

**Interreg - IPA CBC**



**CCI 2014 TC 16 I5CB 009**

**INTERREG IPA Cross Border Cooperation (CBC) Programme  
with Greece 2014-2020**

# **Training seminar on financial management for IPA beneficiaries**



*Co-funded by the European Union and National Funds of the participating countries*

## ***Pre-financing phase for the projects***

- Pre-financing available for the beneficiaries under the Interreg IPA II Programme
- The maximum requested amount of pre-financing up to 20%
- Ministry of Local Self-Government (MLS) make pre-financing
- MLS guarantor → MA/CA guarantor → general budget of the EU
- Relevant request for pre-financing from beneficiaries to MLS
- MLS issue the letter of guarantee on behalf of beneficiaries and accompanies the relevant request for pre-financing
- Signed letter of guarantee MLS has to submit to the MA with CA in copy
- Amortization of the advance payment (Subsidy Contract)
- MA/CA reserves the right to request further guarantees from the beneficiaries

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BENEFICIARY NAME/LOGO/ADDRESS

To: **National Authority**  
MINISTRY OF LOCAL SELF-GOVERNMENT  
Sv. Kiril i Metodij, 54, 1000, Skopje

## Request for signing the national co-financing contract and/or letter of guarantee for the pre financing of the EU contribution

Pursuant to article 4 of the Subsidy contract No....., for the project titled "....." (MIS number ...../Acronym .....) of the Interreg IPA II Cross Border Cooperation Programme with Greece 2014-2020, I, the undersigned legal representative of ....., hereby request from the Ministry of Local-Self Government, in its role as a National Authority - guarantor for the pre-financing of the EU contribution:

<input type="checkbox"/> National co-financing contract (Applicable for all IPA project beneficiaries)	<input type="checkbox"/> A letter of guarantee (Applicable for IPA project beneficiaries governed by the private law)  Respectively, pursuant to article 1 of the above mentioned subsidy contract, an amount of ..... EUR (max. 20% of the EU contribution) will be requested as pre-financing payment.
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Enclosed to this letter, you may find copies of the following documents:

- Subsidy contract;
- Partnership agreement;
- Project's registration certificate issued Secretariat for European Affairs; and,
- Decision issued by the Public Revenue Office (registration for VAT exemption);
- Financial Identification Form; and,
- Legal Entity Form;

We accept notably that no amendment to the terms of the pre-financing and/or co-financing in the framework of the project implementation, the checks conducted by the FLC controller and by the Audit Authority can release us from our obligation concerning the financial corrections and/or irregularities detections.

Thus, any dispute arising out of or in connection with the above mentioned issues, we accept to be referred to the respective EU regulations as well as national legislation/acts applicable in the country.

As above, we kindly ask the Ministry of Local-Self Government as a National Authority, to consider this request and inform the Managing Authority upon issuing the letter of guarantee.

Thank you in advance for your co-operation.

Sincerely yours

Name/Position/signature

To: **Beneficiary Name/Address**

## Letter of guarantee for the pre financing of the EU contribution

Following the request by the legal representative of <beneficiary name> to the Ministry of Local Self Government no. <archive number>, <date> and pursuant to article 4 paragraph 4 of the Bilateral Agreement of the Interreg IPA II Cross Border Cooperation Programme with Greece 2014-2020, the Ministry of Local Self Government as national body, being legally responsible to act as a guarantor for the beneficiaries located in its country, issues this letter of guarantee, regarding the pre-financing payment (max. 20% of the EU contribution), for the project titled "<project title>" (MIS number <MIS number of the project>/Acronym <project acronym>).

Respectively, pursuant to article 1 of the Subsidy contract No <contract No>, the amount for which this letter of guarantee is issued, to the legal representative for the above mentioned project, is presented in the following table:

Union Support (85%):	.....EUR
Requested Pre-Financing amount by the beneficiary (representing max. 20% of the Union Support):	.....EUR

Sincerely yours,

Minister of Local Self-Government

## *Management verification*

- According to Article 125 of the Regulation (EU) 1303/2013 and Article 23 of the Regulation (EU) 1299/2013 (ETC), MA bears the responsibility to carry out all necessary functions for the management verifications under the programme
- Following the Article 23 of the Regulation (EU) 1299/2013 (ETC), third countries under certain conditions could bear responsibility for management verifications
- For the verification of expenditure made by Beneficiaries located in RM, the responsible body is the National Authority (NA) within the Ministry of Local Self Government (MLS)
- A control system has set up by NA - legality and regularity of the expenditure declared by beneficiaries in compliance with the applicable EU and national law, the INTERREG IPA CBC Programme and the conditions for support of the operation.



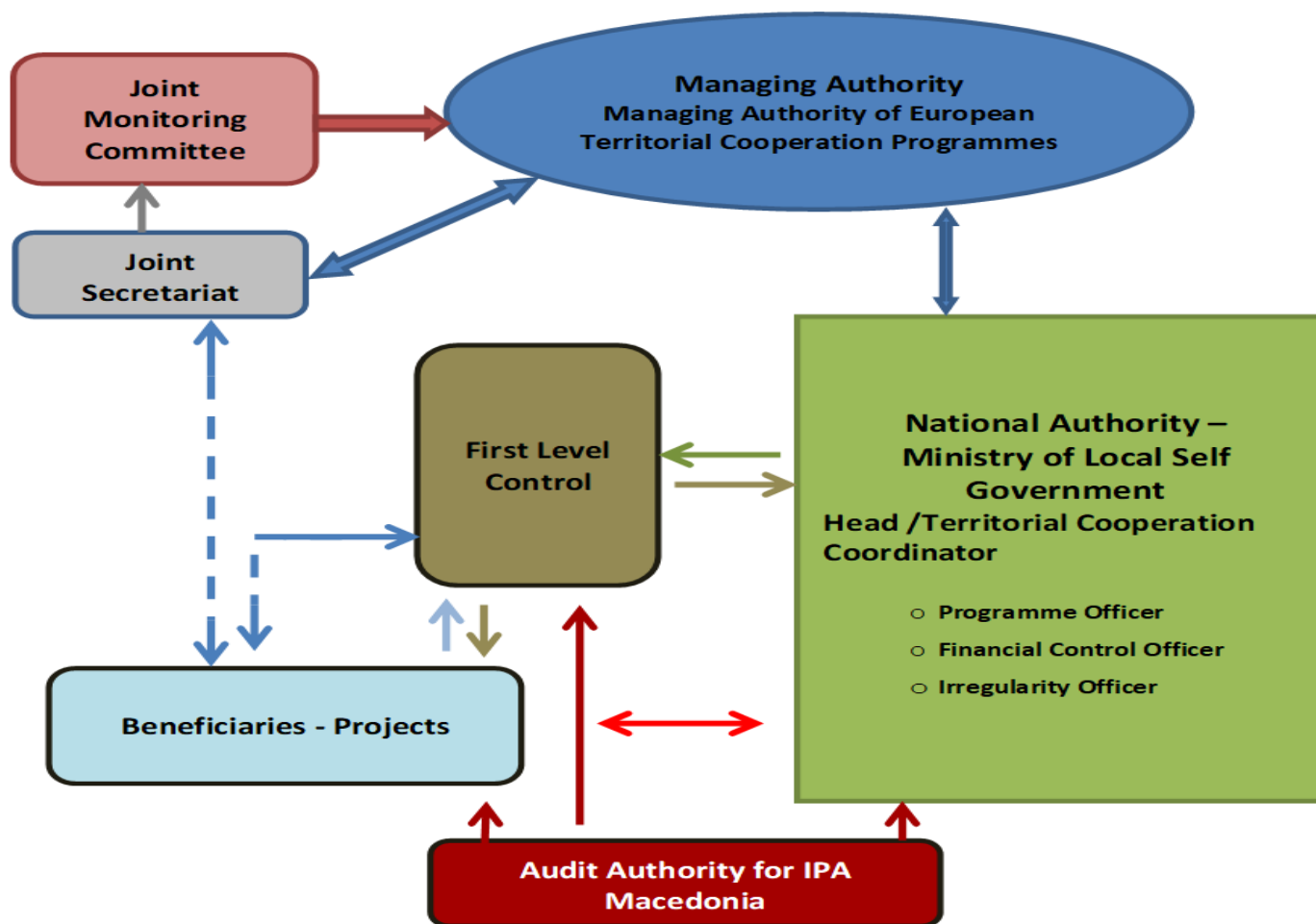


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## ***First Level of Control (FLC) – appointment and designation process***

- FLC`rs responsible for verifying the legality and regularity of the expenditure declared by the beneficiary participating in the operation located on their territories.
- IPA country: will be performed under a decentralized system by designated Controllers.
- National Authority established a list with external controllers based on the approved internal methodology.



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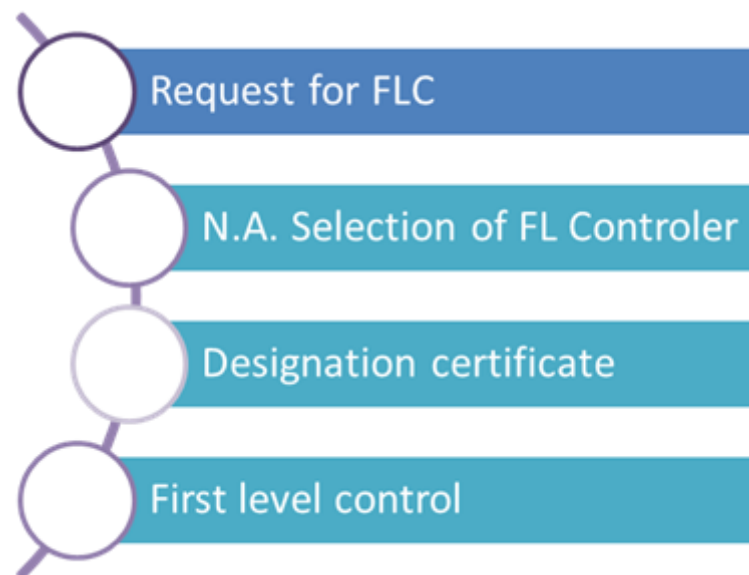
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## *Description of the procedure for FLC designation process*



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## *Request for Verification of Expenditures (RFVE)*

BENEFICIARY NAME/LOGO/ADDRESS

**Date:**

**To: National Authority**

MINISTRY OF LOCAL SELF-GOVERNMENT

Sv. Kiril i Metodij, 54, 1000, Skopje

### **REQUEST for DESIGNATION of a FIRST LEVEL CONTROLLER**

I, the undersigned legal representative of ....., request the designation of a first level controller for performing verification of paid expenditure of the project titled "....." (MIS number ...../Acronym .....) of the Interreg IPA II .....Programme.

The reporting period is from ..... to ..... and the requested amount for verification is ..... EUR, according to the attached "Table of Verified Expenditure".

Sincerely yours

**Name/Position/signature**



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## ***Management verification***

The Beneficiaries shall submit their applications for expenditure verification at least every semester/trimester and preferably:

- whenever the expenditure reaches 10.000 € for the projects with small budget where the first allocation for pre-financing is up to 10,000 €,
- whenever the expenditures exceed 70% from pre-finance allocated funds where the first allocation is above 10,000 €. The RFVE includes the information regarding sub-tender procedures carried out (per project partner) during the reporting period,
- Based on the RFVE, the NA starts its respective FLC assignment procedures within maximum 13 working days,
- The NA selects controller (contracted previously by Framework agreement) based on alphabetical order principle,
- The Controller confirms back (declines) her/his availability by signing (not signing) the Designation Certificate within maximum of 3 working days,
- The declared lack of conflict of interest in the above-mentioned Designation Certificate is to be checked by the NA. Based on the above the NA prepares a contract between NA and the Controller. NA sends back to the controller the counter-signed Designation Certificate and respective assignment contract – within maximum 5 working days.





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X Copy for the NA	X Copy for the LP/PP	X Copy for the FLC-er
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## FIRST LEVEL CONTROL DESIGNATION CERTIFICATE

in the framework of the Interreg- IPA CBC programme with Greece 2014- 2020

Project name			
Project		Project acronym	
Project partner		Organization	
Full address			
Contact person details			

Request for FLC	No.		
Reporting period	Start	End	
Project duration	Start	End	

First level controller	No.	Name		
<b>STATEMENT</b>				
	NA	FLC		
Please confirm that the first level controller commits himself to undertake the verification of a.m. Project Partner's expenditure in accordance with the requirements set out in the Interreg IPA Cross-border Programme.	<input type="checkbox"/> Confirmed	<input type="checkbox"/> Confirmed		
Please confirm that the first level controller is qualified in applying the rules of the regulatory framework of IPA as required in the Interreg IPA Cross-border Programme.	<input type="checkbox"/> Confirmed	<input type="checkbox"/> Confirmed		

Please confirm that the first level controller is entitled to perform the controls including documentary and on-the-spot checks in all locations of the project partner receiving IPA co-financing, and where activities of the particular project partner take place.	<input type="checkbox"/> Confirmed	<input type="checkbox"/> Confirmed
Please confirm that according to MIS the first level controller, neither his/her organisation/unit that the controller is working for is not involved in: <ul style="list-style-type: none"><li>project assessment;</li><li>project approval;</li><li>project activities (incl. signing the project's progress report as a project partner);</li><li>project finances (project accounting and payment orders).</li></ul>	<input type="checkbox"/> Confirmed	<input type="checkbox"/> Confirmed
Please confirm that regarding the control of this IPA CBC Programme project, there are no relationships by blood or marriage between the controller and Project Partner's sub-contractors, whose operations and respective expenditures are to be verified.		<input type="checkbox"/> Confirmed
Please confirm that the controller is independent of mind meaning that (s)he does not feel dependent on the entity/unit to be controlled regarding the IPA Cross-border Programmes.		<input type="checkbox"/> Confirmed
The controller ensures that his/her work will be properly documented and accessible to guarantee an efficient review of the work in a way that any other controller/auditor can perform again the control with the only use of the control file.		<input type="checkbox"/> Confirmed
Please confirm that the controller is aware of the definition for irregularity and fraud, and have verified this by signing the attached declaration.	<input type="checkbox"/> Confirmed	<input type="checkbox"/> Confirmed
The above mentioned circumstances are checked according to the available information (documents provided by the controller and the recordings in the MIS) and confirmed by Taibe Emini, Financial Control Officer under the Interreg IPA Cross-border Programme with Greece 2014-2020, NA	Signature	Date

If any of the above "checks" is not fulfilled, the present "FLC Designation Certificate" is considered invalid

<b>OTHERS</b>			
	FLC		
Is the controller familiar with the relevant institutional framework, the Guidance on Management Verifications and the approved documents of the INTERREG IPA II CBC Programme with Greece 2014-2020	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Can the first level controller ensure that the work will be carried out within the 12 working days-limitation after the assignment by NA?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	





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## National Authority's signature

Place			
Date			
Authorised Person			
Signature			

## Controller's signature

Place			
Date			
Name			
Signature			

☐ Copy for the NA

☐ Copy for the FLC-er

## DECLARATION FOR REPORTING IRREGULARITIES

in the framework of the INTERREG PROGRAMMES

Project name			
Project		Project acronym	
Project partner	No.	Organisation	
Full address			
Contact person details			

Request for FLC	No.	
Reporting period	Start	End
Project duration	Star	End

First level controller	Name	
------------------------	------	--

I, the undersigned declare that:

## Controller's signature

Place			
Date			
Name			
Signature			



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## *Management verification*

**Type of FLC checks** -The Controllers will carry out administrative and on-the-spot verifications according to Article 125 of the of the Regulation (EU)1303/2013, therefore two main types of checks for the implementation of the FLC :

- **Documentary Checks**

- The Controller/s shall initiate the verification of 100% of the expenditure declared, evaluating the provided administrative documents,

- The “documentary checks” can be performed by the Controller at its own premises.

- **On-the-spot checks**

- On-the-spot checks are an obligatory element of the system for control and verification of the expenditure. They have to be implemented at the beneficiaries and/or on site, where the project activities are implemented and usually when the project is in progress, both in terms of physical and financial progress.





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## ***Management verification***

### • **Documentary Checks**

The main issues to be covered here include:

- the exact name of the Lead Partner (LP),
- Project partner/s and the sub-contractors;
- the reporting period;
- the legality of the procurement procedures (if any);
- the expenditures declared are real and incurred for the project approved under the respective Programme and supported by invoices or accounting documents with equivalent probative value;
- the expenditure declared have been paid by the LP/PP and can be supported by adequate document;
- the supporting documents submitted are complete,
- accurate and acceptable as to their form and content;
- the currency exchange rate used;
- the description of the product/service/works and the respective quantity are in compliance with the subsidy contract and the respective changes if any;
- the applicable Value Added Tax (VAT) regime, compliance with the state aid rules and etc.







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## *Management verification*

- **On-the-spot checks** are aimed at checking:
  - the reality of the operation;
  - the progress in project's implementation;
  - the delivery of products,
  - services and execution of work activities and their usage in full compliance with the project purpose and the approved application;
  - the compliance with Community and national rules on publicity, procurement, state aid rules, equality between men and women, non-discrimination and environmental issues in relevant cases;
  - the accuracy of all information provided by beneficiary regarding physical and financial implementation of the operation;
  - maintenance of a separate accounting system or an adequate accounting code for all transactions relating to an operation;
  - all documents concerning the implementation of the operation to be properly kept and available.



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- on-the-spot checks are mandatory for every single project, at least **one on-the-spot check will be planned to be executed for soft projects** and at least **two on-the-spot checks for investment projects**,
- On-the-spot checks should cover all administrative, financial, technical and physical aspects of the project that cannot be verified through the administrative verifications,
- Moreover, on-the-spot checks could be executed after diagnosing the need for an exceptional/ad hoc verification due to problems encountered such as indications for violation of EU or national law etc., thus the Financial Control Officer of the NA will inform the Controller for his/her obligation to carry out the on-the-spot verification either following the receipt of a file of the Beneficiary by the Controller or by sending him/her the relevant (electronic) file with the data to be verified. During the on-the-spot verification, in the premises of the Beneficiary or/and in the project implementation site, the Controller could be accompanied by the Financial Control Officer.
- Generally, a prior notification of the on-the-spot check should be sent to the Beneficiary in order to ensure that the relevant staff (e.g. project manager, engineer, accounting staff) and documentation (in particular, financial records including bank statements and invoices) are made available during the verification.
- The Financial Control Officer monitors the implementation of the schedule on-the-spot, however it can be revised at any time and, especially, when findings arise from controls/audits made by other \control/audit bodies or/and previous administrative or on the spot verifications.



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## Responsibilities of controllers

- The FLC checks are to be documented by the controllers and the work records are to be retained for audit purposes for at least 5 (five) years after the date of the notification by the Managing Authority (MA) for verified amounts under the request for final payment under the respective project, In order to facilitate the access to the work records of the controllers they are to be stored in FLC section in the MIS.
- The controllers have following main responsibilities:
- validation of expenditure incurred;
- validation of the activities;
- preparation of the relevant documents: "Table of verified expenditures", "FLC Checklist", "Individual Time Sheet", "FLC report" and "Certificate of verified expenditures", as well accompanying list of Invoices and contracts (*according to the template in the MCS package*);
- signing a "Certificate of verified expenditures" - by signing this document the controller validates only the eligible expenditures, specifies the ineligible and declares the proper use of funds.





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## ***Verification process***

The main objective of the First Level Control (FLC) is to guarantee that the costs charged under the INTERREG-IPA CBC Programmes are justified and are carried out in accordance with the legal and financial clauses of the subsidy contract and within the rules governing the INTERREG-IPA CBC programmes, the European Community regulations and the respective national legislation.

The FLC covers 100% of all declared project expenses. The FLC entails the following checks:

- validation of the delivery of the products, services and works (as described in the approved Application Form, which is the reference point for the approval decision regarding the activities and finance; and/or the project subsidy contract – which sets the legal background for the implementation of the project.);
- validation of the soundness of the expenditure declared;
- validation of the compliance of such expenditure with Programme, EC and national rules.





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## *Verification process*

The timing process is as follows:

- Expenditure must be validated within maximum period of 45 working days from the date of submission of the Request for Verification of Expenditures from the Lead partner / Project partner according to the subsidy contract

**A.** Considering that the process of the designation of the Controller covers a period of maximum twenty one (21) working days, as described in section 8, in both types of checks for the implementation of the FLC (administrative or on-the-spot), the verification procedure of respective project beneficiary must be validated within maximum twenty four (**24**) **working days** after the controller is been assigned.

The controller verifies at 100 % the expenditure presented by the project partner on the basis of the invoices or accounting documents of equivalent probative value, verifies the delivery of the products and services, the soundness of the expenditures declared, and the compliance of such expenditures with Community rules and relevant national rules. In case an on-the-spot check is performed, the verification cannot exceed two (2) working days from its start.

**B.** The draft "First Level Control Report", the relevant Checklist and the "Certificate of Verified Expenditure", if exists, shall be sent to the Beneficiary within seven (7) working days after the end of the documentary / on-the-spot verification, via email with a copy to the Territorial Cooperation Management Structure at the NA.







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**C.** The Beneficiary can submit a complaint to the Controller within five (5) working days after receiving the aforementioned documents, as proven by the date of the e-mail sent to the Controller with a copy to the TCMS at the NA. Acknowledging receipt of the aforementioned documents is a responsibility of the Controller and shall be done by a follow-up email, besides the automatic reply/receipt.

**D.** The Controller within five (5) working days after receiving the complaint, shall examine it and send to the Beneficiary with a copy to the TCMS at the NA, the "Table of verified expenditures", "FLC Checklist", "Individual Time Sheet", "FLC report" and "Certificate of verified expenditures", as well all supplementary documentation concerning the First Level Control. The submission of the "FLC Report" and the relevant documents shall be done in the form of electronic mail, delivery by courier and by postal delivery effected by way of registered letter and acknowledgement of receipt. In any case, acknowledging receipt of the aforementioned documents is a responsibility of the Controller and shall be done by a follow-up email, besides the automatic reply/receipt and/or by asking for a reference number from the Beneficiary.

**E.** In case the Controller asks for clarifications and/or supplementary documents, from the Beneficiary, the above deadlines for the examination of the file and the complaints shall be interrupted till the Beneficiary sends a reply for a maximum of five (5) working days, in accordance with the email communication between the Controller and the Beneficiary. The TCMS at the NA shall always be in copy.





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## Appointment and designation process

Recruitment procedure for FLC Officers and contracting	Designation process: Request for First Level Control	Selection of FLC-er alphabetical order principle	Designation letter	FLC-er confirms back (declines)	Checking of declared lack of conflict of interest
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## Verification process

Maximum of one month from his/her assignment FLC-er should complete the verification procedure - issues the 'Certificate for Validation of Expenditures' (CVE)	CVE, copy of the DC and copy of the "IR" are left with the LP/PP. In parallel FLC-er sends back to the NA respective copies from the FLC R&C, CVE and the "IR".
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## Cross check of FLC-ers

The NA has to cross check the FLC-ers and has to send a notification letter to MA confirming the performed by the FLC-ers from Macedonia verifications – within maximum 10 days.	After the formal approval of the works carried out by the FLC-er, the NA initiates payment to him/her	NA will submit to the MA a Verification Report, if required
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## *Payments /Cash Flows*

- 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.
- 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.





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## ***National contribution***

- For the beneficiaries on the territory of the former Yugoslav Republic of Macedonia, the national contribution (15%) shall be ensured through the National Budget of the former Yugoslav Republic of Macedonia and administered by the National Authority.
- Beneficiaries located in the former Yugoslav Republic of Macedonia will conclude a Contract for National Co-financing with the NA-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 beneficiaries.

## **Nation co-financing payment procedure**

- On the base of the concluded Contract for National Co-financing with the NA-Ministry of Local Self Government, IPA beneficiaries submit a Request for payment to the NA. Programme Officer distributes the received Request for payment to the Financial Control Officer. The Financial Control Officer should check the received Request for payment and should confirm the accuracy of the each Request for payment. On the base of the checked Request for payment the NA will transfer 15% of the veriflicated ammount to the respective beneficiary.







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## CCI 2014 TC 16 I5CB 009

MINISTRY OF LOCAL SELF GOVERNMENT

CONTRACT FOR CO-FINANCING PROJECT OF INTERREG IPA  
CROSS - BORDER PROGRAMME WITH GREECE 2014 –2020

CONTRACT No. \_\_\_\_\_ / \_\_\_\_\_

The Ministry of Local Self Government, with its address at str. St. Cyril and Methodius no.54, Skopje, for and on behalf of the Beneficiary Country, which for the purpose of the signature of this contract is represented by Suhejl Fazliu, Minister, ("the Contracting Authority")

of the one part,

\_\_\_\_\_, Tax No. \_\_\_\_\_ and address at \_\_\_\_\_, represented by \_\_\_\_\_, ("the Beneficiary")

of the other part,

have agreed as follows:

### 1 Article - Legal base

1.1 Contracting Authority with financial means from the National Budget will co-finance projects in accordance with the IPA Cross - Border Programme with Greece 2014 – 2020 that is adopted by the European Commission on 10<sup>th</sup> of September 2015 with Decision No. C(2015) 5655, the Financing Agreement concerning the cross-border programme, as well as in line with the First Call for Proposals and the Decision of the Joint Monitoring Committee to approve the proposal of the Joint Steering Committee for funding selected projects from 31.03.2017.

### 2 Article – Provisions of the Contract

2.1 The purpose of this Contract is to define the payment arrangements for co-financing by the Contracting Authority for the implementation of the Project entitled "\_\_\_\_\_", ("the Project"), subsidy contract no. \_\_\_\_\_.

2.2 The awarded beneficiary in accordance with the rules of the First Call for Proposals under the INTERREG IPA Cross-Border Cooperation Programme with Greece 2014-2020, will sign Contract for co-financing with the Ministry of Local Self Government acting Contracting Authority.

2.3 With the signature of this Contract the Beneficiary hereby declares it has read and accepted all documents stipulated in Article 1.1 and annexes referred to in Article 7.1 that are integral part of this Contract.

The Beneficiary accepts the rules and criteria related to the co-financing of the Project under the INTERREG IPA Cross - Border Cooperation Programme with Greece 2014 –2020 determined by

1.1 the Contracting Authority and undertakes to carry out the Project under its own responsibility. The rules and criteria are in accordance with the National Legislation.

### 2 Article - Implementation and execution period of the Contract

2.1 This Contract shall enter into force on the date when the last of the two Parties signs.

2.2 The execution period of this Contract will end at the moment when the final payment is paid by the Contracting Authority to the Beneficiary.

### 3 Article - Financing the Project

3.1 The total budget for the approved project amounts to \_\_\_\_\_ EUR, out of which an amount of \_\_\_\_\_ EUR is allocated to the Beneficiary (Lead beneficiary/Beneficiary 1...), as set out in the Subsidy Contract Ref. No. CN-\_\_\_\_\_.

3.2 The European Union support co-financing rate of the project is set to 85%, whereas 15% by the Ministry of Local Self-Government of the verified eligible expenditure.

3.3 The Contracting Authority undertakes to finance a maximum of \_\_\_\_\_ EUR, equivalent to 15% allocated budget to the Beneficiary as set out in Article 4.1.

3.4 The amount equivalent to 15 % to be paid by the Contracting Authority shall be established after submission of written proof (Letter for approval - Certificate of verified expenditures) by the Beneficiary to the Contracting Authority that the verified amount is approved and pursuant to Article 50, Annex IV of the Financing Agreement of the corresponding INTERREG IPA CBC Programme.

3.5 The amount stated in Article 4.3 of this Contract shall be paid by the Contracting Authority to the Beneficiary.

### 4 Article - Narrative and financial reporting and payment arrangements

4.1 The Beneficiary, in each request for payment of the national co-financing, will provide the Contracting Authority with a written proof that the requested amount of the national co-financing is certified by the Managing Authority/Certifying Authority. The request for the final payment shall also be accompanied with the Final Report of the Project approved by the Joint Secretariat under INTERREG IPA Cross-Border Cooperation Programme with Greece 2014-2020 (Letter for approval).

4.2 Other reports and information shall be produced by the Beneficiary in support of payment request if requested by the Contracting Authority.

4.3 The Beneficiary shall provide to the Contracting Authority the documents stipulated in Article 5.1 within 30 days after receiving an evidence for certified expenditures.

4.4 Payment shall be made to the bank account notified by the Beneficiary to the Contracting Authority in accordance with the information provided in Annex II - Financial identification form.

4.5 Payment for co-financing from the Contracting Authority to the Beneficiary shall be made in national currency – Macedonian Denar.







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1.1 EURO - Macedonian Denar on the day of the payment for co-financing.

### 2 Article - Contact address

2.1 Any communication relating to the contract must be in written, state the number and title of the Contract and be sent to the following address:

2.2 Payment request and attached reports, including requests for changes to bank accounts arrangements should be sent to:

#### For the Contracting Authority

Ministry of Local Self Government

Attn.: Suhejl Fazliu, Minister

Address: str. St. Cyril and Methodius no.54, 1000 Skopje

Tel. + 389 (0)2 3253 921

Fax + 389 (0)2 3253 920

#### For the Beneficiary

Beneficiary:

Attn.:

Address:

Phone: + 389 (0)

Fax: + 389 (0)

Email:

### 3 Article - Annexes

3.1 The following documents are annexed and form an integral part of this Contract:

Annex I: Copy of the Subsidy Contract

Annex II: Copy of the Partnership Agreement

Annex III: Financial Identification Form

Annex IV: Legal Entity Form

Annex V: Request for payment

### 4 Article - Other specific conditions applying to the Action

In the case of change or modification of the legal entity/ status of the Beneficiary, the Beneficiary's legal successor shall take over from the Beneficiary the legal and/or institutional

1.1 responsibility for implementing and/or continuing after the implementation period the activities covered or initiated by the Project. In addition the ownership of assets co-financed by the Contracting Authority in the life-time of the Project shall be transferred from the Beneficiary to its legal successor.

1.2 Consequently, the Contract and its Annexes shall be read in accordance with the relevant modifications introduced by the National Law of the IPA country regarding any change or modification of the legal entity/ status of the Beneficiary.

#### For the Beneficiary

Name:

Title:

Signature:

Date:

#### For the Contracting Authority

Name: Suhejl Fazliu

Title: Minister

Signature:

Date:



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## CCI 2014 TC 16 I5CB 009

To: **National Authority**  
MINISTRY OF LOCAL SELF-GOVERNMENT

Sv. Kiril i Metodij, 54, 1000, Skopje

Att. Mrs. Mjellma Mehmeti Petersen, State Adviser

<Date and Place of the payment request>

Reference number (Contract No.):

Title of the project:

Name and address of the Project Manager:

Dear Mrs. Mehmeti Petersen,

We hereby request the     (No. of payment request)     payment of national co-financing for the project     (acronym)     under the     (number of the Call)     Call for Proposals in 15 % from the verified and certified amount. The amount requested is      Euro;

Verified and certified amount:                                  Euro;

State contribution by the MoLSG (15%):                                  Euro;

Please find attached the following supporting documents:

- Evidence for certified expenditures;

The payment should be made in denars to the following bank account:

1. Denars bank account of the project:
2. Revenue account:
3. Subprogram:
4. Deponent:
5. Tax number:

### Declaration on honour

*We hereby certify that the information contained in this payment request is full, reliable and true, and is substantiated by adequate supporting documents that can be checked.*

*We hereby certify that the costs declared have been incurred in accordance with the signed Contract and that they can be considered as eligible in accordance with the Contract.*

Yours faithfully,

< Signature >



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## *Recovery of amounts unduly paid*

### Recovery of funds in case of registered irregularities

- Irregularities can arise for many reasons on various administrative levels. Reporting of irregularities or suspicion for irregularities is carried out according to the procedure described as follows.

### Financial corrections on certified expenditures

- The financial corrections on certified expenditures may be caused by audit of the programme, checks carried out by the CA, MA, NA, FLC and JS or signal for irregularity.
- In all cases of financial corrections on certified expenditures the MA/NA registers an irregularity. After receiving of Final audit report of operations the MA take all necessary actions for registration of financial corrections in the year of the report and starts the procedure for correction of the verified/certified expenditures, subject of audit findings. If it is necessary the procedure for registration of irregularities should be followed. Since the NA is responsible for registration of irregularity in the former Yugoslav Republic of Macedonia in some cases of certified expenditures affected by an audit findings the MA may implement the audit recommendations through registration of financial corrections.





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## *Irregularities*

- According to the requirements of the EU, each member states should provide systems for examination and adequate response in cases of alleged or actual cases of irregularities and fraud enforcing both national and European legislation. NA should ensure the implementation of mechanisms for control and report in accordance with Commission Regulations (EC) 1303/2013 and 447/2014.
- The implementation of procedures regarding preventing, identifying, reporting and dealing with the irregularities aims to:
  - a) Protect the financial interests of the EC and the partnering country;
  - b) Recover the funding misused for irregularities or in case of fraud;
  - c) Prevent similar cases in the future;
  - d) Review systems and procedures for preventing future irregularities;

**"Irregularity"** shall mean any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by charging an unjustified item of expenditure to the Community budget.

**Fraud** is a particular type of irregularity, differing from other types of irregularities in its deliberate nature - **intentional act or omission**, in respect of expenditures and revenue





[www.ipa-cbc-programme.eu](http://www.ipa-cbc-programme.eu)

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## ***Prevention of irregularities***

The main means for prevention of irregularities must be the implementation of:

- Written procedures
- Separation of responsibilities
- Control
- Preventive control



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## *Administering of irregularities*

Signal for irregularity may be received by MA's / NA's employees, beneficiaries and third parties, including information by the mass media and anonymous source of information about any infringement related the INTERREG-IPA CBC Programme Greece – The former Yugoslav Republic of Macedonia. The signal for irregularity should content at least the following information - financing programme, name of the project concerned, administrative body and a description of irregularity.

In the presence of "conflict of interests" within the meaning in art. 57 from Reg. 966/2012 between the Irregularity Officer and the person who submits the signal, the signal shall be forwarded to:

- Head of the MA / NA;
- Head of the organizational unit for preventing irregularities (Anti-Fraud Coordinating Structures - AFCOS) in the Financial Police Office within the Ministry of Finance of the former Yugoslav Republic of Macedonia

Employees who received oral signal for irregularity have to describe it in written form and after that should submit it to the Head of MA / Head of NA, Head of the organizational unit for preventing irregularities or the irregularity expert.





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- The irregularity officer for the received signals for irregularities, prepare note and the application record in the evident book for irregularities. Data from the evident book for irregularities are confidential and are marked as classified information.
- The person responsible for irregularities, after receiving the information for existing of irregularities or suspicion of fraud or corruption, take the necessary measures and shall inform the Public Prosecutor of the former Yugoslav Republic of Macedonia, the Unit in the Office of the Financial Police and financial inspection in the public sector.
- The decision for proceeding or stopping/suspension of payment under the project which is subject of a decision on the signal for irregularity has to be taken after detailed analysing on circumstances described in the signal (the amount of the potential irregularity as well as its possible damages concerning a fully and quality implementation of the project).





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