

Interreg - IPA CBC 
Hungary - Serbia

IMPLEMENTATION AND REPORTING

LEAD BENEFICIARY SEMINAR
21 MARCH 2018
SUBOTICA, SERBIA



The Programme is co-financed by the
European Union

Good neighbours
creating
common future

ABBREVIATIONS

JS = Joint Secretariat of the Programme

PM = Programme Manager *of JS*

MA = Managing Authority

NA = National Authorities

JMC = Joint Monitoring Committee

FLC = First Level Control

B = Beneficiary

LB = Lead Beneficiary

BR = Beneficiary Report – *goes to FLC*

PR = Project Report – *joint report, goes to JS*

RP_n = Reporting Period - *RP1, RP2...*

SC = Subsidy Contract

Add = Addendum

OPC = Other Project Changes

PIH = Project Implementation Handbook

PraG = Practical Guide to contract procedures for EC external actions

DOVE = Declaration On Validation of Expenditures

AfR = Application for Reimbursement

PR&AfR = Progress Report including Application for Reimbursement

IMIS = Integrated Monitoring and Information System

IMPORTANT GUIDELINES

As any complex programme, the Interreg-IPA Hungary-Serbia programme has a number of important documents you need to get familiar with.

For applying we had:

- ❖ *Guidelines for Applicants*
- ❖ *Eligibility Rules of Expenditures*

For Implementation you will need:

- ❖ Project Implementation Handbook (PIH - link: <http://www.interreg-ipa-husrb.com/en/file/530/>)
- ❖ First Level Control Manuals – national level procedures for Beneficiary reports (Srb: [link](#))
- ❖ IMIS 2014-2020 Users Manuals (Lead Beneficiary Manual, Beneficiary manual)

LEAD BENEFICIARY PRINCIPLE

Lead Beneficiary (LB) principle is:

- ❑ LB assumes the leading role in partnership
- ❑ LB mediates the project towards the Programme Management bodies
- ❑ LB is solely responsible for the implementation and reporting to Joint Secretariat (JS)

Project Report – Joint level reporting to the JS via IMIS 2014-2020

Contact person – the one nominated person that keeps regular contact and exchange information with assigned Programme Manager from the JS.

When in doubt, ask the JS.

When the Beneficiary is in doubt, ask the LB to ask the JS.

More on LB principle and LB responsibilities in PIH

ELIGIBILITY OF COSTS

- **Costs of** implementing a **project as approved** by the Joint Monitoring Committee
- Costs incurred in the Programme area (exception 20 % eligibility rule)
- Compliant with national and EU rules, in particular with regard to the provisions of the **Practical Guide to contract procedures for EC external actions (PraG)** with its standard documents and templates in the annexes to it
- Costs must be **essential for** the achievement of the project **objectives/outputs**;
- Costs comply with the principle of sound financial management: **economy, efficiency and effectiveness**
- Costs actually **incurred and paid by the Beneficiaries** within the eligibility period of the project
- Expenditures have to be **validated by an authorised national control body (FLC)**
- **Not financed by other EU funds or other financial contributions** from third parties

TIME-WISE ELIGIBILITY

- Period of eligibility **starts** with
 - **1st January 2014** for the Beneficiaries from **Hungary**
 - **6th May 2015** (date of submission of the Draft Co-operation Programme to the European Commission) for the Beneficiaries from the **Republic of Serbia**.
- The eligibility period **ends** with **31th December 2023** the latest – expenditures **have to be also paid**
- **Start date** – only **after** the date of **submission** (registration) of the Application Form
- Expenditures incurred before the submission – **preparation costs**
- Preparation costs must be included in the budget, **must be reported in the 1st Project Report at the latest**

NON-ELIGIBLE EXPENDITURES

- Costs related to fluctuation of foreign exchange rate
- Recoverable Value Added Tax
- Purchase, rent or leasing of real estate (except office rental for project purposes)
 - Exceptions can be made in well justified cases on a case by case basis by the JMC, e.g. for flood prevention
- Used equipment
- Benefits apart from salary (cafeteria) which do not appear on payslips

STAFF COSTS, OFFICE AND ADMIN.COSTS

Staff costs of the Beneficiary can be reimbursed on the basis of:

- **2 options – but cannot be changed** during implementation.
- **Real costs**
 - Full-time; part-time; contracted on an hourly basis...
- **Flat rate**
 - 20% of direct costs other than staff costs if project does not contain works activities
 - 10% of direct costs other than staff costs if project contains works activities
 - Below 100 000 EUR
 - Documentation is not required.

Office and administration costs are **15% of Staff costs**, but max. **10% of total**

- Reimbursed in each Project Report based on the reported staff costs.

TRAVEL AND ACCOMMODATION

- Travel and accommodation costs shall be **limited to following** elements:
 - Travel costs
 - Accommodation costs
 - Visa costs
 - Daily allowances
- The above list is exhaustive and any element listed in points a) to c) which is covered by a daily allowance shall not be reimbursed in addition to the daily allowance.
- As a general rule, no reallocation to and from this budget heading (BH4).

EXTERNAL EXPERTISE AND SERVICES

Eligibility requirements

- Clear link to the project and must be **essential for** the effective **implementation**
- Deliverables and outputs produced by experts/service providers must **respect the** relevant **publicity requirements**
- **Sub-contracting between Beneficiaries** within the same project is **not allowed**
- Respect of **PraG**
- Adequate supporting **documentation**

EQUIPMENT

- Expenditure for equipment shall be **limited to the following elements**:
 - IT hardware and software (clear project relevance is necessary)
 - Furniture and fittings
 - Laboratory equipment
 - Machines and instruments
 - Tools or devices
 - Other specific equipment needed for the project
- Respecting **PraG**;
- **Rules of origin** – only above 100 000 EUR per item
- Must be clearly linked to the project, **essential for** its effective **implementation** and **described in the AF**.
- Equipment for **general office use** must be financed **in the frame of office and administration flat rate**.
- Adequate supporting **documentation**

INFRASTRUCTURE AND WORKS

- Costs of feasibility studies, environmental impact assessments, architectural/engineering activities and any other expertise needed for the realisation shall be allocated under “Staff” or “External expertise and services” cost category;
- **Purchase of land** – must **not exceed the 10% of total budget** of the given Beneficiary;
- All compulsory **requirements** set by Community **and national legislation** must be fulfilled;
- The land and/or buildings where the works will be carried out must be in the **ownership or long term use** of the Beneficiary for at least **10 years**;
- Respect of **PraG**;
- The relevant **publicity requirements** must be respected;
- Adequate **supporting documentation**;

FUNDING AND ADVANCE PAYMENT

IPA funding is maximum **85%** in each project

- The remaining 15% is financed from national sources: state and own contribution
- Serbian Beneficiaries: 15% own contribution

Advance payment: 15% of total IPA by project after the conclusion of Subsidy contract

- Calculated among Bs according to their share of the total IPA support in the project
- LB responsible for transferring of IPA
- Advance payment is late due to administrative issues. Expected payment for all the LBs that have a signed contract in the next 2 months.

BENEFICIARY REPORT – FIRST LEVEL CONTROL

- Reporting period: every 4 months from the start date
- Deadline for submitting the Beneficiary Report: **end of period + 15 days**
- For Final Beneficiary Report: **end of project + 30 days**
- Control of Beneficiary Report: **45 days** (does not include completion if needed)
- Reports to be submitted through **IMIS 2014-2020**
- Language of reporting: **English**
- Result: Declaration on validation of expenditure = **DOVE**

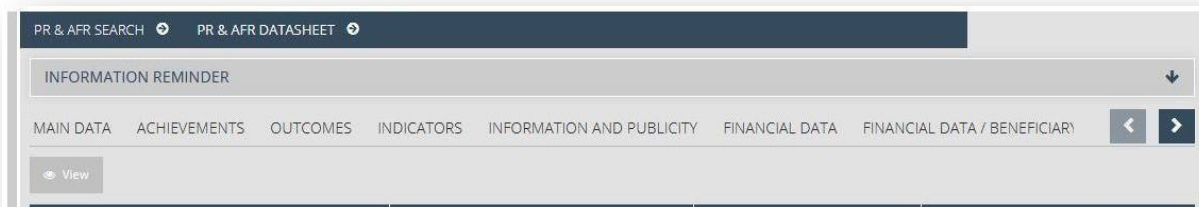
PROJECT REPORT – JOINT SECRETARIAT

- **LB reports on the progress of the entire project, in the name of all B to the Joint Secretariat**
- Reports to be submitted via **IMIS 2014-2020** in English
- Deadline for submitting the Project Report and Application for Reimbursement: **end of reporting period + 60 days**
- Check of Project Report: **30 days** (does not include max 2 rounds of completion if needed)
- Transfer of IPA fund **to LB** only after the approval of the Project Report by the JS



PROJECT REPORT = PR + AFR

- The project report has the descriptive part and the financial part
- Descriptive: where you report about **Achievements, Outcomes, Indicators, Publicity**
- Financial: where the system collects data from DOVEs on various tables
- The end result of the financial part is **Application for Reimbursement = AfR**
- The progress report is split into thematic TABS similar to the Application from



PROJECT REPORT - TABS

MAIN DATA – basic data

ACHIEVEMENTS

OUTCOMES

INDICATORS

INFORMATION AND PUBLICITY

DOCUMENTS

FINANCIAL DATA

FINANCIAL DATA / BENEFICIARY

FINANCIAL DATA / PR&AFR

SOURCES OF FUNDING

EU CONTRIBUTION (IPA) ADVANCE

TRANSFER FROM LB



PROJECT REPORT - DOCUMENTS

The **DOCUMENTS** tab is important:

- For the JS to see how you support the progress of Indicators, Activities, Outcomes
- For you to keep track of your documents
- For the JS to keep track of DOVEs and AfRs
- Upload the documents into correct folders:
 - Outcomes
 - Indicators
 - Info & Publicity
 - Work and permits
 - Other...

PR & AFR SEARCH PR & AFR DATASHEET

INFORMATION REMINDER

FINANCIAL DATA / PR&AFR SOURCES OF FUNDING EU CONTRIBUTION (IPA) ADVANCE TRANSFER FROM LB DOCUMENTS

DOCUMENT ID TYPE SUBJECT PREPARED BY (USER NAME)

SENT BY (PARTNER ID) SENT BY (PARTNER NAME) DATE OF PREPARATION FROM DATE OF PREPARATION TO

METHOD OF SUBMISSION

RESULTS FOR:

View

ORDER	DOCUMENT ID	TYPE	SUBJECT	FILE UPLOADED	PREPARED BY
1	2018/000-003-6471	Attachment	Outcomes	<input type="checkbox"/>	HUSR81601
1	2018/000-003-6473	Attachment	Indicator	<input checked="" type="checkbox"/>	HUSR81601
1	2018/000-003-6475	Attachment	Information and publicity	<input type="checkbox"/>	HUSR81601
1	2018/000-003-6477	Attachment	Work and permit	<input type="checkbox"/>	HUSR81601
1	2018/000-003-6479	Attachment	Transfer from the LB	<input type="checkbox"/>	HUSR81601
1	2018/000-003-6481	Attachment	Other	<input type="checkbox"/>	HUSR81601
1	2018/000-003-6483	Attachment	Dove Reports	<input checked="" type="checkbox"/>	HUSR81601
1	2018/000-003-6485	Attachment	Invoices	<input checked="" type="checkbox"/>	HUSR81601
1	2018/000-003-6487	Attachment	Revenues	<input type="checkbox"/>	HUSR81601
1	2018/000-003-6489	Attachment	Horizontal principles	<input type="checkbox"/>	HUSR81601

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PROJECT REPORT - DOCUMENTS

The **ACHIEVEMENT** tab is descriptive:

- For the JS to see how you explain the:
- Achievements in the reporting period
- Progress towards Main Objective
- Description of partnership
- Infrastructure and works
- 2 questions that are only for Final Reports
 - Overall Project Achievements
 - Overall description of partnership

The screenshot shows the 'Interreg IPA-CBC' web application interface. The page title is 'Interreg IPA-CBC Hungary - Serbia' and the subtitle is 'Hungary-Serbia Co-operation Programme 2014-2020'. The main navigation menu includes 'MAIN MENU', 'PROJECT (FO)', 'PR & AFR', 'ADMINISTRATION', and 'PERSONAL SETTINGS'. The 'PR & AFR' section is expanded, showing 'PR & AFR SEARCH' and 'PR & AFR DATASHEET'. The 'ACHIEVEMENTS' tab is selected, displaying a table with the following data:

KEY ASPECT	TYPE	DESCRIPTION
1. Achievements in the reporting period	PR&AFR	Hardly started
2. Overall project achievements [Only Final Report]	PR&AFR	not relevant
3. Please describe the Project's progress towards the Main Objective,....	PR&AFR	As mentioned in the project objective is not
4. Description of the partnership	PR&AFR	We are memor
5. Overall description of the partnership [Only Final Report]	PR&AFR	not relevant
6. Infrastructure and works [if relevant]	PR&AFR	not relevant

PROJECT REPORT - OUTCOMES

OUTCOMES tab is predominantly descriptive:

- List of Outcomes
- Outcome Datasheets where you report on:

Project-level Indicator progress

- enter actual value in this PR
- enter description

The screenshot displays the 'PR & AFR DATASHEET' interface. The 'OUTCOMES' tab is selected, showing a list of outcomes. The first outcome is expanded, revealing an 'OUTCOME DATASHEET' form. The form includes a table for tracking values and a comment field.

NO	OUTCOME NAME
1	The activities listed will allow that reduce the damage by the inland Vereskereszt-Madarasztó-canal ar
2	The activities listed will allow that water management situation to th
3	The activities listed will allow that situation to the public, the local pe
4	The activities listed will allow that to the public, the local people and

BASE VALUE	TARGET VALUE	ACTUAL VALUE IN THIS PR	ACCUMULATED VALUE
0,00	1 249,00	10,00	0,00

REMAINING VALUE: 1 249,00

COMMENT: test

PROJECT REPORT - OUTCOMES

OUTCOMES – part with Activities

Progress of Activities:

NO	ACTIVITY NAME	ACTIVITY STATUS	ORIGINALLY PLANNED
1	Procurement (PRAG expert, supervisor of engineering, etc., equipments)	In progress	<input checked="" type="checkbox"/>
2	Purchase of land	In progress	<input checked="" type="checkbox"/>
3	Instruction plans of reconstruction and construction	Not started	<input type="checkbox"/>

- Activities as according to application or those not planned for this RP.
- Current description: Describe as according to BR descriptions displayed or add more data.

ACTIVITY DATASHEET

ACTIVITY NAME: Procurement (PRAG expert, supervisor of engineering, etc., eq...
ACTIVITY STATUS: In progress
ORIGINALLY PLANNED:

ORIGINAL DESCRIPTION
Procedure expert service for STAR WARS processes. Tender Plan, implement, equipments, external financial management. Arrange for expert services in order to guarantee the proper implementation of public procurement documents and procedures according to PRAG. Purchasing equipments.

CURRENT DESCRIPTION (FROM BENEFICIARY REPORTS)
Beneficiary - Oslo Store...(abbr) - BR 1: a
Lead beneficiary - Timmons Inc...(abbr) - BR 1: 1
Beneficiary - Ice Cream St...(abbr) - BR 1: Not specified description.

CURRENT DESCRIPTION (BY LB)
test

Activity status can be:

Not started yet/In progress/Complete



PROJECT REPORT - INDICATORS

The **INDICATORS** tab:

Report on the progress of

- **PROGRAMME SPECIFIC OUPUT INDICATORS**
- **HORIZONTAL INDICATORS**

Update value of indicator by changing

“Actual value in this PR”

These are the indicator that are aggregated on Programme level.

Hungary-Serbia Co-operation
Programme 2014-2020

PR & AFR SEARCH PR & AFR DATASHEET

INFORMATION REMINDER

MAIN DATA ACHIEVEMENTS OUTCOMES **INDICATORS** INFORMATION AND PUBLICITY FINANCIAL DATA

PROGRAMME SPECIFIC OUPUT INDICATORS

View

INDICATOR NAME	TYPE	BASE VALUE	TARGET VALUE	ACTUAL VALUE
Length of new or improved water management system	Output	0,00	7 666,00	300,00

HORIZONTAL INDICATORS

View

INDICATOR NAME	TYPE	BASE VALUE	TARGET VALUE	ACTUAL VALUE
Number of actions supporting equal opportunities	Equality between men and women	0,00	1,00	0,00
Number of actios serving sustainable development	Sustainable development	0,00	1,00	0,00

PROJECT REPORT - INFO & PUBLICITY

The **INFORMATION AND PUBLICITY** tab:

Report on the progress of

- Obligatory tools
- Recommended tools

Promo material, communication events, Media coverage...

PR & AFR SEARCH 🔍 PR & AFR DATASHEET 📄

INFORMATION REMINDER ⌵

MAIN DATA ACHIEVEMENTS OUTCOMES INDICATORS INFORMATION AND PUBLICITY FINANCIAL DATA ⏪ ⏩

👁 View

NO	INFORMATION & PUBLICITY TYPE	COMMUNICATION TOOL	LANGUAGE USED
1	1. Obligatory tool - Promotional material	Accessories (branded notepads, pens, USB stick, CD, etc.)	HU-SRB
2	1. Obligatory tool - Promotional material	Leaflet	HU-SRB
3	2. Obligatory tool - Communication event	Workshop	HU-SRB
4	2. Obligatory tool - Communication event	Workshop	HU-SRB
5	2. Obligatory tool - Communication event	Workshop	HU-SRB
6	2. Obligatory tool - Communication event	Project closing event	HU-SRB
7	2. Obligatory tool - Communication event	Project opening event	HU-SRB
8	3. Obligatory tool - Media coverage	Radio	Hungarian
9	3. Obligatory tool - Media coverage	Article in print media (newspapers, magazines, etc.)	Serbian
10	3. Obligatory tool - Media coverage	Article in print media (newspapers, magazines, etc.)	Hungarian
11	4. Obligatory tool - Social media network profile	FB profile	HU
12	5. Obligatory tool - Specific for projects with works component	Permanent explanatory plaque	Serbian
13	5. Obligatory tool - Specific for projects with works component	Permanent explanatory plaque	Hungarian
14	5. Obligatory tool - Specific for projects with works component	Temporary Billboard	Hungarian
15	5. Obligatory tool - Specific for projects with works component	Temporary Billboard	Serbian
16	6. Obligatory tool - Specific for purchase of equipment	Stickers 90x50mm (smaller items)	English

PROJECT REPORT - FINANCIAL

Several financial tabs that offer different breakdowns and summaries of the progress of Budget spending per budget lines. **FINANCIAL DATA** - info about DOVEs

FINANCIAL DATA/BENEFICIARY - detailed

FINANCIAL DATA/PR&AFR - totals as in AfR

Basically, they are all fed with data from the DOVEs of individual BRs.

The end result is the

AfR - Application for Reimbursement.

Annex "A" to the Application for Reimbursement

Project ID: HUSRB/1601/error Project Acronym: WASIDCA Name of the Lead Beneficiary: Timmons Inc. (official) No. of the AFR: 2

Reporting period for which the AFR is submitted: from 01/10/2017 to 31/01/2018 No. of the period: 2

Name of the Beneficiary	Member State in which the LB/B is located	Declaration on Validation of expenditure issued on	Total amount of eligible expenditure (EUR)	Revenue (EUR)	Amount of eligible public expenditure (EUR)	Amount of state contribution (EUR)	Amount of IPA requested (EUR)	Financial correction from IPA requested related to irregularities in previous periods (EUR)	Amount of IP to be reimbursed (EUR)
Total									
Settlement of the IPA Advance payment (EUR) by Beneficiaries									
	Short name of the Beneficiary	IPA advance	Limit of settlement	Previously validated IPA fund	IPA fund validated in current report	Total validated IPA fund	Transferable IPA in current report	Advance settlement in current period	Accumulated advance settlement Remaining advance to be settled
Lead Beneficiary	Timmons Inc...	534 616,90	2 138 467,60	1 789,64	828,41	2 618,05	828,41	0,00	534 616,90
Beneficiary 1	Oslo Store.Labrt	242 250,00	969 000,00	17 532,94	4 849,36	22 382,30	4 849,36	0,00	242 250,00
Beneficiary 2	Ice Cream St...	113 925,20	455 700,81	552 817,67	551 682,90	1 104 501,57	534 875,56	16 808,34	0,00
Total		890 792,10	3 563 168,41	572 140,25	557 361,67	1 129 501,92	540 553,33	16 808,34	776 866,90

Good neighbours creating common future

The Programme is co-financed by the

PROJECT REPORT – FINANCIAL

Other Financial tabs of the report:

SOURCES OF FUNDING: offers the various totals of the entire partnership and per Beneficiary

CONTRIBUTION RATE %	PLANNED AMOUNT	PREVIOUSLY APPROVED	CURRENTLY REPORTED	ACCUMULATED	ACCUMULATED %	REMAINING
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EU CONTRIBUTION (IPA) ADVANCE: information about settlement of the 15% IPA Advance

The advance begins to be settled from 60% of spending rate till 75% gradually

TRANSFER FROM LB: here update the date and amount of transferred to other Beneficiaries

PR&AFR	BENEFICIARY	DATE OF TRANSFER	TRANSFERRED AMOUNT
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PROJECT MODIFICATIONS

As a general rule, the number of modifications is limited to **1 per Reporting period**

Two types of modifications, those that require SC modifications, and those that don't

Those that require: **Addendum needed, requires approval of MA**

Those that do not: **Other project changes - require approval of JS**

Admin changes: minor technical changes that do not require any procedure or approval

Modification is requested in a form and in all cases goes to the JS first,

The JS then determines the type - who decides on the modification.

Ask all Beneficiaries before submitting.

Keep modifications to a minimum.

PROJECT MODIFICATIONS

Not allowed:

1. Modifications which affect the basic purpose of the Project as approved by the Joint Monitoring Committee
2. Change of Lead Beneficiary (unless it is necessary by law)
3. Budget reallocations between Beneficiaries
4. Reallocation to the budget line which did not contain allocated amounts in the approved budget or to those which were decreased according to the decision of the JMC
5. Reallocation to the Budget Heading Nr. 1 'Preparation Costs'

OTHER PROJECT CHANGES - OPC

- **Project team change**
- **Merging of project periods**
- **Decrease of output and result indicators** (NOT exceeding 20% of the original indicators)
- **Budget reallocation between budget headings** (both NOT exceeding 20% of the original amount of the affected budget headings and NOT exceeding 10 000 EUR - reallocations cumulative)
- **Budget reallocations between budget lines of one budget heading** (for example: 4.5 -> 4.8, or 5.2->5.1).
- **Budget description.**
- **Changes in activities** that are not considered as substantial changes (e.g. minor activity description change, etc.). However, shifting activities between reporting periods is not considered as an OPC, it is enough if the LB reports about it in the next Project Report.
- Other (e.g. change of legal representative, change of separate project bank account, etc.)

SC CHANGES - ADDENDUM

- **Change of the Beneficiaries** requires the approval of the MA or JMC
- Substantial changes in the **overall project objectives**
- **Changes of activities** (either introducing new activities or replacing old ones);
- **Decrease of value of output and result indicators** (both Programme- and Project-Level indicators - decrease larger than 20% of the original value of the indicator in question)
- **Budget reallocation between budget headings** which BOTH cumulatively exceeds 20% of the original amount of the affected budget heading and is at least 10 000 EUR (also calculated cumulatively) within the budget of the particular Beneficiary;
- **Prolongation of the project duration.**

The PM of JS may decide to put any modification to MA for decision if she/he deems necessary

Thank you for your attention!

**Interreg-IPA CBC Hungary-Serbia
Joint Secretariat**

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