



Adriatic IPA Cross Border Cooperation 2007-2013



REGIONE DEL VENETO

# ECOSEA

Protection, improvement and integrated management  
of the sea environment and  
of cross-border natural resources

COMMON FRAMEWORK FOR REPORTING  
OF ACTIVITIES AND EXPENDITURES

Kick-off meeting  
Venice, 14<sup>th</sup> December 2012

## ELIGIBILITY OF EXPENDITURE – General principles

- Respect the EU, Programme and National rules on eligibility of expenditure
- Respect the “horizontal” eligibility rules (public procurement, equal opportunities and non discrimination, environment protection, state aid, publicity)
- Occur in compliance with the principles of real costs, effectiveness and efficiency, economy and legality
- incurred in compliance with the rules about the Programme eligible area and the location of activities (+ exceptions)
- Belong to Programme cost categories according to the budget in the AF

## ELIGIBILITY OF EXPENDITURE – General rules

Eligible costs are the ones necessary for carrying out the project activities and shall be paid out directly by Final Beneficiaries

They have to be:

- paid within the period of eligibility (between 1<sup>st</sup> October 2012 and 30<sup>th</sup> September 2015)
- Be identifiable in the accounting systems of the PPs (maintenance of a separate account system or an adequate accounting code for the project)
- Be supported by original documents of expenditure (maintained for at least three years after the Programme closure)
- Be strictly linked to the activities executed, in line with the approved AF

## OVERVIEW ON ACCOUNTING SYSTEM

- ü The **accounting system** (or the adequate accounting code) must ensure the posting of all expenditures and revenues related to the project
- ü Expenditures must be entered into the accounts and paid before they can be claimed
- ü Each FB must be able to present a ledger from his accounting system, showing ONLY transactions generated in the project

# ELIGIBILITY OF EXEPNDITURE – Costs categories

- Staff costs
- Overheads
- Travel and accommodation
- External expertise
- Meetings and Events
- Promotion costs
- Equipment
- Investment
- Fin.charges and guarantee

- } Cost documents. Are the documents demonstrating that the cost occurred. They are different for different cost categories. Examples of cost documents are invoices for supplying of goods or services, recipes of the hotel, payslip for staff costs, etc.
- } Payment documents. Are the documents demonstrating the effective payment of the cost document. They can be the payment order certified by the bank, the statement of bank account, etc.

# INDICATIVE LIST OF INELIGIBLE EXPENDITURE

- Recoverable VAT
- Customs and import duties, or any other charges
- Conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses
- Second hand equipment
- Contributions in-kind
- Unpaid costs
- Interest on debt
- Fines, financial penalties and expenses of litigation
- Purchase, rent or leasing of land and existing buildings. The purchase of land for an amount exceeding 10% of the eligible expenditure of the operation concerned

# THE TWO REPORTING LEVELS OF A PROJECT

Project level	
PROJECT PROGRESS REPORT	LB has to submit to the JTS/MA on 30th April and 31th October

Final beneficiary level		
PROGRESS REPORT	FB Activity report	to be submitted to the JTS/MA by the FB whenever he wants
	FB Financial report	

It must be supported by documents proving the eligibility of expenditure

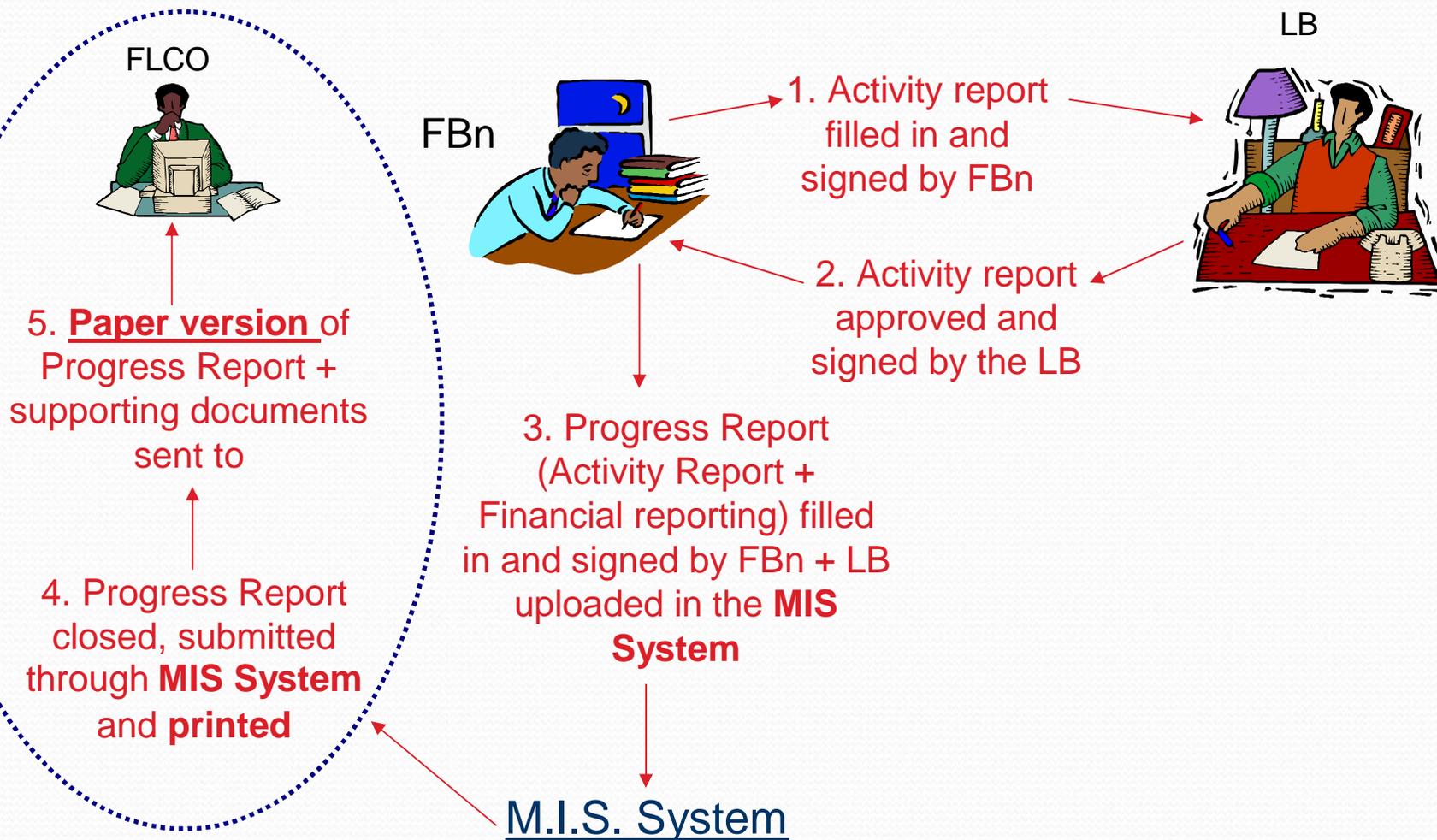
## REPORTING PROCEDURES – PP TASKS

- Each PP produces a regular **Progress Reports** on its expenditures and sent it to LP and to his National FLC Officer (FLCO – centralised):
  - 30<sup>th</sup> April
  - 30<sup>th</sup> June
  - 31<sup>st</sup> October
  - 31<sup>st</sup> January
- The Progress Reports contains:
  - Activity report (information on the project achievements)
  - Financial report (information on project expenditures)
  - Supporting documents (accounting documents, public procurement documents, etc).
- After the FLCO check (in 3 months), the LP receives (through the MIS) the **Declaration on validation of Expenditures (DVE)** and submits **an Application for Reimbursement (AR)**
- Each PP receives the **IPA reimbursement** and consequently ask for national cofinancing reimbursement

## REPORTING PROCEDURES – LP TASKS

- The LP collects:
  - ∅ the PPs' Progress Report (without annexes) and validate the respective Activity reports
  - ∅ the PPs' DVEs produced by relevant FLCO
- LP produces:
  - ∅ A regular **Project Progress Reports** (+ a Final Project Report) at least twice a year (30<sup>th</sup> April + 31<sup>st</sup> October)
  - ∅ The **Application for reimbursement** (with all PPs' DVEs )
- LP sends the Project Progress Reports to JTS and the Application for reimbursement to MA
- LP receives the IPA reimbursement and apportions it among PPs according to respective share

# REPORTING PROCEDURE AT FINAL BENEFICIARY LEVEL



## PROBLEMS THAT MAY OCCUR IN REPORTING PROCEDURE

- DESCRIPTION OF ACTIVITIES IN THE FB'S ACTIVITY REPORTS must be coherent with the activities, outputs and FB roles stated in the AF
- CLOSURE OF THE FB'S ACTIVITY REPORTS IN THE MIS SYSTEM: it must be done few days after receiving it signed by the LB
- SUBMISSION OF THE WRITTEN DOCUMENTATIONS TO FLCO: it must be done immediatly after the closure of the submission procedure in the MIS

# The principle of cost efficiency and transparency

When PPs purchase goods and services, the selection process must respect the **principle of transparency** and **sound financial management** of public funds, even though no specific requirements have been set for purchases below Community and/or national tendering procedure

- **The strictest must apply!!**

Basic standards to comply with this transparency are:

- Advertising (e.g. means and contents of advertising)
- Contract award procedure (e.g. principles, contract award decision)
- Judicial protection (e.g. possibility to review the impartiality of the procedure)

## Focus on PUBLIC PROCUREMENT

- The procurement procedure for awarding all **service, supply and work** contracts shall comply with the provisions of:
  - Regulation (EC, Euratom) No 1605/2002
  - Regulation (EC, Euratom) No 2342/2002
  - Commission Decision C(2007) 2034 on the rules and procedures applicable to service, supply and work contracts financed by the general budget of the European Communities for the purposes of co-operation with third countries (**PRAG**)
  - National applicable rules
- The above provisions shall apply in the whole Programme area (i.e. **All PPs must apply PRAG**)

# PRAG APPLICATION

- Determine the typology of contract to be awarded
- Determine the amount to be tendered (if VAT is reimbursed by the Programme, it must be included in the amount)
- Check the thresholds

Identify the appropriate procedure for awarding

# DIFFERENT TYPE OF CONTRACTS under PRAG

- Services:
  - Service contracts cover all the **intellectual and non-intellectual services** (e.g. study activities, assistance activities)
- Supplies:
  - Supply contracts cover the purchase, leasing, rental or hire purchase, with or without option to buy, of **products** (e.g. equipment, hardware, etc.)
- Work:
  - building works or of the Civil Engineering having an economic function or an independent technical function.

# THRESHOLDS AND PROCEDURES FOR SERVICES

≥ € 200.000

**Restricted international procedure:** only candidates (within a range of 4 to 8, or less in particular cases) satisfying the selection criteria are invited to submit tenders. The procurement notice shall be published in all appropriate media, in particular on the grant beneficiary website, in the international press (OJEC) and the national press (national Gazette) of the country in which the action is being carried out, or in other specialist periodicals - see Section II.4.1 EC Decisions 2034/2007). The list of the selected candidates shall be published on internet site (see, above).

< € 200.000  
> € 10.000

**Competitive negotiated procedure or competitive procedure,** if an **existing Framework Contract** is not available or its use is unsuccessful. The negotiated procedure is not open but limited at least to 3 tenderers to be chosen from a list of pre-qualified tenderers of the contracting authority and without notice publication.

≤ € 10.000

**Negotiated procedure with a single tender,** with a single tender, chosen from a list of pre-qualified tenderers of the contracting authority without notice publication and satisfying the Call for tenders requirements.

Any value

**Negotiated procedure with a single tender in exceptional cases listed under article 242 here mentioned.**  
No prior approval from the MA is required.



# THRESHOLDS AND PROCEDURES FOR SUPPLIES

≥ € 150.000

**Open international procedure:** It must be awarded by means of an international open tender procedure following a publication of a procurement notice in all appropriate media, in particular on the grant beneficiary website, in the international press (OJEC) and the national press (national Gazette) of the country in which the action is being carried out, or in other specialist periodicals (see, Section II.5.1 EC Decision 2034/2007).

< € 150.000  
≥ € 60.000

**Open local procedure:** tenderers selection invitation shall be published at least on the OJ of the beneficiary country or with any equivalent communication means used for local invitations to tender. A local open tender procedure must provide other eligible suppliers with the same opportunities as local firms.

< € 60.000  
≥ € 10.000

**Competitive negotiated procedure or competitive procedure:** the negotiated procedure is not open but limited at least to 3 tenderers to be chosen from a list of pre-qualified tenderers of the contracting authority and without notice publication.

≤ € 10.000

**Negotiated procedure with a single tender,** with a single tender, chosen from a list of pre-qualified tenderers of the contracting authority without notice publication and satisfying the Call for tenders requirements.

Any value

**Negotiated procedure with a single tender in exceptional cases listed under article 244 here mentioned.**

No prior approval from the MA is required.

## How to report expenditure under a public procurement

Expenditure incurred without respecting the public procurement rules are not eligible and thus cannot be reimbursed by the Programme

### When reporting expenditure:

- for each awarded contract FBs are required to submit the “Contract Award Declaration Form”
- for any awarded contract not exceeding 10.000 € but higher than 500 € FBs are invited to fill in (and upload into the MIS) the “Single tender procedure report”

## Focus on PRE-FINANCING

A request for pre-financing has been submitted by LP

	Programme contribution (A)	Community Contribution (b=A*85%)	National co-financing (nc=A*15%)	Advanced payment (c=b*20%)
Veneto Region	€ 702.400,00	€ 597.040,00	€ 105.360,00	€ 119.408,00
Autonomous Region Friuli Venezia Giulia	€ 447.134,00	€ 380.063,90	€ 67.070,10	€ 76.012,78
Emilia Romagna Region	€ 551.100,00	€ 468.435,00	€ 82.665,00	€ 93.687,00
Marche Region	€ 315.920,00	€ 268.532,00	€ 47.388,00	€ 53.706,40
Abruzzo region	€ 414.800,00	€ 352.580,00	€ 62.220,00	€ 70.516,00
Apulia Region	€ 532.400,00	€ 452.540,00	€ 79.860,00	€ 90.508,00
County of Primorje and Gorski Kotar	€ 261.482,00	€ 222.259,70	€ 39.222,30	€ 44.451,94
Zadar County	€ 281.849,00	€ 239.571,65	€ 42.277,35	€ 47.914,33
Ministry of Environment, Forestry and Water Administration	€ 250.470,00	€ 212.899,50	€ 37.570,50	€ 42.579,90
<b>TOTAL</b>	<b>€ 3.757.555,00</b>	<b>€ 3.193.921,75</b>	<b>€ 563.633,25</b>	<b>€ 638.784,35</b>

# PROJECT CHANGES

Only the LB is entitled to send to the MA/JTS any request for changes

If the project changes imply also budget shifts, we must be aware that the

total SPENDING FORECAST per WP and per period SHALL NOT be modified

otherwise the request would not be approved

If FB intends to ask for a budget change

has to send to the LB a formal written request, signed by the legal representative

## REQUESTS FOR PROJECT CHANGES

- any request presented to the LB must be duly justified
- any request must be submit to the lb within the 11<sup>th</sup> January 2013 in order to be checked by the LB and formally approved during the fisrt project steering committee

**Thank you for your attention !**

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