2015 CEF TRANSPORT

Project Management Workshop - Technical and operational aspects

Morten Jensen, Acting Head of Unit

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Content

Purpose of the workshop

**Part 1: Preparation of the Grant Agreement**

- Timetable
- Objectives, Activities & Milestones
- Outstanding issues
- Coordinator
- Signature

**Part 2: Implementation of the Grant Agreement**

- Pre-financing / payments
- Reporting requirements
- Eligibility of costs – financial documentation – procurement aspects
- Other key aspects and follow-up
Purpose of the workshop

1. Highlight the important steps and tasks in the preparation and smooth finalisation of the grant agreements

2. Provide information on the implementation of the Grant Agreement – in particular a reminder of basic rules and principles

3. Build confidence and establish working relations for the future cooperation to ensure timely and successful implementation of the actions.
Repartition of Tasks

**European Commission**

**DEFINES THE POLICY**

- Makes all CEF programming decisions
- Defines strategy, objectives and priority areas of action
- Selects the projects for co-financing and adopts the financing Decisions
- Monitors the Agency
- Evaluates the programme and the Agency’s performance

**Executive Agency (INEA)**

**TURNS POLICY INTO ACTION**

- Follows up the technical and financial implementation of the CEF projects
- Manages the entire project lifecycle
- Executes the CEF budget
- Gives feedback, assistance and reports to the Commission
- Provides administrative support to the beneficiaries of CEF financing
- Coordinates with other Commission services, programmes, Institutions and financial instruments
Part 1

Preparation of the Grant Agreement
Indicative timetable for finalising the grant agreement

• First draft sent out to beneficiaries in July and early August 2015

• Timetable for finalising the final draft to be agreed between INEA Project Manager and beneficiary
  • To be finalised in September/very early October 2015

• Grant agreement must be signed by 3 December 2015 (last signature !)
  • Grant agreements not signed in 2015 will be null and void
Your presentation of the Action

• We need to know:
  • Your project
  • The actual state of play
    - Progress and developments since the submission of the application
  • Who is in charge

Changes may not put into question the selection of the Action!
Drafting the grant agreement

Scope and objectives of the Action

- Context (e.g. Core Network Corridor, Global Project, ..)
- Summary of the Action, main scope, objectives and technical data
- Expected results
Drafting the grant agreement

Activities

• Detailed description of each activity, and where relevant sub-activity, with:
  • Quantitative facts (dimension, capacity etc.),
  • Steps in the implementation,
  • Expected output/result.

• New activities cannot be added

Milestones

• Should be clear and logical 'check points' during the implementation of an Activity. The 'Means of verification' should be easy to verify.
Drafting the grant agreement

Estimated budget

• Revisit proposed budget
  • Are the costs still up to date?
  • Activities not retained for funding?

• Review the planned financing sources of the action taking into account the maximum grant amount

• Review the indicative breakdown of estimated eligible costs by activity, beneficiary and year
  • There should be costs throughout the duration of the Action
Points to be clarified during the meeting

- From external and internal evaluation
- Environmental aspects
- Financial capacity
- State aid
- ...
The Coordinator
(when multi-beneficiary Action)

- Signs by default on behalf of all beneficiaries (mandate template GA Annex IV)
- Receives by default all payments made by the Agency
- Will be intermediary for all communications with the Agency
- Will establish the requests for payments and submit ASRs
Signature of the grant agreement

• **Beneficiary/(co-ordinator) signs first and then INEA**
  • Co-ordinator signs (Mandates from co-beneficiaries !)

• **Beneficiary will receive a sealed PDF version with watermark via E-mail for signature:**
  • Establish the signature process within your organisation in advance, in particular who has mandate to sign (legal representative)!
Part 2

Implementation of the Grant Agreement
Pre-financing

• Pre-financing of 40% of:
  • MAP calls: The first installment (covering contribution from start to 2016)
    – Further pre-financing based on financial needs and upon request (linked to ASR exercise)
  • AP call: The maximum grant amount

• Paid within 30 days upon entry into force of the agreement (= last signature, i.e. INEA)
  • Subject to the receipt of a financial guarantee in specific cases (fully or partly)
Payments

- Indicative breakdown of estimated eligible costs per year in Annex III
- MAP calls: Request for interim payments at least every two reporting periods
- Total amount of pre-financing and interim payments shall not exceed 80% of the maximum grant amount
- Request for payment of the balance within 12 months following completion date of the action
- Time limit of 90 days to make the payments

GA 4.1.2 and II.23,24
Reporting requirements

**Action Status Report (ASR)**

- To be submitted by Coordinator/beneficiary
- 1 single ASR per Action
- Due 31 March following each reporting period
  - First ASR due by 31 March [2016]
- First ASR shall contain specific information
  - Detailed planning
  - Project management, including risk management etc.
Reporting requirements

**ASR (continued)**

- Submission via TENtec ASR module and template provided by INEA
  - Coordinator/beneficiary will be informed end of January
- Certification by Member State(s)
- The ASR forms the technical report for interim payments and basis for further pre-financing payments (MAP)
Reporting requirements

**MAP Calls: Interim financial statement**

- To be submitted with requests for interim payment, within 8 months of the end of the reporting period(s)
- Template provided by INEA (GA Annex VI)
- First mandatory IFS due by (see GA)
- Audit certificate (GA Annex VII)

**AP and MAP calls: Final report and financial statement**

- Within 12 months following completion date (and preferably earlier)
- Certification by the concerned Member State(s)
- Audit certificate (GA Annex VII)
Eligibility of costs

Templates for cost claims available on the INEA website

Eligible costs are costs actually incurred by the beneficiary(ies), affiliated entities and implementing bodies which:

- Are incurred during the action duration;
- Are necessary for the implementation of the Action;
- Are identifiable and verifiable (in accounting system);
- Are reasonable, justified and comply with sound financial management principles
Procurement

- Award to tender offering best value for money or, as appropriate, the lowest price
- Contracting authorities/entities within the meaning of EU Directives shall follow applicable national / EU Directives public procurement rules
- For Beneficiaries other than contracting authorities/entities, sound financial management
- Procurement will be verified at payment time together with the verification of the sampled costs (and documentation should be readily available for audit purposes)
- Non-compliance will lead to rejection of costs or reduction of support
Frequent audit findings
(by INEA and the European Court of Auditors)

Costs
- Outside eligibility period
- Staff costs (include overheads, lack of proper time recording, average costs)
- Not relevant (necessary) or excessive

Public procurement
- Not using/avoiding EU level procedures, including slicing
- Lack of publication - Unlawful selection criteria (e.g. excessive requirements regarding turnover)

Amendments/additional works (to contracts)
- Not foreseen in contract
- 'Unforeseeability' or 'Urgency' not justified
Amendments

- Possible, but ..

- Shall not have the purpose or the effect of making changes which would call into question the award of the grant

- Amendments should be an exception. Will only be accepted in duly justified and substantiated cases

"Use it or loose it" principle!
Publicity

Publicity regarding the EU funding is an obligation. We expect at least the following:

- Information on beneficiaries’ websites
- Billboards visible to the public during construction
- Logo on cover of study reports (+ disclaimer)
- Permanent commemorative plaque after completion
- Press releases, articles, presentation, etc. of activities co-financed by CEF must include a reference to EU funding
- Keep us informed about events (press releases, inauguration, etc.) as we would like to publicise it too!

Please see our guidelines on publicity and downloads on INEA's website
Project follow-up (1/2)

The formal reporting requirements form the basis to monitor the implementation of the Action

During the Action the PM will:

- Monitor on a regular basis the implementation of the Action and verify that it is consistent with the grant agreement.
- Initially based on the ASR but also through regular contacts and updates from you (every 3-4 months or as required), on-site visits, consistency of technical and financial progress, etc.
- Deal with ad hoc issues and problems, e.g. delays

After the end of the Action the PM will:

- Assess whether the Action has achieved its objectives and verify, together with a financial officer, that the costs are eligible and relevant, procurement rules have been respected, publicity measures followed etc. to determine the final amount of the grant
- This is based on the final report and financial statement and on a final close down meeting (normally on-site)
Project follow-up (2/2)

- Contact the INEA project manager immediately when an issue occurs to agree how to proceed

- Be open and put all facts on the table – otherwise it could be too late to solve a problem!

- INEA is there to help and support projects – use us!
Central role of Member States

**Article 22 of the CEF Regulation:**

"Member States shall undertake the technical monitoring and financial control of actions in close cooperation with the Commission [INEA] and shall certify that the expenditure incurred in respect of projects or parts thereof has been disbursed and that the disbursement was in conformity with the relevant rules"

- **Receives copy of signed Grant Agreement**
- **Member States define their requirements to fullfil this obligation, e.g. in relation to ASRs!**
Disclaimer

The content and conditions of the grant agreement always prevail on any different information, which may be included in this document and/or in any formal or informal communication with the beneficiaries such as the approval of reports (e.g. ASR), exchange of emails, etc.