



Project clustering guidance note

8th Call for applications

Background, development guidance and FAQ

This is an updated version of the guidance for cluster projects for the 8th call running from 6 February to 5 March 2012. The guidance contains important new information reflecting the financing position following the last meeting of the programme's Steering Committee, information on the approved clusters, and tips based on experiences from the first and second rounds of cluster applications. For ease of reference new and updated sections are in *italics*. Anyone developing a cluster project should consult this information carefully and stay in close contact with the National Contact Points and the programme's Cluster Facilitator in order to ensure the correct positioning of proposals in the programme and avoid rejection on technical grounds. It is expected that this will be the last call for cluster applications.

Summary of developments since the last call

- *This will probably be the last call for cluster projects. If you want to apply you should do it now*
- *It is only possible to submit applications under priorities 1 and 3. Only one cluster can be approved under priority 1. Make sure you follow the guidance*
- *There is no Norwegian funding left. Norwegian organisations will have to cover all costs from their own funds.*
- *Five clusters have been approved. You have to make sure you do not duplicate their activities*

Rationale

The aim of the project clustering initiative is to raise awareness about the good results being achieved in individual projects and ensure that these results are known and used as widely as possible in the North Sea Region. Projects are being asked to work together to achieve this aim for two main reasons. Firstly, many projects work on related themes targeting similar stakeholder groups – it is to be expected therefore that in many cases projects should be able to combine and develop their results to deliver a joint package of thematic proposals. Secondly, extending the impact of project activities requires that new stakeholders in regions outside the project partnership and at other levels (national, European etc) are made aware of what has been done. In many cases, this visibility of results will be better achieved by clusters which can present a wide package of insights on a given theme rather than 50 individual project perspectives on more specialist issues.

Europe 2020 and the future of the North Sea's regions

The Europe 2020 Strategy represents a renewed commitment to a number of well-established European policy priorities (such as increased employment, innovation and sustainable development) and can be seen as the next step on from the Lisbon Agenda and Gothenburg Strategy. The most important new feature is perhaps the sense of urgency created by the economic downturn and the crisis in several national economies. From the European Commission's side this has resulted in a determination that every Member State should outline the serious steps it will take towards progress

on long-term targets. One of the steps planned is a much more coherent approach to how different funds are used including European Territorial Cooperation in the North Sea programme.

As a result, Europe 2020 has a number of implications for cluster projects. Firstly, the strategy will form the main EU policy framework for any future programmes and clusters should monitor the policy as it develops with a view to providing input where relevant. There are three priorities (smart growth, sustainable growth and inclusive growth) and seven flagship initiatives, which bring together different funds to deliver specific objectives (for example 'Resource efficient Europe'). The process of better coordinating different funds and programmes is the second issue clusters should consider: One of the expected benefits of clusters is to gain a better understanding of and stronger links to initiatives being carried out under other programmes in order to improve connections with them and coordinate future actions. Finally, the Commission's drive for measurable progress on its targets in every Member State, brings with it a renewed focus on demonstrating the effectiveness and long-term impact of the actions funded. It is hoped that the clusters will both provide a demonstration of this effectiveness in the North Sea Region and help point stakeholders towards the actions that will provide the greatest advantage in future..

You can download the strategy at:

<http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf>

You should also consider the Regions 2020 document. This has less weight than Europe 2020 as it is only a working document but it does provide input on bridging the gap between some of the quite general high level aims in Europe 2020 and the concrete situation in our regions. You can download it here:

http://ec.europa.eu/regional_policy/sources/docoffic/working/regions2020/pdf/regions2020_en.pdf

Debate and information on policy priorities for the future funding period continue to develop rapidly. You can use the Europe 2020 link to find some of the latest publications but please be aware that all parts of the Commission are updating policy and you should also monitor other changes relevant to your field. The cluster proposals so far approved have demonstrated a good awareness of the main policy proposals and how these might impact the North Sea Region. They have also outlined realistic proposals for contributing to the policy debate as and when relevant.

Basic framework for cluster projects

Cluster projects differ from normal projects in a number of ways. The important points to consider are:

- Clusters should include as a minimum 3 countries and partners from 3 existing North Sea programme projects. *One of the main assessment criteria evaluates the cluster's coverage of the North Sea Region. If you have a small number of partners you will need to demonstrate how other countries and regions will be involved*
- The budget should not exceed 750,000 Euro
- Projects are funded 50% ERDF and 50% co-financing
- The funding lifetime should not exceed 18 months
- Project clusters are open to all beneficiaries, including the possibility to include new partners who are not yet involved in any project activities but who can make a clear contribution to the cluster, including possibly (in well-justified cases) partners outside the programme area
- Cluster Lead Beneficiaries must be a partner in an on-going project
- Clusters will report twice – once at midterm and once at the end of the project

Norway

There is no Norwegian funding left. Norwegian organisations will have to cover all costs from their own funds.

Minimum requirements for cluster partnerships

Each cluster should as a minimum include partners from three projects and from three different countries. Nevertheless, two aspects suggest that projects only meeting the minimum criterion may struggle:

- Geographical coverage: Clusters should have a long-term impact on a major part of the programme area (in accordance with the criteria for strategic projects in section 3.5.5 of the Operational Programme). Where only three of the seven countries were involved, projects would have to develop a very convincing strategy for ensuring the relevance of their activities for other countries and the take up of results in these countries.
- Project coverage: Generally speaking, there are more than three projects covering different aspects of each theme in the programme. While participation in a cluster is optional, it would certainly be a strength to include inputs from as many relevant projects as possible. *Where formal participation from a project is not possible, a letter of support expressing an intention to be actively involved in cluster work is a possible alternative.*

Participation can take a number of different forms. It may be best to limit the number of full partners receiving funding in order to avoid spreading the budget too thinly and having to allocate excessive resources to control. Sub-partners can still receive funding under the management of a full partner in their country and in many cases this could be a good alternative and could simplify and reduce costs if the same controller is used (see [Fact Sheet 8](#) for full rules on sub-partners). Finally, many organisations might only contribute with know-how and during thematic discussions. As such they do not necessarily need funding from the cluster budget. Regardless of the form of participation, it is important that all organisations playing an active role in the cluster are mentioned in the relevant sections of the application and that the cluster's coverage of countries and projects is explained.

Participation in a cluster is open to all beneficiaries and not just Lead Beneficiaries. It is required and expected that partners would seek the support of the whole partnership before entering a cluster and clusters are required to confirm in the application that all relevant Lead Beneficiaries have been informed. This does not necessarily mean that all partners from the participating projects need to be actively involved in all aspects of the cluster implementation. In this connection it is important to restate the contractual obligations for all North Sea projects, which require that free access is provided to all project results.

The work carried out in the cluster should allow participating organisations to draw on the knowledge and resources of the rest of the cluster to address individual challenges and opportunities. New joint activities are also possible on the basis of this cooperation between existing projects and drawing on their accumulated knowledge. All activities should reflect the strategic concerns of the North Sea Region Programme (see below for these criteria).

The successful cluster proposals have also convincingly demonstrated the interest of organisations beyond the partnership and the organisations that usually participate in the programme (e.g. important national, European and international groups working on the cluster theme). Such connections should ideally have already been established at the time of the application in order to demonstrate that cluster activities fit with the existing work of these groups. At the same time, it is very important not to neglect the regional level and your application should show how you will approach practitioners actually working on your theme in the North Sea Region.

Programme priorities and available funding

All cluster projects have to apply under one of two priorities (1. Building on our capacity for innovation 3. Improving the accessibility of places in the North Sea Region). **Only one cluster can be approved under priority 1. More are possible under priority 3.** *The thematic content of a priority is not a main concern for clusters, which tend to include projects from several priorities. Please therefore contact the programme for advice on selecting a priority and avoiding counter-productive competition under any priority.*

Mega themes and the approved clusters

The original announcements for cluster projects also suggested five 'mega themes' for cluster development: Climate, Innovation, Sustainable Communities, Managing Maritime Resources and Transport. There are three main reasons behind this re-grouping of themes. Firstly, they allow for the inclusion of projects from a range of priorities. For example, a climate change cluster might include projects from all four priorities. Secondly, the themes represent areas of expertise and strength in the North Sea Region and the programme, and it can be expected that good results will be available. Finally, broad interest themes have been chosen that will allow clusters to easily connect with current policy development and debate.

Under each 'mega theme' a number of more specialist sub-themes were also suggested. For example, the suggested sub-themes under Climate are carbon reduction, eco-efficiency, energy efficiency, water management and waste management. The sub-themes are only indicative and were intended to suggest that more specialist issues could be developed as a cluster theme rather than always trying to tackle the whole big issue through a single cluster. This is the process we are seeing in many of the clusters currently under development and it is important to note that sub-themes beyond those originally suggested by the programme are still welcome.

The clusters so far approved are DANS (addressing innovation and digital technologies), WATERCAP (addressing climate change and water management), MTC (addressing transport and logistics issues), Energy Vision North Sea (addressing renewable energies) and LOWCAP (covering carbon reduction and energy efficiency). If your proposal involves any of these themes, you must contact the cluster involved and/or the programme and ensure that your own application in no way overlaps with the activities of the approved cluster. Proposals that duplicate approved activities will not be recommended for approval. Similarly, the programme is aware of a number of cluster ideas under development. You must also contact us to avoid parallel development of similar ideas.

In conclusion, you should consider the following points when planning the thematic coverage of a cluster proposal:

- You have to apply under a priority but you should not regard the name of the priority as a limiting factor on the thematic work you want to do in the cluster (*for example, you might work with environmental issues in a cluster approved under the transport priority*)
- It must be possible to make clear connections between the cluster's work, the 'mega themes', and the North Sea programme's general objectives and strategy
- The basic choice in terms of deciding the thematic coverage is whether you will take a broad view and bring together many different aspects of the theme in question or whether you will go for deeper involvement in a limited theme. Both approaches are possible.
- While specialist issues can be addressed, they should not be so specialist that they limit potential cluster members to a very small group
- If you take a wide view, be careful not to over-extend yourself with a range of content that is unrealistic within the time and budget limits set

Indicative activities for cluster projects¹

¹ Thanks are due here to the EURADA study 'Results of the experiment in programme-level capitalisation on INTERREG IVC projects in the subtheme innovation, research and technology development'. The study explores a number of next step actions for the INTERREG IVC programme for funded capitalisation activities.

Other than the normal eligibility rules for projects, there are no absolute limits on the types of activities that might be carried out though the limited budget and timeframe for cluster projects of course impose practical limits. In addition, it is a matter for the cluster partnership to decide what concrete activities could most effectively be carried out in cooperation.

That said, two important steps seem to be necessary for all cluster projects and approval is unlikely if they are not addressed. Firstly, there is a need to identify, use and develop the knowledge held by different cluster members (improving existing results):

- Where is there a real potential for exchange, mutual learning and speeding access to new knowledge?
- How will this be achieved? Thematic workshops / working groups? Peer review? Good practice library (see a good example from [Intelligent Energy Europe](#))? Joint development of new material?
- Role (if any) of pilot or demonstration actions within the cluster?

All successful cluster applications were able to demonstrate in the application the key work packages and expected results of the existing projects and to develop on this basis a convincing analysis of the expected synergies in the cluster. Secondly, there is a need to improve the long-term impact of results by raising awareness and ensuring more take-up of project recommendations. This is not simply a matter of publicising the cluster with new and/or improved websites and brochures but rather of seeking out and actively targeting the most relevant stakeholders. Examples of activities could include meetings with national and EU bodies to present recommendations, and providing responses to public consultations and white papers etc (such as the recently opened consultation on the Fifth Cohesion Report). These are examples only and every cluster will be expected to demonstrate that it has adopted a strategy matching its own area of interest: Clusters will be expected to aim high and demonstrate an understanding of the activities that could really make a difference.

- Every cluster project should consider its communication strategy to address this challenge.
- Thought then needs to be given to how this information should be spread online and face-to-face. Who is likely to use the results and how do they like to receive information?
- What is the desired impact and does your application outline realistic steps on how to achieve it?

Project clustering is not a publicity initiative in the sense that it is not about raising awareness but rather about increasing the usefulness of what has been done. Nevertheless, the aim of increasing visibility and take-up of results will not be achieved without effective communication.

Role of the cluster facilitator and National Contact Points

Cluster projects vary from normal projects in that they can expect more regular hands-on support from the cluster facilitator at the programme secretariat during development and implementation. All cluster activities will have to adapt to some extent to on-going policy debates at national and European levels and part of the role of the cluster facilitator will be to monitor these discussions and look for openings for the clusters. The National Contact Points will be available to help partners in their own countries as usual and will provide specialised support during implementation. During the cluster development phase. National Contact Points can also help with identifying potential partners in their country.

The secretariat and National Contact Points will also be able to help clusters establish contacts with some key stakeholders and identify related initiatives in other programmes. National representatives on the programme's committees will in many cases also be able to assist with identifying national level contacts on various policies. Finally, both the facilitator and the Contact Points will be available to help cluster projects with solving specific challenges and to provide assistance with the implementation of activities where relevant. The cluster facilitator will also promote the cluster initiative and the activities of the different cluster projects inside and outside the North Sea Region.

Management of the cluster and overall responsibility for delivery of its work plan remain of course with the partnership. Cluster projects will be contracted and managed in exactly the same way as a normal project with a Lead Beneficiary.

Assessment criteria

Cluster projects will be assessed against a shortened list of the standard programme selection criteria though with a slightly different emphasis and interpretation compared to normal projects and reflecting the different structures and aims of the clusters. The criteria are listed below with a brief explanation of how they will be interpreted during the assessment.

In addition, cluster projects will be expected to comply with the characteristics for strategic projects in the North Sea programme. These are that:

- The geographical area or area of influence encompasses a large part of the region
- Project activities refer not to a single standing local or regional case but contribute to the prosperous development of a major part of the region
- The projects will have a lasting impact
- The projects have political support and backing at the national level of the member states involved, which take responsibility for the endorsement of the policy recommendations
- The project has the potential to act as the preparation phase for a major cooperation project

In terms of the last two characteristics some explanation is required. It is not essential that national backing is secured but rather that, on the basis of a convincing stakeholder analysis, the cluster project targets the decision-makers at any level who will be able to make most effective use of the cluster's results. Similarly, preparation for a future (major) project should be understood to mean that the cluster's results will inform policy debate and as such will hopefully influence the direction of future policy implementation – whether in the shape of investments or other initiatives. To quote again from the Operational Programme, fulfilment of the 'strategic' dimension should not be regarded as a tick box exercise but instead requires that projects demonstrate 'the ambition to result in significant change or improvement in the whole of large parts of the NSR.'

Core selection criteria (C1 – C7)

	Criteria	Description
	Programme	
C1	Contribution to transnational regional development	<p>Clusters must demonstrate the importance of taking a transnational approach to the topic addressed. What will be the significance of activities for the development of the wider North Sea region? Clusters must also convincingly argue how their activities can be expected to have a long-term real world impact.</p> <p><u>How to:</u> Demonstrate why the themes addressed are relevant for the wider North Sea Region and state clearly how knowledge and ideas generated within the partnership will be transferred to the wider North Sea Region and to what extent other regions/organisations can be expected to use these results.</p>
C2	Contribution to the joint transnational strategy	<p>The joint transnational strategy was developed from an analysis of the opportunities and challenges for the North Sea Region and is in chapter three of the Operational Programme. Clusters should have clear links to the strategy but this can generally be assumed if cluster activities develop from existing approved project activities. The focus of the application should therefore be on the real and new contribution of the cluster to the programme's objectives.</p> <p><u>How to:</u> Demonstrate why the cluster should be able to achieve a measurable impact on one of the programme's main objectives.</p>

	Partnership	
C3	Horizontal and/or vertical coordination and cooperation	<p>The cluster has to consider the relevant actors on local, regional and (trans-) national level. On the horizontal level actors from different relevant sectors should be considered, e.g. politicians, administrations, institutions (e.g. research, chambers of commerce), NGOs, companies (SMEs). On the vertical level, the process of decision-making relevant for the cluster has to be considered together with a plan for how and why this process will be influenced by the cluster.</p> <p><u>How to:</u> The application must show how and why relevant actors will take part in the cluster and how they are coordinated.</p>
C4	Relevant and viable partnership	<p>Partners will be expected to demonstrate capacity to manage the cluster and support from existing projects. New partners are possible if they will add significantly to the results. It is also important that the roles and contributions of supporting organisations (i.e. those not receiving funding) are explained carefully.</p> <p><u>How to:</u> Applications should outline what each partner will contribute to the cluster's impact.</p>
	Output	
C5	Cluster will demonstrate added value and deliver tangible and measurable results	<p>Clusters have to make a difference. It is important to demonstrate realistic plans for how a wide impact across the North Sea Region can be achieved.</p> <p>Clusters must also clearly demonstrate how they develop on from the activities of the regular projects involved and how they differ both from other related initiatives and the normal activities of the participating organisations.</p> <p>Cluster objectives should focus on expected changes in the North Sea Region as a result of the cluster's work.</p> <p><u>How to:</u> Clusters have to demonstrate clearly that the activities carried out and the cluster results will make a change in comparison to the current situation and that they are additional to what is being done already. While knowledge sharing, networking and publicity will be important steps for many clusters, they cannot be the end result.</p>
C6	Cluster will demonstrate value for money	<p>The cluster's budget should be proportionate to the results aimed for. In addition clusters will have to demonstrate cost-effectiveness.</p> <p><u>How to:</u> This will be demonstrated in the detailed costed workplan in the application.</p>
	Indicators	
C7	Information on core indicators complete	<p>The application form contains a set of indicators for measuring progress and success. You should of course fill in the most relevant indicators from this section including the indicators for the priority you are applying for.</p> <p><u>How to:</u> Define your own indicators to reflect the cluster's ambitions and what it can realistically achieve.</p>

Priority Considerations (p1 – p6)

	Criteria	Description
	Approach	
P1.	Description of problem to be tackled and the solution	Clusters that provide a clear description about the problem the cluster proposes to tackle and which also provide a comprehensive idea about the contribution the cluster can make to its solution will be prioritised.
P2.	Concrete implementation of cluster results towards European policies	Implementation activities which clearly make a contribution to the aims of on-going European policies will be prioritised. This includes synergies with activities being funded under other European programmes.
	Transnationality	
P3.	Transnational approach	Cluster activities which are clearly transnational will be prioritised. The cluster should have a transnational impact.
P4.	Transnational partnership	The minimum criteria are 3 countries and 3 clusters involved. Partnerships should however reflect the desire to impact large parts of the programme area. Organisations do not have to be included as full partners but if they are not, their role and links to the cluster should be explained.
	Knowledge transfer	
P5.	Links to other programmes and projects	Clear activity-based links to other programmes and projects relating to the cluster theme will be an advantage.
P6.	Publication and communication strategy and public ownership	Clusters should consider the following: <ul style="list-style-type: none"> - A clear analysis of the main stakeholder groups to be targeted and the messages they will be given (who will you try to influence and what do you hope they will do?) - Communication on the international, national, regional and local level aiming at ensuring wide take-up of cluster results - Communication methods selected to target the most-used information sources of different stakeholder groups (presentations, media, advertising, direct mail, printed newsletter, e-mail newsletter, website, RSS feeds, blog, pod-casting, text messaging, social networking sites etc, etc) - Remember to comment on the value of cooperation in achieving results.

Formal requirements and Letters of Intent

You can take a number of simple steps to minimise problems during formal checks of your application:

- *If any of your partners are located outside the eligible programme area, you will need to provide additional information. Please see section 5.2.2.3 of the Operational Programme for more information and contact the programme if you have any questions*
- *Check that the application is correctly and consistently signed, stamped and dated*
- *The same for the Letters of Intent. A template for the text of the Letter of Intent can be found in Fact Sheet 6*
http://www.northsearegion.eu/files/user/File/IVB%20Document%20Library/Fact_Sheet_s/Single_Fact_Sheets/Fact%20Sheet%206%20Letter%20of%20Intent.pdf
You must use this text and must not change it in any way apart from deleting the optional sections if these do not apply.

Expected outcomes of the cluster initiative

It is hoped that by the end of the clustering initiative many different projects will have been able to work together on developing themed packages of high quality results. The long-term impact of these results will have been extended well beyond partner organisations by ensuring wider take up in other North Sea regions and raising awareness of what is on offer to selected stakeholders outside the NSR (particularly but not exclusively on the European level). As such, it is hoped that project results will influence the implementation of current policy throughout the North Sea Region and the formation of future policy.

Ideas for pre-assessment

It is now possible to submit ideas for pre-assessment. Please note that in the case of cluster projects the usual limit of one pre-assessment does not apply. Please ensure that your idea is submitted to us no later than Monday 16 January 2012. Please remember also that Matt Nichols, the cluster facilitator at the secretariat, is available to give all kinds of informal advice at any time up to the opening of the call for applications (Tel:+45 7841 1777 Mob:+45 51525707 E-mail: matt.nichols@northsearegion.eu).

FAQ

What is the real difference between a cluster project and a normal project?

Cluster projects must build on existing project partnerships and are unlikely to be approved unless they can show how they will build on existing results. As such, completely new ideas and partnerships should apply for a regular project. Similarly, if an existing partnership simply plans to add a new work package to its project, it should apply for a project extension. Cluster projects take as their starting point the need to combine results from on-going projects and build on these.

What does 'combining results' mean in practice?

It depends very much on the work of the projects involved and the stage of implementation. At its simplest this work could involve combining results into a larger package that offers a comprehensive resource on a given theme. It could, however, also be the case that cluster work will inform and modify plans for existing main project activities. It could also be the case that the cluster takes on new activities to address new challenges that have been identified since the start of the main projects. Each cluster partnership will bring to the table a different set of skills and knowledge and expert insights into specialist areas. 'Combining results' is about exploring the potentials of this new cocktail.

How do we make sure we get approved? What do you want from the application?

There are of course no fixed rules and no guarantees for approval. It will help to involve as many of the projects working on the cluster theme as possible and to ensure good geographical coverage. Beyond this the programme will be looking for a good analysis of how each project can contribute to the cluster whether through joint development of results or (especially in the case of projects that are closed or nearing completion) raising awareness of existing achievements. Finally, the expected results will be very important. These should not focus on outputs (meetings, brochures, guidelines etc.) but rather on the benefits the cluster hopes to deliver (number of regions adopting plans, number of policy recommendations adopted etc.). If you can outline a set of activities which seem likely to deliver these results you have a good chance of being approved.

How should we tackle the indicator section?

Cluster indicators need to be based on the standard indicators so we can measure the cluster contribution to programme targets. However, please use only those indicators which will provide valuable information about the expected progress of the cluster. Do not feel that you have to set a target for all or even most of the indicators – even the compulsory indicators can be filled in with a target of zero if they do not fit the cluster's plans.

To help you with completing this section of the application quickly but accurately:

- Do not feel that you have to report something for every output – just include the most important activities you intend to deliver so we can monitor the value for money of your proposal and your basic progress when you report. We would not expect a cluster to deliver a very wide range of activities.
- Please focus on the result and impact indicators to try and give a real flavour of your wishes for the project

Clusters may also include in the last section of the application a small number of additional indicators that reflect the added value of the cluster (e.g. Number of cluster results taken up at national level...etc.).

Is 'strategic' the same as high level and top-down?

Not at all. 'Strategic' means 'Important for achieving a plan of action or objective' and the ideas that may help solve North Sea Region challenges can come from any level. The role of national authorities is mentioned because they often provide the key to getting results adopted outside the project – but do not represent the only way of doing this. The whole point of clustering is that regional and local actors in the projects can and should provide inspiration for national and European policy.

Is it a good idea to try and involve projects from other programme areas and other EU funds?

It could be a very good idea but this does not necessarily mean that partners from outside the programme area should be included as full partners in the cluster project (which can create control complications). Note that the requirement for minimum 3 projects to be involved means that at least 3 *North Sea* projects should be represented.

How big should the partnership be?

The formal partnership (those directly receiving funding) could be quite limited to minimise control and administration costs. If this is the case, the assessment will look very closely at the 'informal partnership' of organisations supporting and contributing to the cluster with the aim of ensuring that there is sufficient geographical coverage and that the relevant institutional actors are involved. If partner organisations have sufficient funds, it is possible to claim expenditure only once at the end of the project and this might allow more partners to take part while still limiting control costs (see below). Clusters can also make use of sub-partners (see above) and associated partners (those who do not receive funding). The overall aim must be to ensure good coverage of countries and projects without dividing the budget into too many small amounts.

Can the same project be in more than one cluster?

Yes, if the project's content is wide enough to fit under two clusters. There are two main points to consider. Firstly, partners from the existing project should coordinate and support involvement in any cluster – there must be a clear rationale behind dividing efforts. Secondly, partnerships should demonstrate that they have the capacity to deliver in the existing project and more than one cluster.

Can the same partner be in more than one cluster?

In addition to capacity concerns (which will be carefully considered as part of the assessment procedure), partners involved in a number of clearly related activities should expect additional scrutiny during control and monitoring to ensure that there is no double funding of any activity.

Can we spend money outside the programme area?

Yes, according to the standard programme rules in 5.2.3.3. of the Operational Programme. Here it is stated that:

Article 21 of the ERDF Regulation

In line with Article 21 of the ERDF Regulation, in cases where there is clear benefit for the North Sea Region, expenditure of up to 20% of the individual project budget may be spent outside the North Sea Region Programme eligible area. This will be restricted to within the 3 neighbouring transnational programme areas: North West Europe, Northern Periphery and Baltic Sea. Spending of 10% in the rest of Europe and outside the European Community may be possible, in rare and exceptional cases where the impact of a strategic project would thereby be maximised. The responsibility for the correct use of the funding of activities carried out outside the eligible area will remain with one specific project partner inside the eligible area, this partner will be the final beneficiary. The chain of responsibility will be specified in the Grant Offer Letter for each individual project. This means that the member state/Norway, in which the responsible partner/beneficiary is located, is ultimately responsible in cases of irregularities in line with Article 17(3) of Regulation (EC) No 1080/2006.

When should we start activities?

Decisions on cluster projects will probably be taken in May 2012. The formal start date for the cluster (the start of the 18-month run time) will be the date set by the project itself in section 4.3 of the application. A project start after May 2012 could be considered but any delay in starting should not be excessive (no more than 3 months after approval). As with normal projects, the start date for eligibility of expenditure is the date of the formal arrival of the application at the programme.

Can we claim preparation costs?

No. Preparation costs are not eligible for cluster projects.

Are there other eligibility issues we should be aware of ?

Yes. Cluster projects build on the activities of the existing projects. It is therefore very important that you clearly separate the costs in your accounts and records and that there is no question of double-financing. This applies particularly to recording working time for staff working on both the regular project and the cluster. It will be a requirement of the assessment that cluster activities are clearly additional to what is already planned in the original projects' applications.

What are the procedures for reporting and control?

In order to keep administration and costs to a minimum, cluster projects will not be subject to the normal requirement to submit a claim and report every six months. Instead, they will have to submit an activity report in the middle of cluster project's run time and at the end. It will also be possible to submit a claim for payment with the mid-term report but this will not be a requirement: Clusters can instead wait and make one claim for all costs at the end. The date for the midterm report will be set at the time of contracting.

As part of the close working relationship between clusters, the secretariat and National Contact Points during implementation, clusters will be expected to keep the programme regularly updated on activities, progress and especially results as they start to emerge. This will not be a formal procedure but should be regarded as a requirement.