

BaltCF

funding guideline

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Table of contents

- Introduction 3
- Support eligibility 4
 - What kind of problem your proposed activity should address 4
 - What kinds of organization BaltCF can support 4
- Types of funding..... 5
 - Grant funding..... 5
 - Project funding 5
 - Grant writing 7
 - Isolated expense support 8
 - Litigation support 8
 - Transparency projects 8
 - Other forms of support..... 9
 - Project loans..... 9
- The project life cycle 10
 - General remarks 10
 - Communication 10
 - Evaluation..... 10
- Application and approval process 10
 - Concept note 11
 - Application 11
- Funding agreement..... 11
 - Required documents 11
 - Payment plan 12
 - Digital signatures..... 12
- Project phase 12
 - Responsibilities towards BaltCF 12
 - Reporting and payments 13
 - Exchange rate policy..... 13
 - Evidence requirements 14
- Project conclusion 14
 - Small-scale projects and limited co-funding..... 14
- Breach of contract and termination..... 15
 - Amendment policy 16
 - Amendment process..... 16
 - Discontinuation/termination 16

Introduction

The Baltic Sea Conservation Foundation (BaltCF) was founded in 2014 with the aim of supporting environmental and nature protection across the Baltic Sea region.

BaltCF operates across the whole Baltic Sea region. It particularly supports cooperation between NGO's and authorities and funds international projects in the Baltic Sea region countries.

The focus of BaltCF is to create a positive effect on the Baltic Sea ecosystem and its ecosystem functions. This can be accomplished in different ways, and BaltCF aims to provide a broad scope of support to achieve this. The prioritization of topics and applications is done on a case-by-case basis evaluating over-all impact, cost efficiency as well as thematic and geographical distribution of current funding, based on internal strategy documents.

Apart from conducting its own projects, BaltCF funds or co-funds projects conducted by other NGOs, including support for the purchase of land and sea areas for protection purposes and legal action to enforce the implementation of environmental and conservation legislation. We also support monitoring and evaluation activities to verify the positive impact of conservation measures to improve methods and and fact-based decision-making.

Financial support can be given as grant funding or as loans. Combinations of different kinds of support can be arranged. BaltCF also operates to engage or initiate projects or activities with the same goal.

This funding guideline is intended as a structured tool for applicants and partners to guarantee a smooth process from the first project idea to the successful conclusion of the project.

Support eligibility

What kind of problem your proposed activity should address

BaltCF has a broad mission to support nature conservation in the Baltic Sea region and thus is relatively free in its decisions. We therefore fund a variety of undertakings but have defined focus areas and minimum criteria that those have to meet regarding their thematic focus.

As a minimum, applicants need to show that their planned actions will achieve tangible improvements for the ecological status of the Baltic Sea. As a guideline and a minimum standard, BaltCF uses the HELCOM Baltic Sea Action Plan (BSAP). Applicants should thus be able to demonstrate that the proposed activities work towards at least three BSAP actions.

The focus on tangible improvements means that BaltCF does not fund activities that focus on research, awareness raising, political lobbying or public engagement, although all of these aspects can be part of the proposed project or other activity. There are specific exceptions to this further below.

Moreover, BaltCF has defined focus areas for its funding. This means that while contributions to the solution of very different concrete problems can be eligible, BaltCF especially supports endeavours that

- 1) contribute to a reduction of nutrient inputs in order to reduce eutrophication;
- 2) contribute to the conservation or restoration of marine and coastal habitats;
- 3) focus on marine spatial planning and result in the creation, expansion or improvement of protected areas;
- 4) create tangible improvements towards a significant reduction of the impact of fishing practices.

Applicants whose projects fall outside the scope of these focus areas should contact BaltCF early with their idea to check whether an application has the potential to gain funding.

What kinds of organizations BaltCF can support

Eligible beneficiaries include associations, federations, foundations and similar organizations, as well as corporate bodies under public law, actively working in the Baltic Sea catchment area and having a charitable focus similar to BaltCF. A corresponding proof of the status of the applicant must be provided by means of an official certificate or a written description of activities. If applicable, BaltCF will require the statute of the organization.

Only beneficiaries who have submitted a full project application may be granted financing, based on the condition that they comply with the reporting and documentation requirements of BaltCF. Non-German organizations can only receive funds if they provide evidence that their activities comply with the provisions of the German charity legislation. Non-profit organizations whose focus is working for environmental protection usually fulfil these criteria.

BaltCF does not fund commercial projects and for-profit organizations, regardless of the nature of their activities. This means that even if a clear benefit for the Baltic Sea can be demonstrated, commercial impact projects or green startups cannot receive funding in the form of grants. They can, however, approach BaltCF with investment offers or proposals for joint ventures.

Types of funding

Grant funding

BaltCF has defined five types of grant funding. The main one is project funding. Beyond that, BaltCF can also fund grant writing¹, isolated expenses and planned litigations for the foundation's purposes as outlined above. Lastly, BaltCF can fund projects that create transparency about issues critical to the conservation of the Baltic Sea. These five grant types are outlined below, and conditions and eligibility are described for each one.

BaltCF funds - in principle - at most 90% of a project's total budget. This is true for explicit "projects" as well as other kinds of funding, except grant writing (see section "Grant writing"). The suitability of the suggested rate of funding in an application is dependent on the availability of other funding and financial strength of the applicant, and the foundation can apply a different funding rate depending on the evaluation.

BaltCF supports a long-term monitoring of the results or projects and measures, which should be included in applications beyond the end of the project or measure.

Project funding

Projects have a clear start and end as well as goals defined as quantifiable results (e.g. amount of nutrients retrieved, ha of restored habitat, number of people involved). BaltCF is looking for long-term positive impact with its funding and therefore would like to produce measurable results and create sustainable structures with the allocated funds.

BaltCF also can fund the purchase of land or sea areas for conservation purposes, but any such action needs to include measures for the long-term restoration or protection of the area in question. Therefore, land purchases also fall under the project category. Due to the high amounts of investment involved, BaltCF will select such projects very carefully.

BaltCF in principle funds projects with match funding, defining a fixed co-funding rate as well as an absolute maximum funding amount, or with deficit funding, depending on the concrete project.

BaltCF would like to ensure the most effective and efficient use of the foundation's means and strives for synergies and leverage effects with other projects and funding instruments. Applications seeking co-financing for EU- or other publicly and privately funded projects are therefore welcome and encouraged.

Funding covers expenses which occur in direct relation to the execution of agreed activities. This can include staff costs, material costs, external expertise costs, travel expenses, costs for new infrastructure etc. The main cost categories used in planning and reporting are described below. For projects where BaltCF acts as a minor funder, cost eligibility criteria of the main funder will be considered. However, if the activities deviate significantly from BaltCF's cost eligibility criteria, this can be a reason for denying funding.

BaltCF's sustainability policy is applied to all projects and will be part of the funding agreement. This includes the compensation of CO₂ emissions e.g. from travel or the use of heavy machinery, which

¹ Grant writing includes all necessary preparations for a grant application. These can be staff costs for the preparation of the application, external expertise, travel costs for site visits and the like.

BaltCF expects from its partners. The costs for this can be budgeted under the respective cost category.²

<p><i>Cost category: Staff costs</i></p> <p>Staff costs entail actual costs of personnel, meaning salary costs of people working dedicatedly for the project part-time or full-time. The costs include the salary, taxes and social security payments (if directly paid by the project partner) as well as potential salary raises.</p> <p>Only actual spending is reimbursed, and evidence must be provided. Accepted evidence can be approved time sheets, pay-slips, employment contracts and internal staff cost calculations. This category excludes external expertise procured as a service.</p>
<p><i>Cost category: Overhead costs (OH)</i></p> <p>A flat rate of 9% of staff costs is applied. No evidence for these expenses is required. Costs for bookkeeping and accountancy are generally included here, as are costs for general organizational audits that also cover the project. According to our sustainability policy, the OH flat rate can be increased to 10% if the beneficiary can demonstrate that their offices are powered with 100% renewable energy.</p>
<p><i>Cost category: Travel costs</i></p> <p>Travel costs must be directly related to project execution, and include transportation tickets, accommodation costs, per diem costs and costs of using private cars (if justified). Travel expenses and attendance to conferences must be justified for all people included.</p> <p>Only actual spending is reimbursed, and evidence must be provided. This includes paid tickets, mileage documentation, hotel invoices, meals etc. EU per diem rates³ are considered the maximum eligible rate for the total of accommodation, meals, local travel and sundry expenses.</p> <p>If the use of private cars is necessary for the project, BaltCF reimburses a flat rate of €0.25 per km. The amount of km covered as part of the project activities needs to be evidenced and justified, and this will be agreed upon in the funding agreement based on the specifics of the project. Commuting is not considered eligible, neither is the use of cars for travel where using public transportation or other means of transportation are a viable option.</p>
<p><i>Cost category: External expertise and services</i></p> <p>This includes non-product investments such as external expertise provided by a non-project partner, or other services rendered for the realization of the project like construction services, training or external conference fees⁴. If project-specific audits are conducted, e.g. due to requirements by public funding programs, these costs are also eligible. Evidence must be provided in the form of invoices, proof of participation, receipts, or similar.</p> <p>Purchase of services including supply of material are included in this category and do not need to be broken up. E.g. contracting a venue where equipment rental and food is included, or contracting construction works including material.</p>

² Note: The sustainability policy is still being drafted and will not apply until it is finalized and published, unless otherwise explicitly specified in this document.

³ https://international-partnerships.ec.europa.eu/funding-and-technical-assistance/guidelines/managing-project/diem-rates_en

⁴ Contracts for services or the purchase of equipment are subject to the rules of national or European tendering procedures. If contracts are below legally binding tender thresholds, three different offers must be compared for purchases above €10,000.

Cost category: Equipment and material costs

This cost category includes investments in tangible and non-tangible products, such as material, equipment, software, memberships and licenses².

Items that cost €952 or less (incl. VAT) are considered low-value items.

Any costs related to continuous travel belong under "Travel costs", but similar costs for e.g. project vehicles can be included here. Low-value office equipment (including computers and other devices, software licenses, etc.) is generally included in the OH flat-rate, unless the applicant can demonstrate that it needs to be purchased specifically for the purposes of the project.

For products that will partially be used in other projects or in general operations, BaltCF will generally fund the respective share for project use. In case of doubt, the beneficiary has to demonstrate the share of use for the project.

Depreciation will as a general rule be accounted for when purchasing goods (excluding low-value items) with a longer depreciation plan than the project. This needs to be done in line with national and internal rules and referenced with documentation and calculations.

For instances where the long-term effect and project goal is dependent on the existence of a product also after the project, the full amount can be reimbursed. E.g., if the goal of the project is to build sustainable tourism infrastructure or to exchange fishing gear, the costs for these items can be fully reimbursed.

Low value equipment items worn out during the project can be replaced at any point of the project and full costs are considered eligible up to the maximum amount of the respective budget position.

Sustainability is considered when judging eligibility of equipment costs both in budget planning and reporting. See our sustainability policy for reference.

Non-eligible costs

Due to the charitable purpose of the foundation, BaltCF cannot fund activities that generate profit.

Also, BaltCF does not fund expenditures related to fluctuations in exchange rates, fines or financial penalties, costs for legal disputes other than listed below under "Litigation support" or unplanned litigations, nor illegal activity.

Grant writing

BaltCF provides support for the preparation of applications for larger projects. Generally, a project is considered as "large" in this context if the total budget exceeds €250,000. As a general guideline, grant writing applications are not expected to exceed €10,000 as the foundation allocates a limited amount of funding for this kind of support. The amount is adapted to each application based on the criteria outlined below. The funding is provided as a lump sum upon submission of the application, and BaltCF does not fund already submitted applications. A prepayment can be agreed on but will be reclaimed in case the beneficiary does not submit the application.

The amount of funding is based on the type of call aimed for, the complexity of the consortium and the readiness of the application. Also, BaltCF looks at the competitiveness of the application as well

as the potential to create nature conservation benefit in comparison to other applications to the call. For example, compared to an application for a dedicated nature conservation program (e.g. LIFE), an otherwise identical application for grants that are not dedicated to nature conservation (e.g. INTERREG) will be evaluated more positively, because this has the potential to increase the overall amount of funding for nature conservation purposes.

A specific application template for grant writing support is available on the website. It includes a project idea description, application call description, a timeline and activity description for the application preparation and a justification of the applied for funding amount for the grant writing (e.g. consortium complexity, unforeseen additional costs connected to application preparation, etc.). If other grant writing support is received, this has to be declared.

Isolated expense support

Isolated costs that are not a full project can be covered by BaltCF if there is a clear impact of the purchase. This can for example be the purchase of equipment to be used for a specific measure and which is key to achieve relevant effects for the Baltic Sea ecosystem, but where the implementation itself does not need funding. This also means the expense cannot be part of general operations. There is no official template for the application, but a request is sent to the project coordinator explaining the inquiry, and the process will go from there.

Litigation support

To a limited extent, BaltCF can also support litigation to prevent environmental degradation or improve environmental conditions (compensatory/restoration measures). Any such project needs to meet the following criteria:

- The intended lawsuit needs to be aimed at achieving improvements in line with BaltCF's goals. Possible scenarios include lawsuits aimed at forcing authorities or private actors to obey existing environmental/conservation legislation (if demonstrably ignored), challenging concrete political, administrative or court decisions that would cause ecological damage contrary to BaltCF's goals if implemented, or challenging laws and regulations with respect to higher-ranking legal acts like national constitutions or EU law.
- The applicant needs to demonstrate that the planned costs of the lawsuit are necessary and justified. This includes showing that all other possible alternatives have been exhausted and that all possibilities of reducing the costs have been considered and applied (e.g. trying to find pro-bono legal representation). The intended lawsuit needs to be consulted with a lawyer who has relevant qualifications/specializations, is not involved in the lawsuit otherwise and confirms it has a reasonable likelihood of success.

All costs arising from and in connection to the litigation are covered, e.g. legal expertise, court fees and other costs if the case is lost, etc. If the case wins and reimbursements are given from the defendant or other third parties, BaltCF reserves the right to get reimbursed for its expenditures.

Transparency projects

Transparency projects are projects whose output is not a concrete nature conservation benefit, but more transparency about issues that are relevant for the Baltic Sea ecosystem. This can be

investigative projects that aim to uncover critical information (e.g. previously unknown illegal activities by businesses or governments which have a negative impact on the Baltic Sea), or projects that use already existing data and aggregate them into a form that creates new and relevant insights, using maps, rankings or other forms of presentation. This support is not aimed at purely scientific projects, ongoing activities (like updating already existing publications) or general awareness-raising and public outreach. The goal is to create new informational groundwork relevant for the protection of the Baltic Sea.

Applicants who would like to do a transparency project should first contact BaltCF's HQ in order to ascertain whether their idea is suitable and whether there is still funding available. BaltCF reserves limited funding for this kind of project.

Other forms of support

Project loans

In exceptional cases, BaltCF can support projects that fit into BaltCF's funding criteria by granting zero-interest loans to NGOs who successfully have gained funding for larger projects from programs that apply the reimbursement principle but find themselves unable to advance the costs.

Any such loans should be consulted with BaltCF already in the application phase of the project, as even a successful financing of a project fully compatible with BaltCF's goals is a precondition, but no guarantee for a loan agreement. Loans are compatible with simultaneous funding by BaltCF.

Applicants need to provide a short description of the project on our concept note form (pre-application), hand in the application to the main funder, proof of their non-profit status as well as their statute, and evidence that advancing the costs exceeds their financial abilities. This is evaluated using the same criteria as for project concept note evaluations, e.g. the connection to BaltCF's goals, the estimated impact and the beneficiary's ability to deliver, as well as their ability to pay back the loan.

As BaltCF's abilities are limited, loan requests may be declined even if all criteria are met. We therefore recommend consulting with BaltCF about this possibility as early as possible.

The project life cycle

All projects need to have clear and defined project goals with clear and measurable indicators. These are followed up at the end of the project to receive the final payment. Activities, measures, work packages and sub-goals lead up to these project goals and can be subject to interim payments after project reporting. The formalities and timeline of the project process are outlined below.

For small-scale projects or limited co-funding, where BaltCF is asked for less than €25,000, the process is a bit different, and described in the section “Small-scale projects and limited co-funding”.

General remarks

Communication

We believe that good and timely communication from the very beginning is helpful to improve mutual understanding and avoid misinterpretation. Also, pictures, graphs and maps support a better understanding of concept notes, full proposals, reports or amendments. Field visits might as well be an appropriate measure to understand and evaluate proposals and ongoing projects.

In case of problems with implementing and/or delivering project results we would like to be informed as soon as possible to enable potential adjustments regarding the project implementation (see amendments).

Evaluation

BaltCF strives for a transparent and objective selection of projects. For this purpose, BaltCF developed its own selection criteria, according to which every project is uniformly assessed. Selection criteria priorities vary, based on the current portfolio and funding breakdown. BaltCF always judges concept note/application quality, cost efficiency, the estimated ability to deliver, as well as the overall impact on the Baltic Sea environment in the short and long term.

During the selection procedure, BaltCF can involve its Project Advisory Committee (PAC) for the evaluation of projects.

BaltCF can also base concept note and application evaluations on previous experience with the applicant.

Application and approval process

Project concepts can be sent to the BaltCF office at any time. The project application, including complementary documents, need to be drafted in English language. If some documents are not available in English, a translation is needed. This can be achieved using good translation software and does not have to include an official translator as a person; however, the applicant is responsible for the correct content of the English translation. All documents submitted should be sent digitally, and in case of complementary documents being sent as scans, these should be in a machine-readable format (OCR scans or equivalent).

Concept note

Applicants first present their project idea in a project concept note. We encourage applicants to contact us for setting up a first video call to discuss the idea in general before filling in the template. The template for the concept note is available at the website. The concept note is filled in and sent to applications@baltcf.org. It is then evaluated by the foundation, and an answer can be expected within 3 months. In case of a positive evaluation of the project concept, an invitation to submit a full application is sent to the applicant together with the evaluation, a project code and, if applicable, requests for changes or clarifications. Upon receiving an invitation for an application submission, a full application should be submitted within 3 months if not agreed otherwise.

An invitation to submit a full application does not entitle the applicant to funding.

Application

The full application is similar to the concept note, but additional information, descriptions or elaborations can be requested from the latter's evaluation. Also, other supporting documents such as letters of support from project partners or authorities, images, maps and the like can be requested. The application form and the appendix templates (elaborated budget and timeline templates) can be downloaded on the website.

The budget should estimate expected costs as closely as possible, and calculations or other supporting material for these estimates should be provided. The budget is followed up through the project and is the basis for interim payment planning. Deviations of more than 10% of a cost category will require justification. If a budget is not followed without adequate justification, BaltCF can decide to reduce funding accordingly (also see Breach of contract and termination, page 12).

The application is evaluated by the foundation, and an answer can be expected within 3 months. It may be possible that BaltCF will schedule a site visit before making the final decision. In case of a positive evaluation further instructions will follow to prepare a funding agreement.

Funding agreement

The funding agreement is the legally binding contract between BaltCF and the beneficiary. It needs to be signed by a person that is authorized to legally represent the applicant and contains all rights and obligations of the parties toward each other.

The project application, including the budget and time plan, as well as these funding guidelines and BaltCF's sustainability policy are annexes to and thus binding parts of the funding agreement. The agreement may contain additional provisions deviating from the standard agreement.

Required documents

Before the funding agreement can be signed, the applicant is required to submit a number of documents. These are outlined in the Checklist for Applicants available on the website and sent with the application approval.

Payment plan

Applicants suggest a suitable funding plan before the agreement is signed. The plan should mirror the budget, and in the case of spending deviations BaltCF will adjust the payments to reflect occurred spendings. Amendments to the payment plan can be made during the project time.

Beneficiaries can request an advance payment before the project starts to ensure liquidity until the next planned payment. This can amount to a maximum of 10% of the total funding.

The final payment should amount to no less than 10% of the total funding and is paid upon the approval of the final report.

Digital signatures

BaltCF uses digital signatures for all agreements. Generally, funding agreements are signed using SignMe⁵, an accredited remote signing service provided by D-Trust⁶ and recognized as legally binding. Information on the procedure is provided upon application approval. If the legal representative of the applicant already has a qualified electronic signature from a different trusted service provider, this can be used. Otherwise BaltCF will cover the costs for registration and identification with SignMe. The account can then be used for digital signatures for two years.

Project phase

Responsibilities towards BaltCF

The beneficiary is required to name a project manager responsible for the project. This person is expected to aid the cooperation between the foundation and the beneficiary by ensuring the partner organization's part of the funding agreement is fulfilled, e.g. by submitting the required reports on time, informing about project changes or risks as soon as possible, responding to inquiries and supplying requested information or material in a reasonable time.

At the start of the project, a digital or physical kick-off meeting will be held in order to clarify the details of cooperation.

All purchases, products and publications, as well as educational and stakeholder activities carried out in the framework of the project, need to include appropriate reference to the funding support provided by the Baltic Sea Conservation Foundation. This includes displaying BaltCF's logo.

Beneficiaries are obliged to save all project bookkeeping and evidence for the project results for a minimum of ten years. In case of an audit this might be requested by the foundation.

The foundation expects the beneficiary to document the project's progress with photo material, minimum 5 photos per year and if possible, with short film material (interviews, stakeholder statements, implementation of project activities). Simple references to the partner's website or social media accounts do not suffice as evidence.

The photos need to be suitable for use in social media, on the website and for publications. Photos must be submitted in an original photo format (e.g. jpg, jpeg, raw, or similar) without alterations (e.g. effects, logos or text) in a good enough quality to use for a full-page publication (minimum height

⁵ <https://www.sign-me.de/>

⁶ <https://www.d-trust.net/de>

4,000px). BaltCF is authorized to publish the projects' contents and results as well as the photos provided on its website, social media and in other publications and promotional material. It is the beneficiary's responsibility to designate any photos and other material that should not be published, especially regarding the consent of people depicted on the material. Otherwise BaltCF will assume that there are no restrictions and hold the beneficiary responsible for any liabilities that incur due to the use of the material.

BaltCF aims to visit each project at least once during the project duration. Projects should try to accommodate this when requested. For project events such as result disseminations, kick-offs or closing events, BaltCF expects an invitation.

These general and specific responsibilities are included in the project agreement. Failure to fulfill these obligations can lead to reduced funding (see "Breach of contract and termination").

Reporting and payments

BaltCF has responsibility for following up effect and/or expenses and must be able to show the funding is used according to its statutory purposes. Also, as costs are reimbursed based on actual expenditure, this evidence has to be provided. Therefore, beneficiaries are requested to submit status updates bi-annually. These include a financial report with evidence of incurred expenses, and a progress report describing the project development. Templates for reporting are provided upon project approval.

Payments are possible according to the payment plan after approval of the report, but only if at least 80% of the planned amount for the previous reporting period has been spent. Exceptionally, and in case of high investment spending, payment requests can be granted more often. Cost shifts of up to 10% in each cost category are possible during project implementation. Larger deviations need to be justified and authorized by BaltCF in advance. Once a payment has been received, BaltCF wants a confirmation via email with a bank statement showing the successful transfer.

If BaltCF acts as a co-funder to a larger project the aim is to streamline with other reporting to the main funders and as far as possible.

If the activities cannot be carried out according to the plan, BaltCF must be informed by email as soon as possible. If needed, a project amendment can be requested to manage the changed circumstances, e.g. by changing the time plan, the budget or the activity plan. This must be approved by BaltCF, see more under "Amendment policy" and "Amendment process".

Exchange rate policy

Projects are funded in euro and financial plans and reports need to be converted to euro with a clear conversion rate reference. BaltCF uses the European Central Bank reference exchange rate.

For reporting, all expenses are converted based on the average exchange rate for the reporting period. If BaltCF acts as the co-funder of a larger project, the exchange rate used by the main funder is used.

Generally, each project partner is expected to be able to cope with changing exchange rates. If a project experiences significant budget overshoots due to changing exchange rates, and these

overshoots can't be covered by the partner, a loan from BaltCF can be arranged to cover these costs. In exceptional cases, a budget amendment can be applied for.

For isolated expense funding, the exchange rate at the time of purchase applies.

Evidence requirements

BaltCF funds must be used in an economically responsible manner toward the goals outlined in the approved application. Therefore, interim reports must contain evidence for occurred expenses as well as evidence for reported achievements. Example of needed evidence can be found in the breakdown of cost categories in the section "Project funding". If the project has a third-party main funder, approvals of financial reports to this main funder are requested together with the report to BaltCF.

Evidence of reported achievements and results is equally important, and it needs to provide support for the progress report. In the application, each activity has an objective with an indicator, and this indicator will be followed up and require evidence. This can include for example signed agreements, procurement documents, technical documentations, reports, attendance lists, invitations, photos, maps or raw data, depending on the type of result. If evidence for achievements is not provided, BaltCF can declare the activity as not achieved and reduce funding accordingly. If indicators need to be changed, an amendment can be requested.

Project conclusion

The final report follows a different template, which can be downloaded from the website. It contains an overall project achievement evaluation, as well as a requested list of main deliverables and results achieved.

Small-scale projects and limited co-funding

In case the funding requested from BaltCF is less than €25,000 (no matter if BaltCF is the main funder or provides co-funding for a larger project), the procedure is as described above, but with the following deviations:

- No concept note is necessary. Instead, the dedicated Simplified Application Form is to be used, and the decision will be a one-step procedure. However, we still encourage applicants to discuss their idea with our HQ before submitting an application. In case BaltCF acts as a co-funder, the application to and approval by the main funder needs to be included.
- No interim financial reports are necessary. BaltCF can grant a pre-payment of 10% of the entire funding amount. The rest will be reimbursed after a final report has been submitted and accepted.
- However, BaltCF will still expect bi-annual activity status updates on the project.
- In case BaltCF acts as a co-funder, beneficiaries can hand in the interim reports to the main funder as status updates. The final report, composed of an activity and a financial report, BaltCF expects to be handed in by use of the provided BaltCF templates.

Breach of contract and termination

In case of any problems with the project implementation, it is the policy of BaltCF to find the best possible solution together with the beneficiary to achieve the desired outcome or, if that turns out to be impossible, an equally desirable one. This can be done via changes in the activity plan, budget, or specific goals of the project. BaltCF will always consider the specific situation of the partner in question.

In order to do this, it is important that BaltCF be informed about delays, problems and impediments as early as possible. In case of such issues, the beneficiary is urged to contact BaltCF as early as possible. If BaltCF learns about substantial deviations from the project plan only after the fact, this greatly reduces our ability to adapt and help. Therefore, this can be interpreted as a violation of the contractual obligations on the part of the beneficiary.

In this case, BaltCF reserves the right to refrain from any support to the project or parts of it as stated in the funding agreement. Violations include inability to provide proof of results or expenses, inability to meet reporting deadlines, changes of project set-up or goals without approval, changes in project budget (such as addition of funding from other sources) without notification of BaltCF or other situations covered by the funding contract.

BaltCF will always aim to come to a mutual agreement in the case of inability to fulfil the contract. If the beneficiary informs about an inability to fulfil the contract, an amendment will be prepared. If the beneficiary fails to inform the foundation about this beforehand, this is considered a breach of the contract.

A minor breach is a violation of the contract that does not have significant impact on the attainment of the goals agreed upon or BaltCF's support. Minor breaches will not have immediate repercussions. If it occurs twice within a reporting period or more than twice in a longer period BaltCF will decide about consequences which are judged from the breaches combined.

A significant breach is a violation of the contract that leads to a change in results or BaltCF's funding share, or BaltCF's ability to make informed decisions because necessary information has been withheld, including in the application stage. This will have immediate repercussions depending on circumstances. Multiple significant breaches during the project will result in stricter judgements of repercussions taking previous breaches into consideration.

If critical information has been withheld in the application stage, and BaltCF would not have approved the funding if it had been aware of that information, BaltCF considers this fraud and reserves the right to immediately terminate the project and reclaim the full funding paid out so far.

If a breach is judged to result in effects that go against BaltCF funding guidelines or to make the extent of support seriously questionable, BaltCF will immediately stop planned support and, if applicable, require previous funding to be returned.

If an immediate repayment of funds were to result in the beneficiary being put in clear financial distress, an alternative solution will be arranged. BaltCF will always keep the beneficiary's financial sustainability in mind.

Amendment policy

In case a change in the project budget, time or scope is needed, a project amendment is sent to BaltCF for approval. Project amendments are judged based on

- the budget and effect in comparison to the original plan,
- the risks if a change is not made,
- necessity or extra positive effect,
- connection to the original project goals,
- clarity in description and plan.

BaltCF appreciates necessary amendments as it makes monitoring easier and increases trust in the partner, and as the priority for the foundation is to enable the achievement of planned goals.

More than one amendment per project can be approved and there is no upper limit, but sending in more amendments than necessary is strongly advised against. The foundation will take previous amendments into consideration when judging new amendments.

Amendment process

An amendment contains an official request for the amendment, a description of the required required and the reasons why they are necessary, together with an updated time and budget plan. The amendment is evaluated by the foundation and approved or rejected. An approval can be connected to conditions, which must be agreed on by both parties before the amendment can enter into effect. A rejection includes reasoning and explanations from the foundation's side. A second amendment can be sent in based on the evaluation. At most two rounds of amendment requests can be sent in per initiation. After this, the beneficiary can choose to terminate the project.

Discontinuation/termination

BaltCF does in principle not initiate termination of contracts unless a breach of contract is evident.

A termination is initiated by the beneficiary by a written statement with an explanation for the termination. If the reason is appropriate a final report is submitted and calculation of eligible costs and received grants will be done by BaltCF. If part of the goals or purpose has already been achieved, these are considered eligible for support. Terminations cannot be retroactive.

Beneficiaries terminating the contract without an appropriate reason are not fulfilling their obligations according to the contract and are subject for a partial or complete repayment of received grants. The procedure for significant breaches to the contract will be followed.