

Interreg - IPA CBC

Greece - Republic of North Macedonia



INTERREG IPA CBC Programme

Greece – Republic of North Macedonia 2014-2020

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Project Implementation Manual Applicable to all Calls

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Abbreviations

AA	Audit Authority
CA	Certifying Authority
CP	Co-operation Programme
TP	Thematic Priority
CBIP	Cross Border Info Point
IPA II	Instrument for Pre Accession II
ETC	European Territorial Cooperation
EU	European Union
FLC	First Level Control
GoA	Group of Auditors
ICT	Information and Communication Technology
JMC	Joint Monitoring Committee
JS	Joint Secretariat
JoB	Justification of budget
LB	Lead Beneficiary (Lead Partner)
MA	Managing Authority
MCS	Management and Control System
NA	National Authority of the IPA Beneficiary Country
NGO	Non-governmental Organizations
PA	Priority Axis
PP	Project Partner (beneficiary)
R&D	Research and Development
SME	Small & Medium Sized Enterprises
SO	Specific objective

Introduction

This Project Manual is the main reference document for the development of a project proposal and the implementation of a project. The other main reference document is the approved Cooperation Programme.

The Project Manual provides guidance throughout the whole project lifetime: It covers the preparation stage of the project proposal and the implementation stage of the projects selected for funding.

The Project Manual, the Programme Manual and the Cooperation Programme are complementary and should be studied carefully prior to submitting a project proposal.

1. PROGRAMME PRINCIPLES

1.1 Horizontal Principles

Project proposals should consider the horizontal principles of sustainable development, equal opportunities and non-discrimination and equality between men and women in their activities, outputs and results.

Projects should consider what their overall influence regarding these principles is. Projects should highlight in the application form how these horizontal principles are reflected in project activities and outputs.

Further indications on the above principles can be found in Section 6 of the CP.

1.2. Programme Specific Principles

1.2.1 Durability of Results

Projects represent a considerable investment. Public funds are committed and therefore the long-term sustainability of the investments is important. Therefore, throughout the duration of the project, the beneficiaries need to consider how the investments will be maintained, developed and made use of after the end of the project. This should be built in and distinctly reflected in the project proposal.

1.2.2 Joint character of projects

The collaborative character of the activities is a fundamental aspect of the projects. Proposals shall deliver joint activities and explain the additionality of the cross border cooperation compared to national or regional approaches.

1.2.3 Ownership

The capacity building of the beneficiaries is a main goal of the IPA. Active involvement of the beneficiaries should be envisaged. It is expected that external assistance is to be kept at a low to medium level. The relevant allocated budget must be justified in detail.

1.3 Partnership

1.3.1 Partnership Composition

According to Article 39 of IPA II Implementing Regulation, selected operations shall involve beneficiaries from both participating countries, provided that cross-border impacts and benefits are identified. Beneficiaries shall cooperate in the development and implementation of operations. In addition, they shall cooperate in either the staffing or the financing of operations. Each project must follow the lead beneficiary principle. This means that, among the beneficiaries who carry out the project, one is appointed to act as the Lead Beneficiary (LB) and thus holds the formal link between the project and the Joint Secretariat/Managing Authority (in accordance with Article 13 of the ETC Regulation (EU) No 1299/2013).

Projects are expected to establish long-lasting links within the eligible area while resulting in a clearly improved situation for the issue they address.

Based on experience, a partnership between 4 to 5 beneficiaries appears to be the best configuration to ensure efficiency. The complexity of managing a large partnership must not be underestimated.

1.3.2 Eligible project beneficiaries and legal status

In principle, any organization relevant for the project and actively participating in the project can be part of the partnership. However, only certain organizations are eligible to receive EU funding. The following bodies are eligible in the IPA II CBC projects:

- Public authorities (national, regional, or local authorities)
- Public law bodies (bodies governed by public law)
- Private non-profit bodies

- International Organisations

1.3.3 The role of the lead beneficiary

As stated above, each project must follow the lead beneficiary principle. This means that, among the beneficiaries who carry out the project, one is appointed to act as the Lead Beneficiary (LB) and thus holds the formal link between the project and the joint secretariat/managing authority (in accordance with Article 13 of the ETC Regulation (EU) No 1299/2013). The LB assumes responsibility for the implementation of the entire operation. In doing so, the LP takes on the responsibility for management, communication, and co-ordination of activities among the involved beneficiaries. The LB may be any entity participating in the Interreg IPA CBC Greece – Republic of North Macedonia Programme. Similarly, all types of eligible bodies may be a LB in an IPA II CBC project. The LB:

- signs and submits the application form on behalf of the partnership,
- signs a subsidy contract with the managing authority for the total amount of the subsidy,
- is responsible for the division of tasks among the beneficiaries involved in the project and ensures that these tasks are subsequently fulfilled in compliance with the application form and subsidy contract,
- lays down the arrangement for its relations with its beneficiaries in a project partnership agreement comprising, inter alia, provisions guaranteeing the sound financial management, including the arrangements for recovery of amounts unduly paid.
- ensures an efficient internal management and control system,
- ensures that the project reports on time and correctly to the joint secretariat,
- ensures that the expenditure reported by all beneficiaries has been incurred from implementing the project and corresponds to the activities agreed upon by all the partners, as described in the subsidy contract
- ensures that the expenditure presented by other beneficiaries has been verified by a controller, in accordance with Article 23(1) of the ETC Regulation.
- requests and receives payments of programme funding and transfers programme funding to the beneficiaries without delay.

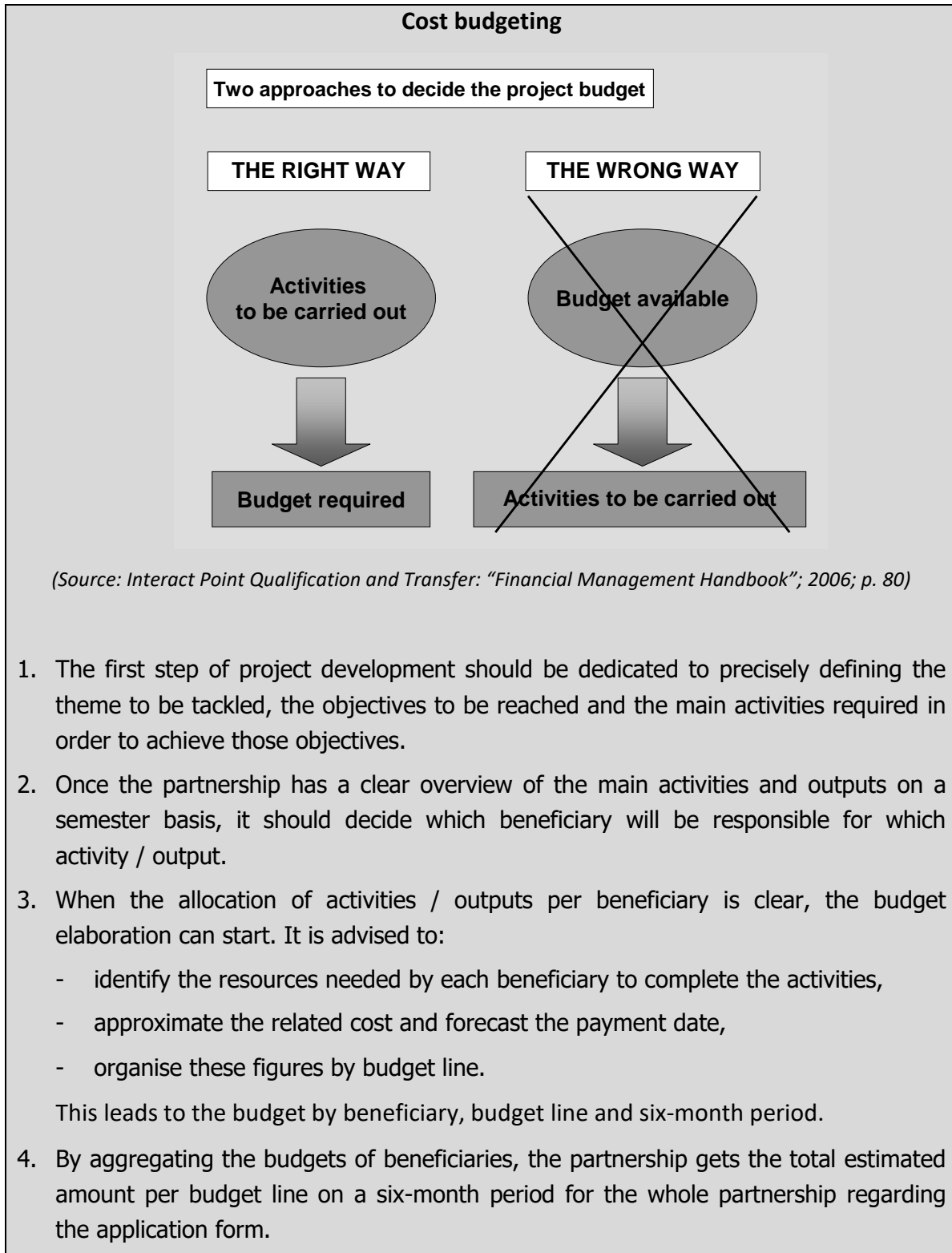
The LB assumes the overall responsibility for the project towards the managing authority. In order to fulfill its duties, the LB needs to appoint a dedicated Financial Manager and a dedicated Project Manager. It can be the same person with both tasks, financial and project

management tasks. The Project Manager must always be a permanent staff member of the LB organization or employed throughout the Project's lifetime with that particular intent beforehand. Through the project partnership agreement, project beneficiaries are held responsible and liable for their part of the project implementation towards the LB. This implies that in case of irregularities committed by a beneficiary and leading to a financial correction, the LB is liable towards the managing authority for the related funds, based on the subsidy contract and the project beneficiary towards the LB based on the partnership agreement. In case the LB does not succeed in securing repayment from the concerned project beneficiary or if the managing authority does not succeed in securing repayment from the LB, Article 27 of the ETC Regulation (EU) No 1299/2013 applies.

1.4 Building a project budget

It is important that projects consider financial issues from the very beginning. This approach requires the involvement of all beneficiaries in the preparatory work and planning meetings during the development phase of the project application. Time invested prior to the submission of the application results in strong partnerships with clear responsibilities and well justified budget allocations. Good preparation is fundamental to ensuring a prompt start to the project's activities after approval, as well as smooth project implementation thereafter.

It is certainly useful to estimate the funds potentially available and to take into account the recommendations for a reasonable project budget. The overall budget has to be in line with the activities planned, the project's duration and the number of beneficiaries involved. This implies that the detailed budget is always prepared on the basis of the activities needed to meet the project's objectives and the resources required to carry out these activities within the time allowed.



2. PROJECT IMPLEMENTATION MANUAL

The Project Implementation manual includes information about:

- ✓ Application Guidelines
- ✓ Eligibility guidelines
- ✓ Communication Strategy
- ✓ Justification of budget
- ✓ Contracting of a Project Proposal
- ✓ Reporting procedures
- ✓ Progress report guidelines
- ✓ First Level Control
- ✓ Payments /cash flows
- ✓ Project modifications
- ✓ De-Commitment of funds on project level
- ✓ Complaint Procedures

The Project Evaluation Procedure and the Procurement Manual are presented in separate manuals.

Attention: All information related to the projects' submission procedures, the development of a project idea/proposal, the submission of the Application form in the MIS and the evaluation procedure are provided in the Project Application Pack of each Call.

2.1 Application Guidelines

This guide provides the lead beneficiaries participating in Calls for proposals of the Interreg IPA Cross-border Cooperation Programme "Greece - Republic of North Macedonia 2014-2020" with basic information needed in order to fill in the Application Form (AF).

The requirement of submitting an Application Form duly filled in according to the instructions provided is one of the formal criteria used for project evaluation. Applicants, therefore, are strongly recommended to carefully read and follow these instructions.

In addition, applicants must NOT change structure of the requested documents.

- Please fill in the Application Form electronically, correctly and completely by using the MIS.
- The Application Form must be completed in English.
- The Application Form must be uploaded on the MIS submitted by the legal representative .

The AF consists of seven sections describing in detail the project proposal. Information about the proposed project must be accurate and correct.

The screenshot displays the 'Application Form ETC - View' interface. At the top, there is a blue header with the text 'ETC'. Below this, a navigation bar contains a right-pointing arrow, the title 'Application Form ETC - View', and four buttons: 'Save', 'Validation', 'Print', and 'Previous Page'. The main content area is divided into a sidebar on the left and a main panel on the right. The sidebar lists sections 2.1 through 2.6, each with a plus icon and a label: '2.1 Project', '2.2 A. Project Identification', '2.3 B. Detailed Description', '2.4 C. Partnership', '2.5 D. Budget', and '2.6 E. Result and Output Indicators'. Below these are 'Attachments (1)' and 'History'. The main panel shows the 'Project' field with a redacted value, 'Version' with a redacted value, and 'Submission deadline' with a redacted value. At the bottom of the sidebar, there is a 'Beneficiary comments' field.

While filling in the AF the applicants should take into account the character limits set.

In case a project proposal is approved, the AF submitted is annexed to the subsidy contract between the Managing Authority and the lead Beneficiary. It is pointed out that compliance with the provisions of the contract is the responsibility of the Lead Beneficiary, while non compliance with such provisions may lead to the withdrawal of financing.

All the sections of the Application Form must be filled in by the Lead Beneficiary.

Application Form Sections

A. Project Identification

- This section provides significant information, such as Title and Acronym of the project the Axis and specific objective selected and a brief summary of the project. Please give a short overview of the project in the style of a press release and describe:
 - The common challenge you are jointly tackling in your project;
 - The overall objective of the project and the expected change your project will make to the current situation;

- The main outputs you will produce and who will benefit from them;
- the approach you plan to take and why is Cross-border approach needed;
- what is new/ original about it;
- What is the added value;

B. Detailed Description

This section provides information concerning the location of activities.

C. Partnership

This section provides information about the formulation of the partnership. Be aware that in order to enter a partner beneficiary he must be registered in MIS with a body Code. If the beneficiary is not yet registered please contact the JS for instructions.

By entering the Body Code most of the information needed is filled automatically. In case the information is not correct or needs an update contact the JS for assistance

D. Budget

This section provides all information regarding the Budget

The LB must enter information regarding

- Budget per work packages and deliverables
- Budget annual allocation
- Budget allocation per budget line
- Projects financing
- Budget per beneficiary

E. Result and Output Indicators

Beneficiaries must select indicators and define their values

Type of Indicators:

Outputs are tangible and visible results or products relating to project activities. Outputs are quantified through the use of indicators. Expected project outputs will contribute to the aims of the specific Priority and / or Measure.

Results refer to the immediate impacts derived from the project implementation. Project results must refer to the objectives of the specific Priority Axis and / or Measure. Results are quantified through the use of indicators. At least the indicators set out in the Programme must be used.

Indicators: The output/ result indicators defined in the Programme for the specific Priority Axis are filled in automatically and based on the table below.

Unit of Measurement: Output/ result indicators are measured in physical. The measurement units of the predefined output indicators are automatically filled in based on the information provided above.

Target: Please specify the targeted value of each indicator.

F. Check List for Submission

Please check this section when finished

G. Attachements

In this section you must check and upload the documents requested by the call

The following documents must be uploaded

- Detailed Description of the AF (xls file)
- Co-financing statements signed and stamped by all beneficiaries (standard form provided)
- The Declaration of not generating revenues signed and stamped by the Lead Beneficiary (standard form provided). In case of a revenue generating project, a cost - benefit analysis should be included.
- A State Aid Declaration (for Member State Partners)
- Decision of the governing/designated body of each project beneficiary (Regional Council, Municipal Council, Board of Directors etc.) stating its agreement for participation in a particular project, according to the internal rules/statute of each beneficiary or the national legislation.
- A justification of budget costs, officially signed and stamped by the Legal representative of the Lead Beneficiary (standard excel form provided)
- Eligibility documents (if needed, beneficiaries already participating in projects of the 1st call don't need to submit such documents.)
 - o For bodies governed by public law (of Article 7.1.b above), official documents proving that the requirements of the article 7.1.b of this call are met. In case

the nature of the public body is not clearly derived from the submitted documents, the Joint Secretariat may request additional documentation for clarification.

- For private organizations (of Article 7.1.c above):
 - Statutes including all modifications
 - Official financial statements (e.g. Balance Sheets, Profit and Loss Account or its equivalent) or documents indicating the sources and uses of the body's revenues during the year preceding the submission of the project proposal. For IPA partners, the Central Register is the competent public institution for issuing the required documents.
 - Declaration for the non-distribution of profits signed and stamped (standard form provided).
 - Any official document certified by a public administration authority proving that the organization operates for at least one year before the launch of the specific Call for Proposals. For IPA partners, the Central Register is the competent public institution for issuing the required document.
- For Infrastructure Projects, beneficiaries are advised to include the relevant accompanying documents (building permits, a compliance assessment report, licenses, Bill of Quantities and Cost signed by the respective body, a document certifying the land/building ownership or documentation of transferring the operation rights for the period of 5 years after the end of the project, environmental impact assessments etc., if applicable).

In addition to the above, the Lead Beneficiary from the Republic of North Macedonia must submit:

- The Legal Entity Form (standard forms provided for public or private entities). The Legal Entity Form must be duly completed, signed and stamped by the IPA Lead Beneficiary.
- The Financial Identification Form (standard form provided) duly signed and stamped, and accompanying documents if applicable. The bank must be located in the

Republic of North Macedonia.

The file "Detailed Description of the AF" provides a detailed description of the project idea, specific problems of the target groups to be addressed and objectives, its structure (activities, deliverables etc), the role of Beneficiaries, the management of the project etc.

This section is divided into eight sub-sections:

- ✓ B1 Project Identification
- ✓ B2 Methodological Approach
- ✓ B3 Management
- ✓ B4 Information and Publicity
- ✓ B5 Maturity of the Project
- ✓ B6 Sustainability of Results
- ✓ B7 Cross-border co-operation and added-value
- ✓ B8 Compatibility with EU and National Policies
- ✓ B9. Synergies
- ✓ B10. Logframe

B1. Project Identification*

This section describes how the project idea was developed and what are its objectives and expected results. This section contains the following fields:

B1.1 Background and history of the project (problems/ challenges to be addressed/ target groups)

Please provide a brief description including the following:

- Describe how the project idea and the partnership were developed
- What are the common Cross-border problems and challenges that will be tackled by the project? Describe the relevance of your project for the programme area in terms of common challenges and/or joint assets addressed.
- What is the project's approach in addressing these common challenges and/or joint assets and what is new about the approach the project takes? Describe new solutions that will be developed during the project and/or existing solutions that will be adopted and implemented during the project lifetime and in what way the approach goes beyond existing practice in the sector/programme area/participating countries.
- Which are the main target groups? Describe who is benefiting (e.g. Beneficiaries, regions, end-users etc.) from the project and in what way. In this section you must

provide a brief description on how the project idea and partnership were developed, if the partnership has relevance and competence with the achievement of project objectives and results, and how the beneficiaries were involved in developing the project proposal.

In addition, please describe the reasons for which the proposed project is necessary, as well as the specific problem(s) of target groups, and/or opportunities not currently met that the project will address and challenges that will face.

You must indicate the reasons for which the project will be best implemented under the IPA INTERREG CBC programme between the partner countries

In this section the applicants must describe the target groups and provide clear evidence that there is a sufficient demand for the proposed project to be implemented. This will demonstrate that the project idea is based on the understanding of what the real benefits for the local population and the real impact on the area. The applicants may refer to the Programme SWOT analysis and Objectives, as well as to the relevant chapters of the Manual, in order to better describe the project's background. The maximum number of characters allowed in this field is 4500.

B1.2 Objectives of the Project

Please describe the overall objective of the project, how it links to the programme's specific objective. Apart from the overall objective you must define also the sub-objectives of the project. The maximum number of characters allowed in this field is 2000.

B1.3 Expected Outputs (tangible and visible results or products relating to project activities):

Please describe the project's main outputs that will be delivered based on the activities carried out in the project. Please provide a short explanation on the defined specific objectives and their link with the project main outputs. Describe your project's main output and its contribution to the main objective.

Outputs are tangible and visible results or products relating to the project activities and objectives. **Expected project outputs** are the means to achieve the Project's (as well as the Programme's) objectives. These results should include the description of the output indicators that will be described and quantified in Section F – Output Indicators.

Examples include: networks set up between cities, studies, databases etc. The outputs described here should also be logically connected (be either a logical combination or be

identical with) the basic project deliverables listed in Section D – Budget, of the Application Form, in a way that it gets obvious to the reader what are the expected outputs through which the project meets its objectives. The outputs will also have to be connected with the indicators described in the respective section (SECTION F. INDICATORS). The maximum number of characters allowed in this field is 2000.

B1.4 Expected Results (direct and immediate effects resulting from the project)

Please describe the project's results, their contribution and link (if applicable) to the result indicators of the Programme (SECTION F. INDICATORS). The direct and immediate effects resulting from the project must also be clearly stated, highlighting the importance of the project for the cross border area. Additionally, the applicant may describe the innovative character of the expected results or clarify the added-value of the results compared to the achievements of previous experience (in case of a project follow-up). The maximum number of characters allowed in this field is 2000.

Note: The project should have identifiable and measurable targets so that its progress can be monitored and evaluated in a way that ongoing consistency with the objectives of the Programme may be achieved. In case of failure in meeting the objectives, financing may be suspended; therefore targets presented should be specific, measurable, achievable and time based. A clear link between planned outputs, results and objectives to achieve must be demonstrated.

B.2 Methodological Approach*

This section provides an analytical overview of the project's implementation methodology (activities, their combination and sequence, responsibilities etc.). The methodology must clearly show a common and team-oriented manner of work between beneficiaries. This section contains the following fields:

B2.1 Project Methodology/ Roles – Tasks of Beneficiaries

Please describe the project approach and provide summary description of all work packages of the project and identify activities' interlinks (sequence, combination, interrelation between activities – deliverables).

The methodology must include information about the project implementation stages and how these will contribute towards the attainment of the targets sought; identification of the tools proposed and their suitability towards the attainment of the proposed targets etc. Explain also the way that the Beneficiaries will be involved in the project (who will do what)

and the division of roles- tasks among beneficiaries, (e.g. Beneficiaries responsibilities for administrative and / or financial tasks, participation in the implementation of activities and deliverables, degree of involvement given the competences and strengths of each beneficiary etc.).

In this section you must also focus on setting the milestones described in 2.4.3 paragraph of the manual.

This field should not exceed 4500 characters.

B2.2 Location of Activities

Please provide a description of the area targeted by the project, the location of Beneficiaries and activities, showing the geographical scope of the longer term effects (results and impacts). In case of activities outside the programme area, these should be explicitly mentioned and dully justified. The maximum number of characters allowed is 2000.

Note that in accordance with Art. 44 of IR 447/2014, a project may include actions, which are implemented outside the Programme area. In such a project, the total funds allocated to actions outside the Programme area must not be higher than 20% of the overall project budget.

Please also note actions under category of Infrastructure are not eligible if they are implemented outside the eligible area.

B.3 Management*

This section provides information on how the project will be administered and financially managed, in order to meet the requirements set. This section contains the following fields:

B3.1 Lead Beneficiary and Beneficiaries' Competence (Experience, Structure, Personnel, Resources, etc):

Please describe the Experience, Structure, Personnel, Resources, Institutional role etc. of the participating Beneficiaries that indicate their relevance in the proposed project. The applicant needs to define:

Which are the organisation's competences related to the project activities?

Which is the institutional and financial capacity?

Which are the experiences relevant to the project?

Which is the organisation's capacity to directly or indirectly influence local/ regional/ national policies?

What are the reasons for the selection of Lead Beneficiary?

The maximum number of characters allowed is 4000.

The above issues refer to the partnership and not each partner. The project beneficiaries forming a partnership should identify their strengths, capacity, experiences and competences in relation and complementary to their beneficiaries regarding the management and implementation of the project. You must demonstrate how the characteristics of each beneficiary are taken in consideration and the requirements of the project can be met. The full set of the described information will be evaluated.

B3.2 Project Management & Coordination (structures, decision making procedures, internal communication, etc)

Please describe how the management on the strategic and operational level will be carried out in the project, specifically:

- Structure, responsibilities and procedures for the day-to-day management and coordination
- Communication within the partnership
- Reporting and evaluation procedures
- Risk and quality management.

Project management must ensure timely and of high quality implementation, active participation of all beneficiaries in the partnership and visibility-impact of projects results in the cross border area

Partnership must identify the critical actions that are prerequisites for the smooth implementation of the project proposed. They must describe actions they will take to avoid long delays

This field should not exceed 2000 characters.

B.4 Information and Publicity*

B4.1 Information and Publicity Strategy

Please describe:

- The basic structure of the project's Communication Plan (timetable, milestones, etc)
- The information and publicity measures to be carried out (website, events, publicity material, etc)

- The means of communication to be used to disseminate the project's outputs, results and achievements (social media, brochures, promotional material, etc)
- How the anticipated project results are going to be promoted at a national and/ or at a regional level.

Applicants should pay particular attention to develop a communication plan based on the standard and compulsory communication activities but also to define specific actions in order to maximize the effectiveness of the communication plan benefiting both the project and the public awareness regarding the INTERREG programmes.

This field should not exceed 3000 characters.

B.5 Maturity of the Project*

B5.1 Preparatory and administrative activities undertaken

Describe the maturity of the project in terms of completion of the administrative procedures that allow the implementation of the project, i.e. licences, designs, permits, land acquisition, tender documents, etc. This information should be provided for all project activities (services, equipment, infrastructure).

In case the beneficiaries have allocated costs for preparation activities a short description of these preparatory actions should be provided here

This field should not exceed 3000 characters.

B.6 Sustainability of Results*

B6.1 Sustainability, durability and transferability of main outputs delivered in the project

Please describe how the project's main outputs are in line with the programmes Specific principles as described in manual section 1.2.

- Durability of results: concrete measures (including eg institutional structures, financial sources, etc) taken during and after project implementation to ensure the durability of the project main outputs
- Joint Character: Explain how joint implementation, and especially cross border, benefits the outcomes and results of the project
- Ownership: explain who will be responsible and/ or the owner of the output and how the capacity of that partner is enhanced. Describe, also, how the project will ensure that the project's outputs are applicable by other organisations/ regions/ countries outside of the current partnership.

This field should not exceed 3000 characters.

B.7 Cross-border cooperation and Added-value*

B7.1 Cross-border cooperation

Please explain how the cross-border cooperation is demonstrated, in order to achieve the project's objectives and results, why the project objectives cannot be efficiently reached acting only on a national/ regional/ local level and/or describe what are the benefits for the project Beneficiaries/ target groups/ project area/ programme area from the cross-border approach. This field should not exceed 2000 characters.

B7.2 Intensity of Cross-border Cooperation

According to Art.39 from 447/2014 par.3 "Beneficiaries shall cooperate in the development and implementation of operations. In addition, they shall cooperate in either the staffing or the financing of operations". Please mark with an "X" the ways the partnership cooperates and describe how this is achieved.

B7.3 Capitalisation

Please describe in which ways the project capitalises previous cooperation and experience (if applicable), especially in the programme area:

- Capitalisation of Beneficiaries' know-how experience
- Capitalisation of Beneficiaries' experience in cross-border cooperation activities
- Capitalisation of previous cooperation among current Beneficiaries
- Capitalisation of previous relevant projects

B.8 Compatibility with EU and National Policies*

B8.1 Consistency of the project with EU horizontal principles

Please describe, if applicable, the effect of the project to each one of the horizontal principles. As projects should not produce negative effects upon the horizontal principles, you must identify possible risks and demonstrate - describe in brief specific measures that the project will implement to prevent them.

More specifically while designing their information and publicity actions and strategy and procurement, project beneficiaries must specify measures or actions in order to enhance

- Equality between men and women
- equal opportunities and non discrimination
- provision of accessibility of disabled persons

- sustainable development

Projects that do not respect the horizontal principles will not be funded.

Please mark with an "X" and provide the respective justification.

B8.2 Contribution to other EU (incl. macroregional strategies), National, Regional and Local Policies

Please describe the project's contribution or achieved synergies and complementarities with relevant EU/ regional/ national strategies, instruments and policies; in particular, those concerning the project or programme area. The maximum number of characters allowed is 2000.

B.9 Synergies*

In this section please describe the synergies promoted with your proposal.

Please be sure that you are referring to a synergy with a specific output/result from a project already implemented within the framework of the specified programmes in the call. Make sure that you describe how this output will be either transferred enhanced or adapted or upgraded for use in our programme eligible area

B.10 Logframe*

Logframe has the meaning of the intervention logic. Within this section you must describe and justify in detail the way your project will reach its objective. Describe the key activities and partnership contribution on the way these will produce outputs and results. Describe possible risks and how you will manage them. Make sure that you justify these steps and most important justify the value of the indicators. Also you must specify the way indicator values will be measured during implementation and upon the end of the project

ANNEX 1: ENVIRONMENTAL SELF – ASSESSMENT

Lead Partners must consult the Strategic Environmental Assessment of the programme and be informed about the expected environmental impact of projects submitted.

During the preparation of the proposal the beneficiaries must indicate the environmental parameters that their projects will have impact upon.

During the pre-contracting phase, successful projects with the co-operation of the JS will prepare and submit the following table, before the signing of the Subsidy Contracts. The Environmental Self Assessment table will be attached to the Application Form.

Lead partners will monitor these parameters and report findings to the JS annually (preferably at the end of the year).

INTERREG IPA CBC "Greece- Republic of North Macedonia 2014-2020"

A/A	ENVIRONMENTAL ASPECT	ENVIRONMENTAL INDICATOR	MONITORING AUTHORITY	PROJECT ENVIRONMENTAL PARAMETERS	MONITORING FREQUENCY
1	Biodiversity	Habitat alteration and land conversion from natural state	Management bodies of protected areas		Annually
		Number and / or extent of protected areas	Responsible Public Authorities		
		Number of endemic and protected species			
		Area of key ecosystems			
		Protected areas as % of national territory and by type of ecosystem			
2	Population – Human Health	Life expectancy	Responsible Public Authorities		Annually
		Work accidents			
		Percentage of population living under the line of poverty			
3	Soil	Percentage of degraded land	Responsible Public Authorities		Annually
		Quantities of waste disposed in landfills			
		Production Waste			
4	Water	Population connected to secondary and/or tertiary sewage treatment plant	Responsible Public Authorities		Annually

		Quality of surface water	Ministries of Environment		
		Quality of groundwater			
		Water use by sector			
		Percentage of recycling water			
		Quality of seas			
5	Air	Days exceeded air quality limits	Responsible Public Authorities		Annually
		Emissions by Source	Responsible Regional Authorities		
6	Climate conditions	Greenhouse gas emissions by source (%)	Ministries of environment		Annually
		Shift of energy demand			
		Energy production by source			
7	Material Assets / Cultural heritage/ Landscape	Number of restored buildings	Responsible Public Authorities		Annually
		Number of restored monuments			
		Urban green space per capita			

2.2 Eligible Expenditure Budget Categories of the Programme

2.2.1 Eligible expenditures

The Regulations defining the eligibility rules of the expenditures are the following:

- Regulation 1299/2013 (European Territorial Cooperation) as in force (with Commission Delegated Regulation (EU) No 481/2014)
- Regulation 1301/2013 (European Development Fund) as in force
- Regulation 1303/2013 (Common Provisions) as in force
- Regulation 447/2014 (Implementing Provisions) as in force

All applicants are strongly recommended to consult these documents before submitting a proposal and start building their projects.

As a general rule, expenditures shall be eligible for funding if:

- they have been incurred and paid out within the time frame in which expenditure can take place. Under no circumstances can the final date of eligibility of expenditure exceed that of the 31st of December 2023.
- they are directly related to the project either for the development or implementation of the project and they are planned in the approved project budget;
- they follow the “real cost” principle or the flat rate method:
 - in case of the “real cost” principle only costs which have been actually incurred and paid by the project beneficiaries and they can be supported by original invoices or other accounting documents of equivalent probative value are to be included
 - in case of the flat rate method a percentile calculation of the costs should be calculated, §2.2.4.1 deals with the issue in greater detail.
- they have been incurred in the programme area of the Interreg IPA CBC “Greece-Republic of North Macedonia 2014-2020”;
- they are in line with national, EU and programme level rules;
- they are in compliance with the principles of efficiency, economy and expediency of all actions. Especially the cost/benefit ratio has to be ensured.

All the details about the eligibility and ineligibility of expenditures, per budget line are defined in the ‘Guidance on the Management Verification’ document.

2.2.2 Ineligible expenditure

- fines, financial penalties and expenditure on legal disputes and litigation;

- costs of gifts, except those not exceeding 50 EUR per gift and when related to promotion, communication, publicity or information;
- costs related to fluctuation of foreign exchange rate.

Attention: **In case of unforeseen external circumstances** (i.e. force majeure, pandemic outbreaks, natural disasters etc.) **and after a documented justification** (e.g. orders, decrees or regulations published by the public authorities etc.), **some irrecoverable costs which would otherwise be considered ineligible, may be treated as an "exceptional and duly justified case" and therefore may be eligible.** Please note **that these costs shall be eligible only in case they are not recoverable, according to existing contractual terms and are duly documented.**

2.2.3 Period of eligibility of expenditure

The starting date for the eligibility of expenditure of beneficiaries from Greece is the 1st of January 2014, while for beneficiaries from Republic of North Macedonia, the starting date for the eligibility of expenditure is the 12th of November 2014 and payments can only be made after the signature of the Financing Agreement.

Attention: Eligibility period of the expenditure:

- Payment of all implementation-related costs which had been invoiced **before** the end date of the project
- all costs related to the elaboration and submission of the Final Progress and Project Report and to the project administrative closure activities (including the final verification fee which have had taken place) can be invoiced after the end date of the project .

Under no circumstances can the final date of eligibility of expenditure exceed the 31st of December 2023.

2.2.4 Project Budget Categories

The project expenditures under the Programme are divided into six Budget categories.

These Budget categories are:

- A. Staff;
- B. Office and administration;
- C. Travel and accommodation;
- D. External expertise and services;

E. Equipment;

F. Infrastructure and Works.

For each Budget category, a description of the expenditure that falls under the Budget category is provided. More concrete guidance about the verification process and the audit trail to verify these expenditures (necessary documents, invoices etc) for each Budget Category will be provided in the '**Guidance on Management Verification**' document.

2.2.4.1 Staff Costs

Staff costs consist of costs for staff members employed by the beneficiary organisation, as listed in the application form and who are working full time or part time on the implementation of the project.

Expenditure on costs of staff members employed by the beneficiary organisation, who are formally engaged to work on the project:

- a. full-time
- b. part-time
 - part-time with a fixed percentage of time dedicated to the beneficiary per month
 - part-time with a flexible number of hours worked on the project per month
- c. contracted on an hourly basis

"Staff costs" includes staff costs of employees in line with the employment/work contract, and costs of natural persons working for the beneficiary organisation under a contract other than an employment/work contract and receiving salary payments.

General principles

- Staff costs must relate to activities which the beneficiary organisation would not carry out if the project was not undertaken.
- Overheads and any other office and administration costs cannot be included under this budget category.
- Daily allowances and any other travel and accommodation costs cannot be included under this budget category.

Attention:

For the 2nd Call, Staff costs can be calculated only on a real cost basis

Attention:

No budget requirements are applied on project proposals of the **3rd Restricted Call for Strategic Project Proposals**.

Using this method the beneficiary will claim the actual costs they have incurred from employing staff who work on the project. According to Article 3 Commission Delegated Regulation (EU) No 481/2014, expenditure on staff costs shall consist of gross employment costs of staff employed by the beneficiary in one of the following ways:

- a. full time; (i.e. Person employed by the Beneficiary organisation, and working fully on the project;)
- b. part-time with a fixed percentage of time worked per month; (i.e. Person employed by the Beneficiary organisation, working partly for the project on a fixed percentage;)
- c. part-time with a flexible number of hours¹ worked per month (i.e. Person employed by the Beneficiary organisation, working partly for the project on a number of hours per month) or
- d. on an hourly basis (i.e. Person employed by the Beneficiary organisation, who does not have a fixed number of hours per month and is paid at an hourly rate).

Staff costs for each Beneficiary cannot exceed 50%* of the total Beneficiary's Budget, regardless of the calculation option selected.

For duly justified reasons, staff costs for each Beneficiary can surpass 50% of the total Beneficiary's Budget at the stage of negotiation with MA/JS and before the signing of the Subsidy contract.

***Attention:**

No budget requirements are applied on project proposals of the **3rd Restricted Call for Strategic Project Proposals**.

³The Hourly rate shall be calculated by dividing the latest documented Gross Annual Employment costs by 1720 hours.

The Audit trail and verification process for each one of the above, mentioned categories i are defined in the Guidance on Management Verification document.

Attention!

Staff costs do not cover the expenses of externals; externals should be budgeted under the "External Expertise and services" category.

2.2.4.2 Office and Administration expenditure

They cover operating and administrative expenses of the beneficiary organisation that support delivery of project activities. According to regulation 481/2014 the office and administration expenditure shall be limited to the following elements:

- a) office rent
- b) insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances)
- c) utilities (e.g. electricity, heating, water)
- d) office supplies
- e) general accounting provided inside the beneficiary organisation
- f) archives
- g) maintenance, cleaning and repairs
- h) security
- i) IT systems
- j) communication (e.g. telephone, fax, internet, postal services, business cards)
- k) bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened
- l) charges for transnational financial transactions

Attention:

For the 2nd Call, Office and Administration costs are being calculated automatically as a flat rate of 4% of the total beneficiary`s budget

Attention:

No budget requirements are applied on project proposals of the 3rd Restricted Call for Strategic Project Proposals.

2.2.4.3 Travel and Accommodation

This budget category includes all the expenses for each of the project's beneficiary for the travel and accommodation costs of the personnel involved in the project with the condition that they are directly related to the activities of the project. Travel and Accommodation costs involve:

- (a) travel costs (e.g. tickets, travel and car insurance, fuel, car mileage, toll, and parking fees)
- (b) the costs of meals
- (c) accommodation costs
- (d) visa costs
- (e) daily allowances

Attention: Especially in the Category of Travel and Accommodation, it should be noted that, **in case of unforeseen external circumstances** (i.e. force majeure, epidemic outbreaks, natural disasters etc.) **and after a documented justification** (e.g. orders, decrees or regulations published by the public authorities etc.), **some irrecoverable costs which would otherwise be considered ineligible, may be treated as an "exceptional and duly justified case" and therefore may be eligible.** Please note **that these costs shall be eligible only in case they are not recoverable, according to existing contractual terms and are duly documented.**

2.2.4.4 External Expertise and services

Costs paid on the basis of contracts and against invoices to external service providers, who are sub-contracted to carry out certain tasks of the project.

Pursuant to the Regulation (EU) No 481/2014 Article 6, expenditure on external expertise and service are limited to the following services and expertise provided by an organisation other than the project beneficiary:

- studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks);
- training;
- translations;

- IT systems and website development, modifications and updates;
- promotion, communication, publicity or information linked to a project or to a cooperation programme as such;
- financial management;
- services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- participation in events (e.g. registration fees);
- verifications under Article 125(4)(a) of Regulation (EU) No 1303/2013 and Article 23(4) of Regulation (EU) No 1299/2013;
- certification and audit costs at programme level under Articles 126 and 127 of Regulation (EU) No 1303/2013;
- the provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by the monitoring committee;
- travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- other specific expertise and services needed for operations

These costs must correspond to current market prices and must be adequately justified.

2.2.4.5 Equipment expenditure

Costs for the purchasing of equipment with the condition that:

- Equipment is necessary for the project implementation and is foreseen in the approved application form.
- Suppliers should be selected according to Article 45 of the Implementing regulation 447/2014 and the Procurement manual.

There should be an analytical description of the technical specifications and a costing (Justification of Budget Costs).

2.2.4.6 Infrastructure and Works

Expenditure for Infrastructure and Works are eligible with the condition that the cross-border impact of the investment is demonstrated and the activity is approved in the Application Form. The contractor cannot be a Beneficiary in the project. The description of

the works expenditure should be provided by Bill of Quantities and Cost, submitted together with the Justification of budget cost.

2.2.4.7 Special Categories of costs and budget limits

Preparation Costs

All projects can claim as a **Lump Sum** the amount of 10.000€ in order to cover costs of external expertise costs and/ or staff costs for the preparation of the application documents, joint meetings for the preparation of the project, travelling expenses directly related to joint meetings, including participation in info days for the call for proposals, cost analysis and preparatory research reports for the project activities, external expertise costs for the preparation of technical design studies, other costs regarding licenses and permits fees, environmental impact assessment studies, technical assessment reports

Management Costs

Management Deliverables and thus the management costs should be included **only in WP1** of the Application form and concern the cost related to the technical and administrative activities to be implemented for the efficient management and coordination of the project.

Attention!

The management costs **of each project beneficiary** (Work Package 1) **should not exceed 10%* of the total beneficiary's budget. The following WP1 costs (if applicable) are not calculated in the 10% limit:**

- **Deliverable 1.X.1 "Preparation Activities"** (where X is the number of the beneficiary)
- **Any potential costs for external controllers - auditors**

***Attention:**

No budget requirements are applied on project proposals of the **3rd Restricted Call for Strategic Project Proposals**.

2.3 Communication Strategy of a project

Project beneficiaries are required to dedicate sufficient time and resources to project communication, at all stages of the project development. 'Communications' must be understood as a strategic project tool, which contributes to achieving the project's objectives. It cannot simply be an 'add-on' of the project. Each project is therefore required to develop its own communication strategy, leading to a specific mix of tools and actions, based on what they expect their project to achieve.

The implementation of the communication strategy should start as soon as the project has been approved. The programme's minimum requirements for communication activities are as indicated below but are described in detail in the *Information and Publicity Guide*.

a. Project communication plan

The project communication plan should be developed in English as soon as the project starts. The project's communication plan should be submitted to the Joint Secretariat with the first Progress Report. Final beneficiaries shall use the template available in Annex III of the Information & Publicity Guide.

b. Project website

The Project's website shall use at least the **Programme's official language**² and shall provide information about the Project, its progress, deliverables and results.

c. Project's results publication

At least one booklet/brochure with project results, shall be published. This publication shall be (at least) in the Programme's language.

d. Public final event

A public final project event should be held in (at least) the Programme's language and it shall inform the target groups specified in the communication plan about the results achieved during the project's implementation.

² The official language of the Programme is English.

In addition to the mandatory outputs given above, a project video is highly recommendable and further outputs in the field of media relations and social media are highly recommended and expected.

Finally, it is strongly recommended that each project's communication strategy incorporates issues of gender equality, non-discrimination and social responsibility.

2.4 Contracting of a Project Proposal - Setting Start-up milestones

2.4.1 General

On the basis of the Joint Monitoring Committee's decision (selected project proposals), the Managing Authority shall sign a subsidy contract with the Lead Beneficiaries of the projects. The signing and submission of the Partnership Agreement to the JS is a prerequisite for the signing of the Subsidy Contract.

2.4.2 Pre-contracting phase

After the approval for funding of the project, the JS/MA with the cooperation of the National Authorities informs officially the Lead Beneficiary about the results of the evaluation and the next steps.

The Lead Beneficiary in cooperation with the project beneficiaries, must prepare all necessary documentation required by the Call for proposals for the signature of the Subsidy Contract.

In particular, as regards the Application form, the Lead beneficiary needs to:

- Comply with the evaluation comments or funding conditions regarding the physical object, the work breakdown structure, the budget (if applicable), etc
- Adjust the project workplan and time table according to the actual needs, since compared to the initially project proposal submissions changes may be required.

As the finally approved AF will be the reference document for all project modifications (if necessary) special emphasis will be placed by the project partners, in order to consolidate an effective and realistic working plan. The final AF and supporting documents will have to be agreed with the JS before the signature of the SC.

2.4.3 Setting Start-up milestones

In order to ensure that the project will have a successful start-up, during the process before the signature of the Subsidy Contract, along with the other official documents, the project needs to submit to the JS/MA a schedule focusing on the first 6-9 months (around the 1/3 of the project duration) in order to set the milestones to be achieved for this period.

At the end of the start-up period, or earlier if necessary according to the progress, the project shall undergo an internal review with the responsibility of the Lead Beneficiary in order to assess whether the milestones have been met by all partners. The results of this internal review shall be brought forward to the JS/MA and it shall be assessed whether corrective or any other actions are necessary. In case of major delays and non-achievement of the milestones leading to possible failure of the project scope, the JS/MA reserves the right to propose reduction of the physical object and/or reduction of the budget, given that the project will remain operational.

2.4.4 Partnership Agreement

Project partnership agreement is based on the Article 13 (2) of the ETC Regulation (EU) 1299/2013 in order to ensure the quality of the implementation of the project, as well as the satisfactory achievement of its goals. The lead Beneficiary and the beneficiaries have to conclude a partnership agreement. The partnership agreement allows the lead partner to extend the arrangements of the subsidy contract to the level of each partner. Such an agreement should include specific information:

- role and obligations of the individual beneficiaries in the partnership with regard to project implementation,
- budgetary principles (partner budget for each budget line and spending forecast for each period, budget flexibility, if applicable, the allocation of the preparation lump sum per partner if applicable,
- financial management provisions for accounting, reporting, financial control, receipt of EU payments,
- liability in case of failures in project delivery and project spending;
- provisions for changes to the work plan,
- the partner's financial liability and provisions for the recovery of funds should amounts be incorrectly reported and received by the partner,
- information and publicity requirements,
- resolution of conflicts in the partnership,
- working language of the partnership.

2.4.5 Process for the signature of the Subsidy Contract

Contracting phase – accompanying documents

For the completion of the contracting phase the following documents needs to be agreed with the JS and officially submitted with a Lead Beneficiary cover letter:

1. **The Subsidy Contract** (Template to be provided by the JS/MA). This must be submitted in two originally signed and stamped copies by the Lead Beneficiary.
2. **The Partnership Agreement** (Template to be provided by the JS/MA). The JS needs to receive one originally signed and stamped version by all partners. All beneficiaries need to have their own originally signed and stamped by all beneficiaries copy as well.
3. **The Application Form** of the project. This must be the version finally agreed with the JS, uploaded in the MIS by the Legal Representative of the LB.
4. **The Justification of the Budget document (JoB)**. This must be the version finally agreed with the JS, .
5. **The Procurement Plan** as agreed with the JS/MA. The Lead Beneficiary and all beneficiaries must also have their own copy of the document.
6. **The Decision of the designated bodies** of each Project beneficiary (e.g. Board of Directors, Municipal Board, etc) accepting to implement the project and **the compliance of the partner with Article 71 of reg. 1303/2013 in cases of infrastructure and investment operations**. In case of special requirements regarding the content of the decisions, guidelines will be provided by the JS. Scanned versions of the decisions can be acceptable. The Lead Beneficiary needs to keep in the Project Folder all decisions of the partners.
7. **Environmental Assessment Compatibility Check Sheet.**
8. **Any other supporting documents requested by the JS/MA.** According to the project characteristics, the JS reserves the right to ask for supplementary documents, in order to proceed to the signature of the Subsidy Contract. For instance, documents for issues related to infrastructure projects, financial capacity of partners, etc, can be requested and should be submitted officially.

Once the documents are received and processed by the JS and Managing Authority, one of the copies of the Subsidy Contract is returned to the Lead beneficiary via official correspondence, signed and stamped by the Managing Authority. This original version must

be filed in the Project folder by the Lead Beneficiary and a scanned version must be communicated to all beneficiaries.

2.5 Reporting procedures

2.5.1 General

The Lead Beneficiary in accordance to article 13 par.1 of Regulation 1299/2013 is responsible for the submission to the Joint Secretariat (JS) of progress reports on project implementation activities.

In order to follow the implementation of the project, a progress report (and related annexes) has to be submitted periodically to the programme. The progress report is a core document because it constitutes an important channel of information between the projects and the programme. It includes both activity and financial information related to the project's implementation. The progress report is also a main source of information to demonstrate the programme's achievements and usefulness. In particular, it provides the raw material that is used as the basis for producing the analysis of the programme's achievements, which is to be included in the reports to the European Commission. Projects should therefore not consider the progress report only as an administrative and compulsory task for obtaining the EU funds reimbursement, but it should be used as a means to share the stories about the project's results and successes with the joint secretariat.

The reporting procedure for projects can be summarized as follows:

- a) Each partner submits a report to the lead beneficiary before the deadline agreed with the lead beneficiary
- b) On the basis of the individual partners' reports, the lead beneficiary compiles the joint progress report for the whole partnership.
- c) The lead beneficiary confirms that the information provided by the partners has been verified and confirmed in compliance with the respective country specific control requirements, that the partners' information has been accurately reflected in the joint progress report and that the related costs result from implementing the project as planned and set out in the application form and described in the progress report.
- d) For the audit trail, the lead beneficiary retains possession of the inputs used for the progress report received from the project beneficiaries.

- e) The lead beneficiary submits the progress report to the joint secretariat through the MIS.
- f) The joint secretariat checks the report and if necessary sends clarification requests to the lead beneficiary.
- g) Once all points have been clarified, the progress report is approved.

Should the Project Beneficiaries delay in submitting to the Lead Beneficiary their activity and financial reports, the Lead Beneficiary will still abide by the deadlines for submission, updating and sending to the Joint Secretariat the reports when the missing information becomes available. However, if the Project Beneficiaries delay in submitting to the Lead Beneficiary their table of verified expenditure, the Lead Beneficiary will add the missing information to the statement of the next reporting period. All reports must be submitted in English, which is the official language of the Cooperation Programme.

As dictated in the SC, the Lead Beneficiary will submit a progress report to the JS **every six months** in accordance with the following schedule:

January- June	30 th of July of the respective year
July – December	30 th of January of the following year

As indicated in the above table, the deadline for the submission of the Progress Report is 30 days from the end of the Reporting Period.

In addition to the progress report, the programme will use other tools to monitor the progress of the project implementation on a continuous basis. Among others, the programme might use:

- the project's website
- communication exchanges with the lead partner and beneficiaries if necessary (by phone and email)
- meetings with the lead partner and beneficiaries if necessary (e.g. on site, at the joint secretariat).

Interim progress reports may be requested by the MA/JS of the Programme for financial management reasons at any stage.

Use of the Euro

Expenditure incurred by beneficiaries in a currency other than the Euro shall be converted into euro, in line with Section 5.6. of the CP. For the conversion, the monthly accounting

exchange rate of the Commission in the month during which that expenditure was incurred will be applied.

The above chosen method shall be applicable to all beneficiaries. The conversion shall be verified by the controller in Republic of North Macedonia where the beneficiary is located.

The monthly exchange rates of the Commission are published on:

http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm

2.5.2 Final Project Report and Project Closure

The Final Project Report of the project (template and guidelines provided in the Annex to the Project Implementation Manual) will be submitted to the JS/MA for approval, **two months** after the issuance of all certificates of verified expenditure. In any case, the Final Project Report must be submitted no later than six months after the official end date of the project.

The scope of the Final Project Report is to provide all the necessary information on the performance, results and impacts of the implemented project. The material of the report will be used by the Managing Authority and the Joint Secretariat for disseminating and communicating the Programme's outcomes, for improving the implementation procedures on project and Programme level and as valuable input for preparing the ground of future Calls of Proposals in the next Programming Period. For this reason, beneficiaries are recommended to place significant emphasis on the added value and highlight the benefits drawn by the project outcomes on the different target groups within and/or outside the Programme area.

After the issuance of all certificates there still may occur deviations from the budget tables of the Application form in force (i.e. deviation from deliverable's budget or deviation from the "budget line" budget, etc). The beneficiary must justify these deviations in the Final Report before acceptance by the JS/MA. After approval, the Final report will reflect the final modification of the project.

A Project Closure Manual is issued, containing all the necessary details regarding the Final Project Report and the Project Closure Procedures.

2.5.3 How to fill in the Progress Report

The reporting procedure will be done through the MIS. The relevant guide is published on the MIS website. The following information is just supportive and mainly refers to the 1st Progress Reports that will be submitted while MIS was not fully functional.

Introduction

The Lead Beneficiary of the project is responsible for the submission to the Joint Secretariat (JS) of the progress Reports on project implementation activities, according to the timetable referred to in the approved Application Form and the Project Implementation Manual as in force.

Before you begin to fill in the Progress Report please take into consideration the following guidelines:



White Fields are those that must be completed by the Lead Beneficiary.



Fields marked in grey are those filled automatically using the data provided in previous tables by the Lead Beneficiary.

The next paragraphs provide the general guidelines for completing correctly the Progress report.

Progress Report Sections

Cover Page

Progress Report No. Please fill in the field (the progress report number indicating the number 1 for the 1st Progress Report, the number 2 for the 2nd Progress Report etc).

Date of submission Please fill in the field the date of submission in appropriate form (the correct date format must be used: dd/mm/yyyy, eg 20/01/2014).

MIS Code: The Lead Beneficiary will be informed by the JS for the Management Information Code, which will be filled in this field by the Lead Beneficiary.

Protocol Number/ Date: This field concerns the protocol number and the date that the respective Progress Report was received by the JS. This field will be filled in by the JS.

Project Title Please insert the full name of the Project in English, as stated in the approved Application Form.

Project Acronym Please insert the Acronym in English, as stated in the approved Application Form.

Section 1 - General Information

Priority Axis: Please choose from the drop-down menu the title of the priority axis of the Programme, in the frame of which the project has been approved.

Thematic Priority: Please choose from the drop-down menu the title of the thematic priority of the Programme, in the frame of which the project has been approved.

Specific Objective: Please choose from the drop-down menu the relevant Specific Objective of the project, as described and approved in the Application Form.

Project title: The title of the project is automatically inserted from the cover page.

Project acronym: The acronym of the project is automatically inserted from the cover page.

Subsidy Contract Number: Please insert the Subsidy Contract Number.

Lead Beneficiary (LP1): Please insert the full name of the institution in English, as stated in the approved Application Form.

Country of Lead Beneficiary (LB1): Please choose from the drop-down menu the country of origin of the Lead Beneficiary, as stated in the approved Application Form.

Partner's institution (full name): Please insert each partner's institution full name in English.

Country: Please choose from the drop-down menu the country of origin of each partner.

Total Approved Budget (according to the AF): Please insert the total approved budget of each partner as stated in the approved Application Form.

Legal Representative: Applicable only to the Lead Beneficiary. Please provide the name, position and the contact details (address, Tel No, e-mail, fax) of the legal representative of the Lead Beneficiary, as stated in the approved Application Form.

Project Manager: Applicable only to the Lead Beneficiary. Please provide the name and contact details (address, Tel No, e-mail, fax) of the person nominated as the Project Manager.

Financial Manager: Applicable only to the Lead Beneficiary. Please provide the name and the contact details (address, Tel No, e-mail, fax) of the person nominated in the project

scheme as the Project Financial Manager who is responsible for monitoring all financial aspects related to the project's implementation.

Reporting Period (fill in the excel cells (start – end dates) with the following format dd/mm/yyyy):

Start: Please insert the date that the reporting period starts.

End: Please insert the date that the reporting period ends.

Project Duration (fill in the excel cells (start – end dates) with the following format dd/mm/yyyy):

Start: Please insert the date that the project starts according to the approved Application Form.

End: Please insert the date that the project ends according to the approved Application Form.

Duration This field is automatically calculated given the values inserted in the two previous fields.

△ *While filling in the progress report the Lead Beneficiary should take into account the limits set in the specific boxes where text is included. If the limits exceed the amount of characters specified in the box/boxes then they will automatically become red.*

Section 2- PROGRESS ACTIVITY REPORT

2.1 Summary of the project's achievements so far (max. 2000 characters)

Please describe the main achievements from the start of the project until today with reference to the relative work packages, deliverables, outputs and results. This section should include the experience gained and the added-value of cooperation.

2.2 Summary of the project's achievements during this reporting period (max. 1500 characters)

Please describe the main achievements during this reporting period.

2.3 Analytical description of the implemented deliverables, outputs and results during this reporting period with reference per work package and partners' involvement (max. 4000 characters)

Please describe the implemented deliverables, outputs and results during this reporting period referring to the achievements made in each work package and mention the involvement of the project beneficiaries in the implementation of the actions.

2.4 Next steps to be taken for the project's implementation (max. 1500 characters)

Please describe your work planned for the following implementation period.

2.5 Problems encountered and proposed solutions (max. 1500 characters)

Please refer to any problems encountered in the implementation of the project, mentioning the measures taken to overcome them. In case the problems are not dealt with, please indicate your proposed solution for their resolution.

2.6 Changes in the Implementation (max. 1500 characters)

Please state if you consider making any modifications of the approved Application Form. The project implementation must strictly follow the implementation plan of the approved Application Form. Under no circumstances should any changes be made without the knowledge and approval of the JS or Managing Authority. Additionally, important changes/modifications may require the submission of a revised application form, and/or the approval of the programme's Joint Monitoring Committee. Please follow instructions provided in the Project Manual as in force.

Section 3 - Indicators

Priority Axis: Priority Axis field is automatically completed.

Thematic Priority: Thematic Priority field is automatically completed.

Specific Objective: The Specific objective field is automatically completed.

3.1 Output Indicators

Indicators: Output indicators for the specific priority axis, thematic priority and specific Objective are automatically filled in.

Unit of Measurement: Units of Measurement for each indicator are automatically filled in.

Target Value: Please specify the target value of each output indicator as stated in the approved Application Form.

Achieved Value (current reporting period): Please fill in the value achieved during the particular reporting period.

Total cumulative value: Please fill in the total value of the stated output achieved from the beginning of the project until the end of the current reporting period (Equals the total value inserted in the previous progress report(s) plus the achieved value during the current reporting period).

Section 4 - Financial Report

4.1 Implementation of actions

Please state the deliverables implemented within the specific reporting period using the table provided. Deliverables started in one and finishing in another Reporting Period should be declared in all respective periods.

In case your project deliverables exceed the lines present in this section of the Progress Report, double click in the last completed cell of the specific table and press enter. You will immediately see a new line. You may enter as many lines as you need for the completion of the table.

Work Package: Please insert the number of Work Package as stated in the approved Application Form.

Deliverable No: Please insert the Deliverable number as stated in the approved Application Form.

Deliverable Title: Please insert the Deliverable title (description) of the specific deliverable as stated in the approved Application Form.

Beneficiary No: Please state the beneficiaries responsible for the implementation of the specific deliverable as stated in the approved Application Form.

Approved Budget: Please state the approved budget for the specific deliverable and the specific beneficiary according to the approved Application Form.

Contracted Budget: Please state the contracted budget for specific deliverable and the specific beneficiary (both outsourcing and in-house implementation are included).

Expenditure paid out during this reporting period: Please state the expenditure paid out during this reporting period for the specific deliverable and beneficiary.

TOTAL expenditure paid out including this reporting period: Please state the TOTAL expenditure paid out including this reporting period for the specific deliverable and beneficiary.

Verified expenditure during this reporting period: Please state the verified expenditure during this reporting period for the specific deliverable and beneficiary.

TOTAL verified expenditure including this reporting period: Please state the TOTAL verified expenditure including this reporting period for the specific deliverable and beneficiary.

If expenditures for a specific deliverable are paid out during the current reporting period but there are no verifications yet, all the columns of the table must be completed apart from the columns "Verified expenditure during this reporting period" and "TOTAL Verified expenditure including this reporting period". If expenditures for a specific deliverable are verified during the current reporting period but they were paid out in previous reporting periods, all the columns of the table must be completed apart from the column "Expenditure paid out during this reporting period".

4.2 Verified and Paid Out Expenditure per Beneficiary

This table indicates the verified and paid out expenditures per beneficiary and is filled in automatically by using the information provided in the previous tables.

4.3 Deviations from the original plans

Please explain and justify any financial deviations that occurred in this reporting period such as any over- or under-spending compared with the original budget by budget line. (max. 1500 characters)

Section 5 - Publicity

Please state the measures of publicity and/or measures of diffusion of information that have been carried out according to the approved Application Form, as well as any additional ones developed during this reporting period. Have EC requirements on information and publicity measures, acknowledging EC Structural Fund assistance been complied with?

YES: If yes, give details and send proof of publicity along with the Progress Report (e.g. entries in the media, articles, albums, etc.). (max. 1500 characters)

NO: If no, please provide an explanation. (max. 1500 characters)

If applicable check the box at the bottom of the page and attach the First Level Control Verifications of all partners.

3. FIRST LEVEL CONTROL

The first level control system is set up by each participating country (in accordance with Article 125 of Regulation (EU) No 1303/2013 and Article 23 of Regulation (EU) No 1299/2013). The verification procedure is carried out by a first level controller in order to verify that the expenditure connected to the project implementation was spent in compliance with the relevant EU, national, regional, institutional and programme rules. The main aim of the controls is to provide a guarantee for the managing authority, the certifying authority and, most importantly, to the project itself that costs co-financed under the Interreg Europe programme are accounted for and claimed in accordance with the legal and financial provisions of the subsidy contract, the approved application form, the Interreg Europe programme rules, national rules and EU regulations.

Greece establishes a decentralized verification of expenditure system at national level according to article 43(3) of Law 4314/2014.

For Greek Beneficiaries of ETC Programmes of which the MA located in Greece, Unit C "Verification of Expenditure" of the MA has been designated as the body responsible to carry out the verification of expenditure (Ministerial Decree 109 283 / EYΘY 1012/4-11-2015).

The verifications are carried out by the Register of Controllers ("MEE" or "MEE INTERREG") which was established at the MA following an "open call for expression of interest" to natural persons, Greek or EU citizens. A three-member evaluation committee selects the

Controllers. The registration to the Register shall be made in accordance with a Decision of the Special Secretary for ERDF & CF Funded Sectoral Ops. Further information and details are described in the Ministerial Decree for the "Establishment of a Register of Controllers" of the Minister of Economy and Development according to article 43(3) of Law 4314/2014.

In Republic of North Macedonia, a decentralized system has been established and coordinated by the National Authority of IPA Country. The cost of establishing the 1st Level Control System is eligible and will be founded by the project budget (share allocated to project beneficiary).

The National Authority will designate a controller from the pool of contracted experts for the functions of controllers. The experts shall be recruited through a procedure carried out in line with the national legislation. As the FLC system is decentralized, the Controllers are employed as freelance contractors with a framework contract, selected through regular calls for expression of interest. Qualified Controllers will be selected from these Calls and will be included in relevant list of Qualified Controllers, which will be used as a pool for FLC in the Programme.

The designation of Controllers is done in accordance with the Methodology for Selection and Designation of Controllers. An Engagement contract is signed for performing FLC of the projects financed under the respective Call for Proposals. After a Designation Certificate is issued by the NA in the MoLSG and when the verification is done and the needed correct reports and documents are issued by the Controller to NA, and after the payment is done by the MA to the LP/PP and the Programme officer in the NA (MoLSG) is notified by receiving Table – Register for payment, the MoLSG issues a Decision for payment of the Controllers to each beneficiary (project partner). Payment shall be done by the beneficiaries for the respective FLC period as stated in the Request for FLC.

The Certifying Authority has access to all information that is inserted by the MA/JS in the MIS. Before each payment claim to the EC the Certifying Authority can check in the MIS all information and data inserted.

In accordance with CPR (1303) Article 72 and Implementing Act No 1011/2014, the MA reserves the right to check the credibility and functionality of the 1st Level Control System in both countries, as part of the Description of the Management and Control System.

4. SECOND LEVEL CONTROL

Certain projects will be audited at a second level. The sampling methodology and relevant procedures are the discretion of the Audit Authority. If the Audit Authority decides to audit a project, the respective beneficiaries are expected to cooperate accordingly.

5. PAYMENTS/CASH FLOWS

5.1 General

The Certifying Authority will transfer the European Union's contribution to an interest-free bank account indicated by the Lead Beneficiary in the application form. Payments from the Certifying Authority to the Lead Beneficiary will be made in Euro (€). The Lead Beneficiary shall further transfer the respective European Union's contribution to the PBs with no delays and maximum within one month of its receipt. The amounts will be paid according to the flow of funds from the European Commission.

To provide a sound financial management all Project Beneficiaries must have a dedicated **interest-free bank account** for the purpose of their project implementation.

In case that the EU contribution is automatically de-committed by the European Commission, in accordance with the EC Regulation 1303/2013, the Managing Authority reserves the right to consider the possibility of reducing the approved budget of the project with respect to expenditure not carried out in accordance with the stipulated timetable.

If the reduction of the project budget is decided, the subsidy contract and respective annexes will be modified accordingly.

5.2 National Contribution

For Member State Beneficiaries the national contribution (15%) will be granted through the Public Investments Programme.

For Beneficiaries from the IPA Beneficiary Country, the national contribution (15%) shall be ensured through the National Budget of the IPA Beneficiary Country and administered by the National Authority.

Beneficiaries from the IPA beneficiary country will conclude a Contract for National Co-financing with the Ministry of Local Self Government. The contract is concluded on the 100%

of the national budget of the project. However, 15% of the National co- financing is administered based on the proved / verified eligible expenditure of the LP/PP after the complete finalization of the project activities.

Attention:

- A Project registration at the Secretariat for European Affairs (SEP) should be carried out by the Partnership.
- IPA beneficiaries are exempted from VAT. The Public Revenue Office issues a certificate following VAT project registration
- An interest – free dedicated bank account should be opened by each beneficiary for the purpose of their project implementation. A Financial Identification Form should be issued respectively.

Following the contract signing, the beneficiaries must submit the payment requests for the National Contribution which corresponds to the certified expenditure

5.3. Pre Advance Payments

Member state beneficiaries will receive pre advance payments from the Public Investement Programme (PDE), based on a trimester forecast submitted to the JS. Each trimester, the beneficiaries may submit through MIS, a request for funding. The JS taking in consideration the submitted forecast, the actual progress of the project and actions in progress will approve or amend the funding request

Beneficiaries from the IPA country may request pre finance payment. The pre financing of the IPA beneficiaries is envisaged in Article 4 of the Bilateral Agreement of the participating in the programme countries.

- The maximum amount of pre - financing that can be requested by Beneficiaries amounts up to 20% of their respective approved EU contribution, as presented in the project approved by the JMC.
- This advance payment may not be used for costs not directly related to the approved project.
- Lead Beneficiary must submit a funding request for his partner beneficiaries (including himself, if the case) forwarding to the JS the following documents for each beneficiary
 - Requests from his partner IPA beneficiaries indicating the title of the project, their total budget and the requested amount.
 - Project registration at the Secretariat for European Affairs (SEP)
 - The Public Revenue Office certificate for VAT exemption
 - Financial Identification Form of an interest free bank account
- In case the IPA beneficiary is private entity a letter of guarantee, signed by the competent national authority, has to be submitted to the MA with the CA always in copy, indicating the beneficiaries for which prefinancing is guaranteed
- The amortization of the advance payment is made in installments by deduction from subsequent payment claims of the beneficiary. Details will be included in the Subsidy Contract.

6. PROJECT MODIFICATIONS

6.1 Introduction

The Application Form together with the Subsidy Contract and the Partnership Agreement provide the basis for project implementation. These documents describe each in detail all aspects of project implementation providing detailed information concerning deliverables, results, schedule, budget and resources. During the lifetime of a project minor or major changes may occur.

Even though it is the intention of the Programme that Lead Beneficiaries and Project Beneficiaries enjoy a maximum degree of freedom to develop the projects, they are expected, however, to follow the rules and guidelines set by the Subsidy Contract. However, the degree of freedom provided and simple adherence to the provisions of the Subsidy Contract do not suggest or constitute an automatic approval of project changes, when it is required.

To that effect, the Lead Beneficiary must address to the JS (in accordance with the requirements set out in the subsidy contract) any requests for modification of the project. According to the proposed changes the respective JS officer will define the procedure to be followed. In any of the cases, the request for modification must be duly justified.

As general rules:

The discounts of the contracts are not subject to modifications and any respective savings shall be returned to the Programme. Only in exceptional cases and in case of force majeure, these discounts can be re-used and/or re-allocated in the project through a modification approved by the Joint Steering Committee.

Budget adjustments are examined at a beneficiary level in accordance with the latest approved application form, by the maximum of the flexibility rule of the original total amount – to clarify further, *the original* budget is the budget that is depicted in the Application Form annexed to the signed Subsidy Contract and which is validated after the pre-contracting procedure.

The scope and types of modification along with the Management Bodies involved are as follows:

1. Revisions of Administrative information

2. Adjustments by the Beneficiaries with the consent of the Joint Secretariat / Managing Authority
3. Modifications that require the approval of the Managing Authority
4. Modifications that require the approval of the Steering Committee

In all cases, the Lead Beneficiary must inform the JS of any requests for modification/Revisions of the project and, according to the proposed changes, the respective JS officer will define the procedure to be followed. In any of the above-mentioned cases, the request for modification must be duly justified and the Lead Beneficiary should provide relevant documentation to the JS.

6.2 Revisions of Administrative information

In case of changes regarding Administrative information in the Application Form (including – but not limited to - changes in contact details, addresses, other minor changes or even changes or updates regarding bank accounts) are needed the respected beneficiary must notify the JS. In such cases the JS will proceed with the required actions in order to update the information onto the MIS.

As regards to bank accounts, the JS/MA reserves the right to object the choice of the type of account opened by the beneficiary. Bank account data of the interest-free account of the Lead Beneficiary must be submitted to the JS as soon as it becomes available and whenever it changes. Change of the bank account of the Lead Partner must be stated in Project Progress Reports.

Changing the legal entity and/ or of the Legal Representative of the LB requires a notification message to the JS and the the specific Act in original language.

6.3 Revisions under the beneficiaries' own initiative, with the confirmation/consent of the MA/JS

The beneficiaries during the implementation of the project can proceed to the following adjustments:

- i) Adjustment of the justification of budget cost that does not affect the scope of the project or any information in the Application form.
- ii) Minor adjustments of the content of the project

- iii) Adjustments regarding the start and end dates of activities and deliverables, without affecting the end date of the project **and its overall duration**.
- iv) Adjustments between budget lines/work packages up to 10% of the beneficiary's budget

Project Beneficiaries are allowed to adjust the Justification of Budget within the same Deliverable and Budget Line, with notification of the JS. This rule is not applicable to reallocations among BL and WPs, which fall under the type iv) Adjustment between BLs and WPs up to 10% of the beneficiary's budget. Any adjustment of the JoB must be reported in the next Progress Report.

Minor changes in the content are considered those changes that do not affect the defined objectives, outputs and results (change of location of a certain event, change of equipment defined in the AF with another one serving the same purpose, etc.) and do not risk affecting the completion of the project by the end date; such changes require only a confirmation of the JS. The nature, quantity and use of planned equipment cannot be changed without the approval of the JS/MA.

Finally, budget changes amongst deliverables within the same WP and Budget Lines are included in category ii) as well, they are examined for their efficacy and propriety as any other, relevant change **but they do not affect the 10% flexibility rule** and, thus, are not taken into consideration when calculating said rule on a beneficiary-level.

Likewise, timetable adjustments that do not affect the the end date of the project (rescheduling of WPs, etc.) and do not risk the achievement of the target set by the n+3 rule, require only a confirmation of the JS, as above.

Each partner, in the limit of its total budget, has the possibility to adjust its budget between budget lines and work packages by a maximum of 10% of the original total amount – as stated above *the original budget of a project* is considered the budget as depicted in the Application Form annexed to the Subsidy Contract.

The Lead Beneficiary must submit an official notice to the JS electronically, stating and justifying the proposed adjustments. The Lead Beneficiary should notify the JS **prior** to the request for verification of expenditures. These changes should be reflected also in the next progress report.

The JS/MA will provide their endorsement via electronic correspondence. This endorsement should be included in the folder for verification of expenditures.

The above adjustments do not require a revision of the subsidy contract or an immediate revision of the approved Application Form. They should be integrated in the Application Form when considered necessary by the JS Project Officer, or with the next official version of Application Form, if such a need arises due to modifications that fall under the auspices of the following paragraphs of the Chapter.

Nonetheless, the Application Form must be revised (through the MIS) before the certification request of the referred expenditure.

The JS/MA reserves the right not to approve adjustments in the following cases:

- a. They affect the objectives and expected results of the project (physical activities).
- b. They affect the scope of the project or substantial change in the content of the project
- c. The adjustment of budget is above 10% compared to the initial Application form as approved.

6.4 Modifications approved by the Managing Authority

- Reallocation **between the project's budget lines** and/or among WP for amounts up to 20% of the total budget of each beneficiary. The percentage of the requested reallocation amounts will be calculated on the initial approved AF, which is annex to the Subsidy Contract.
- Extension of the end date of the project
- Redistribution of resources between beneficiaries (partners) in the same partner country, which may result in a change equal to or less than 10% of each partner's budget (EU + national contribution).

The procedure for the adoption of these project modifications is as follows: The Lead Beneficiary, after the approval of the modification proposal by the Project Management Team, submits a request to the JS. The JS forwards the request to the Managing Authority, along with the JS's assessment of the request and any other relevant information. The Managing Authority decides to approve the request, taking into account information provided by the Joint Secretariat.

6.5 Modifications approved by the Joint Steering Committee

- Reallocation between the project's budget lines or between the project WPs for amounts greater than 20% of the total budget of each beneficiary. Such reallocations are permitted only if the requested modification do not alter the planned action, outputs and results and will not compromise the objective of the project and the principle of cooperation.
- Redistribution of resources between beneficiaries (partners) in the same country, which may result in a change of more than 10% of each partner's share in the project budget (EU + National Contribution).
- Changes in the nature of the project and in particular the objectives and expected results. In principle, it is not permitted to make changes to the content of the project, particularly the aims and expected results. However, in very limited cases, the modification of the approved project may be necessary. These changes must be justified and described in detail as soon as they occur.
- Changes in the membership of the partnership. In duly justified cases stemming from a beneficiary's failure to meet the undertaken responsibilities, a modification of the partnership's composition may be approved. This modification can take the form of:
 - replacement of an existing partner with a new partner
 - withdrawal of a partner
 - introduction of a new partner in the partnership

In all cases, an important precondition is the agreement of all remaining beneficiaries. The Lead Beneficiary of the project should inform the JS in writing, by submitting a request for modification in the partnership, providing a relevant justification, along with a written agreement of the other project beneficiaries.

In case of replacing a beneficiary, the new proposed beneficiary should carry at least the same expertise and preferably be active in the same field of work as the one withdrawing, proving its competency to implement the allocated project activities without changing their nature, nor affecting the described deliverables and results, included in the approved Application Form. The JS will evaluate the new proposed beneficiary, taking into account the implementation of the project and the evaluation criteria set in the Project Implementation Manual. Therefore, all necessary documents foreseen for each beneficiary by the Call have to be submitted, as well.

The withdrawing beneficiary should return any funds received to the Lead Beneficiary or to the appointed by the Joint Secretariat bank account

- Amendments to the budget decided by the Joint Steering Committee on the basis of sound financial management of the Programme.
- Redistribution of resources between beneficiaries from different Partner Countries. The Lead Beneficiary should submit a formal request to the JS providing a full explanation of the necessity of such reallocation of activities among beneficiaries, accompanied by a letter of intent, signed by all project beneficiaries. The proposed changes in the project should not affect the nature of the project deliverables and results as approved by the Joint Steering Committee of the Programme. The JS will review the proposal, taking into account all the parameters of the project and will submit it to the Managing Authority. Under approval by the MA, the request should be submitted for approval to the Steering Committee. The beneficiary (partner) whose activities / budget decrease, to repay the respective national co-financing Redistribution of resources between beneficiaries (partners) is acceptable only when there is no increase in the EU contribution.
- Addition of new activities or extension of existing activities leading to the increase of the project budget.

The procedure for the adoption of these project modifications is as follows: The Lead Beneficiary, after the approval of the modification proposal by the Project Management Team, submits a request to the JS. The JS forwards the request to the Managing Authority, along with the JS's assessment of the request and any other relevant information.

In case the Managing Authority decides to approve the request, taking into account information provided by the Joint Secretariat, the procedure for approval by the Joint Steering Committee is initiated.

It may be deemed appropriate to increase the scope of a successful project, because the increased added value of the revised project is foreseen to have a significant positive effect in the entire Cooperation Programme (contribution to the achievement of Programme's targets and exploitation of its results).

All modifications under the approval of the JSC will be evaluated by the JS and MA beforehand.

The Subsidy Contract and Partnership Agreement are only modified when a specific article compared to the one in force is modified. Indicatively, these cases are the following:

- Article concerning the project duration

- Article concerning the partnership composition
- Article concerning the beneficiaries' budget for modifications leading to a beneficiary's overall budget increase or decrease.

No modification of these documents is required for internal budget modifications, given that none of their articles are modified. In addition, there is no need for a Subsidy Contract modification in case the Application Form, as annex of the Subsidy contract, is modified if there is no modification of any of its articles.

7. DE-COMMITMENT OF FUNDS ON PROJECT LEVEL

At the beginning of every year, the Commission allocates a certain amount of EU funds to the IPA CBC programme. The annual allocation must be spent within 2 years following the year of commitment. If, at the end of 2 years, the annual allocation is not spent, the corresponding EU budget will be lost (= de-committed). If this loss results from certain projects lagging behind their spending targets, the programme will be obliged to reduce the budget of these projects.

The JS/MA will take into consideration qualitative and quantitative set of criteria such as:

- The rate of implementation
- The level of implementation
- Problems encountered/reported
- Discounts during procurement that are already reported.

In case of de-commitment of EU funds on a Programme level, the MA/JS will distribute this reduction upon projects.

The first year with risk for de-commitment on Programme level is 2017. From this year the beneficiary/project partner should submit each year (in the beginning of the third trimester via Lead Beneficiary to the JS a detailed payments and verifications work plan, agreed with the respective project officer. A serious deviation from this plan and in case of de-commitment on Programme level shall result in reduction of funds on project level, respecting proportionality.

Procedure for the recovery of EU contribution, in case of irregularities

When an irregularity is detected, the MA/JS will always first try to recover the amount from the Lead Beneficiary.

The irregularity may be recovered by offsetting the unduly paid funds from subsequent **project payment claims** (i.e. deducting the 'irregular' amount that is charged to a certain project partner from the payment claim(s) of the project).

However, in cases when

- The expenditure from the liable beneficiary in the payment claims does not suffice to cover the respective irregular amount from the liable beneficiary
- the LP tries but does not succeed in recovering the amount from the liable beneficiary (eg. because the partner is bankrupt or closed down).

The portion of the irregular amount that can not be repaid is deducted from the total costs reported by the project.

Therefore, the Lead beneficiary (or the liable project beneficiary) suffer(s) the loss of EU contribution because they receive less than what they were entitled to due to the deduction of the irregular amount from the project claim(s). As such, the Programme budget does not bear the loss of the Project Beneficiaries' irregularities.

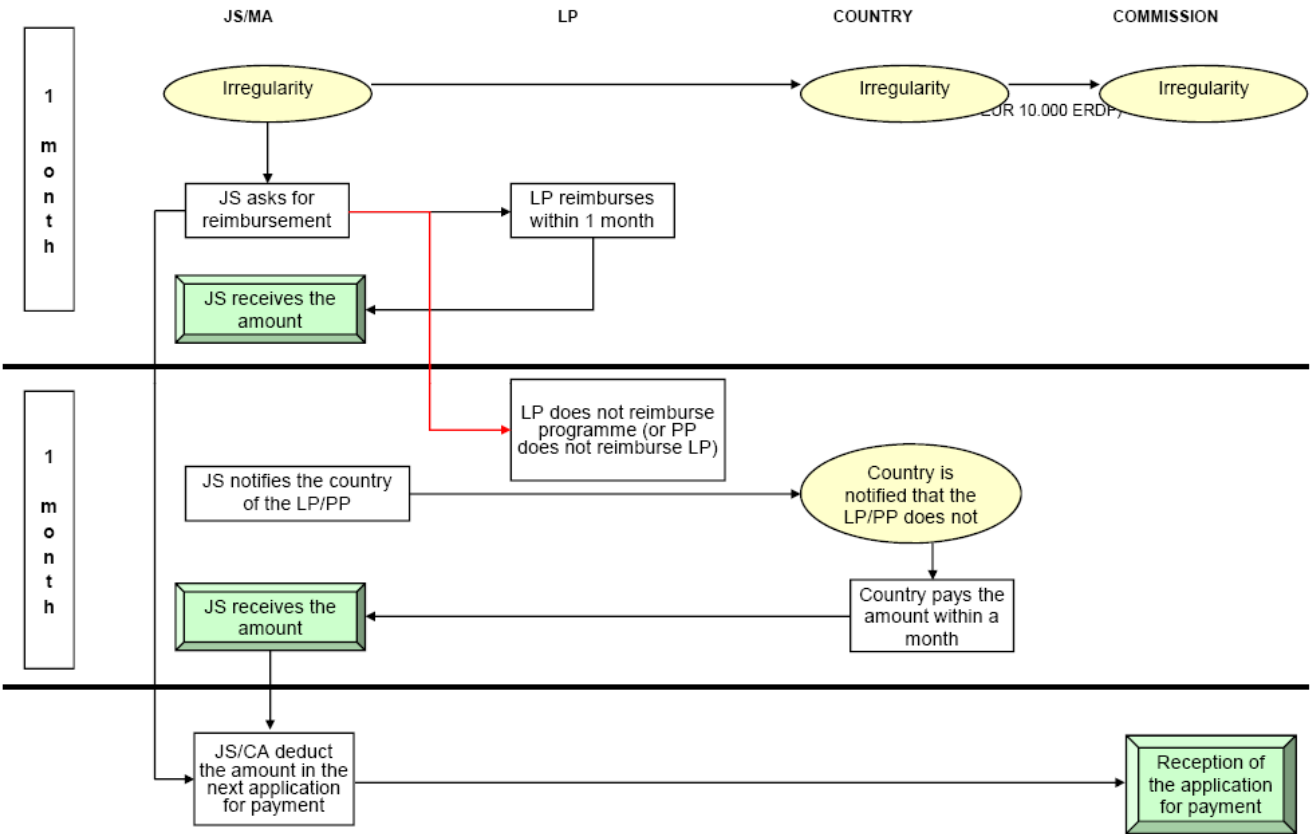
If the irregularity amount cannot be deducted from another payment claim (eg.the project is closed), the relevant amount is requested by the Lead Beneficiary. The recovery of the unduly paid EU contribution must be done within 1 month.

It is noted that if :

- The LB does not repay the MA within 1 month, or
- The LB repays the MA but does not succeed in recovering the amount from the liable beneficiary.,

the MA will notify the Country of the liable partner concerned and request the repayment of the respective EU contribution amount by the country within 1 month. Therefore, either the LB or the Partner Country of the liable project beneficiary will suffer the loss of the EU contribution, which corresponds to the irregularity.

The relevant procedures are depicted in the next graph.



8. COMPLAINTS PROCEDURE

A procedure for the examination of complaints shall be in place.

Partner countries shall set up a Joint Complaint Committee (JCC), with separate and independent members from the JSC, for the review of any complaint regarding the selection of operations under a given call for proposals.

The Joint Complaint Committee will be composed by two members: One member from the Managing Authority and one member from the National Authority of the IPA beneficiary country.

Both members will sign declaration of their impartiality confidentiality and declaration regarding no conflict of interest.

The members will be notified to the JSC before the selection of operations of each Call.

Project lead applicants of rejected project proposals are informed in writing about the outcomes of the administrative and quality assessment.

Eventual formal complaints against the decisions taken by the Programme authorities on the projects' selection can be initiated by the Lead Applicant and must be addressed to the Managing Authority. Only the project's lead applicant can file a complaint. Potential complaints from beneficiaries have to be passed through the lead applicant.

Such a complaint must be well grounded.

In principle, complaints can only be lodged against the following criteria only:

- (1) the assessment does not correspond to the information provided by the lead applicant and
- (2) the project assessment and selection process failed to comply with the specific procedures laid down in the call publication and programme manual

The JCC will not have any authority to perform quality assessment or re-evaluations.

Complaints must be submitted in writing (post only) to the Joint Secretariat within 10 days after the official notification of the non-selection of the project by the Managing Authority.

The Joint Complaint Committee will examine and answer the relevant complaints. If deemed necessary, the Joint Complaint Committee may decide to refer back a complaint to the Joint Steering Committee and present an opinion within a deadline of 15 days after receiving the complaint.

Complaints against decisions of the programme's Managing Authority/Joint Secretariat during project implementation will follow the rules laid down in the Subsidy Contract that is concluded between the Managing Authority and the Lead Partner. Complaints related to first level control or second level audit have to be lodged against the responsible national authority according to the applicable national rules.