



Applicants Manual

for the period 2014-2020

Version 1

PART 7: OVERVIEW ON PROJECT IMPLEMENTATION PRINCIPLES

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Disclaimer

This document was endorsed by the Danube Programming Committee on 14th August 2015. However, please note that it is still subject to final approval by the Monitoring Committee to be established within three months of the date of notification of the European Commission decision adopting the Cooperation Programme.

PART 7: OVERVIEW ON PROJECT IMPLEMENTATION PRINCIPLES

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I. Starting phase

A smooth starting phase of a project is crucial for successful project implementation. Delays caused at that stage cannot be caught up in most cases, or if, then only with an extra effort of the project partnership. In order to avoid any early turbulence which might negatively affect the further pace of project implementation, applicants should therefore be aware of specific challenges related to the project inception phase.

Start of implementation and eligibility of costs

The project implementation can start after the final approval is given by the DTP MC. Applicants have to keep in mind that within the DTP approval procedure two ways can lead to the **final approval of a project application** by DTP MC:

- Direct final **approval without conditions**
- **Approval with conditions**

In case the DTP MC will approve a project with conditions, the Lead Partner, supported by the partnership, is recommended to undertake all necessary steps for the fulfilment of these conditions (e.g. provision of further information or re-phrasing of certain sections of the Application Form and/or modification of the project budget) by the given deadline provided by the JS.

Contracting

The contracting starts right after the final approval of a project application by MC, i.e. after the direct approval (without conditions) or after the successful fulfilment of conditions.

Once the Lead Partner submitted the necessary set of official documents, the JS prepares the Subsidy Contract. The Subsidy Contract is going to be signed first by the MA and will be sent to the Lead Partner for signature.

Kick-off conference

A crucial step in terms of actual project operation is the kick-off conference. A kick-off event should be organised by each project within **two months after the starting of the project** implementation. Though this kind of event is not only addressing project partners but key stakeholders/final beneficiaries/decision-makers, it offers the platform for deepening the contact among project partners and to start implementation work. Often internal project meetings (steering group, work group or Work Package-meetings) are combined with a kick-off event for this purpose.

Guidance during the starting phase

The main source of information for projects during the starting phase and beyond will be the DTP Implementation Manual. In addition, further advice and guidance is offered through the following elements:

- Official DTP documents, management tools, FAQ (available on DTP website)
- Continuous advice and support through the DTP JS
- Direct JS-project consultations
- Lead Partner seminars and specific seminars (communication, finance)
- Further Programme- or project meetings during the starting phase which offer the platform for bilateral consultations.

II. Reporting

According to the Subsidy Contract to be concluded between the LP and the MA, one of the LP's obligations is to submit regular reports highlighting the progress of project implementation and requesting at the same time reimbursement of the amounts paid. Within the Danube Transnational programme, reporting is done through Progress Reports drafted generally on a six month basis and submitted via the programme electronic monitoring and information system (IMIS).

The progress report consists both of an activity report (highlighting the achievement of the activities and outputs) and a financial report (providing information regarding project expenditure).

Reporting activities and outputs

In the progress reports, the project has to describe the progress made regarding the implementation of the activities, the outputs achieved in the given reporting period and the possible delays and the means to overcome them. The tasks implemented by each project partner should be clearly described, underlining also the possible problems within the partnership. Additionally, the involvement of the target groups and project stakeholders needs to be outlined.

The project has to ensure the **quality of the project outputs**. In this respect an internal quality assurance manager (QAM) responsible should be chosen at project level already in the application phase (this will be a pre-defined activity in the AF- WP1 Project management). The independence of the person(s) nominated to ensure the quality assurance should be guaranteed. The QAM responsible will be in charge with proofreading, analysing and peer-reviewing project outputs from the qualitative point of view. As a recommendation, the QAM should be insured by the LP. The QAM responsible will submit quality reports on a six months basis (together with the progress report). Furthermore, all the project outputs need to be accompanied by a qualitative assessment of the QM responsible, who might also give a negative opinion on a certain output.

Please note: External written validation of project outputs (e.g. by EUSDR PACs, relevant professional organisations or associations, expert working groups etc.), besides being considered a plus, might also be requested by the JS, on a case by case basis, following analysis of the respective output.

Besides the mandatory QAM reports, each project will undergo a review which is going to be performed by the JS. The review (which will cover the timely implementation of the activities and the related spent and validates costs) will be done after the first year of implementation in order to understand the effectiveness of the cooperation. Further details will be found in the Implementation Manual.

Reporting finances

The expenditures of all project partners are reported to the JS in the joint financial report included in the Progress Report. All costs included in the financial report must be paid, validated and correctly allocated to a certain WP and budget line.

Each project partner is responsible to have its costs validated before submitting them to the LP, who compiles all the reports. Both financial reporting and expenditure validation is done thorough the IMIS system (for all the partners).

As soon as the financial report is accepted by the JS, the EU funds (85% of ERDF and/or IPA) of the eligible expenditures are reimbursed to the LP.

III. Project changes

The chapter presents the main project changes allowed by the programme. Nonetheless, detailed procedures to be followed by the partnerships will be outlined in the Implementation Manual.

During the lifetime of a project the following types of project changes are allowed:

Minor changes: that do not affect the content and the main outputs of a project and only need the approval of the JS project officer (e.g. change of the location of the final conference, budget reallocations with the 10% flexibility limit)

Major project changes: that have an impact on either the partnership and that need an addendum to the subsidy contract (partner change) or on the project content (e.g. budget reallocation between partners, adding new activity etc.). Depending on their type major project changes would need the approval of MA/ JS or the MC. The following project changes are allowed by the DTP:

- Changes in the partnership (dropping of a partner with or without replacement)
- Changes in the budget (budget reallocations between WP and budget lines above the flexibility rule, budget reallocations between PPs)
- Changes in the content of the project, not affecting the delivery of the main project outputs
- Project prolongation

Some changes (e.g. project prolongation) can be requested only once during the project lifetime. All project changes must be submitted to the JS through the IMIS system and need to be accompanied by a clear and solid justification.

IV. Audit and control

The audit and control in the programme meaning are two different terms.

The term *“first level control”* (FLC) refers to the checks performed by the Controllers in order to validate the legality and regularity of expenditures declared by the project partners. The procedure for control in the Danube Transnational Programme follows the Lead Partner principle, which means that the verification of expenditure should be performed by the responsible Controller at national level for each project partner and the Lead Partner is responsible to prepare the Application for Reimbursement at project level based on the expenditure validated at partner level. The Progress Report and the Application for Reimbursement shall be submitted by the Lead Partner to the Joint Secretariat **within three months from the end date of each reporting period**.

As a general rule in the framework of the programme two different Control systems are applied by the countries:

- Centralised Control system (a central body is appointed by the respective country to carry out the FLC)
- Decentralised Control system (the controlled project partner appoints its controller. Nevertheless, a prior approbation of the Controllers is done by the country).

A detailed description of the national FLC systems will be available on the DTC website.

In some countries, the FLC is not free of charge. Therefore, these costs have to be budgeted by the respective partners. Nevertheless, the partners are advised to get in contact with the National Contact Points in order to get more information.

The term “second level audit” refers to the checks performed by the auditors based on the samples selected by the Audit Authority during the project implementation or after its closure.

Besides the first level control and the sample checks performed as second level audit, other audits might be carried out during and after the project period. These audits can be carried out by any of such responsible auditing bodies of the EU, audit bodies of the participating EU Member States, IPA Partner States, the Audit Authority, Managing Authority, JS and Certifying

Authority of the Programme. The aim of these audits is to verify the proper use of funds by the LP or by the project partners.

Each verifications can be carried out from different aspects to check the regularity of project expenditure, e.g. checking of the Control Certificates already issued by the Controllers against the supporting documents and other relevant information at the premises of the Lead Partner and / or Project Partners in order to verify the accuracy and validity of the Control Certificate, checking of the project documentation and audit trail, the accounting of project expenditure, etc.

The list of possible auditing bodies as well as the aspects of the verifications mentioned above are not exhaustive.