



**Interreg**



EUROPEAN UNION

**Danube Transnational Programme**

# **IMPLEMENTATION MANUAL**

**Version 3.1**

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A stream of cooperation

*This version of the Implementation Manual contains revisions in the Chapter 5– Project changes, section 5.2.1 .*



## Contents

1.	Introduction.....	8
2.	Contracting.....	9
2.1	Contracting Procedure .....	9
2.2	The subsidy contract.....	10
3.	Project implementation.....	11
3.1	Project management .....	11
3.1.1	Starting up the project.....	11
3.1.2	Project management.....	11
3.1.3	Project evaluation .....	13
3.1.4	Cooperation with the EU Strategy for the Danube Region.....	13
3.1.5	DTP Capitalisation Strategy and process .....	14
3.2	Information and communication management .....	16
3.2.1	Introduction .....	16
3.2.2	Requirements .....	18
3.3	Financial management .....	21
3.3.1	Control System in DTP .....	21
3.3.2	Eligibility of expenditure .....	23
3.3.3	State aid rules .....	23
4	Monitoring project progress.....	24
4.1	Reporting .....	24
4.1.1	Reporting system and process .....	24
4.1.2	Reporting deadlines.....	25
4.1.3	Preparation of the Project Progress Report.....	26
4.1.4	Submission of Project Progress Reports .....	29
4.1.5	Completion and rejection of the Progress Report.....	30
4.1.6	Reimbursement of contribution from EU Funds .....	31
4.1.7	Financial progress and decommitment of the project.....	33
4.2	Monitoring visits by the MA/JS.....	33
5	Project changes .....	36
5.1	Minor changes.....	36

5.1.1	Administrative changes.....	37
5.1.2	Change of an Associated Strategic Partner.....	37
5.1.3	Minor changes in the content of the project.....	38
5.1.4	Budget reallocations .....	38
5.2	Major changes .....	39
5.2.1	Changes in the partnership.....	40
5.2.2	Changes in the content of the project.....	42
5.2.3	Budget reallocations between partners .....	43
5.2.4	Prolongation of the project duration .....	44
5.2.5	Decommitment of the project.....	45
5.2.6	Summary table of types of project changes and related procedures .....	46
6	Audit of the project.....	47
6.1	Audit and process.....	47
6.2	Irregularity and repayments of contribution from EU Funds.....	47
6.2.1	Handling of Irregularity.....	47
6.2.2	Repayment of contribution from EU funds .....	48
7	Project closure.....	49
7.1	Project closure .....	49
7.2	Retention of project documents .....	49
7.3	Sustainability of the project .....	50
7.4	Ownership of project results .....	51
8	Annexes .....	52

## Table of Abbreviations

AF	Application Form
AfR	Application for Reimbursement
ASP	Associated Strategic Partner
CA	Certifying Authority
CP	Cooperation Programme
CPR	Common Provisions Regulation (EU) No 1303/2013
DTP	Danube Transnational Programme
EC	European Commission
eMS	Electronic Monitoring System
ENI	European Neighbourhood Instrument
ERDF	European Regional Development Fund
FLC	First Level Controller (named also Controller)
IPA	Instrument for Pre-Accession
LP	Lead Partner
MA/JS	Managing Authority/Joint Secretariat
MA/JS FO	Financial Officer of the Managing Authority/Joint Secretariat
MA/JS PO	Project Officer of the Managing Authority/Joint Secretariat
MC	Monitoring Committee
NCP	National Contact Point
OLAF	European Anti-Fraud Office
PP	Project Partner
PPR	Project Progress Report
PR	Partner Report
PraG	Practical Guide to contract procedures for EU External actions
QAM	Quality Assurance Management
SC	Subsidy Contract

## **Glossary**

### **Application for Reimbursement**

The Application for Reimbursement (AfR) is a document prepared on the basis of a completed Project Progress Report, submitted by the Lead Partner to the MA/JS in order to claim the contribution from EU Funds (ERDF and/or IPA and/or ENI) for the project on the basis of verified expenditure, which needs to be signed by the LP. Therefore, it is always submitted together with the Project Progress Report.

### **Applicants Manual**

The purpose of the Applicants Manual is to provide stakeholders and potential project applicants with appropriate and high-quality information about the programme, the options and conditions for the development of their project ideas into full-fledged project proposals and the assessment and selection procedures for proposals.

### **FLC Certificate**

It is a document issued by the Controller to the Project Partner containing the amount of validated expenditure for the concerned reporting period. By issuing this document, the Controller declares the legality and regularity of the expenditure according to EU, programme and national rules.

### **Control Guidelines**

The purpose of this document is to support the work of the Controllers to fulfil the verification of expenditure of the ERDF, IPA and ENI project partners in a harmonised way in each Partner State, in accordance with the requirements set by the DTP.

### **Electronic Monitoring System (eMS)**

The eMS is the electronic data exchange system used by the Danube Transnational Programme, developed by Interact, for the management and monitoring of programme and project level implementation (including the first level control tasks).

### **Final Report**

An additional section of the last Project Progress Report that needs to be filled in by the Lead Partner, with the support of the partnership, which summarises what the project has achieved.

## **Output factsheet**

An output factsheet is summarising and presenting the main characteristics of an output (general feature, how and by whom to be used, what benefit it brings and how can it be sustained) delivered by the project. For each delivered output the LP has to prepare a separate output factsheet according to the type of the output (learning interaction, strategy, tool, pilot action), which shall be prepared in accordance with the template Annex C2 and uploaded to the relevant Project Progress Report.

## **Partner Report**

A tool to be used by the Project Partners (ERDF PPs, IPA PPs and ENI PPs) that has two major functions. On the one hand, each PP (including the Lead Partner) submits a Partner Report to declare its expenditure relevant for the reporting period for verification to the responsible Controller at national level. The Partner Report consists of an Activity report and a Financial report. The financial part of this report serves as basis for the FLC Certificate to be issued by the Controller. On the other hand, the PP provides via the Partner Report adequate information for the LP concerning the activities carried out and the financial progress made in its project part, based on which the LP will prepare the regular Project Progress Report of the whole project. The Partner Report shall be prepared and submitted to the Controller in the eMS.

## **Project Progress Report**

A monitoring tool of the programme that the Lead Partner shall prepare and submit regularly in eMS, in order to provide up-to-date information about the progress of the project implementation as well as to justify those expenditure that are claimed in the Application for Reimbursement, submitted together with the Project Progress Report for each reporting period.

## **Output Quality Report**

A Output Quality Report is a written opinion (including both positive and negative aspects) issued by the Quality Assurance Manager of the project in order to validate the quality of a delivered project output based on his/her assessment. The Quality Report is to be prepared separately for each single finalised output, based on Annex C1 template and uploaded to the relevant Project Progress Report to which the delivered output belongs to.

## 1. Introduction

The purpose of the Implementation Manual (which together with the Applicants Manual form the Danube Programme Manual) is to provide detailed guidance for Lead Partners (and Project Partners) of the approved projects in the implementation phase (from contracting to project closure), including reporting obligations, payment of the contribution from the EU Funds (ERDF/IPA/ENI) and other programme-related requirements set in the Subsidy Contract. The project implementation has to be executed according to the regulations and rules relevant for the financial instruments of the programme (ERDF, IPA, ENI). This Manual describes the implementation rules for the ERDF, IPA and ENI partners of the programme, as well as the joint requirements for all partners. For specific problems related to particular operations, the Danube Joint Secretariat should be contacted for advice.

This Manual outlines the steps to be taken during the project implementation.

**ATTENTION: Deadlines in the Implementation Manual always refer to calendar days!**



## 2. Contracting

### 2.1 Contracting Procedure

Contracting is the procedure carried out in order to conclude a Subsidy Contract between the Lead Partner (LP) and the Ministry of Finance of Hungary hosting the Managing Authority/Joint Secretariat (MA/JS) of the Danube Transnational Programme, for the implementation of a project approved by the decision of the Monitoring Committee. The contracting starts after the final MC approval of the project application, i.e. after the successful fulfilment of conditions (if relevant).

Following the MA/JS notification about the final MC approval of the application, the LP has to submit the following documents in original format hard copy to the MA/JS **within 15 days from the date of receiving the MA/JS notification letter by email**:

1. *Statement on Project bank account:*

- (a) document officially issued and signed by the Bank of the LP proving that a **separate EUR bank account** has been opened for the project by the LP (**Annex A1.1**)

or

- (b) document officially issued and signed by the Bank of the LP proving that the **single EUR bank account** of the organisation is available for the project (**Annex A1.2**).

In this case, a separate sub-account or technical code or other technical arrangement allowing to identify, track and report all financial transfers and expenditure related to the project shall be established in relation to the existing single EUR bank account.

2. *Proof of signature of the legal representative of the LP (Annex A2):* document presenting the authorised signature of the person(s) entitled to sign the Subsidy Contract and the Application for Reimbursement. The document has to contain the original authorised signature of the legal representative(s) countersigned according to national rules, e.g. countersigned by a notary / legal department / private individual, etc.).
3. In case of any change in the legal status of the LP, the documents proving the new legal status.
4. *Lead Partner Confirmation and Signature (Annex A7)* officially signed and stamped by the legal representative of the LP organisation (applicable from the second call projects on).
5. *Original Declarations of co-financing (Annex A3)* – one per each financing PP; officially signed and stamped by the legal representatives of the PPs.
6. *Original State aid Declarations (Annex A4)* - one per each financing PP; officially signed and stamped by the legal representatives of the PPs.

7. *Original Declaration of International Organisations (Annex A6)* – (if relevant) one per each respective financing PP; officially signed and stamped by the legal representatives of the PP(s).
8. *Original ASP Declarations (Annex A5)*- (if relevant) one per each respective ASP; officially signed and stamped by the legal representatives of the ASP(s).
9. *Original Partnership Agreement* – officially signed by the LP and each financing PP. The Lead Partner has to submit the last version of the Partnership Agreement in accordance with the AF approved by the MC and signed by the duly authorized representative of each project partner.

Following the check of the submitted documents, the MA/JS will inform the LP in written form if any correction or further completion is necessary. The LP will be requested to submit **within 10 days** from the MA/JS communication the completed documents.

Once the LP submits all necessary documents, the MA/JS prepares the Subsidy Contract. The Subsidy Contract is to be signed first by the MA/JS on behalf of the Ministry of Finance and will be sent to the LP for signature in two originals, out of which one original remains with the LP. The LP has to send back to the MA/JS one signed original **within 15 days** from the date of receipt of Subsidy Contract. The estimated timeframe of the contracting procedure is in general one month, depending on the time needed for the LP to send all necessary documents for contracting. In case the necessary documents for contracting are not provided within three months from the date of receipt of the MA/JS notification letter, the MA/JS notifies the MC to decide whether or not the MA/JS should withdraw from the contracting.

Once the signed Subsidy Contract is received by the MA/JS, the project handover procedure in eMS will be carried out between the Applicant (which becomes LP) and the MA/JS. Once the project is handed over to the LP in eMS, the LP shall fill in and upload the necessary supporting documents in the *Supplementary information* section for which the “*Factsheet about first steps in eMS*” to be found on the DTP website provides technical guidance for the LP.

## 2.2 The subsidy contract

The Subsidy Contract and its annexes establish the legal framework for the implementation of the project by specifying the awarded amount of EU Funds (ERDF and, if relevant, IPA and ENI funds), the eligibility timeframe, the conditions for support, implementing arrangements (including reporting, validation and reimbursement of expenditure), and determining the rights and obligations of the LP and the MA/JS. The approved Application Form and the Partnership Agreement (and its amendments) form an integral part of the Subsidy Contract.

The general framework of the project implementation is regulated by the Subsidy Contract and the details are described in the different Chapters of this Manual, e.g. reporting and application for reimbursement, information and publicity requirements, audits, etc. The main rules for the modification of the Subsidy Contract are outlined in the Subsidy Contract, and regulated in details in Chapter 5 - *Project changes* of this Manual.

## 3. Project implementation

### 3.1 Project management

#### 3.1.1 Starting up the project

The project implementation can start only after the final approval of the application by the Monitoring Committee. Therefore, the expenditure related to the project implementation are eligible from the start date of the project, which cannot be earlier than the date of the final approval of the application by the MC. The project implementation period, defined by its start and end dates, are explicitly given in the Subsidy Contract.

#### 3.1.2 Project management

Project management and coordination have crucial role to ensure successful implementation and to achieve the project objectives. It is important that the partnership:

- Establishes effective management structure (with sufficient capacity) and procedures;
- Ensures appropriate flow of information among the project partners within this management structure;
- Constantly monitors the progress of implementation in order to identify potential risks and deviations that make necessary corrective interventions;
- Controls the quality of the work done and the deliverables, outputs produced;
- Keeps regular contact and communication with the programme management, the MA/JS on the project level, the NCPs and Controllers on the partner level;
- Evaluates the results (what has been achieved, how much the results are in line with the original objectives, what the conclusions and the possible follow-up measures can be).

Immediately after the project approval the partnership should set up the governance of the project, which in general consists of the following:

- Steering Committee (which is the decision making body inside the project). Detailed rules on the functioning of the SCOM are included in the Partnership Agreement.
- Project management team
- Quality management structure

The size of the **project management** team can vary from one project to the other, yet at least 4 key positions should be ensured for the proper implementation:

- A. **Project Manager** (PM) can be nominated from the institution of the LP or can be externalised in case no internal resources are available. PM is responsible for:
- liaising between the project and the JS
  - the overall management and coordination of the project implementation,

- daily monitoring of project progress with the support of Work Package Leaders and Activity Leaders,
  - compiling the content parts of the Project Progress Reports and timely submission thereof, achievement of project objectives within the planned period of time and for the quality control of delivered outputs,
  - keeping close contact with the Joint Secretariat and the project partners.
- B. Financial Manager (FM)** can be nominated from the institution of the LP or can be externalised in case no internal resources are available. An experienced financial manager is vital for the proper financial implementation of the project and for ensuring the timely reimbursement of funds. Therefore, in case the institution does not have the necessary expertise, then externalising these services is highly recommended. FM is responsible for:
- permanent monitoring of all financial aspects, including internal management of funds, expenditure, spending rates, budget shifts, etc.
  - financial reporting.
- C. Communication Manager (CM)** can be nominated from the institution of the LP or can be externalised in case no internal resources are available. CM is responsible for:
- developing and implementing the project communication strategy,
  - defining communication objectives, approaches, activities and key messages to be disseminated,
  - preparation of information materials and promotion items,
  - preparation and distribution of newsletters and press releases to identified stakeholders.
  - coordination of communication within the partnership by setting up internal communication rules and monitoring tools, as well as updating the information on the project section in the DTP website etc.
- D.** The partnership should set up from the beginning an effective **quality assurance management structure**. The quality assurance of the project outputs is mandatory for all the projects approved in the framework of the Danube Transnational Programme. Without quality validation of the outputs, expenditure cannot be reimbursed. The quality management structure shall consist of experts responsible for proof reading, analysing and reviewing the project outputs from a qualitative point of view. The quality assurance management shall be led by an independent Quality Assurance Manager (who can be an internal staff member or externalised expert or the LP/ PP in charge of a specific task). The QAM could be supported by a mixed team of (internal and/or external) experts, forming either a quality management board or being individually involved in specific thematic reviews. The programme requires that these experts are independent from the implementation team. The partnership should also agree on internal procedures for the quality management, including follow up of the funding during the checks (e.g. how the partnership would correct/ remedy the inconsistencies/ information gaps, etc. found during the quality assurance check of the outputs) and measures for correction of the deficiencies.

A QAM bears the responsibility for the information provided in the quality report. The quality assurance activity should always have a follow up, i.e. all recommendations/findings of the QAM should be taken into account by the partnership and all the actions implemented based on these findings shall be included in the quality report of the specific output.

Quality assurance manager is responsible for:

- reviewing all the project outputs and providing feedback to the partnership;
- ensuring that the findings are included in the final outputs to be submitted to the JS;
- validation of the outputs before submission to the JS;
- informing the JS about any obstacles/ problems encountered during the process.

### **3.1.3 Project evaluation**

At project level, the evaluation should offer a clear picture of the effectiveness, efficiency, impact and durability of the project results. Even though the evaluation is not mandatory at project level, the programme recommends that an assessment of the impact of the project at the level of the target groups should be done once during the project implementation. In general, the project can choose from the following evaluation options:

- Operational type of evaluation to analyse the effectiveness of the project management and implementation in terms of: procedures, workflow and project governance.
- Evaluation of the project achievements in terms of objectives, outputs and results.
- Evaluation of the impact of the project at the level of the target groups.

Many projects plan the evaluation already in the AF, however it is not excluded that some implement this exercise only after the project is approved (this would require a minor project modification in case insufficient financial resources have been allocated in WP1). The important aspect is that the evaluation planning is flexible enough in order to adapt to the changing environment.

### **3.1.4 Cooperation with the EU Strategy for the Danube Region**

The Danube Transnational Programme finances projects which significantly contribute to the EU Strategy for the Danube Region (EUSDR), this being a requirement already in the preparation phase. Furthermore, it is expected that the approved projects are building a strong link with the EUSDR through the Priority Area Coordinators (PACs) throughout the project duration. Working closely with the PACs can prove to be a win-win situation since the projects can benefit from the professional networks developed around the PACs, while the EUSDR will have direct access to important results achieved by the projects. Consequently, PACs can be invited to participate in project meetings, projects events, peer-reviews etc. (PACs contacts can be found on the EUSDR website-<http://www.danube-region.eu/contact/priority-area-coordinators>). The DTP will facilitate close cooperation between the projects and the EUSDR through the capitalisation strategy of the programme.

### 3.1.5 DTP Capitalisation Strategy and process

Based on previous experience, capitalisation proved to be a very fruitful exercise if developed from the beginning of the programme bringing added value both to the programme and the projects. The programme emphasises the importance of building upon past efforts and existing knowledge.

Capitalisation is a powerful tool to ensure the synergy building and networking that may lead to better utilisation and performance of results both internally within the programme, but also externally for the purpose of cooperation and finding synergies with the other programmes.<sup>1</sup>

Furthermore, this will allow for addressing existing disparities between regions and uneven development of regions in the cooperation area more effectively. In this respect, the programme also encourages partnerships to reach out to relevant stakeholders and professionals in order to ensure effective networking beyond the partnerships.

In order to encourage the capitalisation activities, the Danube Transnational Programme has designed a Capitalisation Strategy to streamline the process of creating synergies between projects and capitalising on results of present and previous initiatives.

The DTP Capitalisation Strategy aims to strengthen the links between projects working on similar topics (Thematic Poles), to enable projects to exploit and consolidate one another's achievements, and create a higher leverage effect. This will enhance the visibility and impact of both projects and programme. Furthermore, it will improve the results and performance of the projects.

#### Objectives

The main objectives of the Danube Transnational Programme Capitalisation Strategy are:

- To valorise and further build upon the knowledge resulting from projects working in a thematic field
- To fill knowledge-gaps by linking actors with complementary thematic specialisation, experiences, methodological approaches or geographical scope
- To increase the visibility of the projects and the programme and to ensure their impact on the policy making process at local, regional, national and European levels
- To strengthen strategic thematic networks in the programme area
- To encourage the wider take-up of project outcomes from outside the DTP programme area
- To contribute to the EUSDR (as the involvement and coordination with the Thematic Poles shall streamline the links with the EUSDR Priority Areas and thus increase real implementation and impact of results)

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<sup>1</sup> Cross-programme cooperation between different EU funded programmes - Art. 20 (3) of the ETC regulation states that “for operations concerning technical assistance or promotional activities and capacity-building, expenditure may be incurred outside the Union part of the programme area” under certain conditions, laying the ground for promoting cooperation between projects supported by different programmes and not only individual partners.



- To contribute to the design and/or implementation of future transnational cooperation activities in the area

### **Target groups**

- DTP projects working on similar or complementary topics
- Beneficiaries of DTP project outputs
- DTP stakeholders
- DTP programme management bodies
- EUSDR bodies and stakeholders
- Projects and stakeholders outside the programme area, relevant to the identified thematic poles

### **Activities**

Possible capitalisation activities could include:

- Joint communication actions (e.g. newsletters, etc.)
- Sharing good practices and methodologies in order to identify solutions to common challenges
- Joint thematic meetings to exchange on projects' content and outputs
- Joint thematic studies, elaboration of policy recommendations, common policy guidelines
- Peer review or benchmarking of project outputs
- Exchange visits between projects, if this enables cross-fertilisation and/or take-up of results
- Joint dissemination activities such as joint (final) conferences addressing relevant stakeholders

The capitalisation activities have to be included in the project work plan in a coherent manner, according to the project structure and the expenditure shall be included in the concerned Work Package.

### **Outcomes**

DTP capitalisation empowers involved projects to improve the quality and sustainability of outputs, strengthen their communication to relevant stakeholders, and enables the reinforcement of existing or forming of new cooperation networks and projects. In addition, DTP capitalisation increases the knowledge of programme bodies about cooperation gaps, territorial needs and/or potentials in the programme area.

## **Implementation**

To facilitate thematic exchange among projects, several Thematic Poles are defined by the critical mass of projects addressing each topic.

DTP projects are at the core of the Thematic Poles, they own the process of capitalisation and synergy-building. DTP JS supports this process in terms of communication and coordination by collecting the outcomes of each Thematic Pole and disseminate them between programme management bodies, stakeholders and other Interreg programmes.

For each of the identified poles, a pole leader will be nominated who is responsible for coordinating the pole's activities and facilitating the flow of information within the pole, as well as towards the DTP JS. The pole leader will be one of the LPs of the approved projects of the given pole. The involvement of Priority Area Coordinators (PAC) of the EUSDR in this process is of the utmost importance, taking into consideration potential synergies that the EUSDR would bring to be utilized by the Thematic Pole.

Projects in each thematic pole participate in the capitalisation process according to their available resources. The DTP Capitalisation Strategy will promote a work-in-progress process with the involvement of new projects of each call. However, even if the members of the thematic poles change, continuity in the joint activities and in the outcome achievement should be ensured.

The work of the Thematic Poles will have to be presented by the involved project partners through the Partner Report according to their involvement and by the Pole Leaders through the Project Progress Report.

## **3.2 Information and communication management**

### **3.2.1 Introduction**

This chapter has been developed with the purpose of clarifying and streamlining the requirements in the field of information and communication to be fulfilled by the projects in the programming period 2014 – 2020.

In order to complement and strengthen the measures set up in the programme Communication Strategy, an important role will be played by the projects themselves. Communication activities are an important and integral part of the project implementation, and thus require a good planning in order to correctly link the project communication objectives to the specific project objectives. All activities foreseen in the Project Communication Plan must be consistent with other project activities serving as a tool for the partnership to reach the main project goal(s) as well as for ultimately spreading information about project results and achievements in all the partner regions. The rules and recommendations included in this chapter aim to help projects plan and implement their communication activities successfully.



The JS will provide communication training and supporting documents, moreover, the JS supervises the appropriate implementation of the communication activities specified in the projects' communication plans, including minimum quality standards and the efficient use of the funds committed for communication purposes.

### Legal Basis

The obligations of beneficiaries regarding information and communication measures for the public are included in Annex XII, section 2.2 of the CPR (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0320:0469:EN:PDF>).

The regulation contains a set of general and compulsory measures. In addition, each programme can develop additional requirements, which will be inserted in the Subsidy Contract and the Partnership Agreement.

The **Visual Identity Manual for DTP projects, the Communication Toolkit on how to implement the communication activities and the User Manual for project webpages** provided by the DTP shall be the basic documents to be used by the projects during the implementation of their communication activities, along with the Project Communication Plan to be developed by each project itself.

### Communication: a shared responsibility

The responsibility for communicating about the Danube Transnational Programme is shared by the programme management (ensuring general communication about the programme) and the beneficiaries, who are responsible for promoting the projects and their results. Communication at programme level is delivered by the MA/JS, with the help of the National Contact Points. Communication at project level is the responsibility of the beneficiaries. All project partners must be involved in communicating the project results.

To ensure consistency, the LP shall appoint a **communication manager**. The communication manager should be a qualified person in charge of the planning, coordination and implementation of the project Communication Plan and of the involvement of all partners in communication activities. This person shall also liaise with the JS on project communication issues.

### Transparency

Full transparency of the activities implemented by the projects and the use of EU funds must be guaranteed. The MA/JS is responsible for the publication (electronically or otherwise) of the list of beneficiaries, the names of the operations and the amount of public funding allocated to the operations. Beneficiaries shall be informed that acceptance of funding means an acceptance of their inclusion in the published list of beneficiaries. The MA/JS and NCPs shall also be authorised to publish other information about the projects if considered relevant and/or to distribute/publish any project output/deliverable.

All information and communication measures provided by the beneficiary shall acknowledge and promote the EU support received from the Danube Transnational Programme by displaying the DTP logo along with the project acronym, **together with a reference to the Fund/s supporting the operation.**

### 3.2.2 Requirements

The requirements to be followed are included in the CPR, the Subsidy Contract and the Partnership Agreement to be signed by the beneficiaries, as a means to enhance projects' communication and visibility and facilitate the sharing of knowledge and experience and future collaboration among projects.

#### **Project Communication Plan**

The Project Communication Plan aims to coordinate the effective implementation of the communication activities and to support the achievement of project objectives. Therefore a Communication Plan must be developed by the projects in order to have standardised project communication practices and use them effectively throughout the whole project implementation.

The project Communication Plan needs to be developed in close cooperation with the communication manager and PPs. Communication is an essential element of successful project implementation, so all PPs must be involved and committed in the communication activities. **The Project Communication Plan shall be submitted to the JS along with the first Project Progress Report.**

In developing the Project Communication Plan, it is important to decide what communication tools and methods would be appropriate for specific project and communication objectives and for specific target groups.

The Project Communication Plan must include at least the following sections:

- **Project communication main goal and objectives:** What to achieve with the communication activities?
- **Target group(s):** The success of project communication depends on establishing and developing continuous relations with the key audience (target groups previously selected) during the whole project duration, including involving them during project implementation and reaching all of them to inform them about the project achievements
- **Main messages** of the project to be communicated and tailored for different target groups
- **Tools and methods** to achieve the objectives: presentation and explanation of the foreseen communication activities, the **time plan** and how activities will be tailored to the needs of the different target groups

- **Evaluation measures:** Regularly checking whether – and to what extent - the activities meet the communication objectives, allowing revision and readjustment if necessary
- **Budget:** reasonable financial resources to be committed for communication activities

### Project webpages within the programme website

**The website of the Danube Transnational Programme will include and host one website for each project.** The integrated system of programme and project websites will facilitate the monitoring of project activities and it will save financial and human resources. No costs will be charged for creating and maintaining the project website since these services will be offered by the programme free of charge.

The MA/JS will give projects access information (username and password) and guidance (a User manual) on how to produce and upload content to their webpages. The project webpages will have the same structure for all projects allowing some flexibility to create new sub-sections according to the projects' requests. All projects need to update their webpages regularly with content designed to attract new visitors during the implementation. The webpages should contain interesting project descriptions that would be meaningful to people unaware of Interreg, focusing, whenever possible, on the story, on the people and on the added value of the project actions.

The “micro-sites” will include:

- Pre-filled information fields with data from the AF: partnership, budget, etc.
- Dynamic information to be filled in manually by projects: project results, news and events, online newsletters, etc.

Projects might still develop a separate website for tools or products with a life reaching beyond the project implementation period (i.e. an online platform) or in case the website is a project output itself and not a simple communication tool. The development of such a separate website will be subject to approval by the MA/JS requiring specific justification. In the event that this separate website is approved, the project will be required to follow the programme's corporate design.

Apart from the project's webpage, a **short description of the project**, including its aims and results and highlighting the financial support from the European Union, **must be included on each project partner's website**, where such a website exists.

Beyond the website, the programme encourages the projects to develop their presence online through social media and to use digital communication tools, when relevant to their communication objectives, target groups and the Project Communication Plan in general.

## Logos and visual identity

Article 2.2 of Annex XII. of the CPR requires all beneficiaries to follow a number of rules regarding the use of the logo of the European Union and the respective fund. The logo must always be visible in a prominent place. The Danube Transnational Programme logo already respects all the programme requirements, and all approved projects are obliged to use it (already customised for each project) on all their communication materials, outputs and deliverables (both hard copy and electronic) as well as to display it in events.

**In general, DTP projects are not allowed to develop their own project logo.** Developing a logo is costly, it has a limited lifetime and numerous logos might bring confusion to the audience. For this reason and in order to limit costs, projects will share the programme's logo by adding the project acronym below in the colours of the priority each project belongs to. The DTP JS will provide the approved projects with their own logo in different formats.

A specific logo might exceptionally be considered for an output/result/brand with a lifetime going beyond the project if well justified in the AF and approved by the MA/JS.

The DTP provides a **Visual Identity Manual for projects** with rules to be followed by all projects and non-binding templates. This document can be downloaded from the DTP website (in *Documents for project implementation* section). Non-compliance with the rules on branding could lead to a decision on non-eligibility of costs by national controllers and other programme bodies. The JS will help the projects in fulfilling these rules and support them constantly in all their communication activities. Particular attention must be paid to the Annex of the Visual Identity Manual concerning the size restrictions of additional logos compared to the EU emblem.

## Poster

Within six months after the approval of the project, each project partner has to place at least one poster with information about the project (minimum size A3), including the financial support from the EU, at a location visible to the public, such as the entrance area of a building in accordance with the CPR (Annex XII Article 2.2 paragraph 2.b).

The poster needs to stay visible for the whole duration of the project. An editable template of a poster will be provided by the JS but projects are free to create their own posters as well.

## Events

At least two major events must be organised by the project to raise awareness and disseminate the project results. A kick-off event should be organised, whenever possible, within four months after the beginning of the project implementation and a final dissemination event should be organised at the end of the implementation period.

These events shall not only be attended by the project partners but also key stakeholders/final beneficiaries/decision-makers should be invited and the audience should be as wide as possible. Some tips for a better organisation of the events are included in the Communication Toolkit addressed to the approved projects. During the events, projects are encouraged to place the EU flag and ensure the visibility of the programme logo.

Other activities/events can be organised by the project (i.e. targeted small-scale events) or the partners can decide to participate in an activity organised by others if relevant for the project implementation. Projects are invited to participate, whenever requested, in other events organised by the programme with the purpose of presenting/discussing/developing/sharing project results and creating synergies with other projects and relevant organisations.

Projects are encouraged to seek capitalisation opportunities and joint activities with other projects during the whole implementation period. The DTP Capitalisation Strategy is aimed to promote synergies between projects on similar topics and increase the visibility and impact of their results.

### **Internal communication**

The internal communication shall facilitate the smooth management of the project by ensuring effective and fluent communication among project partners as well as by articulating clear distribution of responsibilities according to the work plan. The LP should take responsibility for establishing tools and procedures that keep all partners connected and constantly informed.

The success of the programme communication depends both on valuable project results as well as good and regular cooperation between the communication managers and the MA/JS. The JS also expects projects to actively participate in the programme's communication initiatives (e.g. by delivering content and photos for digital and printed materials) and to involve the JS in major communication events.

## **3.3 Financial management**

### **3.3.1 Control System in DTP**

#### **3.3.1.1 National Control System**

According to Article 23 (4) of the Regulation EU No 1299/2013 (hereinafter referred to as ETC Regulation) each Partner State shall set up a control system to validate the expenditure at national level. For this purpose each Partner State shall formally designate the Controller responsible for verifying the legality and regularity of the expenditure declared by each project partner participating in the project (the "Controller").

**The designated controllers** and the control requirements for each Partner State are available at the programme's website ([www.interreg-danube.eu/relevant-documents/programme-main-documents](http://www.interreg-danube.eu/relevant-documents/programme-main-documents)).

#### **3.3.1.2 Control procedure**

The **Danube Control Guidelines** are developed at programme level in order to ensure the common understanding of the rules and the requirements for control. The requirements and procedures related to the verification of expenditure set by the DTP are described in the Danube Control Guidelines.

The FLC Checklist for projects is a standard template of the Danube Control Guidelines, containing the eligibility rules and the documentary evidence needed to validate project expenditure. Therefore, it can be used as self-assessment tool by the Lead Partners/Project Partners before submitting the project expenditure to the Controllers for verification.

**The Danube Control Guidelines are available for download on the DTP website ([www.interreg-danube.eu/relevant-documents/programme-main-documents](http://www.interreg-danube.eu/relevant-documents/programme-main-documents)).**

**The control costs** are financed by national public sources in case of centralised control systems, except for Croatia. Therefore, the verification of expenditure is ensured free of charge for the project partners coming from these Partner States. In case of decentralised control systems and the centralised system in Croatia, the control costs need to be planned in the project budget and paid by the project partners respectively.

### **3.3.1.3 FLC Certificate**

**The Controller verifies the expenditure** declared by each PP, as well as the LP, on the basis of the invoices or accounting documents of equivalent probative value, verifies the delivery of the products and services co-financed, the soundness of the expenditure declared, and the compliance of such expenditure with EU rules and relevant national rules.

Having completed the verification of expenditure, **the Controller issues the FLC Certificate** in eMS. There is no requirement at programme level to issue the FLC Certificate on paper in original version (however, at national level it can be regulated differently).

The **FLC Certificate contains** detailed information on the administrative verifications and on-the-spot checks performed for the given reporting period as well as on irregularities, and includes the detailed list of invoices on the validated expenditure.

### **3.3.1.4 Timeframe for verification**

Controllers shall verify the expenditure of the PPs in due time (in any case within the timeframe specified in Art. 23 of the ETC Regulation) in order to ensure the timely submission of the Project Progress Report and the Application for Reimbursement at project level.

Considering the timeframe needed for the preparation of the Partner Report at PP level and the preparation of the PPR and AfR by the LP, the Controllers shall fulfil the verification of expenditure within **60 days**<sup>2</sup>.

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<sup>2</sup> **Cooperation Programme (CP) 5.3.8 Control System:** "In principle, each Partner State should ensure that the expenditure can be verified within a period of two months from the submission of the documents by the project partners allowing for timely submission of PRs by the LB within a three months period from the end of each reporting period."

Verification process	Verification timeframe and indicative deadlines		
Preparation and submission of the Partner Report by the <b>Project Partner</b> to the Controller from the end of each reporting period	<b>15 days</b>		
Verification of expenditure and issuing the FLC Certificate by the <b>Controller</b>		<b>60 days</b>	
Preparation and submission of the PPR and the AfR for the whole project by the <b>Lead Partner</b> to the MA/JS			<b>15 days</b>

**Please note:** Controllers can set up different reporting deadlines for the Project Partners (instead of 15 days) in the national control guidelines (if any). In case less than 60 days are available for validation by the Controller, the submission deadline of the Project Progress Report and Application for Reimbursement might be missed jeopardizing the due reimbursement of expenditure to the project.

### 3.3.2 Eligibility of expenditure

The sound financial management of the project is based on the eligibility of expenditure. The rules on eligibility of expenditure for the Danube Transnational Programme are developed in accordance with Commission Delegated Regulation (EU) No. 481/2014 and in line with other applicable EU Regulations. Detailed rules on the eligibility of expenditure are laid down in the Annex (Eligibility of project expenditure).

In principle, the same eligibility rules apply to ERDF, IPA and to ENI Funds due to the full integration of IPA and ENI Funds at programme level. Exceptions due to different rules for IPA or ENI are explicitly mentioned under the relevant sections of the Annex. The eligibility of expenditure will be verified by the Controllers for each PP at national level according to the requirements of the DTP and the relevant EU and national rules.

### 3.3.3 State aid rules

In the framework of the Danube Transnational Programme, no state aid is granted and state aid regulations which determine exemptions will not be applied either. All project partners are expected to be familiar with the relevant state aid rules to ensure that their activities do not constitute state aid.



## 4 Monitoring project progress

### 4.1 Reporting

Reporting is the main tool used by the programme to monitor the physical and financial progress and performance of the project, its deliverables, outputs, achievements and contributions to the programme objectives and output indicators on a regular basis or at certain stages of the project implementation. Reporting is also the basis for the reimbursement of the EU contribution part (ERDF and, if applicable, IPA and ENI) of the project expenditure to the LP and eventually to the PPs. Based on the contractual obligation, the LP has to regularly submit PPRs and AfRs, according to the deadlines set in the SC. In the PPR, the LP reports about the project progress in order to prove that the implementation is in accordance with the approved AF and to justify the reported and validated expenditure included in the AfR.

While the PPR is prepared by the LP, each PP (ERDF, IPA and ENI) contributes to the compilation of the PPR by preparing and submitting their PRs. PPs shall provide adequate information for the LP concerning the activity and financial progress of their respective project parts in the PR in relation to a certain reporting period.

The PR contains the financial data of the expenditure reported by the PP that needs to be validated by the Controller at national level in order to issue the FLC Certificate. The PP has to submit the PR through the eMS to its designated/selected Controller by the deadline defined by the respective Controller in the national control guideline or, if no national control guidelines are available, by the deadlines outlined in point 3.3.1.4. of this Manual.

#### 4.1.1 Reporting system and process

The reporting procedure is integrated into and managed through the electronic data exchange system. The *DTP Factsheet - Access and first Steps* provides guidance for the LP and each PP on how to access eMS.

All PPs (including the LP) have to prepare and submit their PRs through eMS to their designated Controller at national level. The *Guidelines for Partner Report* (which can be found on the DTP website under Documents for project implementation) provides detailed guidance on how the PR is to be prepared and submitted in eMS. The Controller, after verification of the PP's reported expenditure issues the FLC Certificate to the PP in eMS. Further information on the control process can be found in the Control Guidelines. The LP has read-only access to the PRs and the FLC Certificates of each PP, based on which the LP compiles the PPR in eMS and uploads the necessary supporting documents, including the scanned version of the AfR signed by the legal representative of the LP. The *Guidelines for Project Progress Report* (to be found on the DTP website) provides detailed guidance on how the PPR is to be prepared and submitted in eMS.

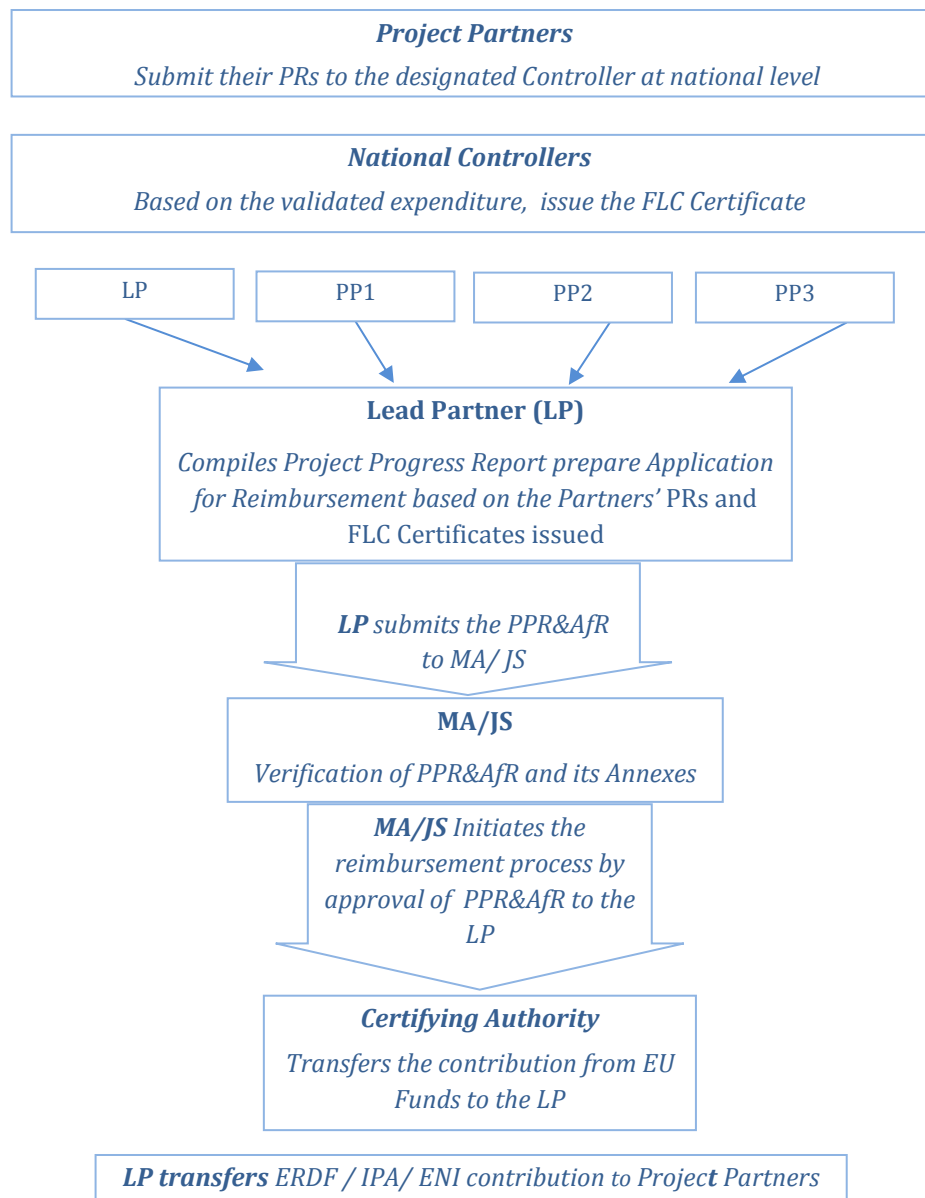


The MA/JS checks the submitted PPR (including the AfR) and its annexes and verifies their content before initiating the reimbursement of the related EU funds (ERDF / IPA / ENI) to the LP's bank account by the Certifying Authority. The LP is responsible for transferring the ERDF/IPA/ENI contributions to the PPs according to the approved AfR.

#### 4.1.2 Reporting deadlines

The LP has to submit the PPR, including the AfR, **twice a year**, on a **six-month basis** starting from the month of the approval date of the project, except for the first and the last reporting period which might be shorter or longer than 6 months depending on the time plan of the project.

The PPR and AfR have to be submitted by the LP to the JS **within 3 months from the end date of each reporting period**.



The deadlines for submission of the PPR and AfR are defined explicitly in Article 4 of the Subsidy Contract.

The first PPR and AfR have to cover the *preparation costs* of the project as well as the project expenditure incurred and paid within the first reporting period. In addition, the Project Communication Plan has to be submitted together with the 1<sup>st</sup> PPR.

PPRs received after the deadlines may be rejected. In this case, the PPR can be submitted in the next reporting period.

As the LP can submit PPRs only on the basis of information received and expenditure validated on partner level, meeting the deadline for submission of the PPR depends on the time schedule for preparing PRs, validation of expenditure at partner level, and preparation of PPR by the LP. The LPs have to consider that generally about 2 months are needed for the Controllers to issue the FLC Certificate from the date of submission of a PR. As a consequence, less than a month will be available for LPs to finalise the PPR for the whole project. .

### **4.1.3 Preparation of the Project Progress Report**

The **reimbursement of the EU contribution part of the reported expenditure** will be processed and initiated by the MA/JS **only in case** the related **PPR and the AfR are approved by the MA/JS**. Therefore it is important to stress that the LP shall describe the progress of the project implementation in sufficient details and quality in each PPR and also that the PPs help the LP by preparing their PRs at adequate quality level. The *Guidelines for Partner Report and the Guidelines for Project Progress Report* clarify what the LP and the PPs should focus on, when filling in the different parts of their respective reports besides the description of the technical details.

#### **4.1.3.1 Parts of the Project Progress Report**

The PPR and the PR are divided into an Activity report and a Financial report.

##### ***Activity part of the Partner Report and the Project Progress Report***

The activity part of the PPR is based on the information provided in the PRs, therefore the activity part follows mainly the same structure. In the activity part of the PR, PPs are expected to describe what has been achieved at the partner level (progress in the implementation including how the target groups were reached, what activities were carried out and which related deliverables and outputs have been delivered).

Based on the activity reports prepared by PPs, the LP should give a comprehensive account of the general progress of the whole project in the activity part of the PPR: what has been achieved and delivered, what is the progress towards reaching the specific objectives of the project, which target groups and how were reached and involved by the partnership; what were the contributions to the horizontal principles, as well as if there has been any kind of deviation from the original plans.

Activities carried out by each PP within the different work packages shall be described in details, including the status of progress in relation to the activities, deliverables and outputs in comparison to the initially envisaged targets. Only those deliverables and outputs shall be uploaded to the PPR which have been completed.

The specific description of the activities and outputs should at the same time justify the reported expenditure of the different project partners that are claimed in the connected AfR. The *Additional information* (Annex C3) document shall also be filled in and uploaded to the PPR, describing the progress in implementation of actions in the field of social innovation and investments (if relevant), and any other issues deemed necessary by the LP. Starting from the second reporting period, under “Information on previous Applications for Reimbursement”, the LP shall provide information on the reimbursement made to the project partners.

### **Reporting about project outputs**

In the activity part of the PPRs, the LP is expected to present regularly the progress in achieving the project outputs, implementing the activities and reaching the deliverables, including the progress towards reaching the related target values.

In addition to this, when a certain project output is finalised, the **Output Quality Report**, as well as **Output factsheet(s)** are to be enclosed to the relevant PPR.

#### Output Quality Report

It is the responsibility of the independent Quality Assurance Manager assigned by the project to ensure that the outputs delivered by the project partnership meet sufficient quality. Accordingly, the QAM is expected to prepare an Output Quality Report to be submitted together with the PPR of the respective period in relation to each project output finalised in that particular reporting period. In case no output has been delivered in the respective period, no Output Quality Report has to be submitted. The QAM is expected to proofread, analyse and perform a peer-review on project outputs from the qualitative point of view, assessing and validating the quality of the final output by giving its written opinion (including both positive and negative aspects) in the Output Quality Report. For the validation of the quality of a final output, external qualified experts can also be involved. The Output Quality Report template is provided by the DTP as Annex C1 of this Manual.

#### Output factsheet

The LP has to present each finalised output of the project in an Output factsheet for which the relevant template is provided by as Annex C2 of this Manual.

The description is expected to be non-technical, easy to understand also by someone not having specific expertise in the given field and also sufficient for communicating the output to the general public. The following aspects shall be described in the factsheet:

- General description of the output
- How the output contributes to EUSDR actions and/or targets

- How (by which activities) and by whom (key contributors) the output has been achieved
- How the output can be used and by whom (target group), what is the benefit and the impact for the target groups and the target area/Danube Region
- How the sustainability of the output can be ensured and to whom and how it is going to be transferred
- Pictures, technical documentation, if applicable

## Final Report

After the finalisation of the project implementation, the LP must prepare the Final Report (FR) along with the last PPR for which an additional section is available in eMS.

In addition to the periodical focus of the PPR, the Final Report shall provide a comprehensive overview of the project achievements, their contribution to programme and project objectives, the outputs delivered, how the relevant target groups were involved and how they will use these outputs; the measures ensuring durability and transferability of the outputs, etc. The report shall also give account of the expected impact, as well as its potentials for capitalisation; the added value of cooperating on transnational level and the lessons learnt. The Final Report should be focusing mainly on the qualitative aspects of the implemented project.

### *Financial part of the Project Progress Report*

The **financial report** part of the PPR presents the expenditure verified by the Controllers at national level in relation to the reported activities of the project, which have been incurred and paid by the LP and the ERDF/IPA/ENI PPs during the reporting period.

**Only validated expenditure can be reported by the Project Partners to the Lead Partner, according to the following procedure:**

Each PP (including the LP) has to submit, in relation to the activities reported in the PR for a given reporting period, its expenditure incurred and paid for verification to the designated Controller in its Partner State. **Each PP, including the LP is responsible separately for having its expenditure validated by the designated Controller in its Partner State.**

**Project partners can submit maximum 2 Partner Reports for different reporting periods** (one current and one previous which is delayed) to the Controller for validation for the same reporting deadline set in the Subsidy Contract for the LP. In this case, two FLC Certificates will be issued by the Controller which will be included in one Project Progress Report. Project periods shall not be merged by the PPs/Controllers.

## Application for Reimbursement

The **AfR** is the document for claiming the reimbursement of the contribution from the EU Funds (ERDF/IPA/ENI) by the LP for the project based on the amount of validated expenditure of PPs. The AfR shall be prepared when the PPR is completed and finalised. It has to be signed by the LP, then scanned and uploaded to the PPR before it is submitted to the MA/JS through eMS.

The data of the AfR is based on the validated expenditure reported in the financial part of the PPR. The related FLC Certificates selected by the LP in eMS will automatically be enclosed in the PPR.

In case FLC Certificates and PRs are not available from each PP for a given reporting period, the LP shall submit the AfR on the basis of the FLC Certificates available until the reporting deadline. The expenditure of the project partners not validated for the given reporting period within the reporting deadline shall be requested in the subsequent AfR.

Before submitting the AfR, in compliance with the Article 13(2) c and d) of the ETC Regulation, the LP shall verify the following:

- the expenditure declared by the PPs participating in the project has been incurred only for the purpose of implementing the project and corresponds to the activities agreed among those PPs in the frame of the approved AF;
- the expenditure declared by the PPs and included in the AfR has been verified by the designated controller at national level;
- the expenditure declared in the AfR concerned has not been included in any other previous AfR;
- the information included in the AfR, the related PPR and its Annexes are true and correct.

## Language of reporting

The language of reporting is **English**: the Partner Report, the Project Progress Report, including all additional parts (i.e. Output Quality Report, Output factsheet, Additional information, Final Report), the AfR and the FLC Certificate shall be prepared in English.

### 4.1.4 Submission of Project Progress Reports

The PPR (incl. annexes) has to be submitted in the eMS to the MA/JS. The submitted PPR has to be fully completed.

Modification of a submitted PPR is possible only in case the MA/JS requires it.

## Documents to be submitted together with the Project Progress Report

In order to prove the progress of the project, the following documents have to be submitted, only in electronic/scanned version, together with the PPR (certain documents are to be submitted only in given implementation stages, specifically indicated):

SECTION B – Work Packages	<p>Only for the <b>finalised outputs</b>:</p> <ul style="list-style-type: none"> <li>➤ Output Factsheet</li> <li>➤ Output Quality Report</li> <li>➤ Output evidence</li> </ul> <p>All three above mentioned documents have to be archived in a single zip folder and uploaded in eMS.</p> <p>Only for the <b>finalised deliverables</b>:</p> <ul style="list-style-type: none"> <li>➤ Deliverable evidence</li> </ul>
SECTION E – Attachments	<ul style="list-style-type: none"> <li>➤ <b>Application for Reimbursement;</b></li> <li>➤ <b>Bank statement(s)</b> proving the transfer of the previous contributions to the partners</li> <li>➤ <b>Additional information</b> template filled in</li> <li>➤ <b>Project Communication Plan</b> (along with the first Project Progress Report)</li> <li>➤ <b>Updated budget reallocation tool of the project</b></li> </ul>

### 4.1.5 Completion and rejection of the Progress Report

When the MA/JS detects inconsistencies or insufficient information in the PPR or in the AfR and related document(s), the MA/JS requests the completion from the LP and the re-submission of the PPR and/or AfR by the given deadline.

#### Completion of the Project Progress Report and Application for Reimbursement

- a) In case the PPR has to be completed or additional clarifications or missing documents have to be submitted, and the FLC Certificates do not need correction, the completed PPR should be re-submitted within **maximum 10 days** (shorter deadlines might be given according to the urgency or the type of completion) after the notice sent by the MA/JS.

If the completion is not full, or other clarifications are deemed necessary the MA/JS can ask for a second completion. The LP is given an additional **maximum 5 days** after receiving the notice of the MA/JS to correct the mistakes of the PPR and re-submit it.

- b) In case the PPR and AfR have to be completed implying the correction of one or more FLC Certificate, the revised PPR and AfR, including the corrective version(s) of the FLC Certificate should be resubmitted to the MA/JS within **maximum 20 days** from the receipt of the e-mail notification by the MA/JS. In case it is not possible to reissue the FLC Certificate by the designated controller within the given deadline, or the reissued and resubmitted FLC Certificate is still not acceptable to the MA/JS, the related costs of the given partner(s) shall be deducted from the amount of the AfR. In this case, the corrective (re-issued) FLC Certificate can be submitted along with the subsequent AfR.

### **Rejection of the Project Progress Report and the Application for Reimbursement**

After the second unsuccessful completion round, the PPR and AfR might be rejected, in case it is still not possible to gain appropriate information on the following:

- the activities carried out by the project partnership in the given period;
- the progress of the project implementation and the status of achievement of project objectives, the quality of the outputs delivered and deliverables in the given period;
- clear and justifiable relation of the reported activities, deliverables and outputs to the validated and reported expenditure of the PPs, etc.

In case a PPR is rejected due to reasons listed above, the amount requested in the related AfR will not be paid to the LP and the MA/JS is entitled to apply a proportional reduction to costs related to the project management up to 25% based on the prior decision of the Monitoring Committee.

A rejected PPR and AfR can be resubmitted only once. In such a serious case, when the resubmitted PPR and AfR (that had already been rejected) still do not meet the programme requirements, the MA/JS has to finally reject the PPR and AfR of the project and as a consequence, the EU contribution (ERDF/IPA/ENI) part of the expenditure reported in the rejected PPR will not be reimbursed. This would also entail that the MA/JS is entitled to withdraw from the Subsidy Contract (in accordance with Art. 13(2)k) thereof) based on the prior decision of the Monitoring Committee, for the LP failed to appropriately fulfil its reporting obligations deriving from the Subsidy Contract.

#### **4.1.6 Reimbursement of contribution from EU Funds**

##### **Lead Partners**

The following procedure applies for the reimbursement of the contribution from EU Funds to the Lead Partners:

1. The reimbursement of contribution from EU Funds to the LP will be initiated only after the MA/JS verifies and accepts the PPR and the AfR.
2. The reimbursement of contribution from EU Funds will be transferred by the Certifying Authority after the verification process of the MA/JS.



3. In case the ERDF/IPA/ENI balance of the DTP bank account handled by the Certifying Authority does not cover the total amount of contribution to be reimbursed, the Certifying Authority will temporarily suspend the reimbursement process until the contribution from the Funds is transferred to the DTP bank account by the EC. In this case, the MA/JS notifies the LPs of the projects concerned on the suspension and the estimated timeframe.
4. Reimbursement of the contribution from EU Funds will be executed on the EUR project bank account of the LP (as indicated in the Subsidy Contract) in order to ensure that all financial transactions related to the project can be identified and tracked.

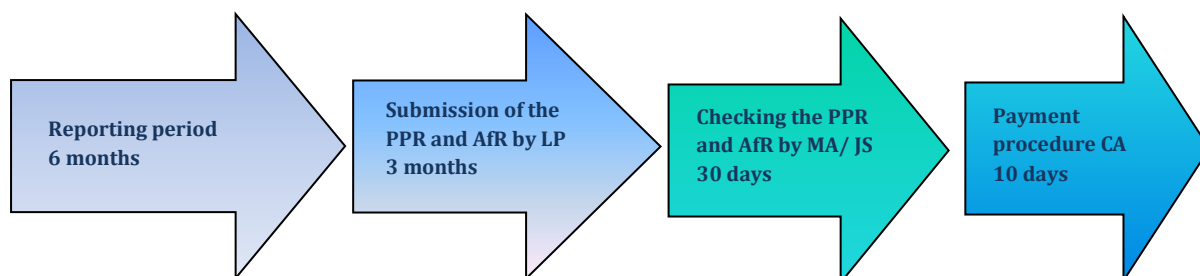
The **LP is responsible to transfer the contribution from EU Funds** to each PP according to the approved AfR as soon as possible but **within the deadline given in the Partnership Agreement at the latest**. No deduction, retention or any other specific charges shall be made by the LP concerning the approved amount. Furthermore, no legal dispute between the LP and the PP concerned could be subject to any compensation from the approved amount to be transferred by the LP to the PPs.

**Bank statements proving the transfers of EU contribution to each project partner** within the timeframe set in the Partnership Agreement have **to be submitted to the MA/JS with the following PPR and AfR**. In case of the last AfR, the proof of transfers shall be submitted to the MA/JS within 30 days from the date of transfer of the EU Funds to the LP by the CA. In case the LP does not transfer the EU Funds in due time, an irregularity procedure would be initiated by the MA/JS.

### Timeframe of reimbursement

The LP and the project partners have to consider the timeframe of the reimbursement of Funds when preparing the time plan of their project activities.

The following flowchart **presents the procedures described in the previous sections showing the indicative timeframes**.



It should be also taken into consideration that the timeframe for checking the PPR by the MA/JS could be prolonged with the time needed for the completions by the LP.

The MA/JS needs in general 30 days for the verification of the PPR. In case the content part or the financial part of the PPR needs to be completed, additional 15 days for checking the



resubmitted PPR and AfR by the MA/JS should be calculated. After approval of the PPR and AfR by the MA/JS, the Certifying Authority initiates the transfer of the contributions from the EU Funds to the LP generally within 10 days.

#### **4.1.7 Financial progress and decommitment of the project**

The LP has to ensure that each PP strictly follows its spending forecast according to the approved AF.

The Partnership has the possibility to deviate from the spending forecast laid down in the Subsidy Contract taking into consideration that in case of underspending (with reference to the original spending forecasts), the MA/JS is entitled to decommit the budget of the project by reducing the original project budget and the corresponding contribution from EU Funds.

In case the LP does not report validated eligible expenditure according to the approved spending forecast, the MA/JS will assess the level of underspending and the reasons for lower financial performance and, in such a case, the MA/JS is entitled to initiate the decommitment of the EU Funds from the project.

In case the MC decides on the decommitment of Funds from the project, the MA/JS initiates the modification of the Subsidy Contract (detailed in section 5.2.5 of this Manual). The process will define the distribution of the Funds to be decommitted at project partner level taking into consideration the financial performance of the different PPs.

In case the LP submits the PPR and the AfR or the project modification request with unjustified delays, or more than two completions of the same PPR and AfR are attributable to the LP, the MA/JS is entitled to apply a proportional reduction to costs related to project management up to 25% on the basis of the decision of the Monitoring Committee.

## **4.2 Monitoring visits by the MA/JS**

The major source of information for the MA/JS in monitoring the project implementation and progress is the PPR. Further to that, in order to have more direct contact between the programme management bodies and the partnership of the individual projects and to get a closer, more real view on the project implementation, the work being carried out, the progress and the achievements, the MA/JS visits contracted projects at least once during the implementation period, in the framework of the First-Year Review process. In case it is considered to be necessary, additional visits might be organized based on the project financial and technical performance.

### **First-Year Review**

All projects approved in the framework of the Danube Transnational Programme must undergo the first-year review, which aims at understanding the progress of the project in terms of objectives, outputs and result achievement, as well as in terms of financial spending.

Before the first year review, no major project modification concerning the budget and activities is allowed.

The first-year review is based on:

- The project first Project Progress Report
- The *Summary of project implementation* (Annex D1) which is a template to be filled in by the LP before the meeting, highlighting the actual progress of the project in terms of implemented activities, achieved outputs, current financial spending per work packages and budget lines, deviation from the spending forecast and proposal for a new financial forecast by the end of the project. The LP should also provide the monitoring templates used at project level, internal procedures, list of public procurements already initiated/ finalised. The completed summary has to be submitted to the MA/JS 21 days before the review meeting.
- First year review meeting is to be organised preferably together with a Steering Committee meeting, as the presence of all PPs is important, in coordination with the MA/JS PO. A flexibility of two months is given to the process (between month 12 to month 14).

The review and the meeting focus on the progress of the activities, their timely implementation and the related validated expenditure, the progress towards the project objectives and output targets, management and communication of the project, potential risks, problems, delays and their possible solutions, a realistic forecast for the rest of the implementation period. It shall be based on a constructive dialogue between the programme management and the project partnership to get direct feedback on both sides about the status and perspectives of the project.

Based on the above, the first year review has a preventive scope, in the sense of gathering information on the rules and procedures, cooperation inside the partnership and reviewing the objectives, activities, outputs and spending.

Based on the review, the JS informs the project partnership about the outcome (as well as the MC and NCPs, if relevant), and may identify recommendations, including concrete measures and actions summarised in the form of *First Year Review recommendations* (Annex D2) to be sent to the LP. The LP is obliged to inform the MA/JS about the fulfilment of the recommendations by filling in the respective part of the *First Year Review recommendations* and sending it to the MA/JS on a regular basis, agreed between the MA/JS and the LP, based on the character of the recommendations. In case of delays and poor financial performance, the programme might decide the project decommitment.

The first year review meeting should be organised well in advance by the LP, in coordination with the MA/JS PO, who should be informed about the venue at least two months before the planned Steering Committee meeting. The JS will draft the agenda of the first year review meeting which shall contain at least the following: a general presentation of the status of the project by the LP (progress, delays, difficulties in implementation, etc.), presentations of the Work Package leaders/ PPs on specific issues, discussions, JS follow up and next steps.

## Monitoring Visits

Beyond the first-year review meeting, in case the content and financial performance of a project makes it necessary, additional monitoring visits of the project, or meeting between the JS and the project management can be held at the premises of the LP/PP, at an event organised by the LP/PP (e.g. project Steering Committee meeting, etc.), or at the premises of the MA/JS, where the main objective of a monitoring visit can be fulfilled. Compared to the first year review, the monitoring visit has an advisory role as the main goal is to solve issues and problems encountered during implementation. The JS will inform the LP at least one month in advance about the upcoming monitoring visit, including the necessary documents to be submitted. The procedure for the monitoring visits will follow the same approach as the first year review and will also be based on:

- The Project Progress Reports submitted up to that date
- The *Summary of project implementation* (Annex D1) is to be filled in by the LP before the meeting, highlighting the actual progress of the project in terms of implemented activities, achieved outputs, current financial spending per work packages and budget lines, deviation from the spending forecast and justification. The LP should attach the list of public procurements already initiated/ finalised, spending per partner, relevant decisions taken by the partnership and other documents that might be requested by the JS on a case by case basis. The completed Summary has to be submitted to the JS 14 days before the monitoring visit.

The purpose of the monitoring visit is to maximise the impact of the programme; to ensure the proper use of the funds; to support, advice, assist and assess the partnership. The monitoring visit is not considered as an audit, but it contains checking certain criteria related to the implementation of the project. After the monitoring visit, the JS will draft the *Monitoring Visit recommendations* report to be sent to the LP and shared with all the partners. The LP has to report about the fulfilment of the recommendations similarly as in case of the First Year Review process. Moreover, the MA/JS can propose specific actions, including withdrawal from the Subsidy Contract in case the project implementation is significantly different from the objectives indicated in the Subsidy Contract or irregularity is suspected.

## 5 Project changes

During the project lifecycle, due to unforeseen reasons, some changes might be necessary in relation to the specific details of the project implementation as defined in the Subsidy Contract, as well as in the approved AF and the Partnership Agreement that are integral parts of the Subsidy Contract. In all such cases, **the LP has to immediately contact the MA/JS PO to inform about the situation and the planned modification. Based on the information provided, MA/JS PO will establish if it is a minor or major modification and inform the LP about the procedure to be followed and the necessary documents to be submitted.**

Project changes will be accepted only in **well justified cases**.

Depending on their impact, changes can be either minor or major. **While minor changes only require MA/JS PO's confirmation, major changes, besides the formal approval by the MA/JS, imply the modification of the Subsidy Contract.**

The project change process is first managed outside the eMS and once the process is concluded, the LP shall enter modified project data into eMS and upload all the documents related to the respective project change.

A modification requested by a project can be implemented and the related expenditure will be eligible only after its approval. The exceptional case of a new project partner joining the partnership is described in section 5.2.1 of this Manual.

### 5.1 Minor changes

Minor changes have more an administrative and technical character and cannot in any way:

- affect the project intervention logic (i.e. project main and specific objectives, outputs and result)
- affect the transnational character of the project
- reduce the quantity (except for merging outputs), or quality of the planned outputs
- affect the nature and use of the planned investments
- bring any change in terms of State Aid relevance

Minor changes, except for administrative changes, need confirmation of the MA/JS PO, however do not entail the modification of the Subsidy Contract.

Minor changes can be:

- Administrative changes
- Change of an ASP (without budgetary consequences on the sponsoring partner's total budget)
- Minor adjustment of the project content
- Budget reallocations among WPs and BLs

### 5.1.1 Administrative changes

Administrative changes can be the following:

- Change of the project management team (project manager, financial manager, communication manager), and/or their contact details
- Change of the contact details (e.g. address, email) of the LP/PP
- Change of LP/PP Legal Representative
- Change of bank account of the LP
- Legal succession of LP/PP

### Necessary documents and procedure

Type of modification	Action to be taken by LP
Change of the project management team	Informs the MA/JS PO about the change via email and updates the data in the eMS (Supplementary information/ Project Management)
Change of the contact details of the LP/ PP	Informs the MA/JS PO about the change via email
Change of: - PP/ LP legal representative	<ul style="list-style-type: none"> <li>▪ Informs the MA/JS PO about the change via email</li> <li>▪ Provides Annex A2_<i>Proof of signature</i> in case of LP legal representative change (electronic + original)</li> <li>▪ Uploads the <i>Proof of Signature</i> in eMS (Supplementary information/ Bank Information)</li> </ul>
Change of: - LP bank account	<ul style="list-style-type: none"> <li>▪ Informs the MA/JS PO about the change via email</li> <li>▪ Provides Annex A1.1 or A1.2_<i>Bank account statement</i> (electronic + original)</li> <li>▪ Updates the data in the eMS and uploads the <i>Bank account statement</i> (Supplementary information/ Bank Information)</li> </ul>
Legal succession <i>The legal succession of the LP (Article 10 of the Subsidy Contract) or PP is considered an administrative change and not a partner change if, based on the relevant legal act, it is proved that the new legal entity is the legal successor taking fully the duties and obligations of the predecessor, as well as it fulfils the partner eligibility criteria of the DTP.</i>	<p>Informs the MA/ JS PO about the change via email within 10 days from the date the legal act stating the legal succession enters into force and provides the legal act (in original language – to be checked by the relevant NCP) proving that the new legal entity is the legal successor of the previous one, taking fully the duties and obligations of its predecessor</p> <p>* In case the legal representative or the LP bank account changes as well, documents and procedure described above will additionally need to be submitted/ followed.</p> <p>* In case the legal succession is not confirmed by the relevant NCP, a partner change procedure will be followed.</p>

### 5.1.2 Change of an Associated Strategic Partner

Changes such as when an ASP is being replaced by a new ASP, or withdraws without substitution, or an additional, new ASP joins the partnership, are considered as minor changes. If the change in relation to an ASP however, affects in any way the budget of the sponsoring

partner (due to budget relocations between partners), than such a change is considered as a major change and a different procedure is to be followed.

### Necessary documents and procedure

Type of modification	Action to be taken by LP
ASP withdrawal/replacement Additional ASP	<ul style="list-style-type: none"> <li>▪ Submits via email to MA/JS PO Annex B1_ <i>Change Log File</i>, providing justification for withdrawal/ replacement or arguments for involving a new ASP</li> <li>▪ Provides <i>ASP Declaration</i> in case of new ASP</li> </ul>

In case of an additional ASP joining the partnership, the total budget of the project cannot be increased. The new ASP shall be sponsored from the budget of an existing ERDF PP.

### 5.1.3 Minor changes in the content of the project

Minor adjustments of the work plan that do not affect the strategic approach of the project and do not put at risk the completion of the project by the end date are considered minor changes and need MA/JS PO confirmation.

Minor adjustments of the content can refer to:

- timing, duration, location or format of activities
- timing, number (only increase or merging is allowed) or format of deliverables or outputs
- changing equipment to be used for reaching the project objectives, ensuring the same quality of the activity

### Necessary documents and procedure

Type of modification	Action to be taken by LP
Minor adjustments of the project content	Submits via email to MA/JS PO Annex B1_ <i>Change Log File</i> providing justification for the changes and Annex B2_ <i>Budget Reallocation/ Project Modification Tool</i> , if applicable (selecting “Reallocations within 10%” under <i>Scope of Use</i> on Sheet 0)

### 5.1.4 Budget reallocations

Adaptation of the project budget to the actual needs of the project is possible within certain flexibility limits. Minor budget reallocations refer only to budget shifts between Work Packages (WPs) or Budget Lines (BLs) within a certain PP's budget.

It is the responsibility of each PP to timely inform the LP whenever they intend to reallocate budget among WPs or BLs and get their confirmation for FLC purposes. Similarly, it is the responsibility of the LP to permanently monitor the budget reallocations made by partners



(using Annex B2\_ *Budget Reallocation/Project Modification Tool* provided by the programme) to make sure that MA/JS PO's confirmation is requested in any of the following situations:

- Budget reallocations within 15% of PP's budget related to the increase of cost of equipment or infrastructure and works
- Budget reallocations above 15% of PP's budget

Once the WP/BL budget reallocations of a PP reach 15% of their respective total budget, the LP shall always request the confirmation of the MA/JS PO for any further reallocations.

The LP shall upload Annex B2\_ *Budget Reallocation/Project Modification Tool*, reflecting the budgets shifts made during a certain reporting period, together with the next Project Progress Report.

### Necessary documents and procedure

Type of modification	Action to be taken by LP
Budget reallocations within 15% of PP's budget related to the increase of cost of equipment or infrastructure and works	Submits via email to MA/JS PO Annex B1_ <i>Change Log File</i> providing justification for the reallocations and Annex B2_ <i>Budget Reallocation/ Project Modification Tool</i>
Budget reallocations above 15% of partner's budget	

- The 15% limit is considered **cumulatively on PP level**
- The 15% limit refers **separately to reallocations among work packages and to reallocations among budget lines**
- Budget shifts within or above 15% of a PP's budget cannot result in a percentage of WP1 + WP2 higher than 35% of the project's total budget, unless clearly justified
- Budget shifts within or above 15% of a PP's budget cannot result in significantly affecting a certain WP, partner or investment by losing their original relevance because of considerably reducing the budget
- The original percentage of staff costs (up to 20% of direct costs) or office and administration (0% or 15%) flat rates cannot be changed as a result of a budget shift
- The expenditure connected to budget reallocations above 15% can be eligible and will be possible to be reported only after the MA/JS PO confirms the change request

## 5.2 Major changes

Major changes are considered to be substantial deviations from the approved AF. They are considered as exceptional cases, which need the previous approval of DTP MA/JS, based on the thorough justification provided by the project through the LP. In case such change is approved by the DTP MA/JS, the Subsidy Contract and the AF of the project in eMS is to be modified accordingly.

Major changes may refer to:

- Partnership
- Content of the project
- Budget reallocations between partners
- Duration of the project
- Decommitment of the project

Major project changes can be requested only:

- after the first-year review of the project implementation (according to the project duration), except for partnership changes
- 3 months before the project end date at the latest

### **General process of a major project change:**

The LP should immediately contact the MA/JS PO in case the project faces problems that would make necessary a major project change. In case the MA/JS PO acknowledges the necessity of a major change, asks the LP to prepare and submit the necessary documents. The MA/JS PO checks submitted documents.

The MA/JS PO notifies the LP about the MA/JS decision and, in case of approval, requests the original, signed versions of the applicable documents to be submitted by the LP **within 15 days**.

The Addendum to the Subsidy Contract will be signed by the MA/JS and sent to the LP. The Addendum should be signed also by the LP and one original shall be sent back to the MA/JS **within 15 days** from its reception.

The project AF data modification in eMS will be carried out by the LP **within 15 days** after the MA/JS PO informs the LP that the signed Addendum arrived to the MA/JS.

The expenditure related to the modified project part can usually be eligible from the date of the MA/JS approval (for specific rules in case of new PP entering the partnership see section 5.2.1). The related costs can be validated only after the amendment of the Subsidy Contract is signed by the contracting parties.

### **5.2.1 Changes in the partnership**

The project partnership is the backbone of the project implementation as each project partner has its role and task in it. Therefore, it is important that the partnership tries to explore all solutions in order to avoid partner changes.

If, despite all efforts of the partnership, a partner is to withdraw, or be debarred from the project with or without substitution, the LP is obliged to inform immediately the MA/JS PO in written form and such change always needs the approval of the DTP MA/JS, as well as the modification of the Subsidy Contract and the AF.

The LP should also inform immediately the MA/JS PO in written form in case the partnership wishes to add a new partner (without replacing existing ones).



## Principles

The LP has to ensure that, following the change(s) in the partnership, the project still fulfils the minimum requirements for the transnational partnership of the DTP and does not alter the general character and the intervention logic (objectives, outputs and results) of the original project.

The partner leaving the project will remain fully responsible and liable for all activities that were carried out and outputs that were delivered by them until the date of withdrawal and will be financially responsible for the activities completed including the responsibility for repayment of the amount unduly paid. Expenditure of the withdrawing partner are eligible if they are incurred and paid until the date of withdrawal as indicated in the related *Declaration of Withdrawal* and the Addendum of the Subsidy Contract, and can be validated and must be reported by the LP until the reporting deadline of the reporting period, following the period in which the MA/JS approved the partner's withdrawal.

In case a withdrawing ERDF/ IPA/ ENI partner is replaced, the new ERDF/ IPA/ ENI partner shall comply with applicable partner eligibility criteria of the DTP (to be confirmed by the relevant NCP). The new partner shall have equal relevance for the partnership and similar competences as the one leaving, as well as bearing sufficient financial and organisational capacity to be able to fulfil its duties and responsibilities within the project. The expenditure related to the activities of any new partner can be eligible already from the date of new PP entry, based on the *Declaration of commitment to join the partnership*, signed by the new partner and countersigned by the LP and indicated also in the related Addendum of the Subsidy Contract - provided that the DTP MA/JS approves the partnership change. The costs of the new project partner can be validated only after the amendment of the Subsidy Contract is signed by each contracting parties.

As a general rule, the withdrawn partner should be replaced by another partner who has similar competences / responsibilities and is located within the same country as the withdrawing one.

The activities and related budget of the withdrawing partner can be taken over by one or more existing partners or by a new partner. In any case, the following principle is to be observed: an ERDF PP can be replaced only by an ERDF PP, an IPA PP only by an IPA PP, an ENI MD PP only by an ENI MD PP and an ENI UA PP only by an ENI UA PP.

In case a PP withdraws and, due to the circumstances, the activities and deliverables for which they were responsible cannot entirely or partly be taken over by the replacing PP(s), new activities and deliverables can be introduced provided that those guarantee equivalent value and clearly contribute to the elaboration of relevant outputs and the achievement of the project objectives and results.

Depending on the type of partnership change, the total budget of the project may be adjusted accordingly.

In case of LP change, the new LP shall fulfil the DTP LP eligibility criteria and have appropriate competences and capacities for this role. Instead of an Addendum to the original Subsidy

Contract, a new, tripartite (withdrawing LP, new LP and DTP MA/JS) Transfer Contract shall be concluded and signed by all three parties.

Similarly to a PP change, the withdrawing LP shall remain fully responsible and liable for the whole project activities, outputs and deliverables until the withdrawal date as specified in the *Declaration of Withdrawal* and Transfer Contract. The new LP takes over the full responsibility and liability for the project from the date indicated in the *Declaration of Commitment* and Transfer Contract.

### Necessary documents and procedure

Type of modification	Action to be taken by LP
Partnership	Submits via email to MA/JS PO the following documents, <b>as applicable:</b> <i>Annex B3_Request for project modification + supporting documents</i> <i>Annex B4_Declaration of withdrawal</i> <i>Annex B5_Declaration of commitment</i> <i>Annex A3_Co-financing declaration</i> <i>Annex A4_State Aid declaration</i> <i>Annex A6_International organisation declaration</i> <i>Annex B2_Budget reallocation/ project modification tool</i> (selecting “Project modification” under <i>Scope of Use</i> on Sheet 0) <i>Annex B6_Addendum to Partnership Agreement</i> <i>Annex A7_LP confirmation and signature</i>
LP change	Submits via email to MA/JS PO the following documents, <b>as applicable:</b> <i>Annex B3_Request for project modification + supporting documents</i> <i>Annex B4_Declaration of withdrawal</i> <i>Annex B5_Declaration of commitment (of the new LP)</i> <i>Annex A3_Co-financing declaration</i> <i>Annex A4_State Aid declaration</i> <i>Annex A6_International organisation declaration</i> <i>Annex B2_Budget reallocation/project modification tool tool</i> (selecting “Project modification” under <i>Scope of Use</i> on Sheet 0) <i>Annex B6_Addendum to PA</i> <i>Annex A7_LP confirmation and Signature</i>

In case the partnership change entails other modifications (e.g. budget reallocations among partners, content-related changes), they will be indicated and justified in the *Request for project modification*.

### 5.2.2 Changes in the content of the project

Normally the LP and the whole project partnership has to ensure that the focus of the project, including its intervention logic is kept and all objectives, outputs and result defined in the AF will be achieved and delivered.

Significant modification of the project content that would affect its focus, having impact on the project objectives, or results, or modify the quantitative (decreasing), or qualitative aspects of certain outputs, defined in the approved AF are considered to be major changes affecting the

basis of the original approval of the project. **Modifying activities that due to the actual modification turn to be State aid relevant is not possible.**

### Principles

The new modified activities and the related expenditure are eligible from the date of the DTP DTP MA/ JS approval. These costs can be validated only after the amendment of the Subsidy Contract is signed by each contracting parties.

If following the change, the originally approved activities or outputs cannot be delivered anymore, or replaced by justified new activities or deliverables that guarantee equivalent value and quality for the whole project, the budget part related to the non-delivered activities, outputs will be proportionally reduced for the affected partners.

The LP and the project partnership should also consider Article 13 2. j) of the Subsidy Contract regarding the right of the MA to withdraw from the contract and reclaim the ERDF / IPA / ENI contribution.

### Necessary documents and procedure

Type of modification	Action to be taken by LP
Major change of the project content	Submits via email to MA/JS PO the following documents, <b>as applicable:</b> <i>Annex B3_Request for project modification + supporting documents</i> <i>Annex A4_State Aid declaration</i> <i>Annex B2_Budget reallocation/project modification tool</i> (selecting “Project modification” under <i>Scope of Use</i> on Sheet 0) <i>Annex A7_LP confirmation and Signature</i>

### 5.2.3 Budget reallocations between partners

Similarly to partnership changes, ERDF funds can only be shifted between ERDF PPs, IPA funds between IPA PPs, ENI MD funds between ENI MD PPs, ENI UA funds between ENI UA PPs. **Funds of different sources cannot be mixed.**

Budget reallocations are possible:

- In justified case (without partnership change), if not affecting the main objectives, results and outputs of the project
- Due to changes in the partnership (distributing activities and related budget among the project partners)
- When one ERDF partner takes over the responsibility to finance the participation of an ASP from another ERDF PP and the related budget part reallocated between the ERDF PPs.

The budget reallocation shall not negatively affect the transnational character of the project and cannot result that any of the affected partners will not be able to deliver its contribution to the planned project outputs as the consequence of the modification.

### Necessary documents and procedure

Type of modification	Action to be taken by LP
Budget reallocations between partners from the same/ different countries	Submits via email to MA/JS PO the following documents, <b>as applicable:</b> <i>Annex B3_Request for project modification + supporting documents</i> <i>Annex A3_Co-financing declaration</i> <i>Annex B2_Budget reallocation/ project modification tool</i> (selecting "Project modification" under <i>Scope of Use</i> on Sheet 0) <i>Annex A7_LP confirmation and Signature</i>

**The spending forecast of a project is fixed in the Subsidy Contract and can be modified only in connection to substantial project changes affecting the project budget or duration of the project (i.e. more than 3 months).**

#### 5.2.4 Prolongation of the project duration

Prolongation of the project duration can be requested **only once**. The prolongation of the project duration **cannot exceed 6 months**. However, when requesting the prolongation of the project duration, the LPs have to take into consideration that according to the DTP eligibility rules, all activities within the projects must be **completed before 31.12.2022**.

The prolongation of the project duration implies the extension of the eligibility time and, if relevant, the revision of the spending forecast of the project (i.e. in case the project is prolonged with more than 3 months).

## Necessary documents and procedure

Type of modification	Action to be taken by LP
Prolongation of project duration	Submits via email to MA/JS PO the following documents, <b>as applicable:</b> <i>Annex B3_Request for project modification + supporting documents</i> <i>Annex B2_Budget reallocation/ project modification tool - in case modification of the spending forecast- (selecting "Project modification" under Scope of Use on Sheet 0)</i> <i>Annex A7_LP confirmation and Signature</i>

### 5.2.5 Decommitment of the project

Decommitment of a project can occur in the following two situations:

- In case the DTP is affected by decommitment of EU Funds, or in case the financial performance of a project has serious problems – based on the decision of the Monitoring Committee – the MA/JS is entitled to decommit the project by reducing the original project budget and the corresponding ERDF contribution and / or IPA contribution and/or ENI contribution
- The partnership decides that the budget of the project should be reduced (e.g. due to less costly implementation of activities or the prospect of a lower spending percentage to be reached by the end of the project than initially foreseen)

## Necessary documents and procedure

Type of modification	Action to be taken by LP
Decommitment of the project	Submits via email to MA/JS PO the following documents, <b>as applicable:</b> <i>Annex B3_Request for project modification + supporting documents</i> <i>Annex B2_Budget reallocation/project modification tool (selecting "Project modification" under Scope of Use on Sheet 0)</i> <i>Annex A7_LP confirmation and Signature</i>

## 5.2.6 Summary table of types of project changes and related procedures

Type of project change	Procedure	
	Minor changes Previous confirmation of MA/JS PO No addendum to Subsidy Contract	Major changes DTP MA/JS approval Addendum to Subsidy Contract
<b>Partnership change, including LP change</b>	-	➤ DTP MA/JS approval
<b>Project content change</b>	Minor changes ➤ MA/JS PO confirmation	Major content changes ➤ DTP MA/JS approval
<b>Budget reallocations</b>	WP/BL reallocations within 15% of PP's budget related to increase of costs of equipment and/ or infrastructure and works  WP/BL reallocations above 15% of a PP Budget  ➤ MA/JS PO confirmation	Budget reallocations between PPs  ➤ DTP MS/ JS approval
<b>Project duration prolongation</b>	-	➤ DTP MA/JS approval
<b>ASP change</b>	➤ MA/JS PO confirmation	-
<b>Decommitment</b>	-	➤ DTP MA/ JS approval

## 6 Audit of the project

### 6.1 Audit and process

As it is defined in the Subsidy Contract, the LP is obliged to guarantee fulfilment of the audit of the projects in relation to all other PPs of the project, to be carried out by any of such responsible auditing bodies of the EU, the auditing bodies of the participating Partner States as well as the Audit Authority, MA/JS and Certifying Authority of the Danube Transnational Programme. The aim of these audits is to check the proper use of funds by the LP or by the PPs.

The audit of the selected projects will take place at the premises of the LP and selected PPs. The LP and the PPs concerned will be notified in due time by the relevant authorities about any audit to be carried out on their reported expenditure.

The audits performed by the Audit Authority or by external auditors on behalf of the Audit Authority include in general sample checking of the validated and reported expenditure against the supporting documents and other relevant information at the premises of the LP and / or PPs in order to verify the accuracy and validity of the related FLC Certificate(s), checking of the project documentation and audit trail, the accounting of project expenditure. In the interest of a successful auditing, the LP has to make available all documents required, provide necessary information and give access to its business premises.

### 6.2 Irregularity and repayments of contribution from EU Funds

#### 6.2.1 Handling of Irregularity

An “irregularity” is to be considered as any infringement of a provision of EU law resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the European Union by charging an unjustified item of expenditure to the general budget.

The body which suspected the irregularity (Controller, MA/JS, Audit Authority, etc.) reports it to the responsible body for handling of irregularities at the given Partner State whose territory the project partner concerned is located.

The **detection** of the irregularity and the **decision on the sanction is made at national level** by the responsible body at Partner State level, and **then reported to the European Commission (OLAF report) and to the MA/JS (OLAF report / Summary report)**.

In case the **irregularity affects partly the project** (one project partner) and the **decision on sanction** by the responsible body of the Partner State **is the recovery of the contribution** from EU Funds unduly paid, the **MA/JS initiates the recovery procedure from the LP in each case**.



When the **irregularity** reported by the Partner State **affects the whole project**, the Monitoring Committee is also entitled to make a decision about the irregularity. The **decision can be the withdrawal from the subsidy contract, reduction of the contribution from EU Funds to the project financing under the Danube Transnational Programme.**

### 6.2.2 Repayment of contribution from EU funds

1. In case of repayment, the **MA/JS sends a request for repayment** on the amount of EU Funds unduly paid to the LP.
2. The LP is obliged to secure repayments from the ERDF/ IPA / ENI PP(s) concerned and repay the amount specified by the MA/JS before the due date. However, according to **Article 122(2) of the CPR the MA/JS may decide not to recover an amount unduly paid** if the amount of contribution from the EU Funds – considered by Funds (ERDF/IPA) – **does not exceed 250 EUR.**
3. Based on the request for repayment of the MA/JS, the **LP has to ask the ERDF PP(s) and/or IPA PP(s) and/or ENI PPs concerned to repay the amount of EU Funds to the LP's project bank account in due time**, considering the deadline given by the MA/JS for the repayment. The LP has to transfer this amount to the DTP bank account specified in the request for repayment of the MA/JS.
4. If a project partner commits an irregularity and the **Lead Partner cannot recover** the contribution from EU Funds unduly paid to a project partner on the basis of the partnership agreement existing among them, the LP **shall inform the MA/JS in written form within the deadline for the repayment.**
5. The **repayment by the LP is due within two months** from the receipt date of the request for repayment. The due date for the repayment will be explicitly given in the request for repayment. The receipt date of the request for repayment shall be the date of sending the email, regardless of the date of receiving any official letter in hardcopy version.
6. The MA/JS has the right to impose **interest on late payment** on the amount paid back by the LP belatedly. In case of any delay in the repayment, the amount to be recovered shall be subject to interest on late payment, starting on the calendar day following the due date and ending on the actual date of repayment. The rate of interest on late payment shall be one-and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the due date.
7. The MA/JS also has the right to recover the amounts specified in the request for repayment by deducting them from the AfR submitted by the LP. In case of **compensation**, the MA/JS informs the LP on the **amount deducted from the AfR** concerned (including PP and PPR concerned).

## 7 Project closure

### 7.1 Project closure

In case the project is completed and the final Project Progress Report, together with the Final Report section is accepted by the MA/JS, the project closure of the project will be initiated by the MA/JS.

**Project closing and final payment cannot be initiated in case other processes** related to the project **are not closed such as audit report, irregularity and recovery procedures**. In those cases, the final payment to the Project is suspended until the closing of other processes.

**After the final payment to the LP, the proof of transfers to the PPs shall be submitted to the MA/JS within 30 days from the date of transfer of the EU Funds of the last AfR to the LP for the closure of the project by the MA/JS.** In case this obligation of the LP is fulfilled the project is considered closed and the LP is informed about the closure.

In case the LP does not submit the proof of transfers of the EU Funds to the Project Partners within the deadline, an irregularity procedure could be initiated by the MA/JS.

### 7.2 Retention of project documents

The LP and all other PPs of the project are obliged to retain for audit purposes all files, documents and data about the project for a two year period from 31<sup>st</sup> December following the submission of the accounts in which the final expenditure of the completed project is included. The MA/JS will inform the LP about the beginning of the mentioned two year period.

The following documents have to be retained as the project's audit trail.

No.	Document	Lead Partner	Project Partner
1.	Approved Application Form	original	copy (of original signed by LP)
2.	Partnership Agreement (and its amendments)	original	original
3.	Subsidy Contract	original	copy
4.	Addendum to the Subsidy Contract	original	copy
5.	Project Progress Reports and Final Report (including quality reports)	only electronic version	only electronic version
6.	Applications for Reimbursement	only electronic version	only electronic version
7.	Partner Reports	only electronic version	only electronic version

8.	FLC Certificate	only electronic version/ only LP's FLC Certificate in original <sup>3</sup> ;	only electronic version/original <sup>11</sup>
9.	Each invoice and accounting document of probative value related to project expenditure (originals to be retained at the premises of the project partner concerned)	only the LP's invoices in original	only PP's invoices in original
10.	All supporting documents related to project expenditure (e.g. payslips, bank statements, public procurement documents, etc.) to be retained at the premises of the project partner concerned	only the supporting documents of the LP in original	only the supporting documents of the PP in original
11.	All project deliverables and outputs (materials produced during the project period including project communication related documents and materials)	all project deliverables and outputs in original	only the project deliverables and outputs of the PP in original
12.	Output Quality Reports	copy	Not relevant
13.	Output Factsheets	copy	Not relevant
14.	If relevant, documentation related to on the spot checks of the Controllers (to be retained at the premises of the project partner concerned)	only LP's on the spot check documentation in original	only PP's on the spot check documentation in original
15.	If relevant, documentation of monitoring visits of the MA/JS	original	copy
16.	If relevant, audit reports	All audit reports, LP audit report in original, all other reports in copy	PP's audit report in original

### 7.3 Sustainability of the project

According to Article 71 of the CPR, the project comprising investment in infrastructure or productive investment shall repay the contribution from the ESI Funds if within five years of the final payment to the beneficiary or within the period of time set out in State aid rules, where applicable, it is subject to any of the following:

- a) a cessation or relocation of the productive activity outside the programme area;
- b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
- c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

Any infringement of provisions shall constitute an irregularity leading to recovery of amounts unduly paid.

<sup>3</sup> and <sup>11</sup> depending on national requirements

## 7.4 Ownership of project results

Ownership, title and industrial and intellectual property rights in the outputs of the project and the reports and other documents relating to it shall vest in the LP and PPs to the extent allowed by the national regulation of the LP/PP.

Concerning the use of the outputs and results of the project, the LP shall guarantee a widespread publicity of such outputs and results and to make them available to the public in line with the relevant national law.

The MA/JS as well as the National Authorities of the Partner States of the programme – including National Contact Points – reserves the right to use the outputs and results of the project for information and communication actions related to the programme.

## 8 Annexes

### Annex: Eligibility of project expenditure

#### A. Regular annexes

- A1.1 Bank account statement\_separate
- A1.2 Bank account statement\_single
- A2 Proof of Signature
- A3 Co-financing Declaration
- A4 State Aid Declaration
- A5 ASP Declaration
- A6 International Organisation Declaration
- A7 LP Confirmation and Signature

#### B. Change-related annexes

- B1 Change-log file
- B2 Budget Reallocation/ Project Modification Tool
- B3 Request for Project Modification
- B4 Declaration of Withdrawal
- B5 Declaration of Commitment
- B6 Addendum to Partnership Agreement

#### C. Reporting-related annexes

- C1 Output Quality Report
- C2 Output Factsheet
- C3 Additional Information (for PR & PPR)
- C4 Application for Reimbursement (AfR)

#### D. FYR/MV-related annexes

- D1 Summary of project implementation
- D2 FYR and MV recommendations