



Questions & answers from implementation sessions –

Modification of Grant contract, preparation of the Final report and recommendations for improvement of Interim reports

Implementation of Grant contracts by GBs “Collaborative grant scheme for innovative project ideas”

EuropeAid/162457/ID/ACT/ME

DATE: 13th/14th May 2021

Venue: Big conference room in the Ministry of Education, Science, Culture and Sport, Vaka Đurovića bb

Participants: 2 persons per lead grant beneficiary (Project Manager and Financial Manager); IPA Staff tasked with grants management; CFCU representatives.

Objectives:

- To discuss implementation of the contract/activities and answer any pending issues,
- to provide feedback on 2nd Interim report verification from the Contracting Authority,
- to stress the importance of visibility requirements and revise additional visibility instructions under SOPEES,
- providing tips how to prepare for OTSC verification by the CA,
- for the participants to revise/become acquainted with the specific requirements regarding possible amendments of the contracts and suspension,
- further instructions for preparation of the Grant reports, with special focus on the Final report requirements and closure of the project.

Main points as feedback on 2nd Interim report verification from the Contracting Authority:

General comments on the Interim reports:

- Repetition of the similar mistakes from the previous reporting period – **prepare the report with due care to avoid possible ineligible costs!**
- Procurement procedures established and agreed in the Procurement plan are not always respected – **big risk of ineligible expenditure!**

What to do: **Inform the Contracting Authority regarding possible changes in comparison to the Procurement plan, with proper justification timely, but at the latest with the submission of the following report.**

- **Take more time and pay more attention while preparing the reports** – the reports are the baseline for the final payment (and possible withdrawal of already disbursed funds) and the amount claimed eligible to be financed from the EU budget!



Narrative part of the Interim report – mistakes:

- Repetition of description of the activities from the previous reporting period.
- Indicators in the narrative part of the report and the Logframe matrix are not described/fulfilled properly.
- Non-compliance of the Action plan/Timetable of activities envisaged for the future activities of the project.
- Non-existence of supporting documentation that should serve as a proof that event happened (for example: Attendance sheets for the team meetings).
- Supporting documentation is not organized in good order.

Narrative part of the Interim report – recommendations:

- Describe in detail only the activities undertaken in the reporting period that is covered (**do not “copy-paste” from the previous report!**).
- Pay special attention when updating Logframe matrix, under point 2.3 of the Narrative report, with regards to the indicators (column “Current value” should be updated with the indicator number achieved until the cut-off date of the reporting period).

NOTE: The Logframe matrix should evolve during the Action project lifetime - new lines can be added for listing new activities as well as new columns for intermediary targets (milestones) when it is relevant.

- Update the Action plan/Timetable of activities with the real implementation of activities, taking into account what has been implemented during the reporting period and the plan for the future period. **Action plan should cover the financial period between the interim report and the next report.**
- Support all meetings, tenders, visits, trainings with supporting documents related to that activity as proof that these activities have happened – **especially for activities that are related to indicators!**
- **Consider the systematic approach - put the supporting documentation in separate folders and follow the order of activities** from the Grant application form/Annex I of Grant contract – Description of the Action and enter each sub-activity that is related to the main one.

Financial part of the Interim report

- Reporting of costs not envisaged in the Budget/reallocation sheet or Addendum – **pay attention what is envisaged in the justification budget sheet to be covered from each budget line!**
- Reporting payment of costs in advance for the duration of services which go beyond the end of project implementation, such as web hosting, internet storage, online communication tools and similar.
- Detailed list of expenditures table is not properly fulfilled and is not in line with the Financial part of the report – perform the crosscheck prior to sending the report.
- Time-sheets (TS) are not properly fulfilled, with very modest description of activities performed during working days and in some cases with only one activity that could not in



reality last for the whole day – **pay more attention to fulfillment of TS, since they are the mirror of your work performed – unjustified work not connected to the project activities could lead to ineligible costs!**

- **Submission of TS for staff who are not members of the Project team**, without informing the CA and without delivering a new/changed Decision on appointment of the members of the project team.
- Anti-dated employment contracts of members of the Project team cannot be accepted retroactively, but only from the date of signature – **previous salaries are found to be ineligible!**
- **Payment of the external experts (budgeted under BH 5 and 6) which is not in line with the payment schedule in the signed contracts with those service providers** – for example: payment of services to be performed in advance and not after the delivery of services as envisaged by the Secondary procurement contract.

General recommendations:

- **Regularly consult the Implementation package** together with the respective Tools available on the SOPEES portal:
 - <http://eesp.me/inovacije/>
- **Regularly consult the provisions of the Grant Contract**, especially the General Conditions.

During implementation session, Grant Beneficiaries who participated were in the possibility to interact, ask questions and give comments. In order to share information with all GBs, the summary of Q&A is provided as follows.

- **When the on-the-spot verifications by the CFCU as the Contracting Authority are planned?**

On-the-spot verifications by the CFCU will be performed on all contracts under this Grant Scheme at the end of May and beginning of June 2021. In any case, GBs will be timely informed on the date of the visit (10 days in advance) with instructions how to prepare for the visit.

- **Do we need to have all the documentation (such as outputs) in hard copy or it is enough to have only electronic version of the documentation when the CA is coming to on-the-spot verification?**

During on-the-spot verifications by the CA representatives, all documentation related to reporting and implementation of project activities should be in the premises of the Coordinator (Grant Beneficiary who is leading the Action) in original form (not copies). If it is not possible to have original documentation of the partner, this should be timely notified to the contact person within the CFCU.

- **How to ensure the physical visibility of some specific components, like the software or small parts/elements?**

If not possible to put the visibility label physically on some specific components, it can be secured by joint label/statement on the box or next to this equipment that these materials, software or similar has been procured/produced with the EU financial support.



- **Should the Final report include a detailed breakdown of expenditures covering the whole action (from all previous reports as well)?**

Within the template for Final report there are data needed to be inserted. The part of the data are:

# Units	Unit value (in EUR)	Total Cost (in EUR)	Cumulated costs (before current report) (in EUR)	Cumulated costs (from start of implementation to present report included) (in EUR)
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#Units represent the number of units of the budget line. Unit value is the amount paid for each unit for the budget line and total cost represents those two numbers multiplied and at the same time it represents the cost incurred for the reporting period (the last reporting period). Cumulated costs before current report (as its name says) represents the costs incurred before the current report and in the last column there is the sum of costs from the last reporting period and the costs before reporting period, i.e., from the start until the end of the implementation period. This means that within Final report there are the costs covering the whole action. The same applies to the List of expenditures submitted along with the Final report which should include all the costs from the start until the end of implementation period, the only difference is that the costs incurred in the last reporting period should be marked with the different color so that could be easily noticed.

- **In line with General conditions, Article 7 Ownership/use of results and assets, a detailed and clear explanation should be provided regarding the transfer of the equipment and supplies paid for by the budget for the action which should be transferred to the final beneficiaries of the action, unless otherwise clearly specified in the description of the action in Annex I, at the latest when submitting the final report. In which cases it is possible to retain the ownership of procured equipment? Should we consult the CA prior to sending this explanation together with the Final report?**

Firstly, when it comes to the property (ownership) of the supplies/items procured under the project, in accordance with the article 7.5 of General condition all the equipment, vehicles and supplies paid for by the budget for the action shall be transferred to the **final beneficiaries** of the action unless otherwise clearly specified in the description of the action in Annex I.

If there are no final beneficiaries of the action to whom the equipment, vehicles and supplies can be transferred, the beneficiary(ies) may transfer these items to:

- local authorities
- local beneficiary(ies)
- local affiliated entity(ies)
- another action funded by the European Union
- or, exceptionally, retain ownership of these items.



Please note that **written request for authorisation** should be submitted to the CA, if the assets are not transferred to the final beneficiaries (or other relevant actor described in Annex I). Please also bear in mind that, in accordance with the paragraph 6 under Article 7 of the General conditions, copies of the proofs of transfer of any equipment for which the purchase cost was **more than EUR 5000 per item**, shall be attached to the final report. Proofs of transfer of equipment whose purchase cost was **less than EUR 5000 per item** shall be kept by the beneficiary(ies) for control purposes.

It is advised to consult the CA prior to sending this explanation together with the Final report.

ADDITIONAL INFORMATION PROVIDED DURING THE TRAINING SESSIONS:

- **Additional visibility instructions under SOPEES**
 - “Communication and Visibility Requirements for European Union External Actions” describes the GBs legal obligations and the mandatory elements of the communication and visibility measures. It sets out requirements and guidelines for briefings, written material, press conferences, presentations, invitations, signs, commemorative plaques and all other tools used to highlight EU participation.
 - Apart from the obligations set forth in the “Communication and Visibility Requirements for European Union External Actions”, **there are additional visibility instructions under SOPEES Programme provided in the Chapter 6 - Visibility in the Guidelines for project implementation by Grant Beneficiaries: <http://eesp.me/wp-content/uploads/2020/10/Brosura-Guidelines-final-september-2020.pdf>**
 - **PIUs from the line Ministries and CFCU should be consulted before printing or producing any promotional materials.** The purpose of this is not a censorship of any kind, neither editing nor proofreading, but only the verification of the EU visibility requirements.
 - **Steps to follow in this regard are:**
 1. Consult visibility guidelines
 2. Prepare visibility material
 3. Send visibility material to PIUs for consultation and clearance
 4. Submit cleared visibility materials to CFCU
 5. Obtain approval prior to publishing
- **NOTE:** Amendment is not allowed if the reallocations are increasing the budget items for which GfA stipulate certain % (under this Grant Scheme, **the Budget heading for Human resources cannot be increased to present more than 60% of the total eligible costs of the Action**)
- **In case of suspension** the implementation period of the action shall be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the contract that may be necessary to adapt the action to the new implementing conditions.



NOTE: The Grant Beneficiary should timely deliver the Request for extension of the implementation (at least 30 days in advance) – cannot be done automatically without signature of the Addendum.

- **Final report – deadline:** The Coordinator should submit the final report to the Contracting Authority no later than three months after the implementation period as defined in Article 2 of the Special Conditions (Article 15.2 of General Conditions). The final report should be submitted with the payment requests, according to Article 15.3 of the General Conditions.
- **Final report – submission:**
 - **No of copies of the report:**
 - 2 hard copies of narrative and financial report (original and copy) – 1 to CFCU, 1 to PIU
 - 2 electronic copies of the reports and the supporting documents on a CD-ROM or a memory stick – 1 to CFCU, 1 to PIU
 - Request for payment is always submitted in 1 original hard copy – to CFCU
 - **Final report has to give an overview of last period's implementation and of the action as a whole for all its duration, but the financial part should cover the last reporting period, which haven't been covered by any previous report.**
- **Record keeping:**
 - All records, accounting and supporting documents related to the contract **must be kept for 5 years following the payment of the balance.**
 - The originals of the supporting documents have to be kept by each partner institution, but copies (either scanned or physical) need to be easily available by the Beneficiary in order to facilitate the financial controls by authorized bodies.
- **Right of access:**

The beneficiary(ies) shall allow verifications to be carried out by the European Commission, the European Anti-Fraud Office, the European Court of Auditors and authorised external auditor.

- a) access the sites and locations where the action is implemented;
- b) examine its accounting and information systems, documents and databases concerning the technical and financial management of the action;
- c) take copies of documents;
- d) carry out on the-spot-checks;
- e) conduct a full audit on the basis of all accounting documents and any other document relevant to the financing of the action.