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Romanian Ministry of Public Works, Development and Administration

Managing Authority

PROJECT IMPLEMENTATION MANUAL



**ENI CBC Black Sea Basin Programme
2014-2020**

August 2021
Revision 3.1



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CHAPTER 1 - INTRODUCTION

1.1 GLOSSARY OF TERMS

Audit Authority	The body appointed within the Court of Accounts of Romania to ensure that audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the programme. The Audit Authority (AA) for the programme will be assisted by a Group of Auditors (GoA) comprising a representative from each country participating in the programme.
Beneficiaries = Project Partners (in the eMS)	Partner Beneficiaries involved in the implementation of a project with whom the Lead Beneficiary signs a Partnership Agreement. In accordance with article 46 of the ENI CBC IR: “[...] Each beneficiary shall be legally and financially responsible for the activities that it is implementing and for the share of the Union funds that it receives [...]” In eMS, Beneficiaries are called Project Partners.
CBC Partner Countries	As per ENI CBC Black Sea Basin Programme 2014-2020, the participating CBC Partner Countries include the following: Armenia, Georgia, Republic of Moldova, Ukraine and Turkey
Control Contact Point	Each participating country has appointed a Control Contact Point (CCP), which will support the Managing Authority (MA) in the control tasks linked to project expenditure verification. The list of the CCPs can be found on the Programme website: http://blacksea-cbc.net/
Day	All references to days in this manual shall mean calendar days, unless otherwise specified.
Eligible expenditure	Expenditure made by a Beneficiary, related to the project financed through the ENI CBC Black Sea Basin Programme 2014-2020 in compliance with the requirements of the European Neighbourhood Instrument, the call for proposals, the Grant contract and this Manual, at the co-financing rate defined in the Grant contract.
Eligible area/region	The countries and regions of the participating countries mentioned in the ENI CBC Programming Document approved by the European Commission (section 1 Description of the Programme area)



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Electronic Monitoring System (eMS)	The on-line system for the submission, approval, management and administration of projects.
Joint Monitoring Committee (JMC)	The structure responsible for supervising and monitoring programme implementation and responsible for the approval of project applications.
Joint Technical Secretariat (JTS)	The structure responsible for assisting the programme management bodies in carrying out their duties. The Romanian South-East Regional Development Agency (SERDA) is hosting the Joint Technical Secretariat for the ENI CBC Black Sea Basin Programme 2014-2020. The office of the JTS is located in Constanta, Romania.
Lead Beneficiary (according to the Grant contract) = Lead Partner (in the eMS)	The Beneficiary designated by the Beneficiaries involved in a project responsible for signing the contract with the Managing Authority, for coordinating the process of implementation of that specific project, who assumes the full legal and financial responsibility towards the Managing Authority. The Lead Beneficiary is called in the eMS “Lead Partner”.
Managing Authority (MA)	The authority appointed by the participating countries as responsible for managing the Programme. The Romanian Ministry of Public Works, Development and Administration is the Managing Authority for the ENI CBC Black Sea Basin Programme 2014-2020.
National Authority (NA)	The national counterpart to the Managing Authority in each participating country, bearing the ultimate responsibility for supporting the MA in the implementation of the Programme on its own territory.
National Legislation	The legislation of the state where the beneficiary is established (registered and located).
Programme	The Joint Operational Programme Black Sea Basin 2014-2020 document, as approved by the European Commission.
Project	An operation comprising a series of activities, services or works intended to accomplish an indivisible task of a precise economic or technical nature, which has clearly identified objectives, outputs and results, expressed in the Grant contract and its annexes.



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1.2 LIST OF ABBREVIATIONS AND ACRONYMS

AA	Audit Authority
AF	Application Form
BSB	Black Sea Basin
CCP	Control Contact Point
CBC	Cross-Border Cooperation
COI	Common Output Indicators
EC	European Commission
eMS	Electronic Monitoring System
ENI	European Neighbourhood Instrument
EU	European Union
GoA	Group of Auditors
ICT	Information Communication & Technology
JMC	Joint Monitoring Committee
JOP	Joint Operational Programme
LP	Lead Partner
MA	Managing Authority
NA	National Authority
NGO	Non-Governmental Organisation
OLAF	Anti-fraud Agency of the European Union
PIM	Project Implementation Manual
PP	Project Partner
PSOI	Programme Specific Output indicator
RI	Result Indicator
ROM	Result Oriented Monitoring
TA	Technical Assistance
VAT	Value Added Tax



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1.3 PURPOSE AND USE OF THE MANUAL

The BSB JOP Project Implementation Manual (PIM) is addressed to Lead Beneficiaries and Beneficiaries of BSB JOP funded projects. Its aim is to offer useful information and clear examples for a better understanding on project implementation according to the ENI CBC rules and procedures, Programme rules, Grant contract provisions, Partnership Agreement provisions and other applicable legislation, thus ensuring a smooth and effective management of projects.

The PIM has not been conceived as a comprehensive manual, but mostly as a hands-on tool drafted to tackle main topics, in line with Beneficiaries' requests and most Frequently Asked Questions (FAQ).

It is a **generic guide for the use of the Lead Beneficiary or Beneficiary**. For legally binding requirements, please refer to the Grant contract and the specific rules for the ENI CBC Black Sea Basin Programme 2014-2020.

1.4 INTRODUCTION TO THE ENI CBC BLACK SEA BASIN PROGRAMME 2014-2020

The ENI CBC Black Sea Basin Programme 2014-2020, hereinafter referred to as *the Programme*, is one of the four maritime basin programmes established in the framework of the *European Neighbourhood Instrument (ENI) 2014-2020 - Programming document for EU support to ENI Cross-Border Cooperation (2014-2020)*.

The Programme eligible area involves eight countries, some of them including their whole national territory (Armenia, Georgia and Republic of Moldova), while the others include only the regions closest to the Basin (Bulgaria, Greece, Romania, Turkey and Ukraine).

The Programme's wider objective is “to improve the welfare of the people in the Black Sea Basin regions through sustainable growth and joint environmental protection”.

Its goal is to establish long-lasting cross-border links within the Black Sea Basin by financing projects which should **deliver clear cross-border cooperation impact and benefits, and which demonstrate sustainability of their actions, and synergies and complementarities with other actions in the same field**.



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The Programme's specific objectives, priorities and expected results are as follows:

Specific Objective	Priorities	Expected results
1. Promote business and entrepreneurship within the Black Sea Basin	1.1 Jointly promote business and entrepreneurship in the tourism and cultural sectors	Stronger cross-border business opportunities in the tourism and cultural sectors in Black Sea Basin
	1.2 Increase cross-border trade opportunities and modernisation in the agricultural and connected sectors	Increased cross-border links for trade and modernisation in the agricultural and connected sectors in Black Sea Basin
2. Promote coordination of environmental protection and joint reduction of marine litter in the Black Sea Basin	2.1 Improve joint environmental monitoring	Improved availability of cross-border compatible environmental monitoring data and information within Black Sea Basin
	2.2 Promote common awareness-raising and joint actions to reduce river and marine litter	Increased awareness on environmental challenges and good waste management practices related to river and marine litter within Black Sea Basin

Moreover, each project must contribute to the achievement of the programme result and output indicators. According to ENI CBC programming document, the programme includes 6 ENI CBC 'Common Output Indicators' (COI) and 3 programme-specific output indicators (PSOI) developed in order to increase accountability and facilitate reporting progress at instrument level.

IMPORTANT!

The achievement of the indicators will be monitored permanently based on the values reported by Beneficiaries!



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The Programme indicators and their baseline and target values are reflected in the table below:

Type	Priority	Indicator	Baseline	Target
RI	1.1	R1.1 Strength of cross-border business opportunities in the tourism and cultural sectors	2,50	2,70
RI	1.2	R1.2 Strength of cross-border links for trade and modernisation in the agricultural and connected sectors	2,88	3,13
RI	2.1	R2.1 Level of availability of cross-border compatible environmental monitoring data and information	2,66	2,91
RI	2.2	R2.2 Level of awareness of environmental challenges and good waste management practices related to river and marine litter	2,50	2,70
PSOI	1.1	1.1.1 Number of strategies and products developed jointly to promote tourism	0	38
PSOI	1.1	1.1.2 Number of cross border tourism and cultural events organised using ENI support ¹	0	100
COI	1.1	1.1.3 Number of small scale improvements to cultural and historical sites as a direct consequence of programme support (COI 7)	0	5
COI	1.2	1.2.1 Number of enterprises participating in cross border agricultural or agro-industrial business events (COI 3)	0	600
COI	1.2	1.2.2. Number of additional ICT based tools developed supporting cross-border cooperation (COI29) increasing cross-border trade opportunities for agricultural and agro-industrial products	0	4
COI	1.2	1.2.3 Number of business development organisations receiving support (COI1) to promote modernisation in the agricultural or connected sectors	0	15

¹ During indicators monitoring process, tourism events and cultural events will be counted separately



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Type	Priority	Indicator	Baseline	Target
COI	2.1	2.1.1 Number of additional ICT based tools developed supporting cross-border cooperation (COI29) improving joint environmental monitoring and public availability of environmental information	0	13
COI	2.1	2.1.2 Number of institutions using programme support for cooperation in education, R&D and innovation (COI4) to improve data sharing and cross-border information exchange systems on the environment within BSB	0	10
COI	2.2	2.2.1 Number of persons actively participating in environmental actions and awareness raising activities (COI17)	0	3 600
PSOI	2.2	2.2.2 Number of organisations using programme support to develop or improve waste management tools or small-scale facilities along river banks and sea shores (including ports)	0	40

1.5 LEGAL FRAMEWORK

The main EU legislation applicable is:

- European Commission Programming Document for EU support to ENI Cross-Border Cooperation (2014-2020);
- Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument;
- Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the European Union's instruments for financing external action;
- Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument;
- Regulation (EU, Euratom) 1046/2018 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012;



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- Regulation no 2988/1995 on the protection of the European Communities financial interest.
-
- Relevant national legislation of the countries where the Lead Beneficiary and Beneficiaries are located.

1.6 INSTITUTIONAL FRAMEWORK

Managing Authority (MA) - the Romanian Ministry of Public Works, Development and Administration is responsible for managing and implementing the Programme in accordance with the principles of sound financial management and for ensuring that the decisions of the Joint Monitoring Committee comply with the applicable laws and requirements.

National Authority (NA) - is the entity appointed by each participating country bearing the ultimate responsibility for supporting the Management Authority in the implementation of the programme in its own territory.

Audit Authority (AA) - within the Court of Accounts of Romania. The main responsibilities of the AA consist of ensuring that audits are carried out on the programme management and control systems, on an appropriate sample of projects and on the annual accounts of the programme.

The Audit Authority for the programme will be assisted by a Group of Auditors comprising a representative from each country participating in the programme.

Joint Monitoring Committee (JMC) - is the joint decision-making structure for the programme. The JMC shall follow the programme implementation and progress towards its priorities using the objectively verifiable indicators and related target values defined in the programme and it shall examine all issues affecting the programme performance.

Joint Technical Secretariat (JTS) - is located in Constanta in the South East region of Romania within the South East Regional Development Agency (SERDA). The JTS is responsible for the day-to-day implementation of the Programme according to the provisions of the implementing Framework Agreement concluded between the Managing Authority and South East Regional Development Agency and according to the provisions of the JOP, the national and EU legislation. The JTS is responsible for fulfilling all the tasks delegated by the MA for the implementation of the Programme (e.g. acts as secretariat for the JMC, supports project generation, evaluation and selection, technical, economic and financial monitoring of the projects, information and publicity).



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Control Contact Points (CCPs) - Each participating country has appointed one CCP which will support the MA in the control tasks linked to project expenditure verification.

1.7 WHERE TO ASK FOR SUPPORT

Make sure you know who in Joint Technical Secretariat/Control Contact Point/National Authority, may answer for any clarification, if needed.

Note that JTS may be asked for questions related to general project implementation issues, Control Contact Point for aspects related to audit and expenditure verification and National Authority on issues related to public procurement, specific national legislation.

IMPORTANT!

Although during project implementation the Beneficiaries might ask Control Contact Points (CCPs) in their own country to provide the opinion on the cost eligibility of separate cost items, it is recommended that CCPs should not provide a definite opinion on the eligibility of costs for specific items.

During project implementation, do not hesitate to contact the Joint Technical Secretariat (JTS) officers and ask for support.

Contact details:

South-East Regional Development Agency
Address: Bd. Tomis 48, Constanta 900742, Romania
Contact person: Sevil Shhaideh, Coordinator
Phone: +40 341 452 836
E-mail: office@bsb.adrse.ro

Contact details for Programme Management structures can be found here:
<http://blacksea-cbc.net/black-sea-basin-2014-2020/management-structures/>



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CHAPTER 2 - GETTING STARTED

2.1 THE GRANT CONTRACT

The **Grant contract** is signed between the MA and the Lead Beneficiary, and sets out the legal framework of the relationship between them. Under this contract, the Lead Beneficiary takes the **overall responsibility** for the implementation of the project. However, **contract provisions** apply to the **whole project partnership** in particular but not limited to those regarding **eligibility of costs, procurement procedures, visibility and recovery**. It is therefore very important that both the Lead Beneficiary and all project Beneficiaries are fully aware of the content of the Grant contract as well as of the Partnership Agreement.

The **Grant contract signed by all parties (first by the MA and then by the Lead Beneficiary) along with all the annexes, shall be scanned and uploaded by the Lead Beneficiary in the electronic system, within the “Attachments” section of the Application, only after the JTS will allow LP to do that.**

Following the signing of the Grant contract, the Lead Beneficiary shall fill in all the requested data from the “Supplementary Information” section (especially the following: “Project Management”, “Bank Information”, “User Assignment”, “Partner Nuts code and Project Dimensions”, “Physical location of the documents”, “Partnership Agreement” and “Project Procurements”) and upload the following:

- The scanned Financial Identification Forms (FIF) for Euro account of LB where ENI funds will be transferred by MA according to contract provisions, within the “Bank Information” section;
- The scanned Partnership Agreement, within the “Partnership Agreement” section.
- Procurements information and documents;

Also, immediately after signing the Grant contract, Lead Beneficiary shall be asked by the JTS to adjust in the eMS the implementation periods of the project and the deadlines of the foreseen outputs and deliverables, in accordance with the implementation dates stipulated in the Grant contract, so that to ensure correlation of the information on paper and the data introduced in eMS.

A modification request in eMS shall be opened, in order to be updated and accepted the following modifications, as below described:

1. The grant contract dossier should be uploaded in the eMS (in rar.) under the “Attachments” section. When uploading, please insert the following comment in the Text section: „Subsidy Contract, signing date ”.



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2. The project dates should be now changed, in line with the actual dates, namely:

- in Summary Section - project start date and project end date.... (accordingly);
- in Project Description Section - please check if dates indicated under the Project risk should be updated;
- in Workplan Section - Group of Activities-update/revise dates for activities/deliverables /outputs, if needed;
- in Workplan Section - Define periods section: please revise the periods that you have filled in into the application, considering the date when implementation period starts (as in Article 2.2 of the Grant contract);
- in Project Budget Section - Project budget per period: take into consideration that two financial reports are requested: an interim report (which will have to be submitted half way through the project implementation period or when 70% of the advance payment has been spent) and the final report (6 months after the project end date).

The Grant Contract has to be signed either by handwriting or electronically by all parties. Mixt signature (digital and handwrite) is not permitted.

TAKE NOTE!!

The adjustments shall be exclusively related to the dates (starting date, end date, output delivery date, deliverable date, reporting periods) and not to the time periods initially foreseen in the application!

Ex: In the Application Form a deliverable was planned to be finalised after 7 months from the starting date of the project. When adjusting the dates, Beneficiaries shall calculate 7 months considering the starting date specified in the Grant contract.

2.2 THE PARTNERSHIP AGREEMENT

Whereas the Grant contract establishes a legal base between the Managing Authority (MA) and the Lead Beneficiary, the Partnership Agreement (PA) sets the legal framework between the Lead Beneficiary and the rest of project Beneficiaries and the responsibilities of each party to ensure proper technical and financial management and joint and effective implementation of the project. Therefore, all Beneficiaries should have a solid knowledge and understanding of all the obligations deriving from this document.

TAKE NOTE!

- The Partnership Agreement is a **key factor of success** as it can contribute to ensuring the smooth implementation of the project;



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- Make sure you are aware of and understand all the provisions of the partnership agreement;
- Take into account that it is the **legal link** between the project Beneficiaries and the Lead Beneficiary.

As audits/controls can take place for up to **5 years** after the payment of the balance of the EC contribution to the programme (at the earliest 2029), this legal link needs to remain in effect for all the period when the project may be subject to such audits/controls.

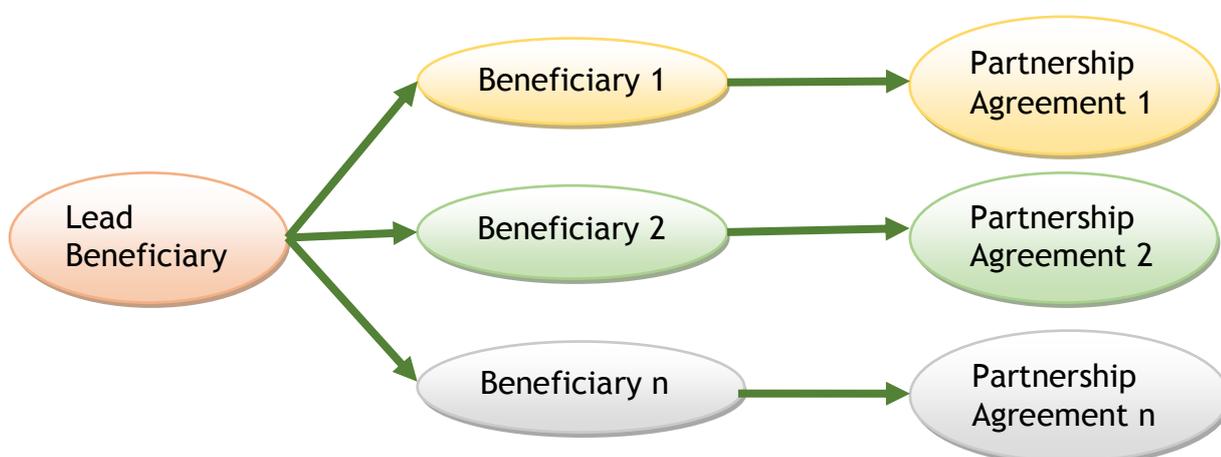
According to the Guidelines for Applicants a Partnership Agreement between the Lead Beneficiary and the other Beneficiaries must be signed and provided to the MA as a prior condition for the signature of the Grant contract.

The signed PA is **part of the Grant contract** between the MA and the Lead Beneficiary and shall be annexed to it.

In order to be considered as signed in original, **the PA must bear the full signatures of the legal representatives of the Lead Beneficiary and each Beneficiary.**

The Lead Beneficiary shall send the final version of the PA to each project Beneficiary, which shall sign it, in three copies (put its full signature in the final page) and send them back to the Lead Beneficiary, which will counter-sign in the same way. The Lead Beneficiary has to ensure it collects all signed last pages with the double signature (Lead Beneficiary and Beneficiary) from all project Beneficiaries. The Lead Beneficiary must send one original of each of the PA to the MA, one to the concerned Beneficiary and keep one original for itself.

The Partnership Agreement has to be signed either by handwriting or electronically by all parties. Mixt signature (digital and handwrite) is not permitted.





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TAKE NOTE!

Please remember that in the text of the PA all the references to the “Lead Beneficiary” are equivalent to “Lead Partner” in the eMS and all references to a Beneficiary are equivalent to the “Project Partner x” in the eMS (where x represents the partner number as specified in the eMS).

2.3 PLANNING THE START-UP OF ACTIVITIES

The project implementation **can start only after the signature of the Grant contract** between the Lead Beneficiary and the Managing Authority.

TAKE NOTE!

1st day of implementation = the day following that on which the last of the two Parties signs or at a later date specified in the Grant contract

Implementation period ≠ Execution period

Implementation period = the period specified in the Grant contract (minimum 18 maximum 30 months).

Execution period of the Contract shall end at the moment when final payment is paid by the MA and in any case at the latest 18 months as from the end of the implementation period as stipulated in the contract, unless postponed in accordance with the contract.

Project implementation end date is indicated in the Grant contract.

The end date means the deadline for realization of the following activities:

- Implementation of all activities within the scope of project;
- Reception of all works, delivery of supplies and acceptance of services.

Establishing a good relationship with Beneficiaries

During the launching of the project implementation, the **Lead Beneficiary** has to be sure that:

- ✓ All Beneficiaries have a shared understanding of the project objectives, activities, outputs and expected results, the working plan and project budget;



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- ✓ All Beneficiaries have a good understanding of the rules and contractual obligations and their role and responsibilities in the project - The project will be more successful when all partner Beneficiaries feel equally involved;
- ✓ Communication procedures, both internal and external, have been established;
- ✓ Make all necessary arrangements for ensuring a proper internal monitoring and follow up, if needed, of the project implementation;
- ✓ Management and control system has been established.

Setting up the project team

The start-up of activities and the setting up of the project team are very important. A kick off meeting (also via video conference with VoIP systems such as “Skype”) of Lead Beneficiary with all Beneficiaries can be used to set up and build the project team or reconfirm the team proposed initially in the application, as the case.

The **project team** may consist of few core positions which should be, if possible, assigned to different people working in close coordination and cooperation.

In case Lead Beneficiary or Beneficiaries need to recruit staff or subcontract some of the tasks for the project management, all necessary steps need to be taken as soon as the Grant contract is signed.

TAKE NOTE!

In case you have foreseen in the Application to sub-contract some tasks of the project management team, **the responsibility for the implementation of these tasks and the sound implementation of the project remains with the Lead Beneficiary/Beneficiary.**

The project management team should be assigned to the project through a written Decision issued by the legal representative of the beneficiary*, stating the name of each team member and the type of their involvement (full or part time).

*** according to national legislation.**

The project management team is responsible for sharing relevant information and knowledge with the Beneficiaries, thus contributing to building or ensuring the necessary capacity of all Beneficiaries.

Coordination, especially in case of large partnerships, can be challenging and it is advisable to mirror the project management positions (project, finance and



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communication) in all Beneficiaries institutions in order to allow for good information flow.

However, in case during the preparation of the Application not sufficient positions have been foreseen in the management team, introducing a new relevant position(s) and reallocation of related budget between budget lines after the Grant contract signature, is possible, but only through an Addenda to the contract which is subject to the approval of the Managing Authority. For more details see Chapter 8.1 Addenda and MA Instruction nr.16 of 20 February 2019.

Communication procedures

In any ENI CBC project, communication is the key to good partnership. Therefore, it is essential to establish good and clear communication procedures. For all projects, well organised and managed internal communication is very important and a critical factor for success.

Lead Beneficiary and Beneficiaries of a project can:

- Agree **when**, **how** and **what** project Beneficiaries communicate - among themselves;
- Establish internal effective communication framework/procedures between all project beneficiaries as well as between each project team members;
- Think of establishing the communication tools that will be used for internal communication (e.g email);
- Agree who is responsible for the website, in case it was foreseen in the project and who will contribute with updates, etc; Use conference calls (e.g. via video conference with VoIP systems such as “Skype”) or emails to facilitate exchange of ideas between project Beneficiaries.

Decision-making structure

It is recommended that projects establish a clear decision-making structure from the very beginning. This allows to steer and monitor the project progress and, in case of unforeseen situations, to adjust the project implementation and/or management. Such structure usually comprises of a project steering committee/coordination group which holds meetings at least when project starts and before the interim and final report. Each Beneficiary has to be represented in the steering committee and should actively take part in the decision-making process.

The main tasks of the project steering committee could be:

- To monitor and validate the project implementation and achievements:



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- Verifying that the project implementation activities are within the established timelines and in line with established targets, deliverables (including communication ones) and outputs defined in the approved application form;
- Validating the quality of main project outputs and the progress towards achieving the established objectives;
- To monitor project finances: Monitoring the project budget, budget flexibility and project spending;
- To review the management performance and the quality of progress reporting towards the programme bodies;
- If applicable, to request approval of the programme bodies for decisions on required project modifications (e.g. partnership, budget, activities, duration, etc.);
- To check the consequences of any change, keeping in mind that if one activity changes, this may also lead to changes to other activities;
- To verify the provisions of the Grant Contract and see whether the changes identified lead to an amendment to the Grant Contract or not.

In case of problems during project implementation, the project steering committee (where established) has to take action (e.g. address the issue to the JTS/MA, take corrective action at the level of partnership, call a meeting with project beneficiaries, etc.). It is important that rules of procedures and of decision-making process are established and agreed at the latest in the first meeting of the steering committee.

Roles of Lead Beneficiary and Beneficiaries in reporting

The Lead Beneficiary and Beneficiaries have to:

- be fully aware and observe their reporting responsibilities (according to the Guide on Reporting in eMS);
- agree on the deadlines according to the reporting periods and the type of input to be given for the reporting (for the narrative report as well as for the financial report)²;
- jointly agree on the content of the reports before they are sent to the JTS/MA;
- check the content of the reports, correct the errors, if any - use the optional checklists (Annexes 9 and 10 to this Manual) prior to submitting the reports to JTS or to the controllers.

² Please see the Chapter 6 for detailed requirements for project reporting



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2.4 GETTING FAMILIAR WITH THE ELECTRONIC MONITORING SYSTEM (eMS)

All applications under the BSB JOP 2014-2020 were submitted using eMS.

The eMS is an on-line system with communication portal to support submission, approval, management and administration of projects. The system allows collection of all information on submitted and approved projects, their implementation and achievements, modifications and closure. Additionally, aggregated data on the progress of projects and the programme level are recorded in the system.

The eMS can be accessed with recent versions of most common browsers (e.g. Internet Explorer 11, Firefox 35, Chrome 39)³.

Any (new) user must register and create an online account.

To register, go to <http://ems-bs.mdrap.ro> and click on “Register” on the welcome screen. Please note that automatically generated emails will be sent to the email address used for registration.

In the registration form, fill in the following information:

Registration

Description	
Username *	<input type="text"/>
Email *	<input type="text"/>
Password *	<input type="password"/>
Password Again *	<input type="password"/>
Firstname *	<input type="text"/>
Lastname *	<input type="text"/>
Title	<input type="text"/>
Language	EN ▼

- Username: to be used to log in. It has to be the user of the Lead beneficiary or Beneficiary
- Email: email address (this email address receives all the notifications generated by the system).

³ When working with Internet Explorer make sure that the option “display intranet sites in compatibility view” is de-selected in the compatibility view settings of the browser (to access Internet Explorer preferences for compatibility view you can press Alt + T + B).



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- Password: password used to access the eMS. Please use a combination of upper and lower case letters, digits and special characters (\$, @, #, etc).
- First name / Last name / Title: Personal information of the contact person.
- Language: English is pre-defined language (programme's official language) and it cannot be changed.

A confirmation email will be sent to the email address provided. Follow the instructions in the message to confirm the registration.

TAKE NOTE!

In the system a registered user can have the role of a Lead Beneficiary (called Lead Partner in the eMS) or Beneficiary (called Project Partner in the eMS).

The person/user representing the Lead Partner institution must give user rights to other registered users representing Project Partners for reporting purposes only. The type of rights given by the Lead Partner/user has to be discussed and agreed at partnership level.



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CHAPTER 3 - PROJECT IMPLEMENTATION

3.1 GENERAL FINANCIAL ASPECTS

3.1.1 Cash flow management

In order to be able to forecast the global cash flow and the cash surplus or deficit in each moment of project implementation, it is necessary to link this expenditure forecast with the pre-financing instalment / interim instalment / payment of the final balance for the ENI CBC Grant contribution.

We recommend that each Beneficiary agrees with the Lead Beneficiary the tranches to be received according to the calendar of activities and to each Beneficiary project estimated budget.

To do so all project Beneficiaries need to:

- **Calculate the amounts of the first pre-financing (40% of the ENI Grant foreseen for the implementation of the project) and estimate when it will be received.** The first pre-financing is normally transferred to the Lead Beneficiary within 30 days from the date the MA received the pre-financing payment request.
- **Estimate the date of the interim instalment** (maximum 40% of the ENI Grant foreseen for the implementation of the project) **and payment of the final balance** (maximum 20% or the balance of the ENI Grant foreseen for the implementation of the project).

Payments of the interim instalment and of the final balance shall be made by the MA within 90 days of receipt of the payment request from the Lead Beneficiary, subject to the approval by the MA of the accompanying interim and final reports.

However, please be aware that according to article 4.14 *Suspension of the period for payments* of the grant contract, the MA may suspend the time-limits for payments in case further clarifications, modifications or additional information to the narrative or financial reports are requested.

Also, project Beneficiaries need to calculate the expenditure (payments) for the entire - project duration, correlate them with the procurement plan and the deliverables dates.

TAKE NOTE!

All Beneficiaries should make sure they have sufficient financial resources to cover any expenditure necessary for a proper implementation of the project activities, in case interim payment is delayed due to unforeseen circumstances.



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Detailed provisions regarding interim and final report are described in Chapter 6 Reporting and Project Financing (Payment Claims) and in article 5.5 of the Grant contract.

TAKE NOTE!

- MA may suspend the time-limit for approval of a report by notifying the Lead Beneficiary that it finds it necessary to carry out additional checks (i.e. clarification or additional information) before approving the report;
- Remain ready to react quickly to MA's requests after you send your report so that your payment request may be processed efficiently;
- Financial forecasts are only useful if reviewed and updated on a regular basis;
- Discuss the planning with your Beneficiaries, get information from them and reach a consensus on commitment for expenditure and payments;
- Be prudent and ensure that no Beneficiary is prevented from contributing to project implementation by a lack of liquidity of funds.

[3.1.2 Dedicated bank accounts and conversion rate](#)

Dedicated Bank account

Relevant Grant contract provision:

Article 4.15: The MA shall make payments in euro to the Lead Beneficiary to the bank account referred to in the financial identification form.

The financial identification form has to be uploaded by the Lead beneficiary in the relevant eMS section ("Supplementary information-Bank Information").

IMPORTANT! Before submitting the request for payment check that the bank account referred to in the Financial Identification Form (FIF) uploaded in the eMS, section Supplementary information/ Bank information is the valid one.

The Lead Beneficiary and Beneficiaries have to have dedicated bank accounts in Euro for the implementation of the Project, in order to identify the funds paid by the MA. Also, the Lead Beneficiary and Beneficiaries may have a different bank account opened in their national currency (not applicable for Greek beneficiaries) for transfers representing



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co-financing and for other operations related exclusively to project implementation, if necessary.

The Lead Beneficiaries' accounts are credited with:

- grant amounts;
- amounts representing Lead Beneficiary's own co-financing;
- national co-financing, if applicable.

The Beneficiaries' accounts are credited with:

- amounts transferred by the Lead Beneficiary according to the Partnership Agreement⁴;
- amounts representing Beneficiaries' own co-financing, if applicable;
- national co-financing, if applicable;

The Lead Beneficiary and Beneficiaries must ensure that expenditure for the project is easily identified and traced to and within their accounting and bookkeeping systems.

Conversion rate

Relevant Grant contract provision:

Article 4.15:

Financial reports have to be submitted in euro. The Beneficiaries will upload the expenditure in the original currency and the conversion into euro shall be made automatically by the eMS using the monthly accounting exchange rate of the European Commission of the month during which the expenditures was submitted for verification.

As an exception from the normal practice used for reporting expenditure, **those beneficiaries who anticipate big losses because of the exchange rate**, may consider using the approach described in *Annex 5 Guide on Reporting in eMS, section 4.3.2 'List of Expenditures (LoE)' tab - Currencies other than Euro*.

Although it requires more time dedicated to financial reporting and some additional work both for partners and controllers (FLC), in the end, it can contribute to reducing the exchange rate loses.

⁴ The beneficiaries have to send to MA the proof of transfer, within 7 days from the date of transfer (Grant contract 4.6.)



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3.1.3 Accounting system

Relevant Grant contract provision:

Article 11.2 - Lead Beneficiary and the Beneficiaries shall keep accurate and regular accounts of the implementation of the project using an appropriate accounting and double-entry book-keeping system.

The accounts:

- a) may be an integrated part or an adjunct to the Lead Beneficiary and the Beneficiaries' regular system;
- b) have to comply with the accounting and bookkeeping policies and rules that apply in the country concerned;
- c) enable to easily trace, identify and verify all revenue and expenditure related to the project.

The common provisions on accounting included in the EC Financial Regulation no 2018/1046 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, mainly Articles 151,153 and 154 should also be observed.

TAKE NOTE!

THE PROJECT ACCOUNTS ARE THE MAIN SOURCE OF INFORMATION FOR:

- Following up the project budget
- The preparation of the financial reporting
- The expenditure verification accompanying the payment requests
- Any financial control by MA/JTS, AA, EC or other authorised bodies

REMEMBER!

- Always use bookkeeping techniques established by the national legislation of the respective country!
- Use analytical (cost) accounting codes if the project accounts are kept as part of your organisation's regular accounting system.
- Be sure to organize the accounting records (computerized or manual) having in mind all the justifying documents required by the national legislation in force. Keep in mind that audit bodies who will undertake expenditure verifications under interim and final reporting.



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3.1.4 Co-financing, interest and revenues

Co-financing

Relevant Grant contract provision:

Article 3.2 [...] The Lead Beneficiary and the Beneficiaries shall provide the same percentage of co-financing (at least 8%).

Please note!

The rate of co-financing provided by each Beneficiary shall be at least 8% of the total eligible costs estimated in its budget.

If the eligible costs of the project at the end of the project are less than the estimated eligible costs, the grant co-financing shall be limited to the amount obtained by applying the percentage of 8% to the eligible costs of the project approved by the MA.

The co-financing may take the following forms:

- Beneficiary's own resources;
- Financial contributions by third parties, from sources other than the European Union.

Contributions in kind are not eligible costs and may not be considered part of the minimum 8% co-financing by the Lead Beneficiary or the beneficiaries.

The cost of staff assigned to the Project is not considered a contribution in kind and may be considered part of the co-financing in the Budget when paid by the Lead Beneficiary or the beneficiaries.

Notwithstanding the above, if the Description of the Project foresees contributions in kind, such contributions have to be provided during implementation.

Interest

Relevant Grant contract provisions:

Article 12.5

Any interest or equivalent benefits accruing from pre-financing and interim instalments paid by the MA to the Lead Beneficiary shall be mentioned in the interim



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and final reports. It shall be deducted from the payment of the final balance of the amounts due to the Lead Beneficiary.

Revenues

How to deal with project revenues?

TAKE NOTE!

If at the final balance there is a surplus due to revenues, this shall be deducted from the total eligible expenditures of the project.

Revenues are e.g cash inflows directly paid by users for the goods or services provided by a project, such as charges borne directly by users for the use of infrastructure for participating with products or services in fairs, exhibitions, etc., or payments for services (ex. participation in trainings), interest generated by the pre-financing received.

Revenues generated by the project are monitored throughout the whole project life cycle. Beneficiaries will have to fill in and submit with the Interim and Final Report a General Declaration by the Lead Beneficiary/Beneficiary (see Annex 7 to the MA Instruction to beneficiaries no.15) on their own responsibility which includes provisions also regarding revenues/no revenues generated by the Project, as applicable.

Each Beneficiary is responsible for keeping account and documenting all revenues generated during and after (within the sustainability period) the project implementation period for control purposes.

Non-Profit principle

TAKE NOTE!

THE GRANT CANNOT PRODUCE A PROFIT FOR THE LEAD BENEFICIARY OR ANY OF THE PROJECT BENEFICIARIES.

Profit is a surplus of the receipts over the eligible costs approved by the MA when the request for payment of the balance is made.



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3.1.5 Value Added Tax (VAT)

The Lead Beneficiary or project Beneficiaries have declared in the Application Form the VAT status as **recoverable, partially recoverable or non-recoverable** from other sources.

Only **non-recoverable VAT** shall be declared in the financial reports, as **recoverable VAT is not eligible**.

VAT is actually incurred when it is paid in full (in the price of acquired goods or services). If the Beneficiary has the possibility to fully recover VAT, which has been paid in relation to the project costs by whatever means (e.g. by reclaim from national tax authorities), the VAT cannot be reported as an eligible cost in the Programme. The Lead Beneficiaries and Beneficiaries should be aware of their VAT status in relation to the planned project's activities, as well as the national rules and procedures for tax exemption in CBC partner countries.

If the VAT status of the Lead Beneficiaries or Beneficiaries changes during the course of the project implementation, the Beneficiaries are obliged to inform the JTS and relevant Controller about the mentioned change and the status modification should also be reflected in the eMS.

3.2 ARCHIVING OF DOCUMENTS

Keeping clear and relevant documentation is vital for the Lead Beneficiary and Beneficiaries. Without them it is impossible to show that the costs claimed meet the conditions of the Grant contract.

Relevant Grant contract provisions:

Article 8: Eligible costs have to be identifiable and verifiable, in particular being recorded in the accounting records of the Lead Beneficiary

Article 11 (5 - 7): The Lead Beneficiary and the Beneficiaries must allow access to agents of the Audit Authority, the European Commission, European Anti-Fraud Office and the European Court of Auditors, the relevant authorities in the countries participating in the Programme, the MA and to any bodies / entities authorised by the MA to carry out verifications, inspections, on-the-spot checks and audits and to examine supporting documents, accounting documents and any other documents relevant to the financing of the project.



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Article 11 (8): The supporting documents and records must be kept available for inspection for up to five years following the payment of the balance of the Programme. The supporting documents and records must be easily accessible and filed in a way that facilitates examination.

Article 11 (10): Includes an indicative list of the type of supporting documents to be kept. See also sections 5.1 and 6.5.4 below on *Eligible Costs* and *Supporting documents required for expenditure verification* for an indication of the type of supporting documents needed for each budget item.

3.3 PERSONAL DATA PROTECTION

Personal Data collection, processing and storage shall be performed according to the provisions of the Regulation No 679/2016 for the purpose of project implementation and monitoring, fulfilment of its objectives, as well as statistical purpose. The Beneficiaries shall limit access and use of personal data to that strictly necessary for the performance, management and monitoring of the Contract and shall adopt all appropriate technical and organisational security measures necessary to preserve the strictest confidentiality and limit access to personal data.

TAKE NOTE!

The new European Union General Data Protection Regulation No. 679/2016 (EU-GDPR), enforced on the 25th of May 2018, produced new rules also for EU funded Programmes and the projects regarding the management of private data collected for various purposes and in different stages of their implementation. As a general principle, the new regulation gives citizens the rights to access and control their private data obliging data keepers to implement a certain number of measures to meet such requirements. The ENI CBC Black Sea Basin Programme and the project Beneficiaries are data controllers and processors, and therefore are required to abide by the GDPR.

In order to support you to comply with the data protection Regulation, we published on the Programme website Instruction no. 17 on the project Beneficiaries' obligations during project implementation resulting from the entry into force of Regulation (EU) 2016/679, and some templates you may choose to use while implementing your project activities.



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3.4 CONFLICT OF INTEREST

Relevant Grant contract provision

Article 20 - Conflict of interests and good conduct

- 20.1 For the purpose of this Contract, the conflict of interest shall mean any situation where there is a divergence between the fulfilment of responsibilities under this Grant Contract by the Parties and the private interest of the persons involved in the Contract, which may adversely affect the impartial and objective exercise of the functions of any person involved in the implementation/verification/control/audit of this Contract, for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.
- 20.2 The Lead Beneficiary and the Beneficiaries shall prevent or end any situation that could compromise the impartial and objective performance of this Contract. Any conflict of interests which may arise during performance of this Contract must be notified in writing to the MA without delay. The Lead Beneficiary and the Beneficiaries shall take appropriate actions to remedy any negative effects of the conflict of interest within 30 days from the notification of the MA.
- 20.3 The MA reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken if necessary.
- 20.4 The Lead Beneficiary and the Beneficiaries shall ensure that their staff, including their management, is not placed in a situation which could give rise to conflict of interests. Without prejudice to their obligation under this Contract, the Lead Beneficiary and the Beneficiaries shall replace, immediately and without compensation from the MA, any member of their staff in such a situation.
- 20.5 The Lead Beneficiary and the Beneficiaries shall respect human rights and applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards.

3.5 IRREGULARITIES, ANTI-CORRUPTION AND ANTI-FRAUD MEASURES

Relevant Grant contract provisions:

Article 16 - Extension and Suspension

Suspension by the Managing Authority

- 16.6 The MA may also suspend this Contract or any part thereof if the MA has evidence that, or if, for objective and well justified reasons, the MA deems



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necessary to verify whether presumably:

- a) the grant award procedure or the implementation of the project have been subject to **substantial errors, irregularities, fraud or corruption;**
- b) the Lead Beneficiary and/or the Beneficiaries have breached any substantial obligation under this Contract.

16.7 The Lead Beneficiary shall provide any requested information, clarification or document within the deadline stipulated in the request, but no more than 30 days of receipt of the requests sent by the MA. If, notwithstanding the information, clarification or document provided by the Lead Beneficiary, the award procedure or the implementation of the grant proves to have been **subject to substantial errors, irregularities, fraud, corruption or breach of obligations**, then the MA may terminate this Contract.

Article 17 - Termination of the Contract

Termination by the Managing Authority

17.2 [...] in the following circumstances the MA may, after having duly consulted the Lead Beneficiary, terminate this Contract without any indemnity on its part when:

[...]- it has been established by a final judgment or final administrative decision that the Lead Beneficiary and/or the Beneficiaries **have committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95⁵**.

In accordance with the Grant contract the MA and Lead Beneficiary and all Beneficiaries share a common concern in the fight against fraud and corruption, which jeopardises good governance and the proper use of resources needed for development and, in addition, endangers fair and open competition based on price and quality. Any actual case of irregularity, fraud or corruption may constitute sufficient grounds to justify termination of the Grant contract, in accordance with the provisions of the Grant contract, the cancelation of the procurement or resulting award, or taking any other corrective measures laid down by the applicable law⁶.

IRREGULARITY

Definition (Article 2 (m) of the EU Implementing Regulation 897/2014): Any infringement of a financing agreement, a contract or of applicable law **resulting from an act or**

⁵ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

⁶ In particular those indicated in article 5 of the Regulation 2988/1995 on the protection of the financial interest of the UE



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omission by an economic operator involved in the implementation of the programme, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union.

Examples:

- Non-observation of requirements for sound financial management
- Reporting of expenditures not mentioned in the application
- Non-compliance with visibility requirements
- Non-compliance with the rules on eligibility of expenditure
- Non-compliance with the public procurement rules stated either in the EC IR Regulation 897/ 2014, or in the Grant Contract, or in the national applicable legislation
- Claiming recoverable VAT as the project expenditure
- Insufficient documentation to support expenditure declared
- Reporting of expenditure already claimed
- Including into indirect cost items that are financed under other budget headings
- Timesheets without adequate detail to prove the time necessary for carrying out the activities,

provided all the above have been identified after the authorizing process and payment.

FRAUD

Definition (according to the CONVENTION ON THE PROTECTION OF THE EUROPEAN COMMUNITIES' FINANCIAL INTERESTS and to Article 16 of the Financing Agreement - General Conditions):

- any **intentional act or omission** concerning:
 - ✓ the use or presentation of **false, incorrect or incomplete, statements or documents** which has as its effect the misappropriation or wrongful retention of Parties' financial contributions; **non-disclosure of information in violation of a specific obligation**, with the same effect; the **misuse of funds for purposes other than those for which they are originally granted.**

IMPORTANT!

An irregularity may or may not be a fraud. Fraud is an irregularity committed intentionally which constitutes a criminal offence.

CORRUPTION = Abuse of (public) position for private gain

Definition (according to Article 16 of the Financing Agreement -General Conditions):



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"Passive corruption" shall mean the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or for a third party, or accepts a promise of such an advantage, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the EU's financial interests.

"Active corruption" shall mean the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official, for himself or for a third party, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the EU's financial interests.

The most common form of corruption is corrupt payments or other advantages, where a receiver (passive corruption) accepts a bribe from a giver (active corruption) in exchange for a favour.

3.6 STATE AID

State aid is not granted under the BSB Programme 2014-2020 and **cannot be granted by the Lead beneficiary or Beneficiaries**. All Project Beneficiaries are expected to be familiar with the main elements leading to potential involvement of State aid to ensure that their activities are likely to exclude State aid.

Information on state aid can be found on the European Commission's DG Competition website (http://ec.europa.eu/competition/state_aid/overview/index_en.html) and in Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union ([http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016XC0719\(05\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016XC0719(05)&from=EN)).

Beneficiaries may also consult relevant national authorities to obtain more specific information on rules and limitations concerning state aid.

Fact sheets on state aid for partner countries are presented in Annex 1.

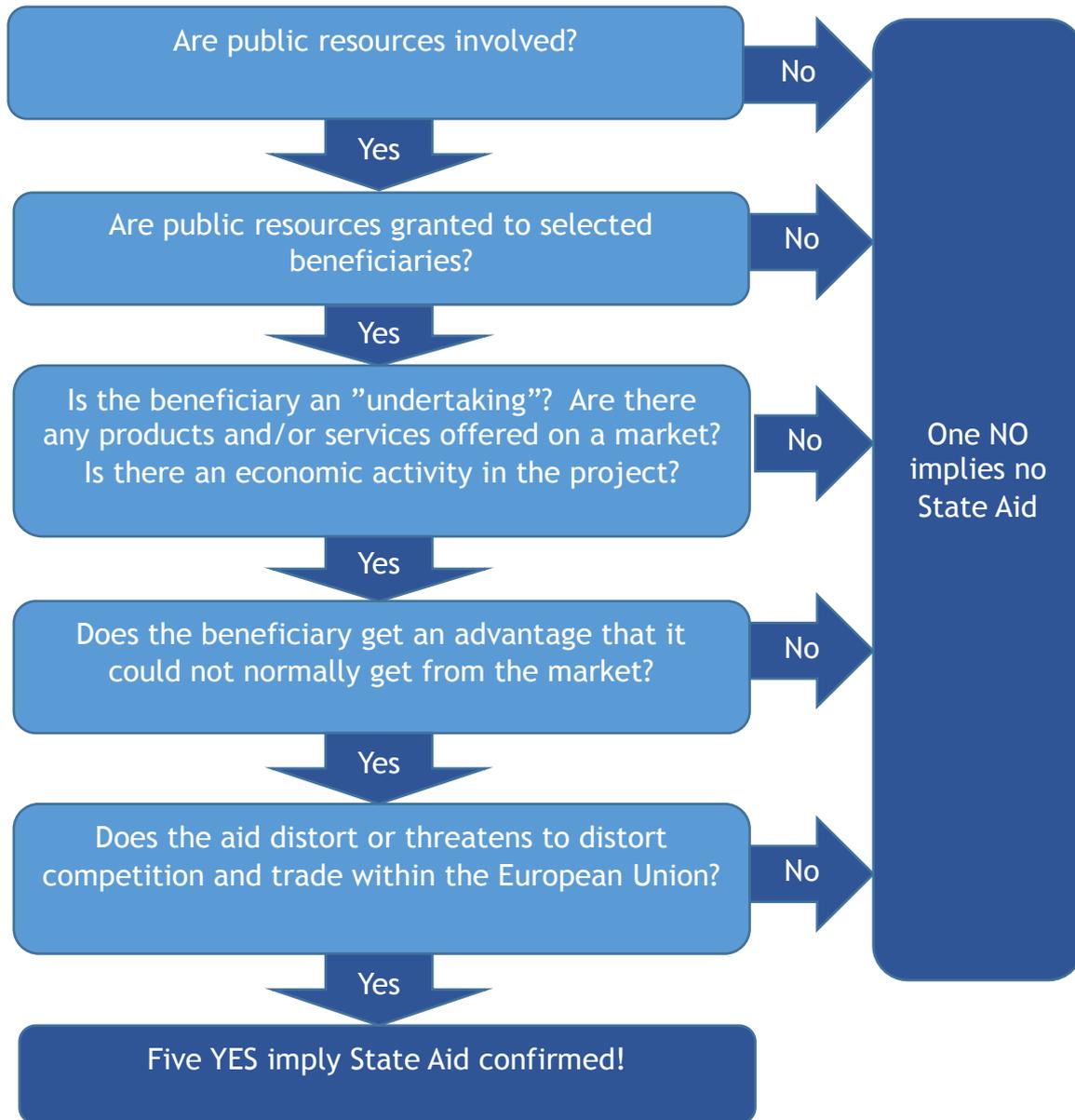
A key step of the Programme approach towards State aid has already been made at the application stage, i.e. when project's proposals were submitted in response to calls for proposals. Submitted Application Forms went through a "State aid assessment" which excluded projects which potentially involved State aid.



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However, the following questions should be asked in case any Beneficiary is willing to check during project implementation the existence of State aid relevant **activities** within the meaning of the Treaty:





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TAKE NOTE!

In the case that during project implementation an incidence of state-aid is discovered, the MA shall apply a 100% financial correction for the cost of the State Aid relevant activity and may terminate the Grant contract.

Also, in case that during project implementation or during 5 years from the date of payment of the balance for the programme, an incidence of state-aid is discovered, the MA shall apply a 100% financial correction for the cost of the State Aid relevant activity.



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CHAPTER 4 - PROCURING SERVICES, SUPPLIES AND WORKS

4.1 WHICH RULES APPLY?

Relevant Grant contract provisions:

Article 9 - Procurement rules

- 9.1 If the Lead Beneficiary and the Beneficiaries have to conclude procurement contracts with contractors in order to carry out certain project activities, they shall respect the procurement rules set out in Regulation no 897/2014.
- 9.2 Contracting authorities or contracting entities (within the meaning of the Union legislation applicable to procurement procedures) in Member States, shall apply national laws, regulations and administrative provisions adopted in connection with Union legislation, as laid down in Article 52.1 of the Regulation no 897/2014.
- 9.3 In all other cases, the public or private beneficiaries shall apply the provisions set out in Articles 52.2 to 56 of the Regulation no 897/2014, supplemented by:
- a) in case of Lead Beneficiaries / Beneficiaries established in a CBC Partner Country, the provisions of the Financing Agreement concluded by the respective CBC Partner Country with the European Commission. If no otherwise foreseen in the Financing Agreements, the provisions of the Procurement and Grants for European Union external actions (PRAG) in force at the moment of the launch of the relevant procurement procedure by the Lead Beneficiary or the Beneficiaries, regarding the templates and details for the types of procedures, shall be applicable;
 - b) in case of Lead Beneficiaries / Beneficiaries which are not contracting authorities or contracting entities (within the meaning of the Union legislation applicable to procurement procedures) established in a Member State, the provisions of the Procurement and grants for European Union external actions (PRAG) in force at the moment of the launch of the relevant procurement procedure by the Lead Beneficiary or the Beneficiaries, regarding the templates and details for the types of procedures, shall be applicable.

Notwithstanding the paragraph above, in case of Lead Beneficiaries / Beneficiaries required to use the Procurement and grants for European Union external actions (PRAG), for contracts not exceeding 60.000 euro, the provisions in force at the moment of the launch of the relevant procurement procedure by the Lead Beneficiary or the Beneficiaries, regarding the templates and details for the types of procedures, shall be applicable.

As concerns the provisions regarding publication, as foreseen by Articles 53 to 55 of the Regulation no 897/2014, the Lead Beneficiary/Beneficiaries mentioned at



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paragraph 9.3 must submit the procurement notice for publication to the Joint Technical Secretariat in electronic form at least 15 days before the intended date of publication and must arrange simultaneous publication of identical procurement notices in any other appropriate media directly.

9.4 In all cases, the rules on nationality and origin set out in Articles 8 and 9 of Regulation (EU) No 236/2014 shall apply.

9.5 The Lead Beneficiaries and the Beneficiaries shall ensure that the conditions applicable to them under Articles 7, 10, 11, 13, 14, 20 and 21 of the grant contract are also applicable to contractors awarded a procurement contract.

The procurement notice referred to above, should be submitted by:

a. Lead Beneficiaries/Beneficiaries, which are not contracting authorities or contracting entities (within the meaning of the Union legislation applicable to procurement procedures) established in a Member State. Lead Beneficiaries/ Beneficiaries, which are contracting authorities or contracting entities (within the meaning of the Union legislation applicable to procurement procedures) in Member States, shall apply national laws.

Lead Beneficiaries/Beneficiaries from Bulgaria, Romania and Greece are advised to check with their respective NAs whether or not their organizations fall under the definition contracting authorities or contracting entities.

Bulgarian private Lead Beneficiaries / Beneficiaries (Lead Partner / Partners in eMS) fall under the category of “contracting entities” and comply with the rules for procurement procedures stipulated in the national legislation, particularly they have to comply with Decree no. 160 of 1 July 2016 on the determination of the rules for the examination and evaluation of tenders and conclusion of contracts in the procedure for selecting with a public invitation to beneficiaries of granted financial assistance from the European Structural and Investment Funds. The Decree defines the rules for the examination and evaluation of tenders and the conclusion of the contracts in the process of selecting a contractor with a public invitation under the Management Act of the European Structural and Investment Funds by the beneficiaries of grant European Structural and Investment Funds. The PRAG rules are not applicable for the Bulgarian Beneficiaries in Joint Operational Programme Black Sea Basin 2014-2020.

b. Lead Beneficiaries/Beneficiaries established in a CBC Partner Country.

The thresholds that require submission of the procurement notice by Lead Beneficiaries/ Beneficiaries, are:



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Service contracts:

- over 300.000 Euros - follow international restricted tender procedure, with publication beyond the programme area. Considering the size of the grants under BSB programme, this procedure would be exceptional.

Supply Contracts:

- with a value from 100.000 up to 300.000 Euros - the projects follow open tender procedure, with publication in the programme area
- value 300.000 Euros or more - shall apply international open tender procedure, with publication beyond the programme area

Work contracts:

- with a value of 300.000 Euros but lower than 5.000.000 Euros - international open tender procedure, with publication in the programme area is applied.

The contracts that do not require submission of the procurement notice:

The competitive negotiated tender procedure without publication applies to:

- Service contracts and work contracts between 60.000 and 300.000 Euros;
- Supply contracts for a value between 60.000 Euros and 100.000 Euros.

For the definition of Service contracts, Supply Contracts and Work contracts, Chapter 5 of the Annex 2 of the PIM - Procurement rules (TESIM Guide on procurement by project beneficiaries using PRAG) - should be consulted.

The Procurement Notice should be filled in and submitted to JTS by e-mail at office@bsb.adrse.ro. The document should contain all requested information and should be sent in both word and scan format, at least 15 days before the intended date of publication. Please indicate in the subject of email your project number and the name of procurement procedure to be followed. Please include the following message in the body of email: Please be informed that project BSB (eMS number and title) will require ... (nature of services/supplies/works) for (estimated amount) using (name of the procedure). The contract notice will be published (date), at/on (site, Facebook, any other media). The contact person is (Name, title, telephone no, email). You may add any other relevant information.

Notwithstanding of the above, please note that guidelines on procurement are available for the beneficiaries required to use PRAG and for the public beneficiaries from Ukraine, in **Annex 2 - Procurement rules** to this manual. However, **please note that these guidelines are only indicative and they cannot substitute in any way the legal provisions in force.**



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Important!

Please be aware that in case of non-compliance with the relevant procurement rules, the controllers or MA (Projects Authorising Unit) will apply financial corrections according to Commission Decision no. 9527/ 2013, Annex - Guidelines for determining financial corrections to be made by the Commission to expenditure financed by the Union under shared management, for non-compliance with the rules on public procurement.

4.2 RULE OF NATIONALITY AND ORIGIN

In all cases, the rules of nationality and origin set forth in Art. 8 and 9 of Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action shall apply. This rule is also included in article 5 of the General Conditions of the Financing Agreements signed between the European Union and the CBC Participating Countries.

Rule of nationality (eligibility conditions for the participation of economic operators in procurement procedures).

Participation in the award of procurement contracts shall be open to all legal persons which are effectively established in an eligible country as defined for the ENI in Regulation (EU) No 236/2014.

Moreover, in the case of actions implemented through a Member State in shared management, countries which are eligible under the rules of that Member State shall also be eligible.

According to the Romanian legislation, no restrictions regarding nationality of tenderers origin are foreseen, so the participation in the award of procurement contracts is open to all legal persons irrespective of their nationality.

The rule of nationality, that is, the eligibility conditions for the participation of economic operators in procurement procedures, is the same as the one applied in the Member States.

No restriction on nationality of tenderers!



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Rule of origin for supplies contracts

Regulation 236/2014 makes reference to the threshold of the competitive negotiated procedure, which corresponds to euro 100 000. This means that when the value of the supplies to be purchased is **below 100 000 Euro per purchase**, the supplies do not have to originate from an eligible country.

The regulation also provides that in the case of actions implemented under shared management with a Member State (Romania), as it is the case in the BSB ENI CBC Programme, countries that are eligible under the rules of that Member State (Romania) are also eligible. According to the Romanian legislation, no restrictions regarding origin are foreseen, so there is **no restriction on the origin of supplies**.

As an exception, the sanctions currently imposed by the EU on Russia (and vice versa) may lead to restrictions in the acquisition of goods and services from this country. For detailed explanation on Rules of Nationality and origin please refer to Annex 2 - *Procurement rules*.

4.3 PROCUREMENT RULES - EXAMPLES OF BREACHES

In addition to the information included in the Guides on procurement, examples of common breaches are listed below.

Examples, of the most common breaches in the area of awarding public contracts are related to the following, but not meant to dismiss the provisions of the national legislation, where applicable:

- a) dividing or underrating the estimated value of the contract in order to avoid the applicable procedures;
- b) conducting the procedure in the wrong manner (e.g. the award of contracts using non-competitive procedures where there are no grounds for applying such procedures;
- c) non-competitive description of the subject of the contract by the groundless indication of trademarks, patents or the origin of goods, without allowing the equivalent tender submission and description of equivalence;
- d) setting improper deadlines for tender submission or illegal shortening of deadlines for the tender submission;
- e) determining improper conditions of participation in the public contract award procedure, leading to discrimination of contractors;
- f) determining the conditions of participation in the public contract award procedure that exceed the needs necessary to achieve contract objectives;



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- g) demanding from consortium members to jointly meet all conditions of participation in the procedure;
- h) demanding submission of documents not required by the regulations;
- i) demanding proof of experience in the performance of contracts co-financed from EU or national funds where it is not necessary to confirm the contractor's abilities to perform the contract;
- j) non-compliance with the regulations on publishing the contract notice or any amendments thereto;
- k) illegal restriction of subcontracting;
- l) setting the improper tender evaluation criteria;
- m) conducting the procedure in breach of the principle of transparency, fair competition or equal treatment of contractors;
- n) illegal amendment of the content of the agreement concluded with the contractor.

The most common breaches in the area of awarding contracts in accordance with the principle of competitiveness (below the threshold) are related to the:

- a) dividing or underrating the estimated value of the contract in order to avoid the application of the principle of competitiveness;
- b) failure to publish the request for quotation on a dedicated website if such website was created;
- c) if no website dedicated to the publication of requests for quotation was created, failure to send the request for quotation to the required number of potential contractors, or failure to publish the request for quotation on the contracting authority's website, if the contracting authority has such website;
- d) failure to define the tender evaluation criteria;
- e) setting deadlines for tender submission in the manner preventing potential contractors from submitting their tenders;
- f) execution of an agreement with an entity having personal or capital ties to the contracting authority, if other potential contractor for a given public contract exists on the market;
- g) failure to publish or improper publishing of information about the selection of the best tender;
- h) concluding a verbal agreement.



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CHAPTER 5 - PROJECT BUDGET

5.1 ELIGIBLE COSTS

Relevant Grant contract provision:

Article 8 (1) Eligible costs are actual costs incurred by the Lead Beneficiary and/or the Beneficiaries which meet all the following criteria:

a) they are incurred during the implementation period of the project;

An exception from this rule concerns the costs relating to final reports, only for expenditure verification, and, if the case, final evaluation of the project. These costs may be incurred after the implementation period of the project provided they are paid until the request for verification of the expenditure.

b) they are indicated in the estimated overall project budget;

c) they are necessary for the implementation of the project;

d) they are identifiable and verifiable, in particular being recorded in the accounting records of the Lead Beneficiary and/or the Beneficiaries;

e) they comply with the requirements of applicable tax and social legislation;

f) they are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency, and with the visibility requirements;

g) they are supported by invoices, proof of payment and/or documents of equivalent probative value;

h) notwithstanding letter (a) of paragraph 1, costs related to studies and documentation for projects including an infrastructure component are eligible even if they are incurred during the project preparation period which starts after the approval date of the Programme, respectively 18 December 2015.

Do not forget! These are cumulative conditions!



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5.2 ELIGIBLE COSTS PER BUDGET LINE AND PER GROUPS OF ACTIVITIES

Each project cost has to be foreseen under one of the budget lines, sub-budget lines and a group of activity.

In order for an expenditure to be eligible, as mentioned in section 5.1, the Beneficiaries have to demonstrate they have relevant supporting documents for each type of cost, as described below for each budget line.

5.2.1 Budget Line 1 - Staff costs

Staff costs, covering internal management or internal expertise, are eligible provided that they are paid for employees who are directly employed by the concerned beneficiary and who execute project related tasks. Staff can either be already employed or be employed by the Beneficiary specifically for the project after the conclusion of the Grant contract.

TAKE NOTE!

In case the Lead Beneficiary and/or beneficiaries subcontract the project management **entirely**, no cost of any staff employed shall be claimed by any Lead Beneficiary/Beneficiary for project management activity.

Note that these costs are ineligible under these circumstances.

In case the Lead Beneficiary and/or Beneficiaries subcontract the project management **partially**, tasks of the employed staff with project management responsibilities shall not overlap or coincide with the tasks of the subcontracted provider.

According to Article 8.1 of the Grant contract, **the cost of staff (employees) assigned to the project must not exceed those normally borne by the Lead Beneficiary or the Beneficiaries**, as the case may be, unless it is demonstrated that this is essential to carrying out the project.

TAKE NOTE!

Be careful with exceptional cases, as “being essential” does not mean “the usual practice when getting European funds”.

E.g. For a project including an infrastructure component and where such expertise does not exist within the organisation implementing the respective activities, employment by



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the Beneficiary of a civil work engineer with a higher salary than those normally paid may be considered as an exceptional case.

By contrast, concluding of a separate work contract with an existing employee for a position within the project involving tasks similar to those currently carried out within the organisation, but with a higher salary, might be challenged in case of a control or an audit.

Any cost that is not duly justified may be considered ineligible during a financial control by the auditor, the programme management bodies or other competent bodies.

Staff costs have to be declared only on a real cost basis!

As regards the **civil servants** involved in project implementation, their salaries are eligible provided:

- i) the civil servants are directly employed by the Lead Beneficiary and/or Beneficiaries and
- ii) the salaries are paid in accordance with the relevant national legislation of the concerned Lead Beneficiary/Beneficiaries regarding civil servants employment.

Expenditure on staff costs shall be limited to the following:

- a) salary payments related to activities which the entity would not carry out if the project concerned was not undertaken, fixed in an employment/work contract, an appointment decision (both hereinafter referred to as “employment document”), or by law;
- b) any other costs directly linked to salary payments incurred and paid by the employer, such as employment taxes and social security payments provided that they are:
 - (i) fixed in an employment document or by law;
 - (ii) in accordance with the legislation referred to in the employment document and with standard practices in the country and/or organization where the individual staff member is actually working; and
 - (iii) not recoverable by the employer.

In brief, the calculation of the cost of an employee includes the following:

- ✓ Gross salaries
- ✓ Social security costs
- ✓ Other remuneration-related costs, according to the national legislation provisions in force;



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TAKE NOTE!

Unjustified:

- ad-hoc salary increases,
- overtime (extra hours) to the hours already allocated to the project, as foreseen in the employment document⁷ or
- bonuses for project purposes,

are not eligible!

The staff can be allocated to work full-time (100% of the working time is allocated to the project) or part-time for the project (flexible number of hours).

For **part time involvement** (flexible number of hours), the number of hours in the monthly timesheets has to correspond to the actual time devoted to the project. The number of hours in a working day shall not exceed the limit specified in relevant national legislation.

In this case the hourly rate shall be calculated and justified according to the provisions of the relevant employment document.

TAKE NOTE!

Only in case of part time involvement the respective **employee has to fill in monthly timesheets** (see Annex 4 - *Model of Timesheet*) which will be used for reporting purposes.

Attention!⁸

- In case a part time employee works on more than one project, make sure the **information contained in the timesheets** regarding the involvement in projects activities are **correlated and the maximum total number of hours in a working day does not exceed the limit specified in relevant national legislation.**
- **Do not claim costs for services provided for project management under the budget line “staff costs”**

⁷ According to the national legislation in Greece, employers of public entities are allowed to work in projects only in the form of extratime to the main employment working time.

⁸ Extracted from the BSB JOP 2007-2013 Audit Reports - these are examples of situations for which costs were considered ineligible.



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When filling in a time sheet, the following issues should be taken into account:

- In the time sheet, a short description of tasks for each day is recommended. Please avoid general descriptions, such as “project coordination”. Use more specific description like “meeting with stakeholders” or “preparatory activities for the partners meeting (date)”, etc;
- Timesheets have to be signed by the employee and the project manager/coordinator;

TAKE NOTE!

In principle, all **staff costs**, irrespective of the project activity they are linked to (management or implementation), shall be reported under the Group of Activities management (Work package Management in eMS) if not in contradiction with the provisions of the national legislation or internal requirements of the organization. If budgeted under other Group of Activities (not Management), as to comply with the provisions of the national legislation or with the organisation’ internal rules, they shall be reported under the respective Group of Activities.

TAKE NOTE!

- Be aware of **the staff working contract** and any applicable rules in your organisation affecting their work (working hours per month, timetable for other activities within the organisation);
- Ensure each part-time employed staff is familiar with the **timesheet** template to be filled in individually;

How can I distinguish between employees and experts?

<p style="text-align: center;">Employees <i>(to be included under Budget line 1: Staff costs)</i></p>	<p style="text-align: center;">Experts <i>(to be included under Budget line 3: External expertise and services)</i></p>
<p>Have an employment/work contract or an appointment decision with the Lead Beneficiary or one of the Beneficiaries and are usually subject to specific national or organisational rules regarding salary, holidays, etc.</p>	<p>Have a service contract which is subject to the relevant procurement rules. The specific conditions for the delivery of the service are described in the contract.</p>



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Employees <i>(to be included under Budget line 1: Staff costs)</i>	Experts <i>(to be included under Budget line 3: External expertise and services)</i>
Receive a monthly salary supported by salary/pay slips, not by invoices	Receive fees after the submission of invoices and deliverables, in accordance with the payment conditions in their contract.
Their social charges and other remuneration-related costs are paid by the employer .	Other taxes paid by themselves .
Usually work in the premises of the employer and use its facilities (telephone, computers, etc.)	Usually work in their own premises , or on-site where the services are to be delivered, and use their own resources (such as computers) which are included in their fee rate and cannot be included as incidental costs in their contracts.
Travel and accommodation costs for project missions can be included under the budget line 2 Travel and accommodation .	Travel and accommodation costs for project missions are included in their contract as incidental costs and included in budget line 3 - External expertise and services .

REMEMBER!!!

Salaries reported and justified with **invoices/service reception reports** are not eligible!

Travel and subsistence costs for subcontracted experts are not eligible! These costs should be included in their service contract.

5.2.2 Budget line 2 - Office and administration costs

Up to 7% of eligible direct costs of the project, excluding costs incurred in relation to the provision of infrastructure, can be applied for **indirect costs** incurred by the Lead Beneficiary/Beneficiaries and necessary for the implementation of the project.

However, please note that the final amount for indirect costs shall be calculated proportionally with the certified expenditures at the end of the project, which may differ from the amount estimated initially in the budget.



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TAKE NOTE!

According to article 8.3 of the Grant contract, this flat-rate funding does not need to be supported by accounting documents. This means that no justifying documents proving the expenditures incurred under this category have to be provided during the interim report and final report. However, the MA and any entity/body authorised by the MA to carry out verifications, inspections, on-the-spot checks and audits have the right to request the justifying documents for the related expenditures in accordance with Article 11 of the grant contract.

In eMS, in the List of Expenditure, you should report only one amount, under *Office and administration budget line*, this amount representing the total of all costs made under this budget line, the explanation column and the date. The date will be the last day of the reporting period.

It is important to remind you that the verification for checking that the final total amount spent under this budget line at project level falls within the percentage and does not exceed the amount approved for this budget line at project level, shall be made on the Final report, by MA -Projects Authorizing Unit.

DO NOT INCLUDE UNDER THIS BUDGET LINE ANY COST ALREADY DECLARED UNDER OTHER BUDGET LINE.

These indirect costs are incompatible with the receipt of an operating grant financed by the EC. When the Lead Beneficiary or a Beneficiary receives this type of grant, intended to finance its 'regular operating costs', no additional administrative costs can be accepted as eligible costs as this would be considered double funding.

5.2.3 Budget line 3 - Travel and accommodation

Expenditures under this budget line are eligible for project staff, guests (if so budgeted and approved) or representatives of the Lead Beneficiary/Beneficiaries who:

- execute tasks directly related to the project. The costs must be clearly linked to the project and be justified by activities carried out within the project.
- participate in programme related activities (ex. participation in meetings with JTS, programme events, etc).

Costs under this budget line refer to:



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- Travel costs, such as international and national transport, airport taxes, ferry, road/bridge charges, tolls, parking fees, visa taxes, departure fee, fuel, travel insurance costs;
- Accommodation costs and daily allowances (subsistence costs) during travel, either separately or in the form of a flat rate. These must not exceed neither i) the costs normally paid by the Lead Beneficiary and/or the Beneficiaries according to their national rules and regulations nor ii) the per diem rates published by the European Commission at the time of the mission.

These rates can be found at:

http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm

If travel costs and subsistence costs (accommodation and daily allowances) for guests/target groups and/or final beneficiaries are foreseen under the External Expertise and Services budget line, these expenses shall be incurred from **External Expertise and Services** budget line and **not** from **Travel and Accomodation** budget line.

VERY IMPORTANT!⁹

- Road time sheets of a vehicle (used for road, water transport) purchased from the project budget or rented/leased for the project implementation (including management activities) should be filled in for each use of the vehicle with clear justification in relation to the project activities and correlated with these activities;
- Maintenance, repairs and/or change of spare parts of a private vehicle or of a vehicle belonging to the beneficiary organisation (used for road, water transport) used for project activities are not eligible as travel costs. These costs shall be covered from the own budget of the Beneficiary and not from the project!
- Maintenance, repairs and/or change of spare parts of a vehicle purchased by a beneficiary under the project budget and belonging to the beneficiary organisation (used for road, water transport), used for project activities are eligible as office and administration costs.

⁹ Extracted from the BSB JOP 2007-2013 Audit Reports - these are examples of situations for which costs were considered ineligible.



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Concerning the **use of private car** make reference to the national rules of the Lead Beneficiary or project Beneficiaries, as the case. In the absence of specific rules, it must be priory authorized by the project responsible person and be reasonable, i.e. applying calculation methods based on national/organization rules and then validated by controller.

TAKE NOTE!

The Beneficiary shall not conclude a service contract with any of its employee irrespective of the purpose, including the use of private car!

Costs for transport, accommodation, subsistence for subcontracted experts shall not be eligible under this budget line! These costs shall be included in their services contracts.

The costs are eligible only if they are in line with relevant national legislation. Travel and subsistence costs incurred **outside the programme area** are eligible only **if they are linked to activities described and justified in the Application, approved during the evaluation and selection phase, or through a notification or addendum, as applicable**, and are in line with programme general provisions on expenditure for activities implemented outside the programme area (maximum 15% of the total ENI project budget).

In the project budget an overall amount was foreseen for the main categories of travel identified. Although no other details (ex. number of flights, of participants, of accommodation nights, etc.) were requested during project preparation, **remember that supporting documents will be required during reporting (uploaded in the eMS)!** For details see Section 6.5.4 *Supporting documents required for expenditure verification*.

TAKE NOTE!

- Do not forget to keep sufficient information in your accounting system in order to be able to report the travel, accommodation and subsistence costs per unit rate defined in your budget, in particular:
 - ✚ Number of travellers
 - ✚ Number of nights
 - ✚ Total accommodation and subsistence costs for each trip
- The documentation proving the link between the trip and the project activities is as important as other supporting documents (invoices, payments, etc.). Keep information and documentation for all who travelled and why (e.g. for employees, a short mission report for each mission including the objective of the mission,



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places/persons visited and outcomes). Remember that for up to five years after final payment is received, an auditor may come and check, and that the relevant project staff may no longer be available to justify the mission!

- There are several ways to calculate and pay transport costs and accommodation and subsistence costs according to national legislation and/or your organisation rules and you should report them as they were foreseen in your project budget. When checking that these rates do not exceed the rates published by the EC for reimbursement of mission costs (referred to as 'per diem'), you need to understand that the EC maximum per diem rates include costs related to accommodation (hotel), meals (or daily allowances) and local transportation (bus, taxi) in the mission location.

5.2.4 Budget line 4 - External expertise and services

Costs under this budget line refer to external expertise and services provided by a public or private body outside of the Lead Beneficiary/Beneficiaries organisation. The external experts and service providers are sub-contracted to carry out certain tasks or activities which are strictly linked to the project and are essential for its effective implementation (e.g. studies and surveys, translation, promotion and communication, services related to meetings and events, etc).

Note:

Do not forget that in order to conclude service contracts you have to follow the requested relevant procurement rules!

An indicative list of types of expenditures under this budget line is presented below:

Indicative budget sub-line	Indicative detailed type of expenditure
Studies, research work, surveys	Evaluations, strategies, design plans, handbooks
Training	Venue and trainers
Translations	Translation and interpretation outside the events organized which should be included within sub-budget line related to conferences/seminars
IT systems and website development, modifications and updates	Setting-up and/or update of a project IT system or website



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<p>Promotion, communication, publicity or information, capitalisation of project results;</p>	<p>Costs of brochures and leaflets, press releases, inserts in newspapers, newsletters, other publication costs related to the project but not linked to specific events or seminars, etc.</p>
<p>Services related to the organisation and implementation of events or meetings</p>	<p>Including renting of premises and equipment for events, interpretation at events, catering expenses, printing of materials directly related to events, translation of materials, etc.</p> <p>NOTE! In case travel and subsistence costs for guests, target groups and /or final beneficiaries are budgeted under a service contract, reporting of the respective costs shall be made under this budget line (<i>External expertise and services</i>) and NOT under <i>Travel and Accommodation</i> one.</p> <p>DO NOT pay these expenses in the same way as for travel and subsistence costs for project staff, as they must be incurred through a service contract concluded in accordance with relevant procurement rules.</p> <p>Non observance of these requirements shall lead to non-eligibility of the respective expenditure.</p>
<p>Costs for expenditure verification</p>	<p>Details on approach for Beneficiaries from all participating countries are provided in Section 6.5.2 <i>Brief overview on how it is organised</i></p> <p>IMPORTANT!!!</p> <p><i>This type of costs shall be included under this budget line only in case services are subcontracted to independent controllers. The claimed amount for this type of service will have to be justified in relation to the provisions of the service contract concluded with the controller to perform the expenditure verification required for submitting interim and final payment by</i></p>



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	<p><i>each beneficiary.</i></p> <p><i>For example, even a service contract is concluded by a beneficiary with a controller for the same number of months as the duration of the project, or less, only the costs justified with documents proving the exact time spent by the controller to perform the expenditure verification shall be eligible. A regular, monthly payment for the whole project implementation duration period shall not be acceptable and such costs shall not be eligible.</i></p>
Legal consultancy fees, notarial services, if they are directly linked to the Project and are necessary for its implementation	-
Technical and financial expertise, other consultancy and accountancy services	-
Other specific expertise and services needed for the project	Expenditures which by their nature cannot be included in any of the previous categories.

TAKE NOTE!¹⁰

All Lead Beneficiaries and Beneficiaries shall **avoid** any situation in which any of their staff may be in **conflict of interest**.

Some examples of conflict of interest:

- (sub)contracting services (of any type) to their staff
- (sub)contracting services to the other Beneficiaries' staff
- (sub)contracting services to member(s) of the family
- (sub)contracting services to a service provider (e.g company, legal authorized person, etc) in which any representative of the (Lead) Beneficiary, its' staff or (a) project staff is owner or partner.

Also, **make sure that:**

- Services are provided within the contractual period;

¹⁰ Extracted from the BSB JOP 2007-2013 Audit Reports - these are examples of situations for which costs were considered ineligible.



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- The contract is dated before the delivery-reception report;
- There is clear evidence of the services provided;
- There is a realistic period of time between the signature of the contract and the delivery-reception report (e.g. not done on the same day)!
- Reference to the eMS code of the BSB project appears on all invoices which include costs of services provided within the project;
- The invoice specifies clear the service(s) provided, work(s) done or equipment(s) purchased under the project budget.

5.2.5 Budget line 5 - Equipment

Costs under this budget line refer to equipment and supplies specifically for the purpose of the project, purchased or rented by a Lead beneficiary/Beneficiaries and listed in the approved project budget.

TAKE NOTE!

For rental of equipment, the cost(s) shall be eligible only if they were justified and foreseen in the initial Application or in an approved addendum.

Indicative list of eligible costs under this budget line:

- a. Office equipment;
- b. IT hardware and software;
- c. Furniture and fittings;
- d. Laboratory equipment;
- e. Machines and instruments,
- f. Tools or devices;
- g. Vehicles;
- h. Other specific equipment needed for the project;
- i. Consumables necessary for the functioning of the equipment.

There are several **main eligibility requirements** in addition to respecting appropriate procurement procedures¹¹:

- **That the equipment and supplies** included under this heading **are specifically used for the project** (e.g. any vehicle or laboratory equipment shall be used exclusively for the purpose of achieving the project objectives and results and by the authorised persons or by persons having a clear role in the project, office IT equipment shall be

¹¹ See Chapter 4 - PROCURING SERVICES, SUPPLIES AND WORKS



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located in the dedicated project office and used by members of staff working for the project, etc).

TAKE NOTE!

Remember to include in your narrative report to the JTS/MA a description of the need and use of the equipment and supplies for the implementation of the project.

- Equipment and supplies have to be mentioned in the project budget;
- The prices paid correspond to market rates;
- The equipment purchased must be new;

Remember that in order to be eligible, the equipment purchased should also observe the visibility rules (see section 9.2 below) and shall be presented during any on the spot or other control visit. Take pictures of the equipment showing the visibility requirements and keep it during the period open to control (including after project ends).

TAKE NOTE!¹²

In case an IT Licence is purchased make sure it is installed and used for the exact purpose it was procured otherwise the cost is ineligible!

During project implementation, purchase of any equipment not explicitly mentioned in the application is subject to prior written approval of the MA through an Addendum to the Grant contract.

Note:

Do not forget that in order to conclude supply contracts you have to follow the requested relevant procurement rules!

[5.2.6 Budget line 6 - Infrastructure and works](#)

Expenditure for Infrastructure and works¹³ refers to costs incurred by the Beneficiaries within the BSB programme eligible area, for the execution of the small-scale

¹² Extracted from the BSB JOP 2007-2013 Audit Reports - this is an example of a situation for which costs were considered ineligible.

¹³ In the sense of the definition of 'work' provided for in Article 2(1) of the Directive 2014/24/EU of the European Parliament and of the Council of 26.02.2014.



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investment(s) which is (are) necessary for the implementation of the project and achieving its objectives.

TAKE NOTE!

Small-scale investments are eligible up to maximum 500,000.00 EUR ENI funds per project!

Relevant documents (e.g. the building permit and any other execution details, technical documentation, approved architectural and engineering drawings, consents, approvals, authorizations and agreements, following the issue of the building permit if requested by the national laws of the respective country) shall be provided in 6 months after the signature of the Grant contract, but no later than the submission of the interim payment request by the Lead Beneficiary.

IMPORTANT!

1. In the absence of these documents (the building permit and any other execution details, technical documentation, approved architectural and engineering drawings, consents, approvals, authorizations and agreements, following the issue of the building permit if requested by the national laws of the respective country), the payment of the interim instalment will not be made and the Grant Contract may be terminated.

2. These documents should be sent to JTS by email, as scanned copies. Each file/group of files should be named in English reflecting its content, and also a separate summary in English of submitted documents including a short description in English for each relevant document.

It is recommended to provide the documents before the date of submission of the interim report in eMS by the Lead Beneficiary, in case of not being submitted in 6 months after the signature of the Grant contract.

All beneficiaries who have small scale investments in their projects, have to record proofs (e.g. photos, videos) throughout all stages of the small-scale investment.

For the type of supporting documents of the expenditures please see Section 6.5.3 *Supporting documents required for expenditure verification* in this Manual or MA Instruction to beneficiaries no. 15/2018, Annex 3 - Indicative list of supporting documents.

Note:

Do not forget that in order to conclude works contracts you have to follow the requested



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relevant procurement rules!

5.2.7 Budget line 7- Net Revenue

Any revenue (as defined in section 3.1.4 Co-financing, interest and revenues) shall be reported under budget line Net Revenue, specifying its type (e.g interest from pre-financing, etc).

5.3 INELIGIBLE COSTS

In accordance with the provisions of **Article 8.5** of the Grant contract, the following costs shall not be considered eligible:

- a) debts and debt service charges (interest);
- b) provisions for losses or liabilities;
- c) costs declared by the Lead Beneficiary and/or the Beneficiaries and financed by another project or programme from any other sources;
- d) purchases of land or buildings;
- e) exchange-rate losses;
- f) duties, taxes and charges, including VAT, except where non-recoverable under national legislation, unless otherwise provided in appropriate provisions negotiated with CBC partner countries and as identified in the related Financing Agreement;
- g) loans to third parties;
- h) fines, financial penalties and expenses of litigation;
- i) contributions in kind as defined in Article 14(1) of the Regulation no 897/2014.
- j) costs exceeding the threshold of 15% of the EU contribution established for activities outside the Programme eligible area;
- k) used purchased equipment.

Also, any cost which does not respect the BSB Programme eligibility requirements shall not be eligible!

5.4 PROJECT SAVINGS

The savings identified in the project's budget during its implementation can be used to broaden the scope of planned activities, to undertake additional complementary activities and/or to deal with health related risks caused by COVID-19.



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In order to utilize the savings, the Lead Beneficiary or Beneficiary shall follow the regular procedures of project's modification (Addendum or Notification, as applicable) which are described in this Manual (see section 8 Modifying Grant contract).

Important!

Please make sure you closely observe the deadlines for submission to MA of Addenda or Notification, also allowing sufficient time for JTS to check the request(s).

Also, note that the proposed use of savings have to fulfil the costs eligibility criteria (see Section 5.1 Eligible costs).

Example:

In the request to use the savings for purchasing equipment or to introduce new activities in the project, it has to be demonstrated that will be used, contribute to or reflected in any of project outputs or results, during the project implementation. The insufficient substantiation of the request involve the risk of not being approved by the MA.

Special attention shall be paid by Beneficiaries in what regards the amount of savings in case they emerge after the expenditures for the interim report were reported and validated/approved by MA. In order to avoid amounts already incurred, paid and previously reported to be mistaken as savings to the project, this aspect shall be cross-checked with the JTS.

Expenditures already declared ineligible by the controllers/MA cannot be considered savings to the project and cannot be reused.

TAKE NOTE!

In principle, the use of the funds saved following public procurement or as a result of exchanging expenditure from national currency into Euro, should cause an increase of values and quality of the planned project's indicators.

All the additional activities, financed from the saved funds, should have a complementary character to the implemented project, ensure a stronger contribution to the project's results and objectives and guarantee greater benefits to the identified target groups.



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CHAPTER 6 - REPORTING AND PROJECT FINANCING (PAYMENT CLAIMS)

TAKE NOTE!

All reporting shall be done directly in eMS or by the case, uploaded in eMS

There are 3 types of report:

Progress reports (several)

- every 4 months
- includes only narrative description on progress made in the implementation
- shall be elaborated by each PP (named partner reports) and submitted to the LP who prepares the consolidated Project progress report
- this type of report will be submitted only to JTS

Interim report (1)

- Once the project has used at least 70% of the first pre-financing or
- if half of the implementation period has elapsed, even if the part of the expenditure actually incurred and paid which is financed by the MA is less than 70 % of the previous payment
- includes both narrative and financial parts

Final report (1)

- within 6 months after the end of the implementation period
- include both narrative and financial parts

For details on how to prepare and submit Partner and Project Reports (progress, interim and final) and which documents have to be provided, read carefully Annex 5 - *Guide on Reporting in the electronic Monitoring System (eMS) for Lead Partners and Project Partners and the relevant Instructions to beneficiaries issued by the MA*

Also, remember that all reports have to be elaborated in English language!

OPTIONAL: Use the Checklist on filling in the report (Annexes 9 and 10 to this Manual)



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6.1 PROGRESS REPORT

WHEN?

- Every 4 months, and in due time to allow the lead Beneficiary to submit it to the JTS no later than 30 days after the 4-month period has elapsed

WHY?

- To provide an updated overview of the project progress in implementation during reporting period

HOW?

- **Beneficiaries of the 1st call for proposals:** Each Beneficiary (Project Partner) elaborates and submits partner report to the Lead Beneficiary (Lead Partner) in eMS. Lead Beneficiary (Lead Partner) consolidates the information, elaborates Project Report and submits the 4 months project progress report to the JTS, in eMS (see Figure 1 below).
- **Beneficiaries of the 2nd call for proposals:** Each Beneficiary (Project Partner) elaborates progress report according to Instruction no.26 of the MA to Beneficiaries of the second call for proposals, using the template presented in Annex 1 to the aforementioned Instruction, and sends it to the Lead Beneficiary, by eMS mailbox. The Lead Beneficiary consolidates the information at project level and sends it by eMS mailbox and office e-mail, to the responsible JTS Officer who, after checking compliance with the requirements, uploads the Report in eMS, section *Attachments JS*.

WHAT?

- Progress in implementation for the period starting the first day of the project implementation contract until the last day of the 4 months reporting period.

Narrative reports are a regular and official source of information for MA/JTS to monitor the progress of project's implementation. The report has a short form and includes mainly narrative information on the progress made in the reporting period. It is based on the activity plan and it should consist of a description of progress on each activity, the achievement of intermediate/final outputs, as applicable.

The 4 months progress report doesn't need to be verified by a Controller.



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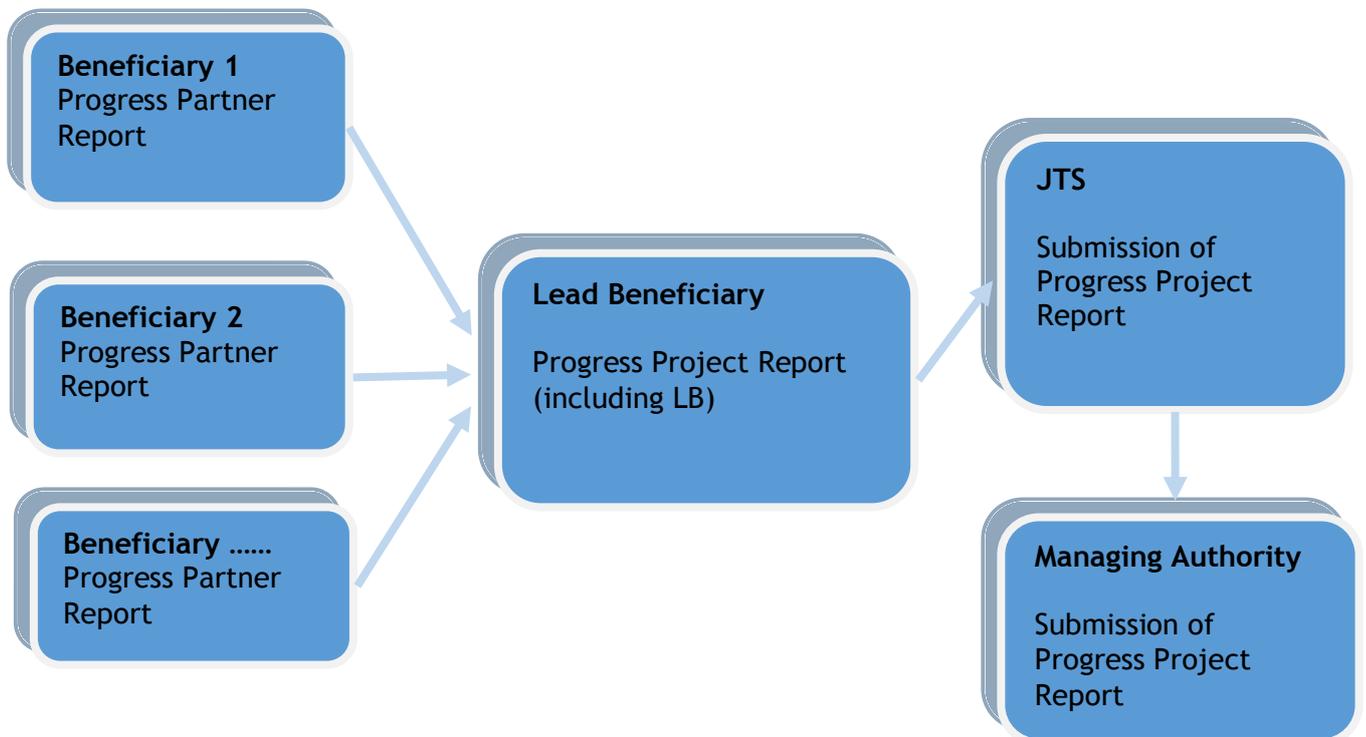


Figure 1 - Scheme of reporting process (Progress report)

Annexes to the progress report:

- A procurement plan shall be provided in the first report and an update at each following report (see Annex no.4);
- Informative and promotional materials (uploaded in eMS);
- Pictures of equipment/supplies purchased.

Although 4 months progress reports shall include information on progress as regards deliverables, no documentary evidence of deliverables or outputs is required to be provided with the report!

These documentary evidence shall be provided with the Interim and Final reports.

TAKE NOTE!

Please be aware that in case the outputs or deliverables are insufficiently described in the report, in accordance with article 4.14 Suspension of the period for payments of the grant contract, the MA may postpone the payment of the interim or final instalment, after notifying the Lead Beneficiary and until receiving the requested clarifications or additional information.



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6.2 INTERIM REPORT

WHEN?

- within 90 days following the end of the reporting period
 - Once the project has used at least 70% of the first pre-financing or
 - if half of the implementation period has elapsed or, before the end of the half of the implementation period, even if the part of the expenditure actually incurred and paid which is financed by the MA is less than 70 % of the previous payment. In this case, the interim payment shall be reduced by the amount corresponding to the difference between the 70% of the previous payment and the part of the expenditure actually incurred which is financed by the MA.

WHY?

- to request further pre-financing

HOW?

- see **Annex 5 - Guide on Reporting in the electronic Monitoring System (eMS) for Lead Partners and Project Partners** and **Instruction no 19/16.10.2019 to Beneficiaries of the ENI CBC Black Sea Basin Joint Operational Programme 2014-2020 regarding preparation and filling in interim reports in eMS**

WHAT?

- **Narrative report** - Progress in implementation for the period starting the first day of the project implementation Contract until the last day of the interim reporting period as identified by all Beneficiaries and duly reflected in the eMS (Application Form - reporting period). The narrative report shall contain detailed information on the implementation of project activities, on indicators, outputs, deliverables, project's potential impact and its sustainability. Also, if in the approved Application information about linkages, synergies and complementarities with other projects or initiatives have been introduced, **all beneficiaries have to provide clear details on how these complementarities are being considered during implementation.**

Justify any deviation and in case of delays, **explain** how the delayed activities, deliverables and outputs will be completed. **List** activities which are not implemented, **explain** why and how this is being addressed in the project. Please provide full and comprehensive description of progress achieved and do not make cross references to progress reports, as controllers are not able to see them.

TAKE NOTE!

Pay careful attention on monitoring and reporting all these aspects as the



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information/data provided by each project shall be verified during project monitoring missions, as well as collected and centralised at programme level by the JTS and MA!

Also, all beneficiaries shall ensure that the information provided in the 4 months progress reports do not differ from the information provided for Interim and Final report!

- **Financial report** - includes all reported and certified **expenditures** made during the reporting period and the related FLC certificates.

TAKE NOTE!

With the exception of staff costs, all costs approved in the budget under a Budget line and a Group of Activity shall be reported under the respective Budget line and Group of Activity and not under different ones.

In principle, all staff costs, irrespective of the project activity they are linked to (management or implementation), shall be reported under the Group of Activities Management (Work package Management in eMS) if not in contradiction with the provisions of the national legislation or internal requirements of the organization. If budgeted under other Group of Activities (not Management), as to comply with the provisions of the national legislation or with the organisation' internal rules, they shall be reported under the respective Group of Activities.

Example: In case *Travel and accommodation* costs for target groups, guests (if so budgeted and approved), final beneficiaries are budgeted under *External Expertise*, then you have to report them under *External Expertise*, not under *Travel and Accommodation*! Take note that you have to respect the reporting rules for the External Expertise, meaning that under this budgetary chapter, this kind of expenditure should be reported under a service contract.

Pay careful attention to the supporting documents required for each budget line and relevant requested procurement procedures!

Considering that the length of time between the date when the expenditure was made and the month when the expenditure is submitted for verification (which is the reference month for the exchange rate), may lead to losses due to the **exchange rate** fluctuations, in order to reduce this risk, the beneficiaries may consider submitting to the controllers more than one report with expenditure included. In any case, the respective expenditure has to be made during the reporting period and has to meet the eligibility requirements, as in art.48 alin.2 of the IR 897/2014.



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The controllers shall verify the respective expenditure requests only when receiving the Interim/Final report.

Details and steps to be followed, are provided in section *Annex 5 Guide on Reporting in eMS, section 4.3.2 'List of Expenditures (LoE)' tab - Currencies other than Euro*

Before and during elaboration of Interim Report, please read carefully the MA Instruction(s) related to reporting. In case you need to clarify any aspect, contact the monitoring or financial officer in JTS office. Earlier, the better.

The preparation of the interim report is one of the most important aspects of project implementation. Under the JOP BSB Programme only one interim report per each project is required throughout project implementation.

The entire process of preparation of the interim report requires from the Lead Beneficiary good organization and coordination skills since the report compiles information on realization of the project from each Beneficiary.

At the same time, good communication among all partners is essential during the period of preparation and submission of interim report in order to avoid delays and ensure a smooth process. It is highly recommended that each partner informs the Lead Beneficiary when he started to work on the interim report, together with the estimated date of the report submission to the FLC.

Steps to be followed by all beneficiaries (Project Partners as called in eMS) when preparing the Interim report in eMS, are presented in detail in ***Annex 5 - Guide on Reporting in the electronic Monitoring System (eMS) for Lead Partners and Project Partners*** and Instruction no 19/16.10.2019 to Beneficiaries of the ENI CBC Black Sea Basin Joint Operational Programme 2014-2020 regarding preparation and filling in interim reports in eMS.

Annexes to the interim report:

- Declarations of the Lead Beneficiary/Beneficiary (see Annexes 7 and 8 to Instruction of the MA no. 15);
- Updated procurement plan (see Annex no.4 to this Manual);
- Documentary evidence of outputs and results;
- Documentary evidence of deliverables;
- Informative and promotional materials;
- Standard Request for Payment (see Annex IV to grant contract);
- Financial Identification Form (FIF), if modified from the one attached to the Grant contract;



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- Photos and/or video capture from events/meetings organised within the project;
- Photos with equipment/supplies purchased by the project (results of works/spaces refurbished or any endowment if the case may be);
- Financial supporting documents;
- Documents related to public procurements;
- Expenditure verification reports/ FLC certificates.

6.3 FINAL REPORT

WHEN?

- 6 months after the end of the implementation period

WHY?

- To report on achievement of project's goal, objectives, results and specific indicators in order to obtain the final payment.

HOW?

- see **Annex 5 - Guide on Reporting in the electronic Monitoring System (eMS) for Lead Partners and Project Partners** and relevant MA Instruction(s)¹⁴.

WHAT?

- **Narrative report on progress in implementation** for any period not covered by the interim report, according to the reporting period foreseen in the eMS (Application Form - reporting period) for submitting the Final report. Detailed information shall be provided on the implementation of project activities, on indicators, outputs, deliverables, project's potential impact and its sustainability.

TAKE NOTE!

Pay careful attention on monitoring and reporting all these aspects, as the information provided by each project shall be verified during project monitoring/ auditing, as well as collected and centralised at programme level by the JTS and MA!

- **Financial report** - includes all reported and certified **expenditures** made during the reporting period and expenditures not included in the Interim report, if the case.

The procedure of preparation of the final report is similar to the procedure of preparation of the interim report. Nevertheless, the scope of the final report is wider, since it includes the information which summarizes the whole project's implementation.

¹⁴ For the beneficiaries of the 1st Call for Proposals of the ENI CBC Black Sea Basin Programme 2014-2020 - Instruction no.27/2020 regarding the submission of the final report



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Annexes to the final report:

- Declarations of the Lead Beneficiary/Beneficiary(see Annexes 7 and 8 to Instruction of the MA no. 15);
- Updated procurement plan(see Annex no.4 to this Manual);
- Documentary evidence of outputs;
- Documentary evidence of deliverables;
- Informative and pPromotional materials;
- Standard Request for Payment(see Annex IV to grant contract);
- Financial Identification Form (FIF), if modified from the one attached to the Grant contract;
- Photos, video from events organised within the project;
- Photos with equipment/supplies purchased by the project (results of works/spaces refurbished or any endowment if the case may be);
- Financial supporting documents;
- Documents related to public procurements;
- State Aid Self-Assessment Declaration (Annex 12 to this Manual)
- Expenditure verification reports/ FLC certificates.

Scheme of reporting process (Interim and Final report)

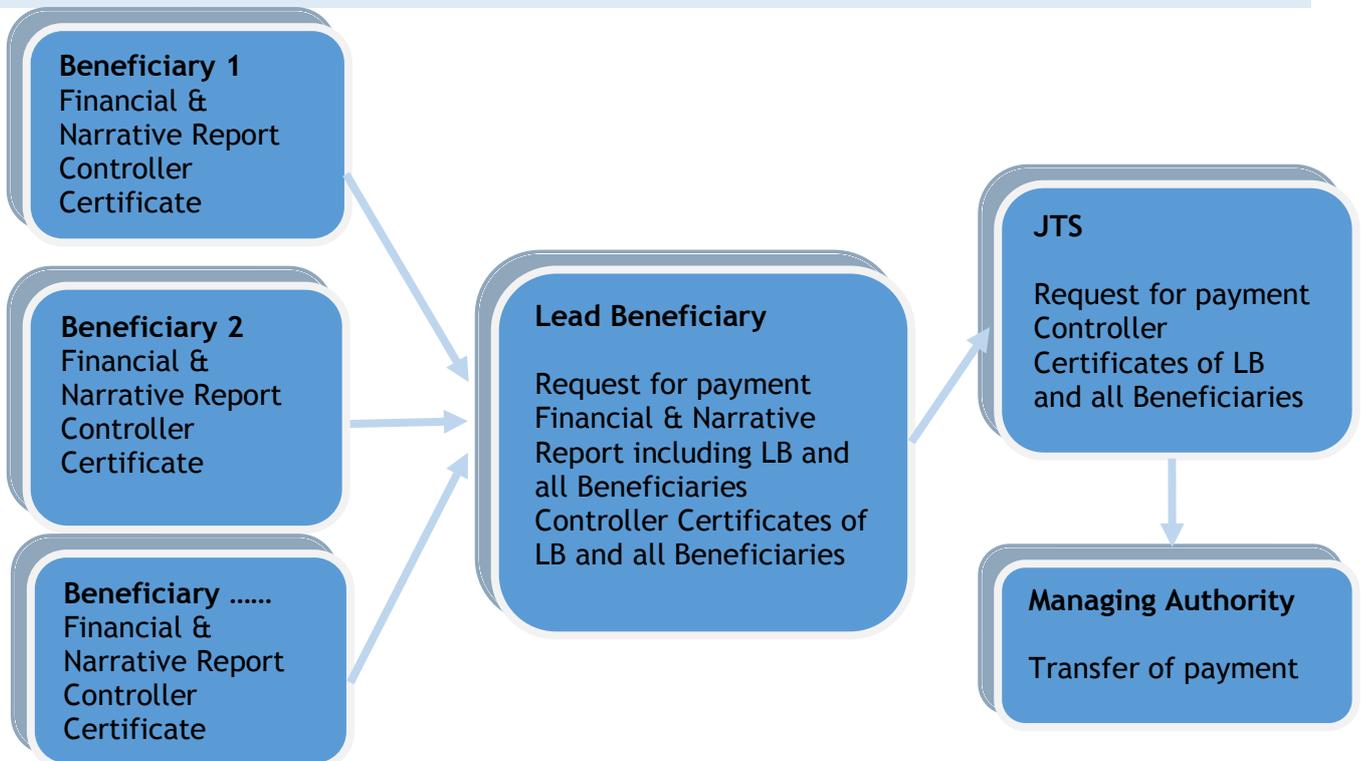


Figure 2 - Scheme of reporting process (Interim and Final report)



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In accordance with the grant contract provisions art.5.3- *Interim and final reports*, the Lead Beneficiary has the following obligations:

“The interim and final reports shall describe the implementation of the project according to the activities envisaged, difficulties encountered and measures taken to overcome problems, any changes introduced, as well as the level of achievement of its outputs (including the specification of the results that the outputs are related to) as measured by corresponding indicators. The level of detail in any report should match that of the Description of the project and of the Budget for the project. The Lead Beneficiary shall collect from the Beneficiaries all the necessary information and draw up consolidated interim and final reports. These reports shall:

- a) cover the project as a whole, regardless of which part of it is financed by the MA;
- b) consist of a narrative and a financial report;
- c) provide a full account of all aspects of the project's implementation for the period covered;
- d) include the outputs achieved by the project as measured by their corresponding indicators;
- e) propose any relevant measures necessary for performing the activities of the project, producing the intended results, achieving the purpose/s of the intervention;
- f) be drafted in the currency and language of this Contract;
- g) include any update on the communication plan according to Article 10;
- h) include a status of the procurement procedures and implementation of the contracts awarded under Article 9.

When submitting a payment request, the Lead Beneficiary shall ensure that all the Beneficiaries have the same reporting period.”

TAKE NOTE!

Please note that the expenditures declared in a financial report must be correlated with the last approved budget (in force at the moment of the submission of the report to the controllers).

Therefore, throughout the process of expenditure verification of the Interim Report until the approval by the controllers/MA of the report, Beneficiaries shall not make or request budgetary modifications to the sub-budget lines included in the report for which verification is on going.



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6.4 PROJECT FINANCING

6.4.1 First pre-financing payment

HOW much?

- 40% of the grant foreseen in the Grant contract

WHEN paid by the MA?

- within 30 days from the date of receipt of the signed Grant contract by the MA.

TAKE NOTE!

The Request for Payment (Annex IV to the grant contract) has to be sent by the Lead Beneficiary to the MA/ Projects Authorizing Unit.
In order to receive the first pre-financing, when submitting the *Request for payment* to MA, the Grant contract needs to be uploaded in the eMS, the section Supplementary information has to be filled in and Financial Identification Form uploaded in the section Bank information.

WHERE will the funds be transferred?

The first pre-financing amount is transferred from the programme bank account to the Lead Beneficiary's account defined in the Grant contract (Financial Identification Form) after the approval of the request for payment.

6.4.2 Interim instalment (second pre-financing)

HOW much?

- maximum 40% of the grant foreseen in the Grant Contract

WHEN paid by the MA?

- within 90 days of receipt of the payment request from the Lead Beneficiary, subject to the approval by the MA of the accompanying interim report.

TAKE NOTE!

In order to receive the interim instalment, the *Request for payment* needs to be accompanied by the following documents:



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- a narrative and financial report (Interim report) with necessary attachments;
- expenditure verification reports, expenditure verification certificates (Controllers' certificate) and supporting documents from all project Beneficiaries;
- In case of projects including an infrastructure, the Lead Beneficiary must submit the building permit and any other execution details, technical documentation, approved architectural and engineering drawings, consents, approvals, authorizations and agreements, following the issue of the building permit if requested by the national laws of the respective country, unless these documents are already submitted within 6 months from the Contract signature.
- Please be aware that the interim instalment is a pre-financing and should be used only for the implementation of the project. That is why the second pre-financing cannot and will not be paid after the end of the implementation period!

Relevant Grant contract provision:

Article 5.5 - “if half of the implementation period has elapsed and the part of the expenditure actually incurred and paid which is financed by the MA is less than 70 % of the previous payment, the Lead Beneficiary shall present an interim report within 90 days following this period; the interim payment shall be reduced by the amount corresponding to the difference between the 70 % of the previous payment and the part of the expenditure actually incurred and paid which is financed by the MA.”

HOW to use pre-financing and interim instalment?

According to Article 4.6 of the Grant contract, the **Lead Beneficiary shall transfer the corresponding amounts of the Grant to the Beneficiaries without delay** as from the date of receipt of the instalment of Grant, proportionally to each Beneficiary's contribution to the project, in accordance with the provisions of the Partnership Agreements, without making any deduction, retention or further specific charge, and shall submit the proof of transfer to MA within 7 days from the date of transfer.

The pre-financing tranches (first and second pre-financing) can be used only for the purpose of the project implementation. Any transfers not connected to the implementation of the grant can be considered as an irregularity (as defined in the Grant contract). The Lead Beneficiary and all project Beneficiaries need to keep transparent accounting to prove that the use of the pre-financing is correct.

The Lead Beneficiary and all Beneficiaries can use the received pre-financing in accordance with their activities in the project. There are no obligations regarding the



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terms of exchange of pre-financing from euro into national currency for the project purposes.

However, in order to avoid any issues concerning the pre-financing transfers to the project Beneficiaries **it is recommended that details of tranches division and conditions of financial transfers are set in the Partnership Agreement.**

TAKE NOTE!

Any interim report with request for payment will not be approved and paid after the end of the implementation period!

6.4.3 Final balance

HOW much?

- maximum 20% or the balance of the ENI Grant foreseen for the implementation of the project

The final amount of financing by MA to the project is regulated in Article 12 of the Grant contract. The main conditions for this are:

- The total amount to be paid may not exceed the maximum grant laid down in the Grant contract (or addendum to the Grant contract), both in regard to the:
 - Absolute value
 - Co-financing rate
- If the total costs are less than the estimated total in the budget, the contribution shall be limited to the amount obtained by applying the percentage (co-financing rate) laid down in the Grant contract, to the total costs approved by MA as presented in the Figure 3 below:

	Provisions in the Grant contract (estimated amounts)	Case 1 (Actual situation)
Co-financing rate	92%	
Total costs	1,000,000.00	1,000,000.00
Total approved costs		930,000.00
Amount of grant	920,000.00	855,600.00

Figure 3 - Calculation of final contribution

Grant is the application of co-financing rate to approved costs



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If the total amount of transferred pre-financing is higher than the amount of eligible and accepted cost (ENI value) the difference shall be paid back by the Lead Beneficiary to the Programme bank account. To that aim the MA issues and sends to the Lead Beneficiary a Notification which includes the amount to be recovered, deadline for the financial transfer and all needed information.

WHEN paid by the MA?

- within 90 days of receipt of the payment request from the Lead Beneficiary, subject to the approval by the MA of the accompanying final report.

The balance (final payment) of the grant will only be payable after the end of implementation, when the request for payment together with the final report has been approved by the MA.

TAKE NOTE!

Please note that without prejudice to the right to terminate the Grant contract, MA may, by a duly reasoned decision, reduce the grant in case of poor, partial or late implementation of the project. The grant will be reduced in accordance with actual implementation (Article 12.2 of the Grant contract).

6.5. EXPENDITURE VERIFICATION

6.5.1 What is Expenditure verification and why is it needed?

EC financial rules require that all expenditure and revenue under an EC Grant contract should be independently verified as to its incurrence (that the expenditure really happened), its accuracy (the expenditure amounts are stated correctly) and its eligibility (the amounts satisfy the eligibility criteria). **This verification of the expenditure and revenue has to accompany any payment request (except the first pre-financing request made on contract signature).**

The Partnership Agreement signed between the Lead Beneficiary and Beneficiaries includes provisions for Beneficiaries as regards expenditure verification arrangements.



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6.5.2 Brief overview on how it is organised

The Expenditure Verification work is organised in accordance with the guidance presented in the Instruction(s) issued by the Managing Authority which contains the **check list** of aspects to be verified (<https://blacksea-cbc.net/black-sea-basin-2014-2020/reference-documents/>), as well as the upon agreed procedure for the work to be carried out by the controllers, as applicable, in accordance with the control system established at national level in each participating country, as presented below:

Country	Applicable rules	Details
Armenia	decentralized	List of controllers
Bulgaria	decentralized	<i>Costs for expenditure verification are paid according to a service contract between a project partner and a controller. The service contract determines the exact remuneration payable by the project partner to the controller for the fulfilled verification. The remuneration of the controllers is calculated on a basis of a reported month - expenditures could not exceed 102.27 euro per reported month or 1 227.24 euro per year (including travel and accommodation costs and social insurance paid by the respective Bulgarian project partner).</i>
Georgia	decentralized	List of controllers
Greece	centralized	Free of charge for Greek beneficiaries - the control will be performed by public officers of the Greek Certifying Authority
Republic of Moldova	decentralized	Long list of controllers
Romania	centralized	Free of charge for Romanian beneficiaries - the control will be performed by public officers of the Control Contact Point, established within the Ministry of Public Works, Development and Administration
Turkey	decentralized	List of controllers - the cost will be 1500 Euro totally, 750 Euro per report.
Ukraine	decentralized	Long list of controllers



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For further details as regards list of controller or details on national rules, please contact the national authority or the control contact point in your country. Contact details of those as well as the list of controllers in each participating country can be found on the Programme website.

The Lead Beneficiary has to submit to the MA with the Interim and Final report, through JTS, the reports for expenditure and revenue verification with all the factual findings issued from all Beneficiaries' controllers involved in the project.

The controller examines whether the costs, as well as the revenue of the project declared by the Lead Beneficiary and the Beneficiaries are real, accurately recorded, eligible and necessary for the implementation of the project, in accordance with the Contract, and issues a Certificate and an expenditure verification report conforming to the instructions of the MA (<https://blacksea-cbc.net/wp-content/uploads/2019/09/Instruction-15.pdf>). The verification activities will have to be properly recorded and reflected within the eMs (<https://blacksea-cbc.net/wp-content/uploads/2019/09/eMS-Manual-for-CCPFLC.pdf>).

In order to avoid unforeseen delays, we recommend Beneficiaries to confirm in advance with the controllers their availability to perform the verification of the report during the period when the Beneficiary estimates to send the report to the controller.

[6.5.3 Supporting documents required for expenditure verification](#)

Examples of the supporting documents to the project's costs¹⁵

for Staff costs:

- *Appointment Decision of project management team signed by the legal representative of the Lead Beneficiary/Beneficiary (as the case);*
- *Declaration of number of hours worked by each staff member (management and implementation) according to Annex 8 to the MA Instruction to beneficiaries no.15;*
- *Employment contracts or any other equivalent legal agreement under the national law that permits the identification of the employment relationship between the staff and the organization. The employment contract should be endorsed by the responsible official bodies (where the case) and/or addenda to the work*

¹⁵ Supporting documents shall be required and provided according to the provisions of the national legislation of each beneficiary



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- contracts, stating the exact fraction of time for which the amounts are requested;*
- *In case of already full or part time employed staff - A Decision/assignment including information on the type of involvement in the project - full or part time;*
 - *Pay roll - signed by the project manager, the Beneficiary's accountant and endorsed by the responsible official bodies (where the case);*
 - *Job description with the specification of the time spent for project activities, in case of part time involvement;*
 - *Monthly salary/pay slips, proofs of payment (e.g. bank statements, cash book, payment orders, statements of account, list with identification of card accounts - where the salaries are transferred on cards);*
 - *Social charges and other remuneration-related documents;*
 - *Calculation evidence for the determination of the hourly rates of the staff involved in the project;*
 - *Timesheets only for part-time employed staff, specifying the effective time worked for the project, the activities implemented in the reference period, signed by the project's assigned employee and the project manager/coordinator;*
 - *Relevant procedures applicable at organisational level;*
 - *etc.*

for office and administration costs:

- *According to article 8.3 of the Grant contract, the flat-rate funding under this budget line does not need to be proved by supporting documents.*

Please see Instruction No.15/2018 of the MA to Beneficiaries - section 5.2.3 - Indirect costs.

Also, according to Annex 5 - Control check list - to the Instruction No. 15/2018 of the MA to Beneficiaries, the controllers should only check that no office and administration costs are declared under any other budget line.

MA (Project Authorising Unit) shall verify on the Final report that the final total amount reported as indirect costs falls within the percentage enclosed in the Grant Contract and does not exceed the approved amount at project level.

Any supporting document in original, justifying costs related to this budget line have to be kept in order, registered in the Beneficiary's accounting system and be available for any audit or on the spot check during or after project implementation!



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for Travel and Accommodation costs:

- *Invoices from hotel, etc.)¹⁶ - with name of the person and its employer organisation, for which the invoice was issued;*
- *Proof of payment - any kind of official document (invoices, receipts, etc);*
- *In case national legislation allows for this type of costs to be paid entirely or as an advance by the organisation to the person going on mission - proof of payment;*
- *Original transportation tickets (plane, train, boat);*
- *Boarding passes;*
- *Road time sheets in case of use of a personal vehicle, vehicle owned by the organisation or of a vehicle (used for road, water transport) purchased from the project budget or rented/leased for the project implementation (including management activities) should be filled in for each use of the vehicle with clear justification in relation to the project activities and correlated with these activities;*
- *Meeting or event related documents such as activity reports, invitation, agendas, lists of participants, materials, photographs, etc;*
- *Authorization to travelling, if applicable;*
- *etc.*

for external expertise and services:

- *Invoice from the service provider - with clear reference to the project (e.g. project eMS Code);*
- *Proof of actual time spent for the services provided;*
- *Proof of payment - any kind of official document issued by bank or the accounting department of the organization, proving that the bank of the organization has settled the payment of the relevant bill, indicating amount, reason and date;*
- *Documents related to the procurement procedures, including the Terms of Reference, proof of publication, all the bids, evaluation documents, contract, etc.;*
- *Proof of delivery of the services;*
- *Any material published (on paper or by electronic means);*
- *Proof that the EU visibility rules have been respected (photos);*
- *In case of events, meetings, all related documents and pictures;*
- *etc.*

¹⁶ If so required by the national legislation



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for Equipment:

- Invoice from the supplier - with clear reference to the project (e.g. project eMS Code);
- Proof of payment - any kind of official document issued by bank or the accounting department of the organization, proving that the bank of the organization has settled the payment of the relevant bill, indicating amount, reason and date;
- Road time sheets of a vehicle (used for road, water transport) purchased from the project budget or rented/leased for the project implementation (including management activities) should be filled in for each use of the vehicle with clear justification in relation to the project activities and correlated with these activities;
- Documents related to the procurement procedures, including the Terms of Reference, proof of publication, all the bids, evaluation documents, contract, etc.
- Proof of delivery and putting into operation;
- Photos of the equipment purchased;
- Inventory book/register;
- Proof that the EU visibility rules have been respected (photos);
- etc.

for Infrastructure and works:

- Invoice(s) - with clear reference to the project (e.g. project eMS Code);
- Works Report - Official document issued by the works contractor, specifying the actual works carried out and the related costs, and containing a clear reference to the project (e.g. project eMS Code);
- Proof of payment - any kind of official document issued by bank or the accounting department of the organization, proving that the bank of the organization has settled the payment of the relevant bill, indicating amount, reason and date;
- Documents related to the procurement procedures, including the Terms of Reference, proof of publication, all the bids, evaluation documents, contract and its annexes (according to the national legislation), etc.;
- Building permit, Order for commencement of works;
- Document on intermediate/final reception of the works;
- Proof of completion of works, such as acceptance certificates, protocols confirming that the works has been done properly (e.g. according to the contract);
- Proof of delivery (in case of a purchased equipment linked to the works) and putting into operation;
- Construction permit/Permit for placement were applicable or statement from the



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relevant authority that permits are not necessary;

- *Proof that the EU visibility rules have been respected (e.g photos of the works in different stages, photos of the panels);*
- *etc.*

TAKE NOTE!

Note that clear reference to the project (e.g project eMS Code) has to be seen in relevant documents (e.g invoices, contract, reports, agendas, lists of participants, materials published, documents elaborated for events, etc)!

Also, please note that double funding will be checked when checking the accounting.

6.6. CHECKS, ON-THE-SPOT VISIT AND CONTROLS

In addition to the administrative verifications for each payment requested by Beneficiaries, they may also be subject to on-the-spot project verifications by the MA and any other bodies / entities authorised by the MA (Project Authorising Unit), Audit Authority, the European Commission, the European Anti-Fraud Office, the European Court of Auditors, the relevant authorities in the countries participating in the Programme.

Therefore, according to the Grant contract provisions, they have the obligation to give appropriate access to the staff or experts carrying out those verifications and to all the sites and locations where the project is (or has been) implemented, including:

- Information systems
- All documents and databases concerning the technical and financial management of the project.

Also the bodies may conduct a full audit on the basis of all accounting documents and any other document relevant to the financing of the project.

Additionally the European Anti-Fraud Office shall be allowed to carry out on-the-spot checks and inspections in accordance with the procedures laid down by the European Union legislation for the protection of the financial interests of the European Union against fraud and other irregularities.

GOAL OF VERIFICATION

The protection of the financial interests of the European Union against fraud and other irregularities.



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WHO CAN BE SUBJECT TO VERIFICATION?

- Lead Beneficiary
- Beneficiary
- Contractors, sub-contractors

WHO CAN CARRY OUT THE VERIFICATION?

- MA any other bodies / entities authorised by the MA
- Audit Authority
- European Commission
- European Anti-Fraud Office (OLAF)
- European Court of Auditors
- the relevant authorities in the countries participating in the Programme

How do Lead Beneficiary or Beneficiaries prepare for an on-the-spot visit?

- Make sure the supporting documents are properly kept and easily accessible;
- Be ready to show the equipment purchased/works done and services delivered within the project, including proof of appropriate visibility rules applied;
- When possible, ensure that the key staff of the project are present during the visit (project manager, accountant, key experts, etc.);
- If the visit takes place during project implementation, be ready to provide updated information, including about what other project beneficiaries do (remember this is a joint project)! Likewise, be ready to justify and explain any deviation from the agreed work plan;
- If relevant, obtain the necessary internal authorizations to allow access by the person carrying out the on-the-spot check to the information required including to databases and information systems and to other project locations (particularly in the case of small scale investments/works).

TAKE NOTE!

In case of web-sites, electronic databases, maps, studies and other Internet-based tools you need to ensure adequate back-ups and maintenance, in order to ensure they are available five years from the date of payment of the balance for the programme.



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CHAPTER 7 - PROJECT MONITORING & EVALUATION

7.1 PROJECT MONITORING

7.1.1 How it is organised

Project monitoring starts at the date of Grant contract signature and finishes at the end of the sustainability period (for projects including small scale investment component) or at the end of the execution period (for the other projects); nevertheless, the sustainability arrangements declared and assumed in all projects are binding for the Lead Beneficiary and the Beneficiaries and shall be monitored and verified accordingly by the MA and JTS. The MA and JTS is entitled to verify the sustainability of the project after the payment of the final balance, including by requesting relevant reports or other documents.

In supporting the Beneficiaries, immediately after the contract signature, JTS will appoint a JTS monitoring officer for each project and shall inform the respective Lead Beneficiary accordingly. The JTS appointed officer shall be the direct contact person providing support to the Lead Beneficiary and/or Beneficiaries.

An efficient and effective monitoring activity strongly depends on receiving and/or collecting **timely, reliable and relevant information/data** and supporting documents about the progress in the implementation of activities, outputs and outcomes achieved by the project. The information system for collecting, analysing and reporting information about activities, outputs and outcomes is at the core of the monitoring system.

Project monitoring is a **continuous process that has to be performed** on a regular basis and in a systematic way **by the:**

- Lead Beneficiary with the support of all the project Beneficiaries

This may be achieved by:

- Setting up a shared, internet-based, information tool including the control of deadlines, activities, deliverables and indicators using available project management software;
- Requiring the project manager for each Beneficiary to submit a regular, short monitoring report to the Lead Beneficiary providing information about the progress being made in implementing the project. LB will currently monitor the progress of the project expenditures to identify the moment when partners should be ready to



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report to the controllers their expenditures and further apply for the interim instalment.

These reports are an important source of information and have to be used by the Lead Beneficiary for the elaboration of the consolidated narrative reports.

- Managing Authority (MA) and the Joint Technical Secretariat (JTS) on progress (or delays) in the project implementation

This may be achieved by:

- Regular monitoring - checking upon progress in the implementation based on the information provided by the Lead Beneficiary in each progress, intermediate and final reports (information collected from eMS);
- Organising site visits to LB/Beneficiaries headquarters or to the investment;
- Participate to the projects events and/or meetings;
- Result Oriented Monitoring (ROM).

Please note that additional information and documents might be asked by MA/JTS based on the contract provisions in article 5/5.1

[7.1.2 Regular monitoring](#)

During project implementation, the Lead Beneficiary has to submit several reports to the JTS. Once the reports are checked by the JTS, they are sent to the MA for further analysis.

Detailed information regarding the types of reports, their frequency, content and how they should be submitted, are presented in Chapter 6 Reporting and Project Financing and in Annex 5 - *Guide on Reporting in the electronic Monitoring System (eMS) for Lead Partners and Project Partners*.

The Lead Beneficiary shall answer to any request for clarification and provide additional information on the reports if so required by the MA/JTS, within the deadline stipulated by the request, but not later than 30 days of the request.



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7.1.3 On-site monitoring visits

The purpose of the on-site monitoring visits is to verify the physical progress in implementation of the activities and the correctness of information and data -reported in the narrative reports, to collect additional information as concerns the stage in implementation (bottlenecks, difficulties in implementation, delays), **to check the availability of supporting documents for the project's deliverables**, to identify need of amendments to the contract based on potential risks which may significantly jeopardise the smooth project implementation and the achievement of its specific objectives the contract and its annexes settled as well as to ensure a proper communication among all contractual parties and provide recommendations and deadlines. A monitoring visit report is concluded and signed by participants.

The site visit report will be drawn up in 2 original documents; each one has to be signed by the Lead Beneficiary or Beneficiary and the representatives of the MA/JTS participants.

TAKE NOTE!

The Lead Beneficiary/Beneficiary recipient of a monitoring visit shall always inform all other project Beneficiaries on the outcomes of the monitoring visit, measures and recommendations of the JTS/MA.

In case the Beneficiary is not able to provide any document or information necessary for the elaboration of the report during on site visit, this will be specified in the visit report together with the deadline agreed with the Beneficiary to provide it (them).

TAKE NOTE!

In order to ensure continuity under the restrictions imposed by the COVID-19 pandemic¹⁷, any other situation that could endanger the well-being of the participants, on-site monitoring visits can be replaced by visits organized in the virtual space by electronic means.

As in the case of physical visits, the virtual visits will end with the visit report signed by the participants. The Beneficiary will present dated photos or films, with the equipment purchased and / or installed, with the completed / ongoing infrastructure works and

¹⁷ Please refer to MA INFORMATION FOR BENEFICIARIES of the ENI CBC Black Sea Basin Programme regarding project implementation in the context of coronavirus disease COVID-19, issued in March 2020



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these will be attached to the visit report. If he deems it necessary, the STC officer may request additional documents or materials (including photo and video) from the beneficiary in electronic format, which shall be mentioned in the visit report.

What main aspects may be verified?

- The physical existence of the material results of the project implementation (for example, equipment, goods, promotional and visibility materials, etc);
- Existence of visibility elements on the deliverables, equipment and spaces used in the project;
- The quality and quantity of the essential deliverables from the project available up to that moment;
- Resources and Project management
- Progress in the implementation of activities and outputs achievement - Work Plan and timeline/milestones, if insufficient information was provided in the progress report preceding the visit;
- Target groups involvement in the project activities/feedback;
- Compliance with the communication and visibility rules;
- Risks and Problems/remedial actions required - need for amendments to the contract (extension, budget changes etc)
- Elements to ensure the horizontal principles;
- Elements to ensure sustainability of the project results and capitalization of the results, the latter, if the case;
- Added value of activities which are similar to the ones implemented under projects funded from other programmes or from BSB Programme (2007-2013 and 2014-2020);
- The degree in which the recommendations, officially received by MA during the consultation of risk double funding & duplication of the projects have been considered by the beneficiary;
- The degree or result of applying the recommendations or solutions previously proposed (through a plan of measures or during other monitoring visits) by JTS/ AM to improve or solve problems or risks encountered by the beneficiaries in the implementation of the projects.

At the same time, during the visit, the JTS/MA officers can provide support for project implementation to the beneficiary / partner at request, in order to respect the provisions of the grant contract and the program.

The beneficiaries will implement the recommendations made after the visit, will inform the other partners on the visit and its outcome and will report the information related to



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them in the next progress report or within the deadline indicated by the JTS/MA in the visit report or in the measures plan (if the visit report did not include the conclusions, recommendations and compliance deadlines given by JTS / MA).

The monitoring visits will take place at the premises of the Lead Beneficiary, Beneficiaries and in any of the project location, preferably during project activities (e.g. training activities, fairs, exhibitions, project managements or monitoring meetings, etc.) or they can be organized online, in case of travel restrictions or any other situation that could endanger the well-being of the participants.

Relevant Grant contract provision:

Art.5.13. The Lead Beneficiary shall inform the Joint Technical Secretariat on the upcoming major project events with sufficient time before, but not less than 10 working days prior to carrying out the event.

The on-site/on-line visits may be undertaken by JTS/MA:

On a regular basis, at least 1 visit during 12 months of project implementation having in mind project's complexity and project associated risks.

- **For the interim report** - done by JTS based on project complexity and associated risks, before the deadline for analysing the interim report;
- **For the final report**, done by JTS to all projects, no later than the deadline agreed for analysing the Final report with the payment request; Final visit will check upon delivery of the expected outputs/results and the associated indicators and project's contribution to the programme's COI and Result Indicators (RI) as set by the application.

The Lead Beneficiary and Beneficiaries will be notified in due time as regards the **on-site/on-line visits**. They should agree with the proposed date of the visit, its duration and the working documents which will have to be prepared.

7.1.4 Result Oriented Monitoring

All projects may be required to facilitate the Result Oriented Monitoring (ROM) which will be carried out by the MA/JTS and/or external experts.

During these visits the performance of projects funded will be reviewed with a focus on the likelihood results are achieved and need for remedial actions. ROM reports will also



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make recommendations to the Lead Beneficiary and Beneficiaries in order to improve project implementation.

More details regarding ROM evaluation visits and methodology it operates upon shall be provided to the Beneficiaries with sufficient and reasonable time in advance of these visits.

The main criteria to be addressed during the ROM visits, are: Relevance and Quality of design, Efficiency of implementation to date, Effectiveness to date, Impact Prospects and Potential sustainability. For each criterion a detailed list of questions will be provided before every mission.

The ROM assessment also takes into account the information and assessment based on the four months and the interim reports.

For further information on ROM visit the link:

https://ec.europa.eu/europeaid/sites/devco/files/rom-handbook-2017_en.pdf

7.1.5 Monitoring horizontal aspects

This type of monitoring shall take place throughout the entire duration of the JOP.

The following aspects shall be monitored:

- Environmental sustainability
- Democracy and human rights
- Gender equality

As regards Democracy and Human Rights, note that the European Union has ratified the Convention on the Rights of Persons with Disabilities - an international human rights treaty of the United Nations intended to protect the rights and dignity of persons with disabilities. The Convention stresses that persons with disabilities should be able to live independently and participate fully in all aspects of life. Therefore, persons with disabilities should participate in and implement EU projects equally to other persons. As accessibility can be grouped into three main groups: physical accessibility, service accessibility and accessibility to communication and information, appropriate measures may be taken, if possible, so that to ensure that persons with disabilities have access to the physical environment, transportation, information and communications technology and to other facilities and services open or provided to the public.



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Examples of good practices (to be considered, if possible):

- Each new building, service or other product, whose creation is financed by European funds, should be accessible to all;
- Websites of projects and institutions involved in the implementation of European funds must be accessible to people with various disabilities;
- Open meetings for which registration is not required should be organised in buildings accessible in architectural terms to persons with disabilities;
- Any kind of building in which activities financed by the European Union are organised, must be accessible to people with disabilities.

The necessary information for monitoring the horizontal aspects shall be collected annually from the narrative and final reports and centralized at programme level.

TAKE NOTE!

Do ensure that in your reports you provide sufficient, clear and detailed information on how horizontal aspects have been considered in the project implementation.

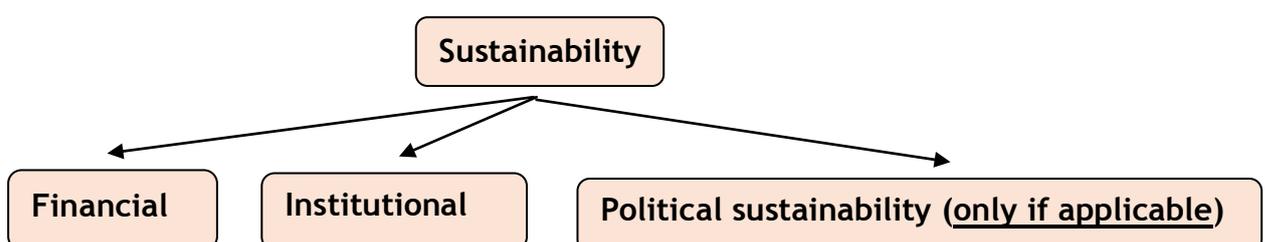
7.1.6 Monitoring project results sustainability

One of the key issues related to sustainability in many projects is the timing of the discussion on ensuring sustainability. Often Lead Beneficiaries and project Beneficiaries start to discuss sustainability late in the project implementation phase.

On the other hand, sustainability should not be just an issue discussed during the application process and then forgotten. It is important to keep these ideas in mind in the implementation phase, even if they do not constitute specific activities in the project plan.

As indicated in the Guidelines for Applicants, **consideration of sustainability of project outputs and results are crucial for ensuring territorial impact and long-term benefits.**

In the BSB JOP different types of sustainability can be distinguished:





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The key question is how to ensure sustainability

The best way of ensuring these various aspects of sustainability is to discuss the following indicative questions among the project Beneficiaries and come to an agreement, before the project starts, on tasks and responsibilities in relation to them particularly for the period after the end of the project implementation.

For all types of projects:

+ Financial sustainability

- What follow up activities and/or investments, allocation of funds from different sources, resources for covering future operating and/or maintenance costs, etc are foreseen?

+ Institutional sustainability

- Which structures (involved in the project) will allow the results of the project to continue to be in place after the project ends?
- How will this be created?
- How will the project results be internalized by the Beneficiaries and used in their future activity?
- What are the possibilities of incorporating the training programme elaborated within the project into existing curricula?
- If this is possible, who will take responsibility for this and how will these existing curricula be selected?
- Who will keep the training materials up to date?
- How will feedback from using the new knowledge and/or skills acquired be used to update, correct and adjust the organisation working methods/training materials/practices, etc?

+ Political sustainability

- What structural impact will the project have? e.g. will it lead to improved policies, legislation, plans, codes of conduct, methods, etc.?

For projects having a small-scale investment component (equipment, works)

- What is the technical and economic lifetime of the equipment and/or works?
- Are there any legal conditions for the period during which equipment and/or works funded with public money need to be kept operational?
- Who and how will acquire ownership after project implementation, if different



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from the beneficiary?

- What will be the physical location for equipment to be installed? Who will be responsible for keeping this physical location suitable for the equipment to function properly?
- Who will be responsible for maintenance (ordering, carrying out)?
- What will be the annual maintenance costs after the project ends? What is the worst case scenario in terms of damage to the equipment and/or works, who will be responsible for repairs and where will the budget to pay for them come from?
- What will be the annual running costs related to using the equipment?
- Who will be responsible for replacement at the end of the legal, technical or economic lifetime? Where will the funding come from?

In addition to the points listed above, it is worth thinking about and discussing ways of disseminating the project results as much as possible (**springboard or multiplier effects**). Transferring lessons learned and raising awareness about the project achievements is a way of creating sustainability beyond the partnership. In this context, the term 'capitalisation' is sometimes used. The following box explains what this term means.

Capitalisation

Capitalisation is defined as the process of collecting, analysing and transferring good practices in a certain policy area with the objective of optimising the objectives achieved, e.g. in the specific policy domain of cross-border cooperation on the EU's external borders. In particular, one of the expected results of these activities is the transfer of good practices identified by the project team to the entities they belong to in order to be made available and taken over into their daily working activity and/or to other similar organisations dealing with other cross-border cooperation projects or programmes.

Such capitalisation activities might lead to a strong demonstration effect and multiply the results achieved, which is an important aspect of sustainability.

[7.1.7 Control after the project closure and ex-post monitoring](#)

Audits or controls can take place for up to 5 years after the payment of the balance of the EC contribution to the programme (art.33 and art.70 of the Implementing Regulation no 897/2014).



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All (Lead) Beneficiaries should be aware of the requirements for supporting audits or controls as described in Section 6.6 of this Manual.

Report on sustainability

Relevant Grant contract provision:

Article 5.9 - In case of a project including an infrastructure component, the Lead Beneficiary shall provide the MA/JTS with all required information related to ensuring the sustainability of the project.

Article 5.10 - In this respect, the Lead Beneficiary shall submit the reports for the five years following the project closure, within 30 days after the anniversary date of payment of the final balance for the project, starting with the year following the year of payment.

The template of the Sustainability Report is provided in Annex 11 to this Manual.

7.2 PROJECT EVALUATION

The main differences between monitoring and evaluation are that:

- **Monitoring** is systematic and regular, whereas **evaluation** is less frequent and is linked to specific evaluation criteria (Design, Relevance, Efficiency, Effectiveness, Sustainability, Impact).
- **Monitoring** is primarily concerned with the factual situation, whereas **evaluation** goes further and seeks to interpret the monitoring information to reach a conclusion on the project outcomes.

	Monitoring	Evaluation
Purpose	Performance review	Performance assessment
Type of information	Structured-financial and operation	Semi-structured-mainly operation and strategic
Source of information	Mainly internal	Mix of internal and external
Frequency of occurrence	Regular intervals	Once-off, periodic intervals
Degree of judgment	Objective	Subjective

Project Evaluation is “the periodic assessment of the efficiency, effectiveness, impact, sustainability and relevance of a project in the context of stated objectives. It is frequently undertaken at or after completion and usually involves independent evaluators



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with a primarily purpose of learning lessons to guide future decision-making, design and implementation of other projects, future programming and policy making”¹⁸.

According to art.43 i-(iv) of the IR regulation no 897/2014 each project includes a description of monitoring and evaluation arrangements.

Lead beneficiaries and Beneficiaries shall take all necessary steps to ensure a timely evaluation of project results.

The methodology for project evaluation has to be in line with the one described here:
https://ec.europa.eu/europeaid/evaluation-approach-and-methodology_en

¹⁸ Strengthening project internal monitoring. How to enhance the role of EC task managers, EuropeAid, June 2007.



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CHAPTER 8 - MODIFYING THE GRANT CONTRACT

Modifications to the Grant contract shall be made either through an Addendum or a Notification (according to grant contract, art. 15 &16) depending on the type of the required amendment and according to the provisions of the Instruction no. 16/2019 issued by the Managing Authority.

Irrespective of the type of amendment (through Addendum or Notification), the Lead Beneficiary shall consider the following steps before requesting the Modification in the eMS:

1. It is advisable to discuss first with the assigned project officer from JTS regarding the intention for modification
2. Send a written request to the JTS on office email/eMS mailbox, in which specify the changes with all the needed justifications and justifying documents (see Annexes no.6, no.7 and no.8, as applicable)
3. Wait for JTS message for clarifications, if needed, as regards the modification (for both Notifications and Addendum);
4. JTS opens a modification request in eMS following which the LB will operate the proposals agreed in principle with JTS officer and as described under section 8.3. How to submit an addendum or a notification in eMS.
In case of Addenda, JTS will approve in eMS the revised Application Form, after signing the Addenda in paper format by both parties.
5. In case of Notification, wait for the acceptance of the JTS on the correct revision of the Application Form and for the closure of the modification request session in eMS. According to Instruction no. 16/2019 of Managing Authority, some changes proposed by Notification will be subject of JTS's approval of the changes in eMS. For details, see Instruction no.16.

8.1. ADDENDA

Relevant Grant contract provision:

Article 15.1 - Any amendment to the Contract, including the annexes to the Grant contract, must be set out in writing in an addendum.

The cases when an amendment is needed are detailed in the Instruction no. 16 issued by the Managing Authority.

The Contract can be modified during its execution period.



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The amendment may not have the purpose or the effect of making changes to the Contract that would call into question the grant award decision or be contrary to the equal treatment of applicants. The maximum value of the Grant contract may not be increased.

<p>Who may initiate the addendum?</p>	<ul style="list-style-type: none"> ➤ Lead Beneficiary (or Beneficiary through the Lead Beneficiary) submits, by e-mail, a duly justified request to the MA through the JTS (see Annexes no.7 and no.8). Prior to this, the LB will obtain the request(s) for modifications from the concerned project Beneficiarie(s) ➤ Managing Authority or the Joint Technical Secretariat
<p>In which case?</p>	<p>For any modification on the Grant contract including its annexes, except for the situation for which Notification is required, as detailed in the Instruction no. 16/2019 of the Managing Authority.</p>
<p>How?</p>	<p>By sending the proposed addendum to the JTS, by e-mail.</p>
<p>When?</p>	<p>45 days before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated and accepted by the MA.</p> <p>The last request for modification should be submitted no later than 2 months before the end date of the implementation period.</p> <p>Therefore, please duly take also into consideration the time necessary for the LB to compile the requests for modification received from the Project Partners and for the MA and JTS to analyse the request and approve the documents..</p>
<p>Documents to be submitted by Lead Beneficiary to the JTS, scanned on email/eMS mailbox</p>	<ul style="list-style-type: none"> ➤ Request for modification detailing and <u>justifying</u> each proposed modification (cost-activity-deliverable), with emphasis on maintaining the eligibility of costs and the added value of the amendment, the overall positive impact on the project (see Annexes



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	<p>no.7 and no.8);</p> <ul style="list-style-type: none"> ➤ Revised Annexes to the Grant contract, as applicable; ➤ Any relevant document in support to the justification on the requested modification;
--	---

TAKE NOTE!

The addendum enters into force upon the signature of both parties (MA and LB) of the document.

REMEMBER!

According to Art.2 of the MA Instruction no.16/2019 to beneficiaries, *“Any change performed by Beneficiaries in projects prior to the Managing Authority’s approval of the Addendum or prior to receiving the JTS acceptance in eMS for a request for modification following a Notification will be made on the responsibility and on the financial risk of the beneficiaries” (Lead Beneficiary or Beneficiaries).*

8.2. NOTIFICATIONS

Relevant Grant contract provision:

Article 15.4 - Changes of address, bank account or auditor or correction of material errors or inconsistencies between different parts of the project or minor changes to the Partnership Agreement may simply be notified by the Lead Beneficiary.

However, the MA may oppose the Lead Beneficiary’s or the Beneficiaries’ choice.

Who shall submit the Notification?	Lead Beneficiary (or Beneficiary through the Lead beneficiary)
In which case?	In the cases specified by the Instruction no. 16/2019 of Managing Authority, among which changes of address, bank account - new FIF signed by the bank organisation, if the case, changes of auditor/controller, minor changes to the Partnership Agreement, corrections of inconsistencies between the annexes of the grant contract



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How?	A written request addressed to the JTS, by office email of the JTS officer assigned using eMS email/or regular email (see Annex no.6)
When?	At least 10 working days before the date on which the changes shall be implemented.
Documents to be submitted by the Lead Beneficiary to the JTS submitted by email/eMS email)	<ul style="list-style-type: none"> ➤ Written request for modification with all proposed changes and justifications for change signed by the legal representative (see Annex no.6); ➤ Revised Annexes, not part of eMS system - in case they are subject to changes notified; ➤ Any other relevant document which provides justification on the modification requested.

All requests for modification shall be analysed by the JTS and clarifications may be requested and /or on site verifications can be done, if the case. The Lead Beneficiary, together with the Beneficiaries have the obligation of responding to the clarifications in due time.

8.3 HOW TO SUBMIT AN ADDENDUM OR A NOTIFICATION IN eMS

The eMS does not make any distinction between Addenda and Notifications.

Before submitting an addendum or a notification request, the requirements of the programme and the functionalities of the eMS have to be considered.

In this respect, please note that irrespective of the type of amendment (through Addenda or Notification), the Lead Beneficiary have to access in the eMS the section **Modification Request** ONLY AFTER THE STEPS (1-5, AS APPLICABLE) DESCRIBED AT THE BEGINNING OF THIS CHAPTER HAVE BEEN FOLLOWED.

TAKE NOTE!

The Managing Authority/Joint Monitoring Committee has the right to refuse the proposed modifications by the Lead Beneficiary (or part of them) for which justification was not provided and which were not considered acceptable. In case the proposed modification was refused by the Managing Authority, it cannot be requested again.

Accepted modification requests. This is the only way to generate a NEW VERSION of the application form and can be done at any stage of the programme implementation before



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the project status is set to 'Finalised'. After the finalization of a modification, the old version of the AF is archived and a new one is created and becomes the valid application form. This process is described in detail below.

Who can initiate a modification?

Modifications in eMS may be initiated only by JTS on behalf of MA who opens modification requests sessions for the LB following the submission of the addenda or notification.

Possible workflows:

- ✓ JTS opens modification request -> LB modifies AF and uploads documentation -> JTS approves modification -> new version of the AF is generated. OR
- ✓ JTS opens modification request-> LB modifies AF and uploads documentation-> JTS requests further clarifications/modifications -> LB modifies AF -> JTS approves modification -> new version of the AF is generated. OR
- ✓ JTS open modification request -> LB modifies AF and uploads documentation -> JTS rejects modification -> AF remains not changed and no new version of the AF is generated.

- Generated Files
- Project History
- Revert To STARTUP
- Attachments
- Modification Request**
- Unbookmark Project
- Toggle Tree
- Contacts
- Help
- Exit



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Modification Request Details: Project TestingAverage 499aa

Request Date	Message	Decision Message	Date Decision	Approval Message	Date Approval	Decision State
04.08.2015 17:18:21			04.08.2015 17:18:45			
22.07.2015 13:47:57		ok	22.07.2015 13:50:58	ok	22.07.2015 13:50:58	Accepted
22.07.2015 11:53:45			22.07.2015 13:47:34	ok	22.07.2015 13:47:34	Accepted
			22.07.2015 11:52:15	ok	22.07.2015 11:52:15	Accepted

Categories:

- Change of Project Result/Indicators

Decision Message

Rich text editor toolbar

Figure 4 - The menu item 'Modification request' leads to the overview list of all modifications for a project and related messages

When can a modification be requested?

- JTS can open modification requests only after a project has been approved.

TAKE NOTE!

No authority can request modifications for projects which are finalized or archived.

It is always the last valid application form which is a subject to modification request, not the initial one!

It is not possible to initiate a modification request (neither by programme authorities nor by Lead Beneficiary) if a previous modification is not finalized (i.e. approved or rejected by JTS).

The JTS can use the 'Compare modifications' function of the eMS to compare the old AF with the modifications proposed by the LB ('track changes') (see below).

Project Summary > Partner > Project Description > Work Plan > Project Budget > Project Budget Overview > Attachments > Attachments JS > Documents

Modification Request Details: Project TestAgain

Request Date	Message	Decision Message	Date Decision	Approval Message	Date Approval	Decision State
18.12.2015 00:00:00		Please extend the duration of your project to 12 months and modify the project budget accordingly. Please also make sure to secure to publish all project outputs on the project's website.	18.12.2015 14:13:09	We accept your modifications	18.12.2015 14:13:09	Accepted

Figure 5 - After the modification has been approved, the 'decision date' is added to the 'modification request' interface.



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Project statuses during modifications

Modifications lead to changes in the status of a project as can be seen in the various overview lists of projects and in the project history.

Once the JTS permits the LB to modify the AF, the application browser shows the project twice - the old AF and the one, which is undergoing the modification. After the LB submitted the modified AF to the JTS, there will also be two versions: the old AF and the one waiting for approval by the JTS. After the JTS approved the modified AF, the old one will be archived and the new one will be shown as ‘contracted’.

The Project History gives an overview of the different versions of application forms.

In the ‘my applications’ view only the latest version of the AF is shown.

My Applications

Project Id	Subprogramme	Name	Acronym	Start	End	Lead Partner	LP Nationality	Call	Timeslot	Specific Objective	Submission Date	Project State
ITP906		Test4FLC Checklist1	Test4FLC Checklist	06.03.2015	06.03.2017	My LP 1 in english		MaxTestCall2_0,11		Conservation and development of heritage		Contracted

Figure 6 - (JTS, LB) In the ‘my applications’ view only one version of the AF is shown.

8.4 CONTRACT SUSPENSION

According to the provisions of the Grant contract, the implementation of the project may be suspended either by the Lead Beneficiary or by the Managing Authority.

Relevant Grant contract provisions:

Suspension by the Lead Beneficiary

Article 16.2

The Lead Beneficiary may suspend implementation of the project, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. The Lead Beneficiary shall inform the MA without delay, stating the nature, probable duration and foreseeable effects of the suspension.

Suspension by the Managing Authority

Article 16.4

The MA may request the Lead Beneficiary to suspend implementation of the project, or



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any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. To this purpose, the MA shall inform the Lead Beneficiary stating the nature and probable duration of the suspension.

Article 16.6

The MA may also suspend this Contract or any part thereof if the MA has evidence that, or if, for objective and well justified reasons, the MA deems necessary to verify whether presumably:

- a) the grant award procedure or the implementation of the project have been subject to substantial errors, irregularities, fraud or corruption;
- b) the Lead Beneficiary and/or the Beneficiaries have breached any substantial obligation under this Contract.

Also, please note that in accordance with Art.16.7 of the Grant contract, the Lead Beneficiary has maximum 30 days of the receipt of the request from the MA, to provide any requested information, clarification or document.

TAKE NOTE!

In case it is proved that the award procedure or the implementation of the grant proves to have been subject to substantial errors, irregularities, fraud, corruption or breach of obligations, then the MA may terminate the Contract according to article 17.2 of the grant contract.

Complementary to the aforementioned articles of the grant contract, the beneficiaries should observe the provisions of *Instruction no 21 of 07.02.2020 to Beneficiaries of the ENI CBC Black Sea Basin Joint Operational Programme 2014-2020 regarding date from which the suspension of project implementation period starts or ends.*

Thus, all Beneficiaries should take into account that the suspension shall be communicated without delay, in writing, to the Managing Authority, after obtaining the written agreement of all project beneficiaries.

The MA may agree or reject the proposal to suspend the grant contract. In this respect, MA shall issue a decision and notify the beneficiary who should be aware that the suspension of the contract shall start with the date mentioned in this Notification.

In case partners decide to resume the implementation of the project activities before the suspension deadline, they shall inform without delay the MA who shall issue a decision



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confirming the earlier restart of project implementation, starting with the date indicated by the Lead beneficiary in its written information.

TAKE NOTE!

During the suspension period, no activity and/or no expenditure shall be made!

8.5 CONTRACT TERMINATION

Relevant Grant contract provision:

Termination in case of exceptional circumstances (Article 17.1)

- if the Lead Beneficiary or the MA believes that the Contract can no longer be executed effectively or appropriately, and fail to agree on a solution.

Termination by the Managing Authority (Article 17.2)

- Lead Beneficiary and/or the Beneficiaries fail, without justification, to fulfil any substantial obligation incumbent on them individually or collectively;
- the activities of the project fall under the State aid rules;
- the Lead Beneficiary or the Beneficiaries have impeded or prevented the auditing, control or monitoring mission;
- the Lead Beneficiary and/or the Beneficiaries are bankrupt, subject to insolvency or winding-up procedures;
- etc.

Automatically terminated (Article 17.4)

- if it has not given rise to any payment by the MA within two years of its signature.

The MA may agree that the Lead Beneficiary and the Beneficiaries might be entitled to payment only for the part of the project carried out, proportionally to the achieved indicators, excluding costs relating to current commitments that are due to be executed after termination.



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CHAPTER 9 - COMMUNICATION AND VISIBILITY

9.1 INTRODUCTION

Relevant Grant contract provision:

Article 10.1 - The Lead Beneficiary and the Beneficiaries must take all necessary steps to publicise the fact that the European Union has financed or co-financed the project through the ENI CBC BSB programme. Such measures must comply with the Communication and Visibility Manual for the Joint Operational Programme Black Sea Basin 2014-2020.

For detailed instructions and more information on how to develop communication materials, please consult the Communication and Visibility Manual on the Programme website:

<http://blacksea-cbc.net/black-sea-basin-2014-2020/eu-regulations/>

However, apart from the instructions provided in the Communication and Visibility Manual, the Lead Beneficiary and Beneficiaries should make sure that the promotional and communication materials are compatible with the national legislation regarding visibility of projects financed from EU funds.

9.2 VISIBILITY RULES

According to the provisions of the Grant contract (see article 10), the following main aspects have to be considered by all Lead Beneficiaries and Beneficiaries:

- the project and the European Union's financial contribution have to be mentioned in the information given to the final recipients of the project, in the internal and other reports of the project, and in any media communication;
- the EU flag and the Programme logo have to be displayed wherever appropriate; Black Sea Basin Programme "logo" is shown below:





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- For correct use, the Programme logo should not be copied from another document, but downloaded from the Programme website where this logo is available in various sizes.
- Any notice or publication by the Lead Beneficiary and the Beneficiaries concerning the project, including those given at conferences or seminars must specify that the project has received EU funding;
- Any publication by the Lead Beneficiary and the Beneficiaries, in whatever form and by whatever medium, including the internet, must include the following statement:
“This material has been produced with the financial assistance of the European Union. The contents of this publication are the sole responsibility of < name of the author> and can in no way be taken to reflect the views of the European Union.”;
- The information on the project and the produced outputs and results have to be published, where available, on Lead Beneficiary/Beneficiary and/or project’s website;
- The Lead Beneficiary and the Beneficiaries have to make public upon request and authorise the MA and the European Commission to make public and/or publish at least, but not limited at, their name and address, nationality, project name, project summary, the purpose of the grant, duration, project postcode or other appropriate location indicator, geographical coverage, the total eligible expenditure, the maximum amount of the grant and rate of funding of the project’s costs.

In case of any concerns arising from the interpretation of the Communication and Visibility Manual of the Programme, the Lead Beneficiaries or Beneficiaries shall consult with the JTS.

9.3 COMMUNICATION TOOLS

During the implementation of the project beneficiaries will be often asked by media or Programme bodies to present briefly their project. From the beginning it is recommended to be ready and have 2-3 key messages which are short, simple and give a clear idea of what it is about. They should be flexible enough to be used across all communication tools frequently and consistently.



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Messages could answer some of the following questions about a project:



According to the Communication and Visibility Manual of the Programme, **the following tools may be used:**

- Press releases/ Press conferences/Press visits
- Press ads
- Leaflets
- Brochures
- Posters
- Newsletters
- Web Technologies and Tools
- Public events/Visits/Information Campaigns
- Banners / Internet Banners
- CD Covers and CD inscription
- Vehicles, Supplies and Equipment Stickers
- Business cards
- Electronic Presentations
- Promotional Items
- Photos
- Audio-visual Productions
- Panels (mainly for small-scale investments/works)



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TAKE NOTE!

eMS has a limited pre-defined number of communication activities, namely:

- Communication start-up activities
- Publication(s)
- Public event(s)
- Promotional materials
- Digital activities

When drafting the applications, you included under one of these categories the communication tools which are relevant in relation to your project activities. The same approach shall be maintained also when reporting, making sure you provide sufficient detailed information on each proposed communication tool.

TAKE NOTE!

Remember that the Joint Technical Secretariat is there to assist you with any concern regarding your communication strategy and activities.

Our recommendation is to consult the templates of the materials with the Communication officer from Joint Technical Secretariat.

During the implementation of your project active cooperation with them can boost the results of your efforts. In this respect:

- Assign a person responsible for communication and provide the JTS with her/his contact data from the beginning of the project;
- Deliver relevant news about the progress in the project for communication purposes;
- Inform in advance on planned events - it can be included in the calendar on the Programme website and thus it will have a stronger promotion;
- Share any video, photo gallery and written publication in electronic version with Communication officer; all foreground intellectual property, i.e. outputs created within the project must be made publically available; Note the deadlines specified in the Communication and Visibility Manual for sending these materials!
- Maintain an archive with photographs, videos and media coverage about the project and / or cluster activities;
- Contribute to the Programme impact investigation (e.g. success stories that bring about positive change).



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CHAPTER 10 - RECOVERIES

The term 'recoveries' refers to the recovery of the amounts paid by the MA in excess of what is due to the project, considering for example ineligible expenditure, or lower than expected costs for the project, or for amounts which are subject to irregularities, corruption or fraud, etc.

The main conditions in **Article 19 of the Grant contract** and of the Partnership Agreement, are:

- The Lead Beneficiary undertakes to repay any amounts paid in excess of the final amount due to MA within 45 days of the issuing of a 'debit note' (including bank charges incurred by the MA for the payment to the Lead Beneficiary of the amounts which become due to the MA);
- The Beneficiary undertakes to repay the Lead Beneficiary any amounts paid in excess of the final amount due by the Beneficiary, within 30 days from the receiving date of the notification from the Lead Beneficiary, including bank charges incurred by the MA for the payment to the Lead Beneficiary of the amounts which become due to the MA;
- Without prejudice to the prerogative of the MA, if necessary, the Member State or the CBC partner country where the Lead Beneficiary and/or the concerned Beneficiary is established may proceed itself to the recovery by any means from the respective Lead Beneficiary and/or Beneficiary;
- Without prejudice to the prerogative of the MA, if necessary, the European Union may, as donor, proceed itself to the recovery by any means from the respective Lead Beneficiary and/or Beneficiary.

The process of recovering funds granted to a Beneficiary of a contract financed within the programme starts if the following situations occur:

- State aid relevant activities have been implemented and funded;
- Termination of Grant contract following the proposal of the MA or the Lead Beneficiary;
- Financial corrections by MA or any other competent body, identification of ineligible or unjustified expenditure following the verification of project report or following an audit/control;
- Identification of unspent amounts from initial pre-financing or interim payments by the finalisation of the project.



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What is the legal basis for recoveries?

Source	Content
Articles 74 and 75 of ENI CBC Implementing Rules	Define the basic rules for recoveries from Beneficiaries, Partners and contractors taking into account the specifics of ENI-CBC
Article 15 of the Financing Agreement between the EU and each Partner Country	It specifies the conditions for recovery from Lead Beneficiaries and Beneficiaries in the Partner Country and the role of National Authorities
Article 19 of the Grant contract	Includes the conditions for recoveries in accordance with the rules applicable to all projects financed by ENI CBC
Partnership Agreement	Ensures that all Beneficiaries comply with the conditions set out in the Grant contract.

Which are the steps to be followed for recoveries from project Beneficiaries?

The steps to be followed shall be:

1. Issue of the recovery order / authorising note / termination decision by the MA, registration of debt in the accounting system and **delivery of debit note** to project Lead Beneficiary;
2. Solving of (Lead) **Beneficiaries' appeals** concerning the debit note, if the case;
3. Reception of the payment from the Lead Beneficiary in the stipulated deadline (and insertion into the accounting);
4. If the amount due is not received in the stipulated deadline, communication to the concerned NA and also to the Beneficiary, if the recovery is not concerning the Lead Beneficiary;
5. If there are future payments and the amount due is not received by the time of that future payment authorization, offsetting the due amount with that future payment;
6. If there are no future payments and the amount due is not received either in the stipulated deadline (in case the recovery is concerning the Lead Beneficiary) or after the communication to the concerned Beneficiary and the concerned NA (in case the recovery is not concerning the Lead Beneficiary), or if the offset does not cover the entire due amount, decision to activate the mechanisms in either article 74.4 of ENI-CBC Implementing Rules (for EU Member States) or in article 74.5 (for CBC Partner Countries), i.e. request by the MA to the National Authority of the country in which the concerned Beneficiary is established to reimburse the amounts unduly paid.



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CHAPTER 11 - PROJECT CLOSURE

11.1 OWNERSHIP OF EQUIPMENT AND PROJECT RESULTS, INCLUDING INTELLECTUAL PROPERTY

Relevant Grant contract provision:

Article 13.4 - Ownership of, and title and intellectual and industrial property rights to, the project's results, reports and other documents relating to it will be vested in the Lead Beneficiary and the Beneficiaries. The Lead Beneficiary and the Beneficiaries are responsible for the purposeful use of equipment after its receipt.

The Lead Beneficiary and the Beneficiaries shall grant the MA, the National Authorities of the countries participating in the Programme and the European Commission the right to use freely, to store, modify, translate, display, reproduce by any technical procedure, publish or communicate all documents deriving from the project whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

Also, all Lead Beneficiaries and the Beneficiaries shall ensure that they have all rights to use any pre-existing intellectual property rights necessary to implement this Contract.

TAKE NOTE!

Make sure you include specific clauses in your Partnership Agreement specifying clearly the procedure for recognising the pre-existing rights, the distribution of intellectual and industrial property rights generated during the project, and the ownership of equipment.

11.2. REMAINING READY FOR UP TO FIVE YEARS

Article 70 of the ENI CBC Implementing Rules, Article 13 of the Financing Agreements with CBC Partner countries and Article 11.8 of the Grant contract, indicate the period open to control after the project closes.

Relevant Grant contract provisions:

Record Keeping

11.8 The Lead Beneficiary and the Beneficiaries shall keep all records, accounting and



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supporting documents related to this Contract for five years following the payment of the balance of the Programme¹⁹, and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim has been disposed of. They shall be easily accessible and filed so as to facilitate their examination and the Lead Beneficiary and the Beneficiaries shall inform the MA of their precise location upon request.

11.9 All the supporting documents shall be available in the original form and in electronic form if so requested.

Which are the key factors relating to being prepared for control after project closure?

- Project closure and the open-to-control-period of five years following the payment of the balance of the Programme, require preparation from the start of project implementation;
- The institutions and organisations acting as Beneficiaries should understand their obligations during the five years period following the payment of the balance of the Programme, regardless of the continuity of the staff assigned to the project, especially in terms of the access to documents, information systems and infrastructure and equipment financed by the project;
- The Partnership Agreement should be valid until the end of the five years period following the payment of the balance of the Programme and include all the necessary clauses to ensure smooth after-closure procedures;
- The original documents and the computerised systems need to be easily accessible during the full period. If the period for retention of documents and computerised records required by the national rules or the organisation's usual practice is less than the five years period following the payment of the balance of the Programme, ad-hoc adequate procedures have to be designed and implemented at the beginning of the project;
- Web-sites and any internet-based tools have to be stored locally to be able to show them in case of a control. A log of the evolution of web-sites and adequate local back-up systems have to be required of developers;
- Provisions of article 13.3 of the Grant contract have to be closely observed. Also, all technical documentation and photographs should be kept in the project archives;
- Any equipment at the end of its useful life for example, obsolete computers, needs to be removed from the organisation's inventory following adequate recorded

¹⁹ The Managing Authority shall inform the Lead Beneficiary about this date



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procedures which have to be archived with the project documents, even after project closure;

- Technical documentation must include all supporting documents and photographs proving all the activities financed during project implementation, both tangible and intangible;
- Financial documentation must be accessible in its original form or equivalent according to national law and must include proof of delivery of services and supplies;
- The Beneficiaries must agree to nominate a person with adequate knowledge of the project, its content, its archives and computer systems and records.

SWITCH OFF THE LIGHTS! But be ready to switch them ON again if necessary.



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ANNEXES

- Annex 1 - Fact sheets on state aid (2A - Armenia, 2B - Georgia, 2C - Republic of Moldova, 2D - Turkey, 2E - Ukraine);
- Annex 2 - Procurement rules;
- Annex 3 - Model of Timesheet;
- Annex 4 - Project Procurement Plan - List of services/supplies/works to be purchased within the project;
- Annex 5 - Guide on Reporting in the electronic Monitoring system (eMS) for Lead Partners and Project Partners;
- Annex 6 - Notification template;
- Annex 7 - Addendum Explanatory Note;
- Annex 8 - Addendum Justification Note of the proposed budgetary change.
- Annex 9 - Checklist for narrative Interim/Final report (optional)
- Annex 10 - Checklist for financial Interim/Final report (optional)
- Annex 11 - Sustainability Report
- Annex 12 - State Aid Self-Assessment Declaration