



ENI CBC MED:GETTING STARTED

Guidelines for a sound management of your project

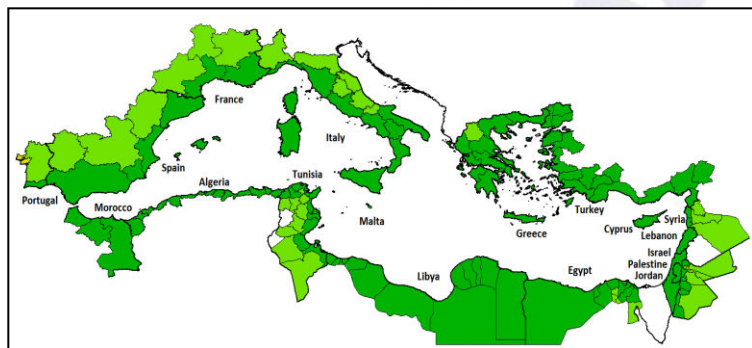
**Cagliari, 21 October 2019
MEDISS Kick off Meeting**

Contents:

- The ENI CBC Med Programme at a glance
- Contractual obligations
- Eligible costs
- Project adjustments
- Audits
- Procurement procedures

The ENI CBC Med Programme at a glance

- **General objective:** to foster fair, equitable and sustainable economic, social and territorial development, which may advance cross-border integration and valorise participating countries' territories
- **Second generation** of CBC Programme in the Mediterranean area (predecessor ENPI CBC Med)
- **Budget:** 209M€ (90% for the financing of projects / 10% for Technical Assistance)
- **Managing Authority:** **Autonomous Region of Sardinia**



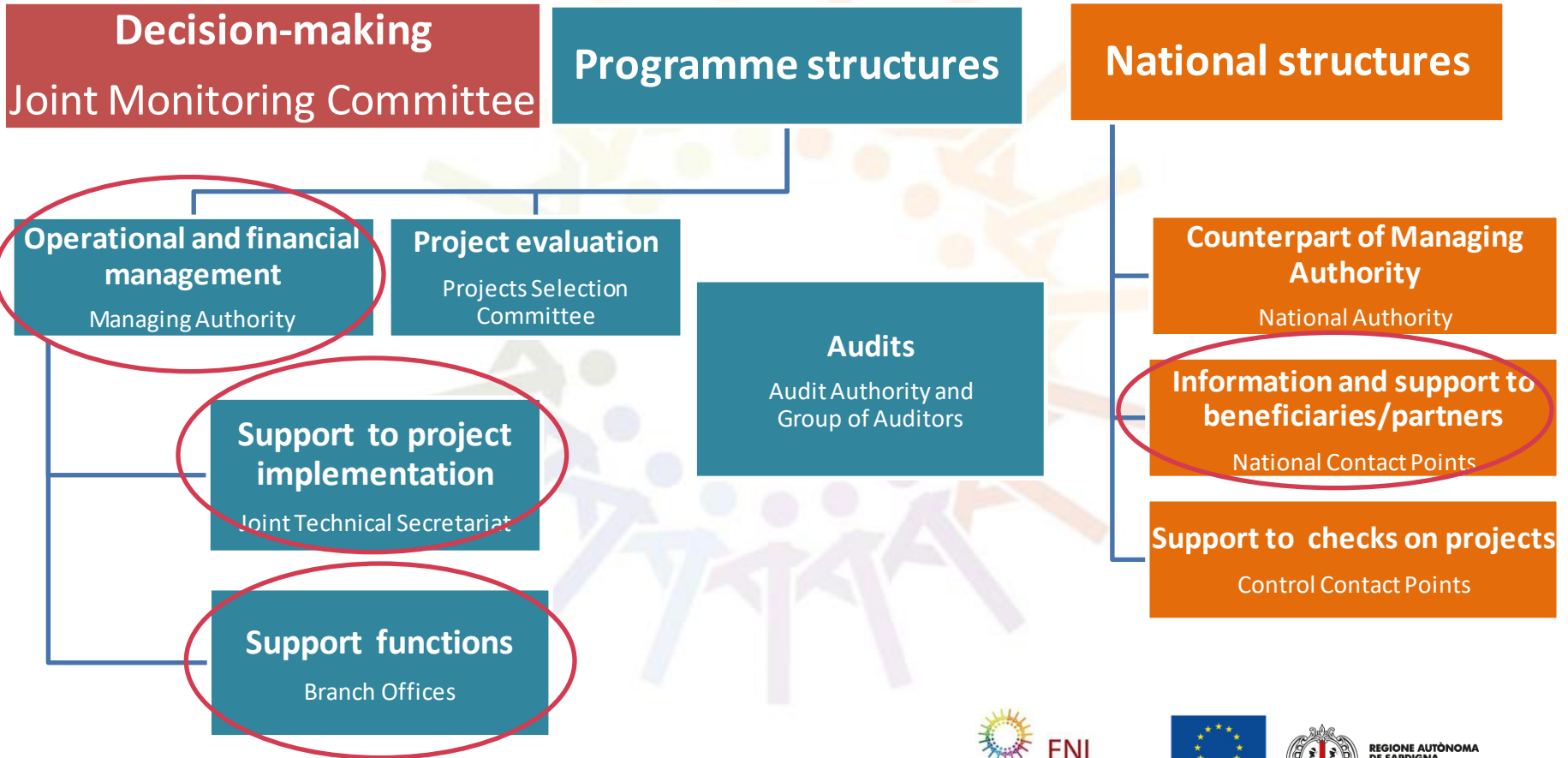
✓ 14 participating countries: Algeria, Cyprus, Egypt, France, Greece, Israel, Italy, Jordan, Lebanon, Malta, Palestine, Portugal, Spain, Tunisia



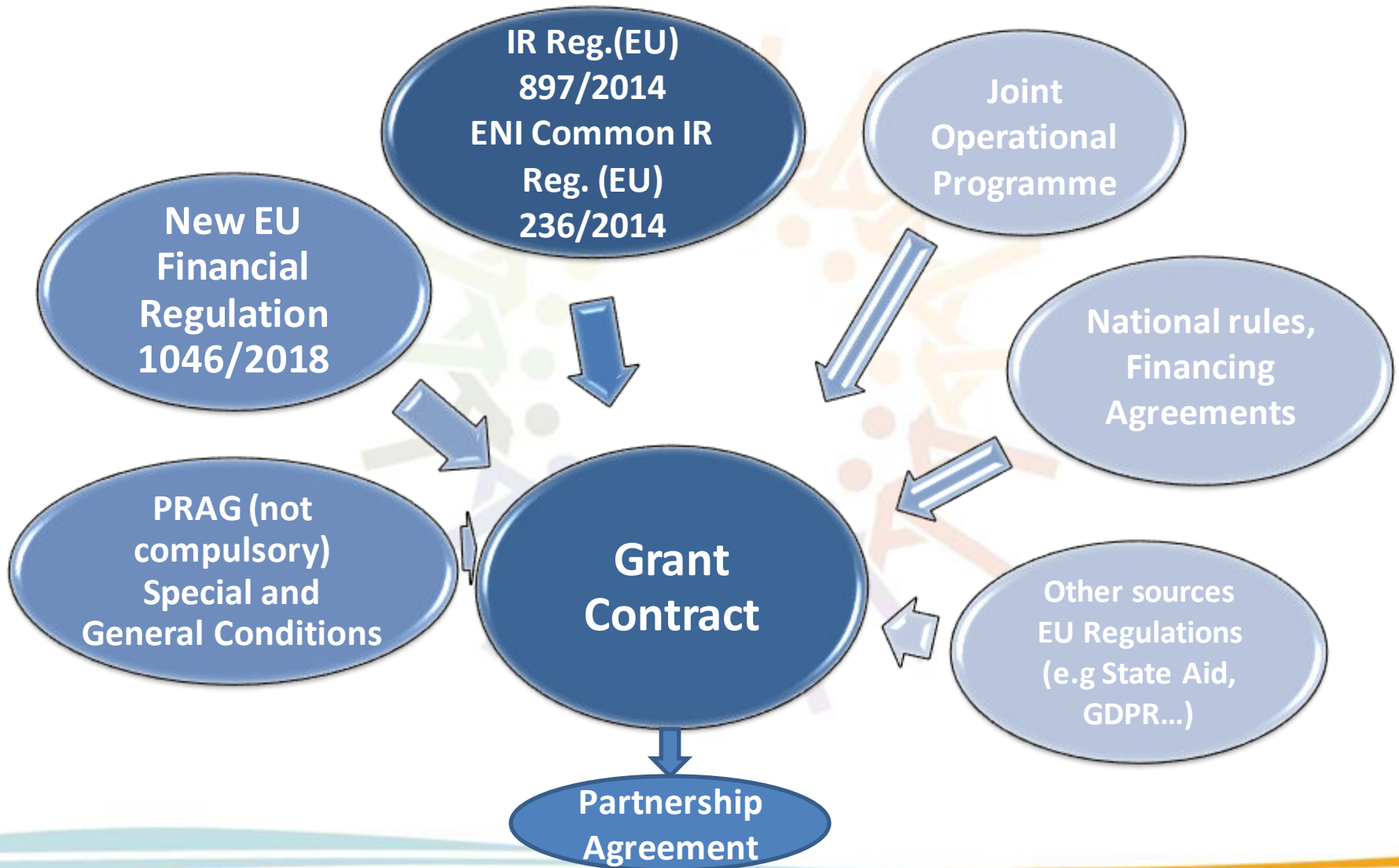
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The governance of the Programme

Who does what ?



Legal Framework



Roles and responsibilities

Lead Beneficiary

ARTICLE 5 – Main Responsibilities

Partners

Third parties

- Overall implementation of the project
- Supply documents and information to the MA on behalf of the Partners
- Is the sole recipient of the payments to the MA
- Obligations and liabilities - Art 4.1, 4.2, 4.5, 4.7, 4.8
- Expenditure verification – Art.6.6
- Amendments – Art.9
- Suspension and Termination - Art.10 and Art.11
- Administrative & Financial Penalties -Art.12
- Financial corrections – Art.13
- Eligible costs – Art.14
- Accounting system – Art.16
- Irregularities and recoveries – Art. 17
- No profit rule – Art. 18
- Right of access – Art.16.4
- Conflict of interest and good conduct – Art.19
- Confidentiality – Art. 20
- Visibility rules – Art. 21
- Ownership/use of results and assets – Art. 22
- Data protection – Art-24

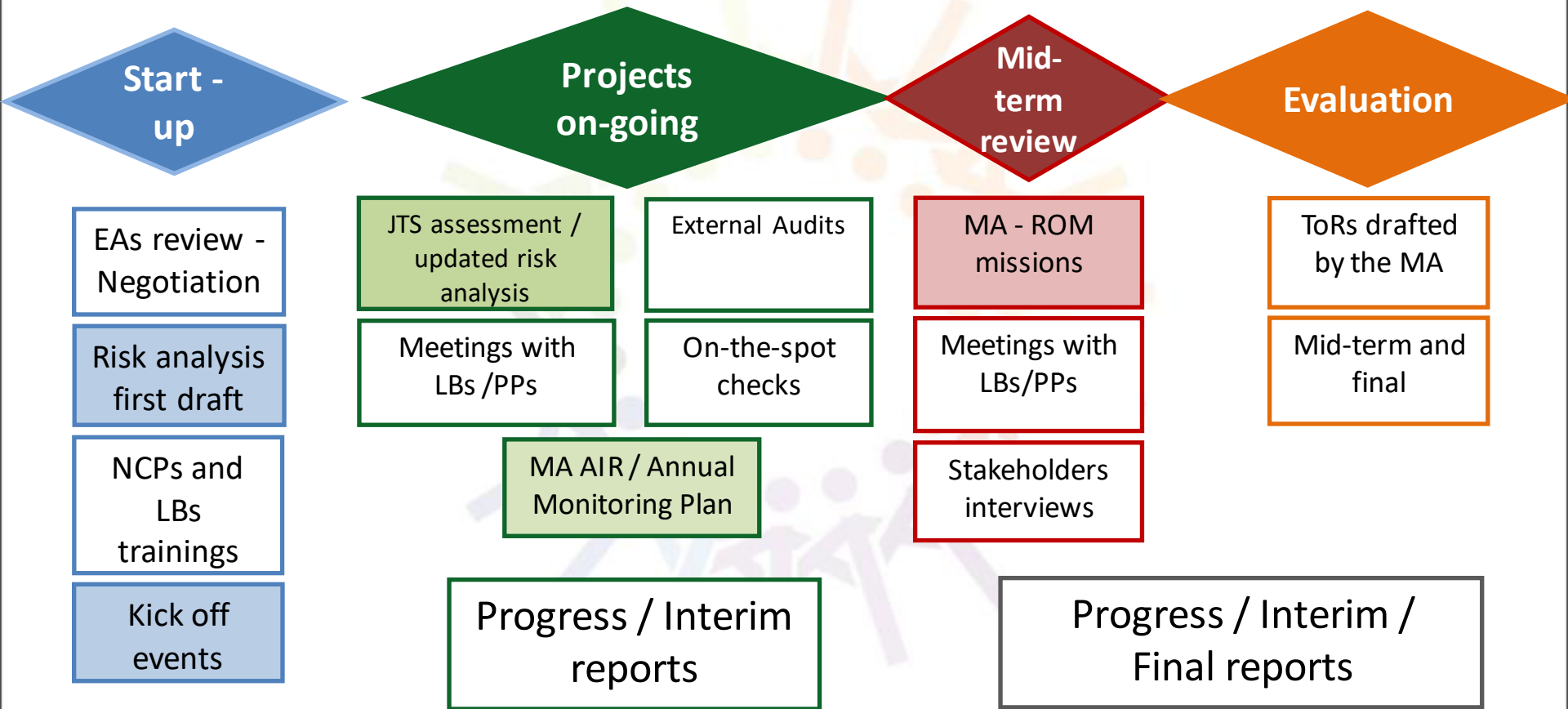
Art 8. of the Partnership Agreement

Project Monitoring







Monitoring for results

Overview on phases / key actions / documents



Monitoring for results

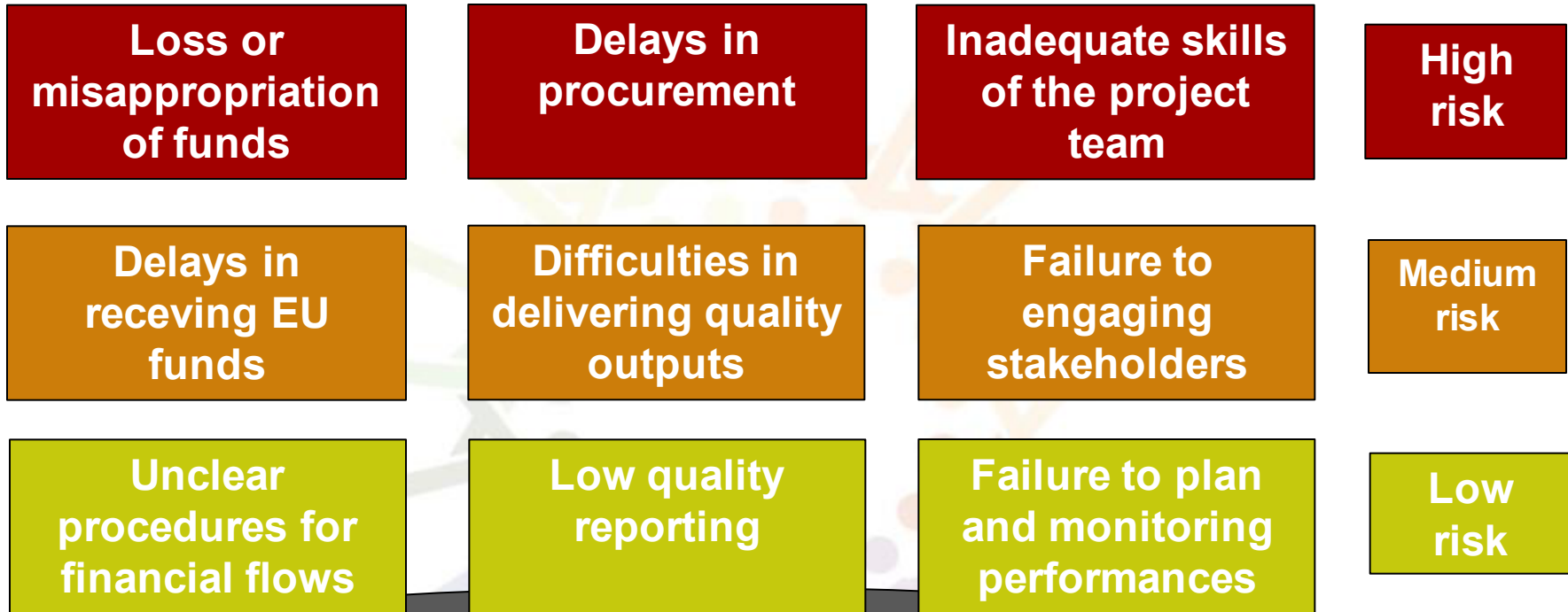
JTS progress / interim reports performance assessment

-  **4 - Very good:** Outputs delivered are in line with the action plan and the description in the e-form. Achievement of the expected results seems feasible and very likely to be completed with potential good practice(s). All partners are fully committed and activities are jointly implemented. Few recommendations should be considered.
-  **3 - Good:** Overall the outputs delivered are in line with the action plan and the description in the e-form. Even if no good practice(s) are detected, activities are jointly implemented and expected results seems likely to be achieved. Minor issues require corrective actions.
-  **2 - Problems:** Although all main expected results are still likely to be achieved some of them may not or should be reconsidered.
-  **1 - Serious deficiencies:** Sensitive issues have been reported and need immediate corrective actions / measures.

**Detailed risk
assessment needed**

Risk assessment

Typical project risks



Financial, technical and operational levels

ELIGIBLE COSTS



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ELIGIBLE COSTS (see GfA par. 4.6.4 and info note on eligible costs)

DIRECT COSTS: to be incurred by each organization involved in the partnership. They must be **supported** by original expenditure documents as well as by the occurred payment documents

Cost Categories

1. Human resources
2. Travel / subsistence
3. Infrastructures
4. Equipment and supplies
5. Subcontracted Services
6. Other costs

INDIRECT COSTS :

Contingency reserve
Administrative costs



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General Rule on Eligibility

- ✓ All cost must meet the general eligibility criteria set in art. 48 of the IR 851/2014 + specific criteria for each cost category

In order to be eligible, costs shall meet the following conditions:

- Incurred during the implementation period of the project;
- Indicated in the estimated overall budget for the project;
- Necessary for the implementation of the project;
- Identifiable and verifiable
- Comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;
- Supported by expenditure and payment documents (e.g. contracts, invoices, proofs of payment documents etc.).

Non eligible costs (art. 49 of the IR 887/2014)

The following cost will always be considered as Ineligible costs

- a. Debts and charges (interest), Loans, fines, and expenses of litigation
- b. Provisions for losses or liabilities;
- c. Purchases of land or buildings for an amount exceeding 10 % of the eligible expenditure of the concerned project;
- d. Exchange-rate losses;
- e. Duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with CBC partner countries, as per the provisions of the related Financing Agreement;
- f. Costs for project website and logo (see section 2.6 “Communication and visibility for more information”).

Non eligible costs: specific Programme rules

The following cost will always be considered as Ineligible costs (not exhaustive list):

- a. Subcontracts to project partners/associated partners;
- b. Costs related activities implemented out of the eligible area without prior authorization of the MA;
- c. Purchases of equipment the last semester of implementation unless supported by evidence to carry out activities of the project;
- d. Expenditures not foreseen in the budget;
- e. Expenditures not in line with the specific eligibility rules of the respective cost categories.



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CBCMED**
Cooperating across borders
in the Mediterranean



Programme funded by the
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How to deal with project adjustments



What can be amended	What cannot be amended
<ul style="list-style-type: none">• Partnership• Duration• Content (activities, results and outputs and target value indicators)• Budget	<ul style="list-style-type: none">• Basic purpose of the project (objectives, results and outputs, indicators)• Total amount of the grant• % of co-financing• % of administrative costs and contingency reserve

⇒ **References:**

⇒ **Grant Contract – art 9**

⇒ **Project Implementation Manual – chapter 5**

Types of amendment

MINOR AMENDMENT

Changes of limited operational and financial impact (< 20 %)

The LB notifies the MA/JTS at the latest in the next report

1 allowed per year

A formal JMC approval is not required

MAJOR AMENDMENT

Changes affecting outputs indicators, partnership, duration, budget (> 20%)

To be agreed with the MA and approved by the JMC

1 allowed per lifetime of the project

An Addendum to the Grant Contract has to be signed

TIPS

- ✓ Plan major shifts well ahead (at least 2 months - possibly 4)
- ✓ Aggregate minor amendments and submit them before reporting (only 1 per year!!!!)
- ✓ Major amendments may lead to a reassessment of the State aid relevant activities/partners
- ✓ Monitor closely and involve the partnership

AUDIT



New methods for selection of controllers

✓ One auditor per participant

Not one auditor per project.

Public officers

Freedom of choice

Long list

Each country has its own system

So, how should you select your auditor?

Selection of auditor

STEP 1

Check with your CCP the specific national rules (e.g. long list). Then, choose the auditor according to the applicable procurement procedure.

STEP 2

Inform the Control Contact Point (CCP) and follow the national procedure to get the validation of the chosen auditor.

STEP 3

Sign the contract!
(upon reception of the validation from CCP)

Check national specificities at:

<http://www.enicbcmed.eu/projects/support-to-implementation>

Expenditure verification pack

Terms of reference

- Detailed agreed-upon procedures following the requirements of the compulsory International Standard ISRS 4400

Model of contract beneficiary-auditor

- Will set clear conditions for both parties and ensure that the auditor accepts ENI CBC requirements

Check-list

- Detailed document stating all the checks, which must be performed by the auditor

Model of report

- Template for the auditor, Which will have the filled-in check-list attached

Report on fraud and corruption

- Template of report, Which will be sent directly to MA/JTS in case of identification of suspected or established fraud and/or corruption

REMEMBER TO KEEP THE DOCUMENTS!

The **project cycle goes beyond the project implementation and execution periods**, as according to article 70 of the ENI CBC Implementing Rules, “[...] *the beneficiaries shall keep all documents related to the programme or a project for **five years from the date of payment of the balance for the programme**. In particular they shall keep reports, supporting documents, as well as accounts, accounting documents and any other document relating to the financing of the programme (including all documents relating to the contract award) [...]*”, that is, **at least until 2029**.



Procurement procedures

Rule of nationality and origin

Be careful with applicable restrictions due to sanctions

Nationality

- No restriction

Origin of goods

- No restriction below 100.000€

Which procedure is to be chosen?: depending on legal status

Public body in EU Member State

- Use national legislation

Public body in Mediterranean Partner Country

- Use national legislation with additional requirements (see TESIM's factsheets)

Private body

- Use Annex to PIM "Procurement by private project partners" and additional requirements in TESIM's Guide

The guide and the factsheets



Guide on procurement by private project beneficiaries in ENI CBC Mediterranean Sea Basin programme

Applicable rules, templates, tips and recommendations
September 2019

DISCLAIMER

This non-binding document has been developed by the TESIM project. It does not necessarily reflect the views of the European Commission on the topic, and is presented to programme and project practitioners for illustrative purposes only.

In case the document is endorsed by an ENI CBC programme and renders it compulsory for use by project beneficiaries, neither TESIM experts nor the TESIM consortium members shall be held liable for its contents, in particular as far as audit findings on the eligibility of expenditure are concerned.

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Factsheet on procurement by Jordanian public beneficiaries

Applicable rules, tips and recommendations
July 2019

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Available factsheets:

- Jordan
- Lebanon
- Tunisia
- Palestine

Under development:

- Egypt
- Israel

For private bodies only!!

For services:

Range of amounts	Type of procedure	Main features
Up to 2.500€	Direct award or order	Payment against invoice without prior acceptance of a tender
More than 2.500€ to 20.000€	Award on the basis of single tender	Invitation to tenderers with clear pre-set requirements. At least two offers must be evaluated
More than 20.000€ to 300.000€	Competitive negotiated procedure	Invitation to tenderers with clear pre-set requirements. At least three offers must be evaluated
More than 300.000€	International restricted tender	Two-steps procedure with international publication of tender

Similar charts for other types of expenses: supplies and works

THANK YOU FOR YOUR ATTENTION

MERCI

شكراً



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