project stage<sup>17</sup>. All those elements should be very thoroughly defined (to this effect, best results are given by the SMART model discussed by the end of this chapter). Importantly, the project should demonstrate how the initial and final values have been defined; the method and frequency used for value measurement; as well as designate the members of the project team who are responsible for monitoring progress in achieving the targets. All these activities will lead to the identification of the added value of the project, i.e. the objectives, results and products that would not have been achievable be it not for the transnational cooperation.

<sup>17</sup> The scope has been discussed in detail in the *Guide on the Preparation of HC OP Project Applications. Ministry of Regional Development, 2009 (version of April 1)*.

It follows from the above that the aim of monitoring the results and products of a transnational cooperation project is to verify the extent to which the planned growth of product and result indicators has been achieved by the transnational cooperation project against the value of these indicators that would be achievable in a project of national reach only. Alternatively, monitoring the results and products of a transnational cooperation project can be designed to verify the achievement of new result and product indicators that would be completely unattainable without participation of transnational partners in the project.

In other words, monitoring of the achievement of the project's products and results consists in examining whether the desired effects have been attained. The tool presented in Table 14 can be useful in this context. In order to measure precisely the achievement of results and products by a HC OP transnational cooperation project, three conditions should be satisfied:

- you should first identify the initial values of the measured result and product indicators (for new indicators, e.g. development of a novel solution not yet present in the home market, the initial value of the indicator equals zero);
- next, you should set the planned and realistically achievable growth of a given indicator on a specific scale (point-rated scales are the best);
- finally, you should calculate the planned target values for each indicator of a result or product.

The value of all so-called soft results is measured, *inter alia*, by professional psychological tests or questionnaires. The first measurement is performed in the first week of the beneficiaries' participation in the project. This is how the initial values of the indicators are identified. Next, in regular time intervals (typically no more frequently than once a month and no more rarely than once in every three months), monitoring measurements of the same indicators are performed. The results show the current values of the individual indicators, and – consequently – how far the project has progressed in achieving the desired results. Finally, by the end of the project, the final measurements are taken, to confirm the achievement of the planned values of the project's results.

Table 14  
A tool for monitoring the achievement of soft results in a transnational cooperation project

No.	Name of product /result	Indicator of product/result		Measurement					
		Initial value	Target value	1	2	3	4	...	Final
				Date ...	Measurement value	Measurement value	Measurement value	Measurement value	Measurement value
1	Raising of awareness of the benefits resulting from establishment of a social cooperative	3.45	6.45	3.9	4.2	5.3	6.3		7.2
2	Increased self-esteem of project participants wishing to establish a social cooperative	2.5	5.5	4.3	4.8	5.0	5.5		5.85
3	Knowledge of vocational guidance methods among persons at risk of social exclusion	3.2	5.7	3.8	5.0	5.3	5.6		7.2
4	Development of knowledge on [...] as a result of a study visit	4.0	8.0	5.9	6.8	7.3	7.9		8.1
5	Number of project participants with increased knowledge on [...]	1.5	4.0	2.0	2.5	2.7	3.2		3.8
6	[...]	2.0	3.0	2.8	3.4	3.7	4.4		5.3

### Example

In the transnational cooperation project application form, the list of desired soft results included two results listed in Table 14, i.e.

- Raising of all project participants' awareness of the benefits resulting from establishment of a social cooperative by 30%;
- Increased self-esteem of project participants wishing to establish a social cooperative by 30%.

The project promoter has committed itself that the statistical value of each of those results, measured as an average per capita growth for all project participants, is going to increase by 30% as a result of a transnational cooperation project submitted in the application. The project promoter conducted a questionnaire-based survey in the first week of project implementation and obtained the following results:

- the indicator of raising the awareness of the benefits resulting from establishment of a social cooperative – initial value 3.45 points (on a scale of 0 to 10 points);
- the indicator of self-esteem of project participants wishing to establish a social cooperative – initial value 2.5 points (on a scale of 0 to 10 points).

Based on the planned targets for the project (30% increase in the indicators' value) described in the project application, the beneficiary calculated the value of final indicators.

For the first indicator:  $3.45 \text{ points} + 3 \text{ points}$  (i.e. an increase of 30% on a 0–10 point scale) = 6.45 points.

By analogy, for the second indicator:  $2.5 \text{ points} + 3 \text{ points} = 5.5 \text{ points}$ .

As the next step, using the tool for monitoring the achievement of soft results (Table 14), the beneficiary measured, once in every two months, the current value of the indicators, i.e. conducted a survey of all project participants and calculated the arithmetical mean of the indicators for the individual soft results. Then the beneficiary compared the results with the targeted final values, i.e. 6.45 points and 5.5 points, respectively. In the final week of project implementation, the beneficiary conducted another questionnaire-based survey, which gave the following results:

- the indicator of raising the awareness of the benefits resulting from establishment of a social cooperative – 7.2 points;
- the indicator of self-esteem of project participants wishing to establish a social cooperative – 5.85 points.

This is how the project promoter was able to demonstrate that the targeted soft results have been successfully achieved (i.e. a growth of a minimum of 30%).

In conclusion let us add a few more remarks about monitoring of transnational cooperation projects. Every such project is a self-contained venture, and should be consistent throughout its duration, regardless of the number of partners from various countries. That is why a single uniform monitoring system should be created to monitor progress of the entire project. Does it mean that only one partner should be responsible for monitoring the project? Not necessarily. Rather, the partnership should agree and adopt the most suitable solution. For example, in a transnational cooperation project organised by partners from Poland, France and Italy, who finance their respective project components

from the ESF funds awarded in their respective home countries, a reasonable solution is to jointly monitor the substantive progress and the achievement of project results, while the financial progress would better be monitored by each of the partners independently. Results of monitoring should be presented at meetings of the project management team (whereby the meeting can take the virtual form, such as a video-conference).

All project promoters are encouraged to consider the methods of project monitoring thoroughly at the very early stage of project conceptual development. It will raise the substantive value of the project application, both in the context of a Call for Proposals or application for a system project. Projects presenting a precise system of monitoring and detailed result indicators usually achieve high scores in the project appraisal process.

Noteworthy, and in keeping with the *HC OP Indicator Guide*<sup>18</sup>, the SMART method should be applied to define the indicators of project products and results. In other words, the results and products of the project should be:

S – *specific* (i.e. clearly defined, related to concrete problems);

M – *measurable* (i.e. possible to be expressed in terms of objective measures);

A – *available* (i.e. available for measurement in the course of the project);

R – *realistic* (i.e. achievable);

T – *time bound* (i.e. with a specific timeframe defined).

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<sup>18</sup> *Indicator Guide of the Human Capital Operational Programme*, Ministry of Regional Development. Warsaw, December 2008.

## Chapter 7

### HOW TO PROMOTE A TRANSNATIONAL COOPERATION PROJECT?

Alike all ventures financed from European Community funds, transnational cooperation projects are subject to detailed requirements regarding information and promotion. No project can go without an information and promotion element.

Dissemination of the results achieved is another important element of transnational cooperation projects. In this way, project results become widely known and used after the project completion, as well.

#### 7.1. Why should a project be promoted?

The information and promotion requirements that must be satisfied by beneficiaries of Community co-financing have been stipulated in the *Regulation of the Commission (EC) no. 1828/2006, dated December 8, 2006*. This is an implementing regulation to the *Regulation (EC) no. 1083/2006 on the information and communication obligations applied by Member States*.

The primary rules of information and promotion activities for the purposes of the National Cohesion Strategy and all operational programmes in Poland have been stipulated in the *Communication Strategy of the European Funds for the Years 2007–2013* and in the *Guidelines of the Minister of Regional Development on Information and Promotion*, enacted under the *Development Policy Principles Act* (Journal of Laws, no. 227, item 1658, as amended).

The primary national documents on the promotion of HC OP projects is the *Communication Plan of the Human Capital Operational Programme 2007–2013* and the *Guidelines on the Identification of Projects in the Human Capital Operational Programme*.

Pursuant to the above-mentioned documents, every beneficiary of Community funding is obliged to inform the public, project participants and project personnel about the co-financing received from the European Union. This rule applies to all projects, regardless of the procedure in which the grant was awarded, and comes into force on the date of signing of the co-financing agreement (or earlier, if the project was already underway).

The primary aim of information and promotion activities is to support the achievement of objectives set in the Human Capital Operational Programme and to create a consistent and positive image of the European Social Fund.

Project promoters are obliged to use the visualisations presented in the above documents, including two obligatory logotypes: of the Human Capital Operational Programme and of the European Union, appended with information on the co-financing.

Detailed information about the transnational cooperation project, and in particular its results and products, should be available to all interested institutions and persons, who can draw on the experiences of a given partnership, as well as other groups for which the project has relevance.

Furthermore, promotion of the project may be a unique opportunity to develop an image of the project promoter as an institution/company with international contacts, expertise and high level of professionalism. Promotional materials distributed by all partners in their respective countries open up new opportunities of cooperation and finding new counterparties/clients/partners.

## 7.2. How to plan a promotion strategy of a transnational cooperation project?

The scope of planned promotional tasks, as well as the communication vehicles and channels, should be planned rationally and effectively, taking account of the size and specificity of the project.

Development of a promotional strategy for a transnational cooperation project should be one of the planning elements of the project.

Relative to the type of the partnership created, as well as the financing sources, information and promotion may be conducted to a variable degree by each individual partner.

The strategy of project promotion should involve:

- setting specific aims of promotion for a given project (taking account of the relevant project objectives) – these aims may be related to the project's substantive scope, partners and tasks; they should also include promotion and dissemination of results;
- defining the audience of information and promotion activities, in order to diversify the methods to be used;
- specifying the subject matter of the promotion (is it a product, service, etc.);
- description of the tools used (fliers, brochures, meetings, etc.);
- deciding on the contents (relative to the promotional aims, such as e.g. provision of information only, or education as well).

Noteworthy, the project promotional campaign should be divided into three main stages:

- preparation;
- general promotion of the project – including its targets, objectives and benefits (addressed also to the project's target group if so required by the specific character of the project);
- dissemination of results – a very important stage for a transnational cooperation project.

A different promotional tool may be used at each stage of the campaign.

### 7.3. How to identify the audience and ensure good communication?

An important principle of any information campaign, and – in a broader sense – promotion of a project, is to clearly identify the audience and adapt the tools, methods of reach and the planned message to the specific character of this audience.

The audience should be identified in terms of age, gender, place of living, social status, level of education and the level of involvement in the issues covered by the scope of the project.

When planning project promotion, both the communication channels and the language of communication may be varied. It is best to write and speak the language used by the audience we would like to reach.

### 7.4. Why is resourcefulness good for information?

The following promotional tools may be used in the project<sup>19</sup>:

- all kinds of publications (brochures, posters, other printed materials, etc. );
- contacts with the media (including press conferences, TV and radio shows, press articles);
- public events (seminars, meetings, conferences, competitions);
- the Internet;
- other tools (including project gadgets, information boards, banners, posters, etc.).

For the purposes of dissemination of results, it is advisable to ensure that the information about results, analyses and publications is available in electronic version, for example through the beneficiary's website (including after the project is completed).

A review of the EQUAL Community Initiative project websites (as of January 2009) showed that it is only through the general programme homepage at [www.equal.org.pl](http://www.equal.org.pl) that one can get access to information about results generated by EQUAL projects.

In the project one can use other marketing tools, as well. There is no need to restrict oneself to typical tools only. Resourcefulness is good for the attractiveness of the project.

Such less conventional tools may include:

- use of virtual space (e.g. Second Life);
- use of community portals;
- the so-called whisper marketing, i.e. interesting information prepared in an interesting form, sent out to colleagues and friends;
- films uploaded to the project's website;
- delivery of publications directly to selected experts or decision-makers;
- unconventional gadgets, for example thematically related to the project (a good example of such a gadget is a biodegradable flower pot, which won the competition for the best gadget of the HC OP).

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<sup>19</sup> After: *Implementation of European Social Fund Projects - Practical Aspects*, Tischner European University, Cracow 2007.



## 7.5. How to use transnational elements?

The project should be promoted in a way corresponding to its scope and size. In a transnational co-operation project, promotion should therefore cover all the countries and partners.

Greater potential of the partners may also broaden promotional resources, from planning the information and promotion campaign to its actual execution. Eminent speakers invited to meetings or seminars may raise the attractiveness of the event. Finally, the project can also tap the potential of the multi-national and multi-cultural character of the partnership.

## Chapter 8

### WHAT MISTAKES SHOULD BE AVOIDED SO THAT THE PROJECT IS WELL APPRAISED?

The most important factor of a positive evaluation of the project is effective demonstration of its real added value (cf. subchapter 2.2).

In order to demonstrate the real added value of the project applying for a development grant, the application must justify what products and results of the project could not have been achieved without transnational cooperation.

Lack of real added value in a transnational cooperation project or its faulty articulation is one of the chief mistakes that may disqualify a project application.

Another serious mistake is lack of a solid justification of the need to travel abroad. Project appraisal committees may be very alert to any attempts of combining tourist attractions with working trips. It should not be forgotten that the project personnel go abroad only and exclusively in order to implement tasks aimed at clearly defined results and products. Therefore, the programmes of study visits should not be guided by tourist elements, such as an opportunity to sightsee an attractive city.

Another important appraisal factor is the right division of project costs vis-à-vis the benefits that a given partner is going to achieve as a result of the transnational cooperation project. The methods of transnational cooperation project budget planning and settlements among partners coming from various countries have been discussed in Chapter 4. Noteworthy, the partnership should avoid any situations, in which, for example, some tasks are executed according to the division of costs principle, but the project fails to ensure reasonable proportions of costs allocated to the individual partners.

Cost-effectiveness is another rule not to be forgotten in project planning. For example, it is not cost-effective to finance a training course for ten Polish participants in the United Kingdom when it is three times cheaper to invite a British trainer to Poland and organise the training here.

Finally, imprecise procedures of qualifying project participants to foreign trips should be avoided. Item 3.2 of the application form should be filled in as precisely as to convince the Project Appraisal Committee that the recruitment rules used by the transnational cooperation project are clear and transparent (i.e. that only substantive criteria are applied to qualify participants to trips abroad).

Term	Definition
<b>ACTION PLAN</b>	The action plan presents the targets of the Intermediate Body for a given year as regards the preferred forms of intervention (types of projects), division of funds among the individual types of projects, as well as detailed criteria and deadlines for the selection of projects.
<b>BENEFICIARY / PROJECT CONTRACTOR</b>	The entity which is the party to the project co-financing agreement.
<b>DETAILED DESCRIPTION OF PRIORITY AXES OF THE HUMAN CAPITAL OPERATIONAL PROGRAMME</b>	A document which implements the strategy and priorities of the intervention, including detailed guidelines at the measure level, drawn up by the HC OP Managing Authority. The document presents, <i>inter alia</i> , types of projects that can be implemented in the individual measures and submeasures, target groups and types of project promoters qualified to apply for a HC OP grant.
<b>EUROPEAN SOCIAL FUND (ESF)</b>	One of the structural funds designed to achieve economic and social cohesion, as well as a high level of employment in the European Union, by financing measures in five areas of intervention.
<b>HUMAN CAPITAL OPERATIONAL PROGRAMME MANAGING AUTHORITY</b>	The institution responsible for effective and productive management of the HC OP, which is responsible for the Programme's implementation and application of the relevant implementing laws and rules. In Poland, the function of the HC OP's Managing Authority is performed by the Department of European Social Fund Management at the Ministry of Regional Development.
<b>HUMAN CAPITAL OPERATIONAL PROGRAMME (HC OP)</b>	One of the operational programmes designed to implement the National Strategic Reference Framework for the period 2007–2013. The Programme spans the entire ESF intervention in Poland. It is composed of 10 Priority axes, implemented at both the central and the regional levels. The Programme is financed in 85% by the European Union (ESF) and in 15% by the national budget.
<b>IMPLEMENTING BODY (2<sup>ND</sup> LEVEL INTERMEDIATE BODY)</b>	An institution to which the Intermediate Body has delegated a part of its competencies based on an agreement concluded between the two institutions. The Implementing Body is responsible for the management of the individual measures of the HC OP, and is accountable to the Intermediate Body for the proper implementation of the measures.
<b>INSTITUTION ORGANISING THE CALL FOR PROPOSALS</b>	An institution receiving applications in the course of a Call for Proposals.
<b>INTERMEDIATE BODY (IB)</b>	An institution to which the HC OP Managing Authority has delegated the management of individual Priority axes based on an interinstitutional agreement. The HC OP Intermediate Body performs a system-based control of the manner and effectiveness of the implementation of the delegated tasks.
<b>MEASURE</b>	A group of projects pursuing the same objectives. A measure is an intermediate step between a priority and a project.

<b>PARTNER</b>	An institution named in the approved project application, which participates in the implementation of the project by contributing human, organisational, technical or financial resources. A partner implements the project jointly with the beneficiary and other partners on the conditions specified in an agreement concluded with the beneficiary. The participation of the partners should be adequate to the substantive value of the project.
<b>PRIORITY AXIS</b>	A set of defined objectives of the HC OP.
<b>PRODUCT</b>	A direct material effect (e.g. a publication, a training curriculum) of project activities (in the form of goods or services); A product leads to the achievement of the desired results, and – consequently – the project objectives.
<b>PROJECT</b>	A venture implemented under a priority axis/ measure /submeasure, described in a project application, being the subject matter of a co-financing agreement concluded between the IB/ IB2 and the beneficiary.
<b>PROJECT APPLICATION</b>	The document submitted by a potential beneficiary to the IB/IB2 in order to receive funds for the implementation of a project within the framework of an operational programme.
<b>PROJECT PROMOTER</b>	An entity applying for funds to cover the implementation of a project until the project co-financing agreement is signed.
<b>PROJECT SELECTION CRITERIA</b>	A pre-defined set of formal and substantive requirements that must be satisfied by project proposals in order to secure a development grant.
<b>RESULT</b>	Direct and immediate effect of the project under implementation. Results give information about the changes effected by the implemented programme or project among target groups immediately after the intervention.
<b>SUBMEASURE</b>	An intervention instrument implementing a measure within the framework of a priority axis of an operational programme, having a separate designation and rules of implementation. A group of projects pursuing the same objective under a measure of an operational programme.
<b>TARGET GROUP</b>	A person, institution or community (a social group) to whom the support of the project is addressed.
<b>TRANSNATIONAL COOPERATION AGREEMENT</b>	An agreement signed by all partners implementing a project in transnational cooperation, specifying, <i>inter alia</i> , common objectives, planned products and results, description and schedule of activities, financial provisions, etc.

<p><b>TRANSNATIONAL COOPERATION PROJECT</b></p> <p>a) <b>STAND-ALONE TRANSNATIONAL COOPERATION PROJECT</b></p> <p>b) <b>PROJECT WITH A TRANSNATIONAL COMPONENT</b></p>	<p>A project implemented in cooperation with entities (partners) from Member States of the European Union or non-EU countries. There are <b>two types</b> of transnational cooperation projects: a stand-alone transnational cooperation project and a project with a transnational component.</p> <p>A project whose all activities focus on, and are subordinated to, transnational cooperation, implemented in cooperation with transnational partners – signatories to the transnational cooperation agreement. The process of exchange of knowledge, experience and mutual learning at the transnational level, ensured by the project, generates real added value.</p> <p>A stand-alone transnational cooperation project plans activities which are to be implemented at the transnational level from the very start of the project development, i.e. already at the stage of drawing up a project application.</p> <p>A project in which the problem analysis and target group needs justify introduction of a transnational component, and whose goals are impossible to attain without transnational cooperation. The implementation of the transnational component generates a real added value resulting from the exchange of knowledge, experience and mutual learning among the transnational partners, and which could only be achieved without transnational partners' participation.</p> <p>A project with a transnational component:</p> <ul style="list-style-type: none"> <li>• plans implementation of a transnational component from the very start of the project development, i.e. already at the stage of drawing up a project application, or</li> <li>• the transnational component is introduced in the course of project implementation, i.e. is submitted as a modification to the original project application.</li> </ul>
<p><b>TRANSNATIONAL PARTNER</b></p>	<p>A foreign partner named in the transnational cooperation project application, with whom the project promoter first signs a letter of intent, and then a transnational cooperation agreement. A transnational partner contributes human, organisational, technical and/or financial resources, and implements the project jointly with the beneficiary and the other transnational partners, on the conditions stipulated by the transnational cooperation agreement.</p>

The definitions used in this glossary are taken from official documents of the Ministry of Regional Development (the HC OP Managing Authority) and selected Intermediate Bodies.

## Appendix 1. The model of the minimum scope of a letter of intent for transnational cooperation under the Human Capital Operational Programme (in Polish and English)



**KAPITAŁ LUDZKI**  
NARODOWA STRATEGIA SPÓJNOŚCI

UNIA EUROPEJSKA  
EUROPEJSKI  
FUNDUSZ SPOŁECZNY



### List intencyjny dotyczący współpracy ponadnarodowej w ramach Programu Operacyjnego Kapitał Ludzki

Pomiędzy  
(nazwa Projektodawcy, adres siedziby)

a

(nazwa Partnera, adres siedziby)

oraz

(podać pozostałych Partnerów i ich adresy)

#### Artykuł 1

Strony oświadczają, iż rozpoczęły/rozpoczną<sup>1</sup> negocjacje prowadzące do zawarcia umowy o współpracy ponadnarodowej w celu realizacji projektu ..... (tytuł projektu)<sup>2</sup> /komponentu ponadnarodowego w projekcie ..... (tytuł projektu)<sup>3</sup>.  
Strony oświadczają, iż podpiszą umowę o współpracy ponadnarodowej w terminie.....<sup>4</sup>.

#### Artykuł 2

Umowa o współpracy ponadnarodowej określi szczegółowe działania, które będą podejmowane w związku z realizacją i zarządzaniem projektem, budżet przypadający na każdego partnera oraz zasady finansowania.

#### Artykuł 3

W przypadku niepodpisania umowy o współpracy ponadnarodowej, o której mowa w artykule 1, niniejszy list intencyjny nie pociąga jakichkolwiek zobowiązań dla którejkolwiek ze stron.

<sup>1</sup> Należy wybrać jeden z zapisów.

<sup>2</sup> W przypadku wyodrębnionego projektu współpracy ponadnarodowej.

<sup>3</sup> W przypadku projektu z komponentem ponadnarodowym.

<sup>4</sup> Należy wskazać zgodnie z Systemem Realizacji PO KL.

## Artykuł 4

Niniejszy list intencyjny sporządzano w *dwóch (lub więcej<sup>5</sup>)*, jednobrzmiących egzemplarzach.

### 1. Projektodawca

.....

(podpis osoby/osób uprawnionej/ych do podejmowania decyzji wiążących w stosunku do Projektodawcy)

.....

(miejsce, data)

### 2. Partner

.....

(podpis osoby/osób uprawnionej/ych do podejmowania decyzji wiążących w stosunku do Partnera)

.....

(miejsce, data)

### 3. Partner

.....

(podpis osoby/osób uprawnionej/ych do podejmowania decyzji wiążących w stosunku do Partnera)

.....

(miejsce, data)

---

<sup>5</sup> Należy wybrać jeden z zapisów i odpowiednio doprecyzować.



**HUMAN CAPITAL**  
NATIONAL COHESION STRATEGY

EUROPEAN  
SOCIAL FUND



## **Letter of intent for transnational cooperation in the Human Capital Operational Programme**

between

*(name of Project Promoter, address)*

and

*(name of Partner, address)*

and

*(names of remaining Partners and their addresses)*

### **Article 1**

The Parties declare that they *have entered into / are going to enter into*<sup>6</sup> negotiations leading to the conclusion of a transnational cooperation agreement with a view to executing the project ..... *(name of project)*<sup>7</sup> / *transnational component in the project* ..... *(name of project)*<sup>8</sup>.

The Parties declare that they will sign the transnational cooperation agreement by (date) .....<sup>9</sup>.

---

<sup>6</sup> Choose one of the options given.

<sup>7</sup> For separate transnational cooperation projects.

<sup>8</sup> For projects with a transnational component.

<sup>9</sup> As provided in the *HC OP Implementation System*.



**Article 2**

The transnational cooperation agreement shall define all activities to be undertaken in connection with the execution and management of the project, the budget of each of the Partners and the financing arrangements.

**Article 3**

In the event the transnational cooperation agreement, referred to in Art. 1 above, is not concluded, this Letter of Intent shall not involve any obligations for any of the Parties.

**Article 4**

This Letter of Intent has been drawn up in *two (or more<sup>10</sup>)* identical counterparts.

**1. Project Promoter**

.....  
(signature of authorised person/s for the Project Promoter)

.....  
(place, date)

**2. Partner**

.....  
(signature of authorised person/s for the Partner)

.....  
(place, date)

**3. Partner**

.....  
(signature of authorised person/s for the Partner)

.....  
(place, date)

---

<sup>10</sup> Choose one of the options and provide relevant details.

## Appendix 2. The model of the minimum scope of a transnational cooperation agreement under the Human Capital Operational Programme (in Polish and English)



**KAPITAŁ LUDZKI**  
NARODOWA STRATEGIA SPÓJNOŚCI

**UNIA EUROPEJSKA**  
EUROPEJSKI  
FUNDUSZ SPOŁECZNY



### Umowa o współpracy ponadnarodowej

Nazwa Programu Operacyjnego w Polsce:	
Numer i nazwa Priorytetu:	
Numer i nazwa Działania:	
Numer i nazwa Poddziałania:	
Numer wniosku o dofinansowanie:	
Tytuł projektu:	

#### 1. Informacja o partnerach ponadnarodowych

##### Partner nr 1 (polski projektodawca)

Skrócona nazwa organizacji

Pełna nazwa organizacji

**Typ organizacji** (wybór z listy zamieszczonej w Załączniku na końcu umowy)

**Status prawny** (wybór z listy zamieszczonej w Załączniku na końcu umowy)

**Strona internetowa**

**Osoba do kontaktów roboczych**

Stanowisko

Imię

Nazwisko

Numer telefonu

---

Numer faksu	+	
Adres poczty elektronicznej	_____@_____	

Adres pocztowy

Kod pocztowy	<input type="text"/>
--------------	----------------------

Miasto	<input type="text"/>
--------	----------------------

Kraj	<input type="text"/>
------	----------------------

Partner nr 2

Skrócona nazwa organizacji

Pełna nazwa organizacji

Typ organizacji (wybór z listy zamieszczonej w Załączniku na końcu umowy)

Status prawny (wybór z listy zamieszczonej w Załączniku na końcu umowy)

Strona internetowa

Osoba do kontaktów roboczych

Stanowisko	<input type="text"/>	Imię	<input type="text"/>	Nazwisko	<input type="text"/>
------------	----------------------	------	----------------------	----------	----------------------

Numer telefonu	+	<input type="text"/>
----------------	---	----------------------

Numer faksu	+	<input type="text"/>
-------------	---	----------------------

Adres poczty elektronicznej	_____@_____	
-----------------------------	-------------	--

Adres pocztowy

Kod pocztowy	<input type="text"/>	Miasto	<input type="text"/>
Kraj	<input type="text"/>		

---

**Partner nr 3**

Skrócona nazwa organizacji`	Pełna nazwa organizacji
<input type="text"/>	<input type="text"/>

**Typ organizacji** (wybór z listy zamieszczonej w Załączniku na końcu umowy)

**Status prawny** (wybór z listy zamieszczonej w Załączniku na końcu umowy)

**Strona internetowa**

**Osoba do kontaktów roboczych**

Stanowisko	<input type="text"/>	Imię	<input type="text"/>	Nazwisko	<input type="text"/>
------------	----------------------	------	----------------------	----------	----------------------

Numer telefonu	<input type="text" value="+"/>	<input type="text"/>
----------------	--------------------------------	----------------------

Numer faksu	<input type="text" value="+"/>	<input type="text"/>
-------------	--------------------------------	----------------------

Adres poczty elektronicznej	<input type="text" value="_____@_____"/>
-----------------------------	--

**Adres pocztowy**

Kod pocztowy	<input type="text"/>	Miasto	<input type="text"/>
Kraj	<input type="text"/>		

---

**Partner nr 4**

Skrócona nazwa organizacji

Pełna nazwa organizacji

Typ organizacji (wybór z listy zamieszczonej w Załączniku na końcu umowy)

Status prawny (wybór z listy zamieszczonej w Załączniku na końcu umowy)

Strona internetowa

Osoba do kontaktów roboczych

Stanowisko

Imię

Nazwisko

Numer telefonu

+

Numer faksu

+

Adres poczty elektronicznej

Adres pocztowy

Kod  
pocztowy

Miasto

Kraj

---

**Partner nr 5**

Skrócona nazwa organizacji

Pełna nazwa organizacji

**Typ organizacji** (wybór z listy zamieszczonej w Załączniku na końcu umowy)

**Status prawny** (wybór z listy zamieszczonej w Załączniku na końcu umowy)

**Strona internetowa**

**Osoba do kontaktów roboczych**

**Stanowisko**

**Imię**

**Nazwisko**

**Numer telefonu**

**Numer faksu**

**Adres poczty elektronicznej**

**Adres pocztowy**

**Kod  
pocztowy**

**Miasto**

**Kraj**

## 2. Opis współpracy ponadnarodowej

Wspólne cele partnerów realizujących projekt we współpracy ponadnarodowej

Planowane rezultaty i produkty

Opis działań ponadnarodowych									
Liczba planowanych działań: [...] Nazwa działania	Daty rozpoczęcia i zakończenia działania	Miejsce realizacji działania	Partner odpowiedzialny za realizację działania	Inni partnerzy biorący udział w działaniu	Cele działania	Opis zadań	Planowane/ zakładane rezultaty i produkty		
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									

*Jeśli to konieczne, należy stworzyć dodatkowe wiersze w tabeli dla kolejnych planowanych działań ponadnarodowych.*



Szczegółowy opis planowanych zadań i sposób ich realizacji przez każdego partnera w ramach poszczególnych działań ponadnarodowych					
Partner ----- Działania	Nr 1	Nr 2	Nr 3	Nr 4	Nr 5
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

*Jeśli to konieczne, należy stworzyć dodatkowe wiersze w tabeli dla kolejnych planowanych zadań i sposobu ich realizacji przez każdego partnera w ramach poszczególnych działań ponadnarodowych.*

3. Postanowienia finansowe

Budżet przypadający na każdego partnera ponadnarodowego

Działanie	Nr 1	Nr 2	Nr 3	Nr 4	Nr 5	Razem
1. Nazwa działania 1	€	€	€	€	€	€
2. Nazwa działania 2	€	€	€	€	€	€
3. Nazwa działania 3	€	€	€	€	€	€
4. Nazwa działania 4	€	€	€	€	€	€
5. Nazwa działania 5	€	€	€	€	€	€
6. Nazwa działania 6	€	€	€	€	€	€
7. Nazwa działania 7	€	€	€	€	€	€
8. Nazwa działania 8	€	€	€	€	€	€
9. Nazwa działania 9	€	€	€	€	€	€
10. Nazwa działania 10	€	€	€	€	€	€
<b>Koszty ogółem</b>	€	€	€	€	€	€

Jakie są źródła finansowania działań ponadnarodowych realizowanych przez poszczególnych partnerów w ich krajach pochodzenia?

Partner	Nr 1		Nr 2		Nr 3		Nr 4		Nr 5	
	Tak	Nie	Tak	Nie	Tak	Nie	Tak	Nie	Tak	Nie
Europejski Fundusz Społeczny										
Inne europejskie źródła finansowania										
Krajowe źródła finansowania										
Wkład własny										
Inne (włączając wkład rzeczowy)										
<i>Jeśli tak, proszę określić poniżej</i>										

Uwagi dotyczące źródeł finansowania, z których korzystają poszczególni partnerzy ponadnarodowi:

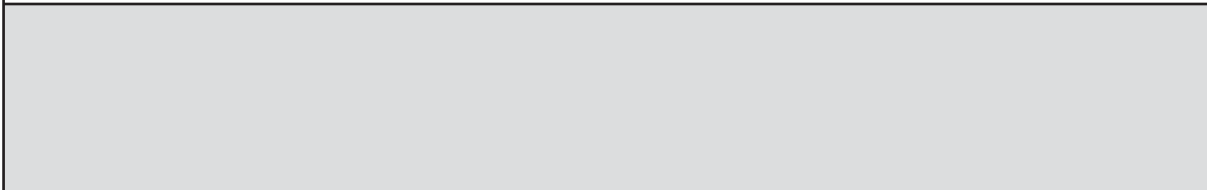
#### 4. Zagadnienia organizacyjne

**Opis procedur organizacyjnych uzgodnionych dla partnerstwa ponadnarodowego:**

- Jakie procedury obowiązują partnerów ponadnarodowych przy podejmowaniu decyzji?
- Jaki system komunikacji będzie wykorzystywany do wymiany informacji, wypracowanych narzędzi i rezultatów w ramach partnerstwa ponadnarodowego (np.: intranet, biuletyn elektroniczny)?
- Jakie są planowane procedury monitoringu i ewaluacji rezultatów?



Jaki(e) język(i) roboczy(e) obowiązuje(ą) w ramach partnerstwa?



## 5. Podpisy partnerów

### Partner nr 1

Data:

Imię, nazwisko i stanowisko osoby/osób  
uprawnionej/yh do podejmowania decyzji  
wiązących w stosunku do partnera:

Podpis:

Pieczęć organizacji:

### Partner nr 2

Data:

Imię, nazwisko i stanowisko osoby/osób  
uprawnionej/yh do podejmowania decyzji  
wiązących w stosunku do partnera:

Podpis:

Pieczęć organizacji:

### Partner nr 3

Data:

Imię, nazwisko i stanowisko osoby/osób  
uprawnionej/yh do podejmowania decyzji  
wiążących w stosunku do partnera:

Podpis:

Pieczęć organizacji:

### Partner nr 4

Data:

Imię, nazwisko i stanowisko osoby/osób  
uprawnionej/yh do podejmowania decyzji  
wiążących w stosunku do partnera:

Podpis:

Pieczęć organizacji:

### Partner nr 5

Data:

Imię, nazwisko i stanowisko osoby/osób  
uprawnionej/yh do podejmowania decyzji  
wiążących w stosunku do partnera:

Podpis:

Pieczęć organizacji:

## Załącznik

## Typ organizacji

(EFS) Instytucja Zarządzająca lub Instytucja Pośrednicząca na poziomie regionalnym lub centralnym
Jednostka samorządu regionalnego lub lokalnego
Przedsiębiorstwo
Organizacja pozarządowa
Instytucja finansowa
Instytucja doradcza
Organizacja pracodawców
Związek zawodowy
Izba handlowa, przemysłowa, rzemieślnicza
Organizacja edukacyjno-szkoleniowa
Organizacja rozwoju regionalnego
Agencja pośrednictwa pracy/zatrudnienia
Uniwersytet/szkoła wyższa, instytucja badawcza
Organizacja działająca na rzecz wsparcia grup zagrożonych wykluczeniem społecznym
Instytucje ekonomii społecznej
Inne

## Status prawny

Instytucja publiczna
Jednostka samorządu regionalnego lub lokalnego
Przedsiębiorstwo handlowe
Stowarzyszenie lub organizacja <i>non-profit</i>
Fundacja
Inne



## Transnational Agreement

Operational Programme in Poland:	
Number and name of Priority axis:	
Number and name of Measure:	
Number and name of Submeasure:	
Number of application for assistance:	
Title of the project:	

### 1. Description of the Transnational Partners

#### Partner n°1 (Polish project promoter)

Organisation name (acronym)

Organisation name (full)

Type of organisation *(see choice of European categories in the annex)*

Legal status *(see choice of European categories in the annex)*

Web site

Contact person

Title

First name

Surname

Telephone



Fax



E-mail



**Postal address**

Postcode

Town/City

Country

**Partner n°2**

Organisation name (acronym)

Organisation name (full)

**Type of organisation** *(see choice of European categories in the annex)*

**Legal status** *(see choice of European categories in the annex)*

**Web site**

**Contact person**

Title

First name

Surname

Telephone

Fax

E-mail

**Postal address**

Postcode  Town/City

Country

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**Partner n°3**

Organisation name (acronym)  Organisation name (full)

Type of organisation *(see choice of European categories in the annex)*

Legal status *(see choice of European categories in the annex)*

Web site

Contact person

Title  First name  Surname

Telephone

Fax

E-mail

Postal address

Postcode  Town/City

Country

**Partner n°4**

**Organisation name (acronym)**

**Organisation name (full)**

**Type of organisation** *(see choice of European categories in the annex)*

**Legal status** *(see choice of European categories in the annex)*

**Web site**

**Contact person**

**Title**

**First name**

**Surname**

**Telephone**



**Fax**



**E-mail**

**Postal address**

**Postcode**

**Town/City**

**Country**

**Partner n°5**

Organisation name (acronym)

Organisation name (full)

Type of organisation *(see choice of European categories in the annex)*

Legal status *(see choice of European categories in the annex)*

Web site

Contact person

Title

First name

Surname

Telephone

Fax

E-mail

Postal address

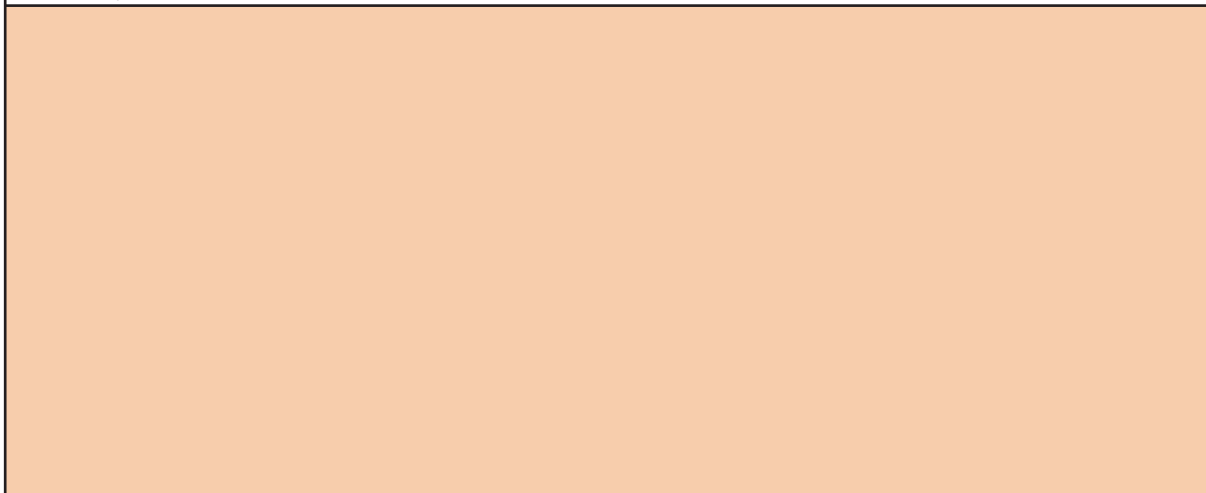
Postcode

Town/City

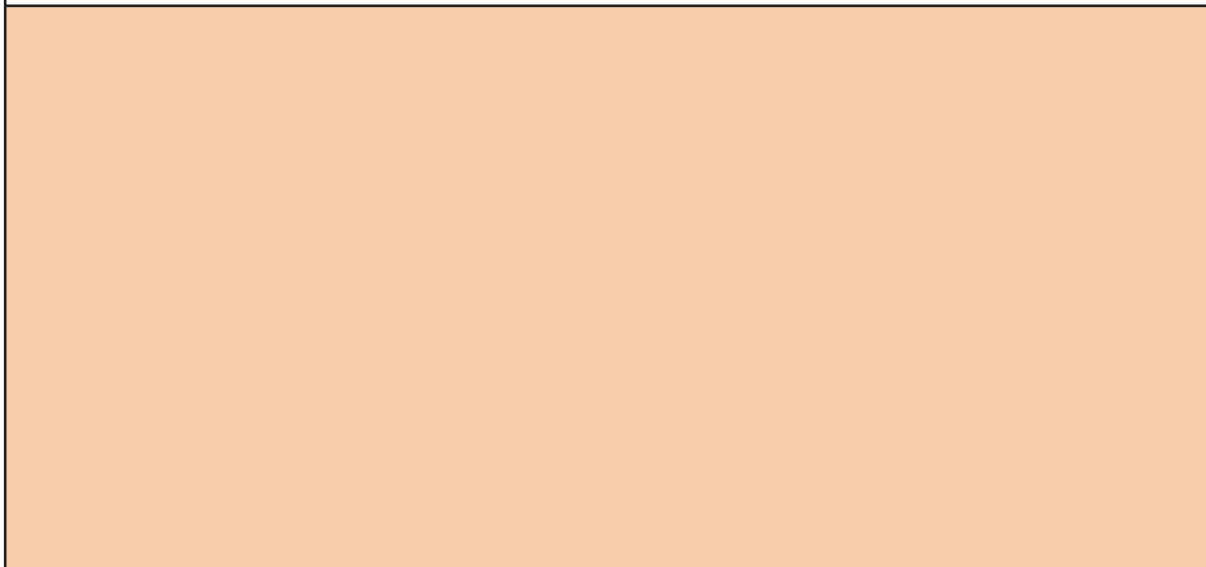
Country

## 2. Description of the Transnational Co-operation

Joint objectives of the transnational partners

A large, empty rectangular box with a light orange background, intended for describing the joint objectives of the transnational partners.

Expected results and products

A large, empty rectangular box with a light orange background, intended for describing the expected results and products of the transnational co-operation.

Description of the different transnational activities								
Total number of planned activities : [...]	Activity titles	Starting and ending dates of implementation	Place where activity to be carried out	Partner in charge	Other partner(s) taking part in the activity	Objectives of the activity	Description of tasks	Expected results and products
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								

If necessary, add extra lines for any further planned transnational activities

Detail of the planned tasks and means implemented by each partner, for each transnational activity						
Partner ----- Activities	N°1	N°2	N°3	N°4	N°5	
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

*If necessary, add extra lines for any further planned tasks and means implemented by each partner, for each transnational activity*

### 3. Financial Arrangements

Activity	Budget per transnational partner					Total
	N°1	N°2	N°3	N°4	N°5	
1. Title of activity 1	€	€	€	€	€	€
2. Title of activity 2	€	€	€	€	€	€
3. Title of activity 3	€	€	€	€	€	€
4. Title of activity 4	€	€	€	€	€	€
5. Title of activity 5	€	€	€	€	€	€
6. Title of activity 6	€	€	€	€	€	€
7. Title of activity 7	€	€	€	€	€	€
8. Title of activity 8	€	€	€	€	€	€
9. Title of activity 9	€	€	€	€	€	€
10. Title of activity 10	€	€	€	€	€	€
<b>Total cost</b>	€	€	€	€	€	€



How are the transnational activities of each partner funded in their country of origin?										
Partner	N°1		N°2		N°3		N°4		N°5	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
European Social Fund										
Other European funding										
National funding										
Self-funding										
Others (including contributions in-kind)										
<i>If yes, please stipulate below</i>										

**Eventual comments on the types of funding used by the different partners:**

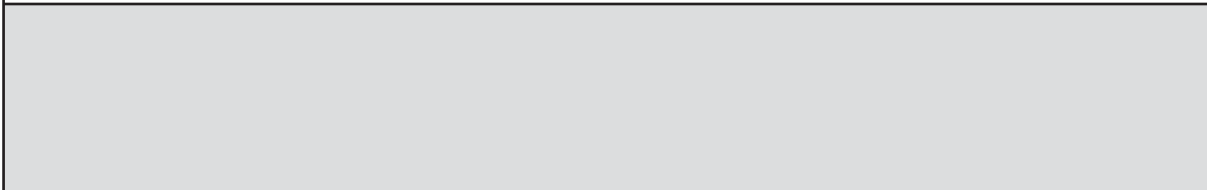
#### 4. Organisational Arrangements

**Description of the modes of organisation agreed for the transnational partnership:**

- What procedures have been arranged for decision-making between the transnational partners?
- What means of communication have been implemented for sharing information, working tools and results within the transnational partnership (e.g. intranet, electronic newsletter)?
- What are the planned procedures for monitoring and evaluation of the results?



What is(are) the working language(s) within the partnership?



## 5. Partner Signatures

### Partner n°1

Date:

Name and job title of the legal  
(or delegated) representative/s:

Signature:

Organisation's stamp:

### Partner n°2

Date:

Name and job title of the legal  
(or delegated) representative/s:

Signature:

Organisation's stamp:

**Partner n°3**

Date:

Name and job title of the legal  
(or delegated) representative/s:

Signature:

Organisation's stamp:

**Partner n°4**

Date:

Name and job title of the legal  
(or delegated) representative/s:

Signature:

Organisation's stamp:

**Partner n°5**

Date:

Name and job title of the legal  
(or delegated) representative/s:

Signature:

Organisation's stamp:

Annex

**Type of organisation**

(ESF) managing authority or intermediate body at national or regional level
Regional or local authority
Enterprise
NGO
Financial institution
Consultancy
Employers organisation
Trade Union
Chamber of commerce, industry, crafts
Education and training organisation
Regional development organisation
Employment agency or service
University, research organisation
Organisation providing support and guidance for disadvantaged groups
Institutions of social economy
Other

**Legal status**

Public institution
Regional or local authority
Commercial enterprise
Non profit organisation or association
Foundation
Other

## Appendix 3. Instruction of filling in the model of the minimum scope of a HC OP transnational cooperation agreement



**HUMAN CAPITAL**  
NATIONAL COHESION STRATEGY



**COOPERATION FUND**  
Foundation

EUROPEAN  
SOCIAL FUND



### Introduction

This instruction provides information necessary for correct preparation of a transnational cooperation agreement based on the model approved for the Human Capital Operational Programme. The *Model of a minimum scope of a HC OP transnational cooperation agreement* has been appended to the *Principles of Project Selection in the Human Capital Operational Programme*.

The instruction is addressed to promoters of stand-alone transnational cooperation projects and of projects with a transnational component planned at the project application stage, whose applications have been positively appraised and approved. The instruction is also addressed to beneficiaries of projects which obtained approval of modifications to the project application in the form of an introduction of a transnational component into the project<sup>1</sup>.

The purpose of the instruction is also to assist Intermediate Bodies (IB) / 2<sup>nd</sup> Level Intermediate Bodies (IB2) which are responsible for the appraisal and approval of transnational cooperation agreements, i.e. institutions organising Calls for Proposals and institutions verifying system projects<sup>2</sup>.

A transnational cooperation agreement sets out a description of the cooperation for the purpose of which a transnational partnership has been established. In particular, it presents the objectives, as well as the results and products planned to be achieved through joint implementation of activities by all the partners. It follows that the provisions of a transnational cooperation agreement go beyond the information contained in the HC OP project application, in particular when the agreement is submitted concurrently under the HC OP and under another programme implemented in a transnational partner's country (financed from the European Social Fund or other sources). The provisions of the agreement should expand and elaborate the information given in the HC OP project application.

In the point regarding the HC OP project promoter, the information in the agreement must be consistent with the information given in the HC OP application form. This consistency will ensure that the project partnership will implement the project in keeping with the approved project application, and – on the other hand – will allow the IB / IB2 to verify the compliance of the agreement with the project application.

As has been mentioned above, an agreement prepared on the basis of the HC OP model may be submitted concurrently in Poland and in a transnational partner country. In this situation, the project promoter may modify the model of the agreement to meet the requirements set in the partner's country<sup>3</sup>. The scope of the agreement may also be modified by the IB / IB2 (upon consultation with

<sup>1</sup> Whenever the instruction refers to the "HC OP project promoter", it shall also mean to refer to the "HC OP beneficiary".

<sup>2</sup> Or other institutions, as per the HC OP Implementation System.

<sup>3</sup> For projects selected in a Call for Proposals, information regarding the scope of allowed modifications to the model agreement by project promoters is given in the Call for Proposals specification.

the National Supporting Institution)<sup>4</sup>. Anyway, the modifications must not result in reducing the minimum scope of the agreement as set in the model. In other words, the agreement may only be expanded to include new provisions.

The model transnational cooperation agreement adopted for the purposes of the HC OP is also applicable in France (where the model was drawn up) and in the Czech Republic. Other European countries are considering adaptation of the model as well. Application of the same model agreement in a number of countries is aimed at facilitating transnational cooperation at the European level.

The instruction contains detailed information regarding all the points of the agreement. In particular, it highlights specific requirements for project promoters concluding more than one agreement under one HC OP project application<sup>5</sup>.

The advice that the instruction provides is aimed at supporting project promoters and the IB / IB2 in proper preparation and appraisal of transnational cooperation agreements. In this sense, the instruction is designed to assist, and not to impose any requirements. Its application or final contents, including the requirements to be met by project promoters, lie with the IB / IB2.

An electronic version of the model transnational cooperation agreement in the MS Word format can be downloaded from: [www.cofund.org.pl](http://www.cofund.org.pl) and [www.efs.gov.pl](http://www.efs.gov.pl).

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<sup>4</sup> Pursuant to the *Guidelines of the Minister of Regional Development on the Implementation of Innovative and Transnational Cooperation Projects Under the Human Capital Operational Programme*, and in view of the need to ensure a fairly similar level of requirements set HC OP project promoters and beneficiaries, it is advisable to consult any planned modifications in the agreement with the National Supporting Institution.

<sup>5</sup> Pursuant to the *Project Selection Principles in the Human Capital Operational Programme*, the project promoter may sign bilateral or multilateral agreements under one and same project application. The maximum allowed number of transnational cooperation agreements for one project is three.

### TRANSNATIONAL COOPERATION AGREEMENT

Operational Programme in Poland:	
Number and name of Priority axis:	
Number and name of Measure:	
Number and name of Submeasure:	
Number of project application:	
Title of the project:	

The fields above should be filled in as follows:

**Operational Programme in Poland**

Give the name of the Programme: Human Capital Operational Programme.

**Number and name of Priority axis**

Give the number and name of the Priority axis selected for the transnational cooperation project (item 1.1 of the project application).

**Number and name of Measure**

Give the number and name of the HC OP Measure selected for the transnational cooperation project (item 1.2 of the project application).

**Number and name of Submeasure**

Give the number and name of the HC OP Submeasure selected for the transnational cooperation project. In the case of Measures for which no Submeasures have been defined, write: "not applicable"<sup>6</sup> (item 1.3 of the project application).

**Number of project application**

Give the identification number assigned to the project application at the moment of registration at the National Information System.

**Title of the project**

Give the project title, the same as the title given in the project application form (item 1.7 of the project application).

---

<sup>6</sup> Whenever it is not possible to fill in a field (e.g. due to the lack of information or when a given part of the agreement does not apply to a given partner) it is recommended to write „not applicable“ and „0“ (in the financial section of the agreement).



## 1. Description of the Transnational Partners

### Partner n°1 (Polish project promoter)

<b>Organisation name (acronym)</b>	<b>Organisation name (full)</b>				
<input type="text"/>	<input type="text"/>				
<b>Type of organisation</b> (see choice of European categories in the annex)					
<input type="text"/>					
<b>Legal status</b> (see choice of European categories in the annex)					
<input type="text"/>					
<b>Web site</b>					
<input type="text" value="http://"/>					
<b>Contact person</b>					
<b>Title</b>	<input type="text"/>	<b>First name</b>	<input type="text"/>	<b>Surname</b>	<input type="text"/>
	<b>Telephone</b>	<input type="text" value="+"/> + <input type="text"/>	<input type="text"/>		
	<b>Fax</b>	<input type="text" value="+"/> + <input type="text"/>	<input type="text"/>		
	<b>E-mail</b>	<input type="text" value="@"/>			
<b>Postal address</b>					
<input type="text"/>					
	<b>Postcode</b>	<input type="text"/>	<b>Town/City</b>	<input type="text"/>	
	<b>Country</b>	<input type="text"/>			

This point of the agreement should give the details of the HC OP project promoter and all the transnational partners<sup>7</sup> with whom the promoter concludes a transnational cooperation agreement. Item "Partner no. 1" should give the details of the HC OP project promoter.

If the project is implemented by a national partnership, the leader of this partnership signs the agreement on behalf of the partnership and only the details of the leader should be given in this item, while information about the remaining national partners is not given in the agreement (this information is given in the project application).

<sup>7</sup> A *transnational partner* is a foreign partner named in the transnational cooperation project application, with whom the project promoter first signs a letter of intent, and then a transnational cooperation agreement. A transnational partner contributes human, organisational, technical and/or financial resources, and implements the project jointly with the beneficiary and the other transnational partners, on the conditions stipulated by the transnational cooperation agreement.

**Acronym of the organisation** – the acronym of the partner’s institution should be given.

**Full name of the organisation** – full name of the partner’s institution should be given.

**Type of organisation** – the relevant type of the partner’s organisation should be selected from a list given in an appendix to the agreement<sup>8</sup>. If the right type of the organisation is not given in the appendix, it should be entered into the field manually under option „Other“; alternatively, the type may be described as “Other”. If two types of organisation listed in the appendix match the type of the partner organisation, the type directly linked to the participation in the project should be selected. For example, if a Regional Labour Office acts as the Intermediate Body, but – at the same time – engages in a project in line with the tasks and needs of a local government body, the type of organisation to be selected is “Regional or local authority”, and not the “(ESF) managing authority or intermediate body at the national or regional level”<sup>9</sup>.

**Legal status** – the legal status of the partner organisation should be selected from a list given in an appendix to the agreement. If the legal status selected in item 2.2 of the project application (for the HC OP project promoter) and in item 2.8.2 of the project application (for the transnational partners) is not given in the appendix, it should be entered into the field manually under option „Other“; alternatively, the type may be described as „Other“.

**Web site** – the address of the partner institution’s internet homepage should be given.

**Contact person** – give the first name, surname and title of the member of the partner institution’s staff nominated to act as the contact person. It should be a person with the broadest possible knowledge of the project being the subject matter of the agreement.

**Telephone number** – give the direct telephone number to the contact person.

**Fax number** – give the fax number to the contact person.

**E-mail address** – give the e-mail address to the contact person.

**Postal address, postcode, town/city, country** – give the address details of the partner institution’s head office, i.e. the postal address (name of the street, street number, office number, etc. – if applicable) postcode, town/city and country.

The information given in this point of the agreement should be consistent with the information given in section II of the project application “II. Beneficiary (project promoter)”.

Partner description boxes should be added/deleted to match the actual number of partners concluding the agreement.

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<sup>8</sup> The appendix is also enclosed to this instruction. .

<sup>9</sup> “Intermediate Body” shall also mean “2<sup>nd</sup> Level Intermediate Body”.

## 2. Description of transnational cooperation

Joint objectives of the transnational partners

This point of the agreement describes the objectives that the transnational partnership has been established to pursue, i.e. the objectives which can only be attained in cooperation with foreign partners and which generate the added value of a transnational cooperation project. The description of objectives should present the general objectives of the entire transnational partnership as well as the objectives to be pursued by the individual partners. The objectives of the HC OP project promoter should be consistent with the objectives given in item 3.1 of the project application. The agreement may elaborate the objectives in more detail.

Whenever the HC OP project promoter concludes more than one agreement under one project application, the agreement should present exclusively the objective(s) to be attained by the cooperation with the transnational partners who are signatories to the agreement. The objectives described in all the agreements, and relating to the HC OP, must collectively reflect all the objectives implemented in transnational cooperation, as given in item 3.1 of the project application.

Expected results and products

This field describes the results and products attainable exclusively in transnational cooperation (i.e. those which could not be attained by a project of a national reach only).

The description should present both the results and products planned to be achieved by the partnership, as well as the results and products to be attained by the individual partners. The description of results/products to be achieved by the HC OP project promoter should be consistent with item 3.4 of the project application and may elaborate the information given in the application.

Whenever the HC OP project promoter concludes more than one agreement under one project application, the agreement should present exclusively the results and products expected to be achieved with the transnational partners who are signatories to the agreement. Results/products described in all the agreements, and relating to the HC OP, must collectively reflect all the results/products expected to be achieved in transnational cooperation, as given in item 3.4 of the project application.

Description of the different transnational activities							
Total number of planned activities: [...]	Starting and ending dates of	Place where the activity is to be carried out	Partner in charge	Other partner(s) taking part in the activity	Objectives of the activity	Description of tasks	Expected results and products
Activity titles							
<b>1.</b>							
<b>2.</b>							

*If necessary, add extra rows for more planned transnational activities.*

The table “Description of the different transnational activities presents all activities to be conducted in transnational cooperation. The description of activities in this table should be consistent with the information given in item 3.3 of the HC OP project application, which covers all the activities of transnational partners, regardless of their sources of funding.

Whenever the HC OP project promoter concludes more than one agreement under one project application, the agreement should present exclusively the activities which will be implemented by the transnational partners who are signatories to the agreement. The activities described in all the agreements must collectively reflect all the transnational cooperation activities given in item 3.3 of the project application.

**Activity title** – this column should sequentially list the activities to be implemented in the project by the transnational partners, consistently with the activities given in item 3.3 of the project application.

**Starting and ending dates of implementation** – indicate the expected starting and ending dates of the activities in the following format: month year – month year (e.g. 06.2009 – 07.2010). It is not recommended to enter more specific dates (day-month-year) in order to minimise the risk of untimely start or completion of the activity and the consequent need to draw up annexes to the agreement.

**Place where the activity is to be carried out** – give the country where the given activity is to be implemented (or more detailed information, e.g. the town/city of implementation).

**Partner in charge** – indicate which partner is responsible for the implementation of a given task, e.g. by entering the acronym of the partner’s organisation or its number in point 1 of the agreement (“Description of transnational partners”).

**Other partners taking part in the activity** – indicate the partners who will be taking part in the implementation of the activity (except for the partner in charge), e.g. by entering the acronyms of the partners' organisations or their respective numbers in point 1 of the agreement ("Description of transnational partners").

**Objectives of the activity** – give the expected effect of the activity. The objective of the activity should be consistent with the objectives given in the relevant field of "Joint objectives of the transnational partners". The description of the objective should expand and elaborate the information given in this field.

**Description of tasks** – indicate what steps will be taken within the framework of the individual activities. The description of tasks allocated to the HC OP project promoter should be consistent with the description given in the HC OP project application.

**Planned/expected results and products** – indicate the results and products that are expected to be achieved in the course of the individual activities. The results and products presented in this column should be consistent with the results and products given in point 2 of the agreement ("Expected results and products"). The description of results/products should expand and elaborate the information given in this point.

Add/delete rows in the table to match the number of activities described.

Detail of the planned tasks and means implemented by each partner, for each transnational activity					
Partner ----- Activities	No. 1	No. 2	No. 3	No. 4	No. 5
1.					
2.					

If necessary, add new rows to the table for more planned tasks and their implementation by each partner in the individual transnational activities.

The table "Detail of planned tasks and means implemented by each partner, for each transnational activity" should present the scopes of the partners' responsibility for the implementation of project tasks. In the row "Partner", the numbers correspond to the numbers assigned to the partners in point 1 of the agreement ("Description of transnational partners").

The column "Activities" should give the titles of activities in the form and sequence applied in the table "Description of transnational activities".

In the columns corresponding to the individual partners and in relation to each task, give the task or tasks as presented in the column "Description of tasks" in the previous table, and then describe in detail the role and scope of responsibility of a given partner in the execution of this task (regardless of whether the partner finances the task – see point 3 of the agreement "Financial arrangements"). In other words, the description in this table should expand and elaborate on the information presented in the table "Description of transnational activities". For example, if the column "Description of tasks" in the table "Description of transnational activities" lists three tasks (A, B, C), and assuming that partner no. 1 is responsible for the execution of task A, partner no. 2 for the execution of task B, and partner no. 3 for the execution of task C, the table "Detail of planned tasks and means implemented by each partner, for each transnational activity" should list the tasks in the following manner:

Detail of the planned tasks and means implemented by each partner, for each transnational activity			
	No. 1	No. 2	No. 3
<p><i>Partner</i></p> <p><i>Activities</i></p> <p><b>1. Activity X (activity X comprises execution of three tasks – A, B and C)</b></p>	<p>Title of task A, as per the table “Description of transnational activities” + a description of the partner’s role and scope of responsibility in the execution of this task</p>	<p>Title of task B, as per the table “Description of transnational activities” + a description of the partner’s role and scope of responsibility in the execution of this task</p>	<p>Title of task C, as per the table “Description of transnational activities” + a description of the partner’s role and scope of responsibility in the execution of this task</p>

If a partner is not responsible for the execution of a given activity, state “not applicable” in the row and column relating to this activity and this partner, respectively.

Add/delete rows and columns in the table to match the actual number of activities and partners described.

### 3. Financial arrangements

Activity	Budget per transnational partner		
	No. 1	No. 2	Total
1. Title of activity 1	€	€	€
2. Title of activity 2	€	€	€
<b>Total costs</b>	€	€	€

The table “Budget per transnational partner” should give the expenses incurred by the partners on the implementation of the individual activities. These will include both the expenses of the HC OP project promoter, given in the project application, as well as funds from other sources, contributed by the transnational partners.

Numbers “1”, “2”, etc. are the numbers assigned to the partners in point 1 of the agreement (“Description of transnational partners”).

The column “Activity” should give the titles of activities in the form and sequence taken from the tables “Description of the different transnational activities” and “Detail of planned tasks and means implemented by each partner, for each transnational activity”. The columns corresponding to the individual partners, in the row related to the given activity, should give the expenses incurred by the transnational partners for the implementation of this activity. If a partner does not cover any costs of this activity, the amount entered should be „0”.

As regards the disclosure of costs financed by the HC OP project promoter, the following should be considered:

For a project with a transnational component:

1. The amount of “Total costs” in the transnational cooperation agreement should be equal to the amount given in item 4.1.4 and the amount of the task: “Task 1. Transnational cooperation” of the budget presented in the project application (in the application, the costs of the transnational component are given in the heading: “Task 1. Transnational cooperation”; this amount is automatically carried forward into field 4.1.4 “Transnational cooperation in total costs”). Whenever the HC OP project promoter signs more than one transnational cooperation agreements, the aggregate of the “Total costs” boxes in all the agreements must be equal to the amount given in item 4.1.4 and the amount given in the heading: “Task 1. Transnational cooperation” of the project application budget.

For a stand-alone transnational cooperation project:

1. The amount of “Total costs” in the transnational cooperation agreement should be equal to the amount given in item 4.1.4 and 4.1 of the project application budget (the costs of transnational cooperation in a stand-alone transnational cooperation project are a sum total of all the costs of the project; the amount given in the field 4.1 “Total costs” is automatically carried forward into the field 4.1.4 “Transnational cooperation in total costs”). Whenever the HC OP project promoter signs more than one transnational cooperation agreements, the aggregate of the “Total costs” boxes in all the agreements must be equal to the amount given in item 4.1.4 and 4.1 of the project application.
2. The HC OP project promoter must include in the budget of a transnational agreement the management costs and indirect costs disclosed in the project application. Therefore, the budget of



the agreement should include two more rows, for headings: “Management costs” and “Indirect costs”, which must be obligatorily filled in by the HC OP project promoter (and may be filled in, on a facultative basis, by the partners). After this modification, the budget of the transnational cooperation agreement will look as follows:

Activity	Budget per transnational partner		
	No. 1	No. 2	Total
1. Title of activity 1	€	€	€
2. Title of activity 2	€	€	€
Management costs	Amount X €	Not applicable (if the partner does not disclose costs) €	€
Indirect costs	Amount Y €	Not applicable (see above) €	€
<b>Total costs</b>	€	€	€

The amount of “Management costs” must be consistent with the amount of the task related to management in the project application budget. The amount of “Indirect costs” must be consistent with the amount given in item 4.1.2 “Indirect costs” in the project application budget.

Whenever the HC OP project promoter signs more than one transnational cooperation agreements, the management costs and the indirect costs should be distributed among the agreements proportionately to the extent of the promoter’s involvement in the activities implemented with the partners who are signatories of the agreements. The costs of management and the indirect costs are calculated proportionately to the amount of the project promoter’s financing contributed under each of the agreements.

For example, if the HC OP project promoter’s budgets under three agreements are, respectively, EUR 500, EUR 500 and EUR 1,000, in the first two agreements the costs of management and indirect costs will each represent 25% of the costs disclosed in the project application, and in the third agreement – 50% of those costs.

The sum total of management costs and indirect costs in all the agreements must be consistent with the amounts given in the project application, in the task related to management and in item 4.1.2 “Indirect costs”, respectively.

If the HC OP project promoter finances an activity (activities) implemented by a foreign partner, the budget of the transnational cooperation agreement – just as the budget in the project application – must assign these costs to the HC OP project promoter. Consequently, there may be a discrepancy between the financial table (in which the partners are assigned to the activities they, respectively, finance) and the tables presenting the activities and the corresponding partners responsible for their implementation (which show the partners in charge of their implementation, but not responsible for their financing).

All amounts in this table must be denominated in euro (except for the situation when the transnational cooperation agreement stipulates that all costs are covered by the HC OP project promoter. In this case, the amounts may be denominated in Polish zloty). It means that the costs are converted into euro at the monthly settlement exchange rates applied by the European Commission, and published electronically at:

[http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=currency\\_historique&currency=153&Language=en](http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=currency_historique&currency=153&Language=en).

The conversion should proceed at the exchange rate published for the month in which the Call for Proposals was announced or in which an application for a system project was submitted. For projects in which the transnational component is submitted as a modification of the application, the conversion should proceed according to the rate of the month in which the modification was submitted.

Add/delete rows and columns in the table to match the actual number of activities and transnational partners described.

How are the transnational activities of each partner funded in their country of origin?										
Partner	No. 1		No. 2		No. 3		No. 4		No. 5	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
European Social Fund										
Other European funding										
National funding										
Self-funding										
Other (including contributions in-kind) <i>If so, specify below</i>										

**Comments on the types of funding used by the individual transnational partners:**

The sign "X" should be given in column "Yes" or "No" for each transnational partner – signatory of the agreement, and for each of the funding source in the partner's home country. The numbering of the partners is consistent with the numbers assigned to them in point 1 of the agreement ("Description of transnational partners").

The sources of funding listed in the table are:

- European Social Fund.
- Other European sources of funds – i.e. funds other than the ESF, financial instruments and initiatives created at the European Union level in order to support other countries.
- National funding sources – i.e. funds of the partner received from external sources, including national public funds (the national budget, regional, local budgets, targeted funds, etc.), and funds from private sources.
- Self-funding – i.e. the own financial contribution of the partner.
- Other (including contributions in-kind) – i.e. other sources of financing, not listed above, including any contributions in-kind made into the project (e.g. allowing the project to use fixed assets, office space, equipment, volunteer work).

If there is a source (sources) of funding applicable in this category, the sign "X" should be accompanied by additional explanatory comments in the field "Comments on the types of funding used by the individual transnational partners".

For HC OP projects financed from the ESF, in which no self-funding was indicated in item 4.3 of the project application, only the ESF should be marked.

Add/delete columns in the table to match the actual number of transnational partners described.

If the partners wish to regulate other financial issues in the agreement, it is recommended that these are presented in the table devoted to the “Comments on the types of funding ...”. It is recommended that the partners describe and justify in the agreement the principle(s) of the division of costs adopted by the partnership.

#### 4. Organisational arrangements

##### **Description of the organisational procedures agreed for the transnational partnership:**

- What decision-making procedures have been agreed?
- What system of communication has been implemented for exchange of information, and developed tools and results within the transnational partnership (e.g. intranet, electronic newsletter)?
- What are the planned procedures for result monitoring and evaluation?

This field describes the organisational procedures agreed by the transnational partnership as regards the management of the project, decision-making systems, communication and exchange of information, as well as project monitoring and evaluation. The information given in this field should be consistent with the details given in the HC OP project application. The description of organisational arrangements should elaborate on the information given in the project application.

What follows is a set of recommendations concerning fundamental organisational aspects of the project, which transnational project promoters may choose to use (on a voluntary basis) when drawing up a transnational cooperation agreement (provided that the recommendations are consistent with the information given in the project application).

##### **Recommendations for project promoters**

1. As regards the decision-making procedures, it is recommended to:

- Designate a partnership leader, responsible for managing the partnership and implementing the project in keeping with the agreement (if there should be one leader throughout the duration of the project) or to explain how the function of the partnership leader will rotate from one partner to another. For projects design to adapt in Poland solutions already functioning in other countries, or when the benefits of transnational cooperation will be attributable primarily to the Polish partners, it is recommended to designate the HC OP project promoter as the partnership leader. On the other hand, if the project is based on joint development of products and results, or when the benefits are spread equally among all the partners, it is recommended to rotate the leadership function. In a rotational system, the time of holding the leadership by each partner should be defined by simply dividing the duration of the project by the number of partners. It is not recommended that the leadership be held by each partner more than once, as it may put the project at a risk of organisational chaos. In a rotational system, the first partner to act as the leader should be designated, as well.
- Equip the partnership leader with the authority to take decisions at its discretion as long as they do not change the scope of rights and obligations of the individual partners. If a decision is needed that can reduce the rights and increase the obligations of the partners (including

the financial obligations), the decisions should be taken based on a consensus of all the parties involved, which can be achieved by the way of documented consultations.

- For partnerships with three or more partners, it is recommended to establish the so-called steering party, composed of authorised decision-makers delegated as representatives of the individual partner institutions. This party should focus primarily on taking common decisions and resolving disputes.
  - Articulate full accountability of the partners for the implementation of activities, as per the table “Description of transnational activities”.
  - Equip the partners with the authority to take decisions at their discretion in the course of implementing activities for which they bear sole responsibility, as per the plan of implementation, and which have no impact on the activities implemented by the other partners. Whenever a partner faces a decision that may have an impact on the activities implemented by the other partners, this decision should be consulted decision with the remaining partners in order to secure their full approval. If no consensus can be reached, the decision should be taken with full participation of all members of the partnership.
2. As regards the system of communication and exchange of information, tools and results developed within the partnership, it is recommended to:
- Decide on a language of everyday communication among the partners (the working language of the partnership may be different from the language in which the transnational cooperation agreement is going to be executed).
  - Adopt electronic mail as the preferred form of everyday communication.
  - Obligate the project leader (or the first project leader) to create a new, or designate an existing, website which can be used for exchange of information and uploading of documents and materials. The partnership should also impose a duty for all partners to use the website designated by the project leader, including an obligation to share information, materials and documents related to the implementation of the project.
  - Establish original written communication in paper form as the required form of communication whenever the laws of a given country require such a form (e.g. for documents which serve as evidence for the purposes of financial settlement of the project).
  - Impose an obligation that the partners inform one another about external events, projects, documents, publications and studies having relevance for the substantive scope of the project implemented by the partnership.
3. As regards result monitoring and evaluation, it is recommended to:
- For projects designed around joint development of products and results by the partners:
  - Obligate all the partners to perform on-going monitoring of the progress in achieving results.
  - Describe the method and plan of monitoring the progress in achieving results by the partnership. It is advisable to introduce the duty to collect and develop information for monitoring purposes into the scope of responsibilities of contact personnel in each partner’s organisation. The team of contact persons should specify a monitoring plan and a scope of information and documents needed for progress monitoring. A website may be created, or an existing website may be designated,

for uploading monitoring information/reports/documents and follow monitoring results. Furthermore, it is recommended to schedule regular (e.g. monthly) meetings of the persons responsible for monitoring in order to present, discuss and document (in the form of monitoring process reports) the up-to-date progress in achieving project results. The findings and observations from those meetings should be a basis for reports on the monitoring results of the entire project.

- Describe evaluation of results. Two solutions are possible for these purposes: hiring an external evaluator or self-evaluation performed by the partnership. If an external evaluator is hired, one partner should be designated to select the evaluator and pay for the service. If the partnership decides to perform evaluation on its own, the partnership should set the number of persons to be delegated by each partner to an evaluation team and the date by which those persons should be named, appoint one partner whose representative will lead the team and specify how the work of this team should be financed. In the self-evaluation solution, it is still advisable to use support of an external evaluator. Therefore, a partner should be appointed as responsible for the cooperation with the evaluator and paying the fee. The frequency/dates of evaluation should be set (relative to the results planned to be achieved) and the form in which the effects of evaluation will be presented to the partnership. It is advisable to upload evaluation information/reports/documents on the project website. Moreover, it is recommended that a system of partners' or the evaluation team's meetings with the external evaluator be devised to discuss and document (in the form of evaluation process reports) the effects of evaluation.

For projects designed around the adaptation by the HC OP project promoter of solutions already functioning in a partner's (partners') country (countries), all the above-described responsibilities should be assigned to the HC OP project promoter. In this case, all the transnational partners should ensure the project promoter with access to any needed information and documentation related to the subject matter of the project.

<b>What is (are) the working language(s) of the partnership?</b>

This field should specify the working language (or – in specially justified cases – languages) adopted by the partnership. The working language adopted for everyday communication purposes may be different from the language in which the transnational cooperation agreement was concluded.

## 5. Partner signatories

### Partner no.1

Date:	Organisation's stamp:
First name, surname and job title of the legal (or delegated) representative/s:	
Signature:	

**First name, surname and title of the person/s authorised to take binding decision in the name of the partner's organisation** – this field should give the details of persons who are formally (on the basis of relevant credential documents) authorised to represent the respective partners, including to sign a transnational cooperation agreement.

If a given person represents a national partnership, instead of the word "Partner", the field should say "Partners forming the national partnership" (i.e. "First name, surname and title of the person/s authorised to take binding decision in the name of the partners forming the national partnership").

All signatures must be legible signatures.

The stamp of the organisation is not required only if a given organisation does not have an official stamp. If this is the case, an annotation "No stamp" should be placed in the stamp box.

Pursuant to the requirements stipulated by the *Principles of Project Selection in the Human Capital Operational Programme*, upon execution of the agreement by all the partners, the agreement should be provided to the institution organising the Call for Proposals or the institution verifying a system project, for its approval.

If more than one transnational cooperation agreements are signed under one project application, the IB/IB2 must verify the consistency of all those agreements with the project application. It is therefore recommended that all the agreements are submitted to the institution organising the Call for Proposals or the institution verifying a system project at the same time.

## Appendix

### Type of organisation

(ESF) Managing Authority or Intermediate Body at the national or regional level
Regional or local authority
Enterprise
Non-governmental organisation
Financial institution
Consulting institution
Employers organisation
Trade Union
Chamber of commerce, industry, handicrafts
Education and training organisation
Regional development organisation
Employment agency or service
University, research organisation
Organisation providing support and guidance for disadvantaged groups
Institutions of social economy
Other

### Legal status

Public institution
Regional or local authority
Commercial enterprise
Non profit organisation or association
Foundation
Other

## Appendix 4. Checklist to verify the model of the minimum scope of a HC OP transnational cooperation agreement under the Human Capital Operational Programme



<b>Number and name of Priority axis</b>			
<b>Number and name of Measure</b>			
<b>Number and name of Submeasure</b>			
<b>Project title</b>			
<b>Number of transnational cooperation agreements concluded under the project application</b> ( <i>insert "X" in the right column: column 1 – one agreement; column 2 – two agreements; column 3 – three agreements</i> ); <i>this example applies to a situation in which two transnational cooperation agreements have been concluded under the project application.</i>	<b>1</b>	<b>2</b>	<b>3</b>
		X	
<b>Countries – signatories of the agreement</b> ( <i>in columns 1 and 2 and 3 (if applicable) give names of countries which are signing the agreement</i> )	<b>1</b>	<b>2</b>	<b>3</b>
	e.g. Poland Country A Country B	e.g. Poland Country C Country D Country E	
<b>Agreement being appraised</b> ( <i>insert "X" in the right column</i> )	<b>1</b>	<b>2</b>	<b>3</b>
	X		

### General remarks

The verification of a transnational cooperation agreement should be performed on the basis of the HC OP project application and the requirements given in the *Instruction on filling in the minimum scope of a HC OP Transnational Cooperation Agreement* (whenever the IB/IB2 requires its application).

If more than one transnational cooperation agreements have been concluded based on one project application, all the agreements should be verified concurrently.

It is recommended that the agreement be approved only if the responses to all the questions in the checklist are affirmative. Whenever an agreement misses information that is needed to respond to any of the detailed questions, it must be entered in the column *"Issues to be corrected or added"* and the partnership should be requested to add the missing information into the agreement.

This document is of auxiliary character only. The decision whether the checklist should be used and in what form lies with the IB/IB2.



	<b>Point/field/table of transnational cooperation agreement</b>	<b>Yes</b>	<b>No</b>	<b>Issues to be corrected or added</b>
Are all fields regarding the name of the Programme, Priority axis, Measure and Submeasure (if applicable), number of the project application and project title filled in and consistent with the same information given in the project application?	Initial information			
Are all fields regarding transnational partner information filled in correctly?	Point 1 <i>"Description of transnational partners"</i>			
Are the common objectives of transnational cooperation described clearly and in sufficient detail? Is the part regarding the HC OP project promoter filled in consistently with item 3.1 of the project application?	Field "Joint objectives of the transnational partners"			
Are the planned results and products precisely described? Is the part regarding the HC OP project promoter filled in consistently with item 3.4 of the project application?	Field "Expected results and products"			
Are the activities described correctly, i.e. are all columns of the table filled in? Are the activities listed in column <i>"Name of activity"</i> consistent with the activities described in item 3.3 of the project application?	Table "Description of transnational activities"			
Have all partners been assigned tasks listed in the table "Description of transnational activities", column "Description of tasks"? Has the role and scope of responsibility of each partner in the execution of those tasks been described?	Table "Detail of the planned tasks and means implemented by each partner, for each transnational activity"			

<p>Is the amount given in the row “Total costs” of the HC OP project promoter budget consistent with the amount of “Task 1: Transnational cooperation” and the amount given in item 4.1.4 of the project application (for a project with a transnational component) or with the amount given in items 4.1 4 and 4.1 of the project application (for a stand-alone transnational cooperation project)? <i>If more than one transnational cooperation agreements have been concluded, the aggregate amounts given in rows “Total costs” of all the agreements should be verified against the application form.</i> Does the financing of activities correspond to the description of activities in the agreement, i.e. has a source of financing has been indicated for all activities envisaged in the agreement?</p>	<p>Point 3 “<i>Financial arrangements</i>”</p>			
<p>For the purposes of the cost conversion from Polish zloty into euro, has the exchange rate of the month been adopted in which the Call for Proposals was launched / a system project application was submitted? Alternatively, for a project with a transnational component submitted as a modification of the application form, has the exchange rate of the month been adopted in which the modification was submitted?</p>	<p>Point 3 “<i>Financial arrangements</i>”</p>			
<p>Does the agreement mention the sources of financing for transnational activities for each of the partners who contribute funds into the agreement?</p>	<p>Table “How are the transnational activities of each partner funded in their country of origin?”</p>			
<p>Are all partners – parties to the agreement involved in the decision-making process? Are the decision-making procedures described clearly and unequivocally?</p>	<p>Point 4 “<i>Organisational arrangements</i>”</p>			
<p>Is the system of communication and information flow within the transnational partnership clear and transparent?</p>	<p>Point 4 “<i>Organisational arrangements</i>”</p>			
<p>Does the agreement stipulate a clear description of project monitoring procedures, including the substantive and financial monitoring?</p>	<p>Point 4 “<i>Organisational arrangements</i>”</p>			

Does the agreement contain a clear and specific description of project evaluation?	Point 4 <i>“Organisational arrangements”</i>			
Has the working language(s) adopted by the partnership been given?	Field “What is (are) the working language(s) within the partnership?”			
For each partner, is the date, first name and surname, and title of the person(s) empowered to take binding decisions on behalf of the partner/national partnership in the case of the HC OP project promoter (if applicable) given? Has this person signed the agreement and has the stamp of the organisation (or, otherwise, an annotation “No stamp”) been put?	Point 5 „ <i>Partner signatures</i> ”			

<b>Status of verification</b>	
<b>Verification completed</b> First name and surname of the person(s) verifying the transnational cooperation agreement:	<b>Verification completed</b> First name and surname of the person(s) verifying the transnational cooperation agreement:
Date:	Date:

<b>Recommendation</b> (fill in ONE of the following two columns)	
<b>IB/IB2 recommends the agreement for approval</b>	<b>IB/IB2 does not recommend the agreement for approval</b>
First name and surname of the superior of the person/persons verifying the agreement:	First name and surname of the superior of the person/persons verifying the agreement:
Date:	Date:



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