

Managing EU projects

*Kenniscentrum Vlaamse Steden
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Session programme

- Roles and responsibilities in cooperation projects
- Project start-up
- Financial management
- Reporting and performance monitoring
- Financial control and audits
- Communication
- Questions

Who am I?

link-eu

- European territorial cooperation expert
- Den Haag, NL
- Project development and management
 - Local, regional authorities, universities, business
- Advisor to EU programme authorities
 - INTERREG EUROPE, 2 Seas, NWE, URBACT, ERDF South NL



About you?

Where are you from?

Are you experienced?

Burning question ...

EU funding programmes for cities

- INTERREG A – Cross-border cooperation
- INTERREG B – Transnational cooperation
- INTERREG EUROPE
- URBACT

Interreg
Vlaanderen-Nederland

Interreg
2 Seas Mers Zeeën

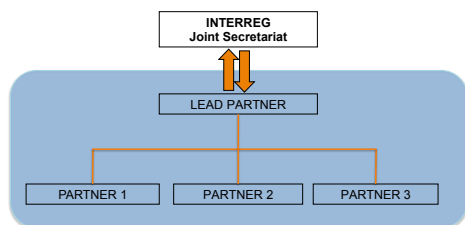
Interreg
North-West Europe
2014 - 2020

Interreg
Europe

URB
ACT
Connecting cities
Building successes



Lead partner principle



Lead partner responsibilities

- Management and implementation of project
 - Coordination of delivery
 - Coordination of administration and reporting
- Contact point for programme Joint Secretariat
- Financial and legal responsibility for whole project
- **Subsidy contract** with INTERREG Programme

Partner responsibilities

- Delivery of project activities
- Administration and reporting at partner level
- EU and programme requirements
- **Partnership agreement** with lead partner & partners

Subsidy contract

- Contract between lead partner & INTERREG
- The contract covers:
 - Amount and terms of funding
 - Project plan as reference for funding
 - Project performance requirements
 - Budget rules: eligibility, flexibility, modifications
 - Communication and publicity
 - Intellectual property rights
 - Lead partner liability
 - Obligations after project

Partnership agreement

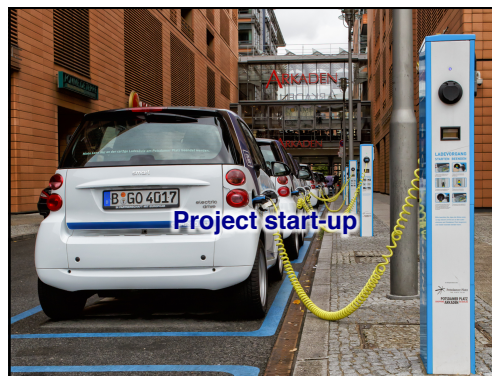
- Agreement between all partners and lead partner
- The agreement covers
 - Mutual obligations in partnership
 - Joint responsibility for project delivery
 - Transfer of financial and legal liabilities to partners
 - Internal decision making rules
 - Intellectual property
 - ... project specific points...

Project coordination

- Aim: effective delivery of project activities and results
 - Essential lead partner responsibility
- Project management
 - steering on time, task, output
 - problem solving
- Partnership interaction and animation
 - Joint meetings and activities
 - Bilateral contacts
 - Use of on-line channels
 - Intercultural communication

Cooperation arrangements

- Division of project roles and tasks between partners
- Essential lead partner tasks:
 - overall project coordination and steering
 - financial management and reporting
- Delegation of other coordination tasks
 - work package or activities
 - communication
 - specific discipline, expertise
 - hosting of events



Project start-up

- Mobilising the partnership
 - Initial project meeting
 - Team building
- Start-up of work programme
- Finance and administrative arrangements
 - Design internal work process
 - Setting up control system
 - Briefing and guidance for partners
- Contracting

Finance & admin guidance

- Guidance for financial management and reporting
 - Based on programme manual + internal arrangements
- Address the following main issues:
 - Explanation of budget lines (type of costs, supporting documents)
 - Reporting process
 - Guidance on important principles (e.g. procurement)
 - Record keeping
 - Templates to help accounting/reporting (e.g. time sheet)

Project initiation phase



- Training sessions
 - for partners
 - for controllers
- Initiation meeting with Secretariat
 - Programme requirements
 - Define milestones for delivery
 - Agreements for monitoring and reporting

Project initiation phase



Deliverables:

- Subsidy contract and partnership agreement
- Designation of controllers
- Procurement policy
- 1st steering committee
- Monitoring Plan
 - Timing of milestones
 - Reporting deadlines
 - Planning of meetings with Secretariat

Project kick-off session

Welcome to the first partnership meeting of

DRY FEET

Reducing flood risks in city centres

Interreg 



Financial management

- Administration of expenditure
 - Project partner level
- Budget monitoring
 - Lead partner level
- Financial reporting
 - Partner and lead partner level
- Audit and control
 - Partner and lead partner level



Staff & administration costs

- Costs for staff members of partners
 - a. 20% of direct costs
 - b. real cost basis (*standaard uurtarief methode*)
- Supporting documents
 - a. not needed
 - b. contract, payments, time sheets, ...
- Administration costs
 - fixed fee of 15% over staff costs
 - no supporting docs



Travel & accomodation

- Costs for travels by partner staff
 - Transport, food, accommodation, visa, allowances
- In principle: within programme area
- Supporting documents
 - Proof of travel – agenda, participants list, boarding card, ...
 - Invoices and proof of reimbursement



External expertise & service

- Contracting of external providers for project tasks, e.g.:
 - Studies, advice, research
 - Expert fees and expenses
 - Communication, promotion, events
 - Project management, finance, control, IT
- Public procurement
- Supporting documents
 - Evidence of procurement process
 - Proof of delivery
 - Invoicing and payment proof



Equipment

- Essential equipment for reaching project objectives
 - “off-the-shelf” products
- Reimbursed on depreciation basis
- Public procurement
- Supporting documents
 - Evidence of procurement process
 - Proof of delivery
 - Depreciation scheme
 - Invoicing and payment proof



Infrastructure & construction works

- Investments in infrastructure, construction and production of physical works
 - Land, real estate
 - Installation, construction, renovation
 - Other works needed for project objectives
- Public procurement
- Supporting documents
 - Proof of procurement, development, delivery
 - Statements of value, ownership
 - Invoices, payments, ...



Public procurement

- For all external services, goods, works contracted
 - Requirements differ depending on size of contract
 - All partners are concerned
- EU – national – internal – programme rules
 - the stricter rule must always be applied
- Key principles: competition, equal treatment, transparency
- Adequate documentation of procedure must be kept

Financial management

- Budget monitoring
 - detailed budget plan at project start
 - monitoring of partner financial claims
 - partner budget forecasts
- Anticipate on budget deviations
- Budget flexibility
 - Deviations up to 20% (budget line, partner) are accepted
 - Deviations over 20% are subject to prior approval
 - Severe spending delays may lead to reduction of grant

Financial management

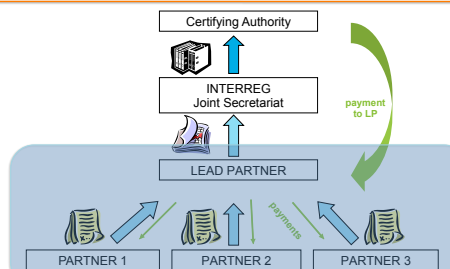
- Cost sharing
 - 1 contracting partner receives INTERREG contribution
 - reimbursement between partners
 - agree on internal rules in partnership agreement



Progress report

- Describe progress on implementation
 - Deliverables, outputs, results
 - Problems and solutions
- Justification of expenses & payment claim
- Main tool for programme to monitor performance
- Frequency: 1 or 2 progress reports per year
 - Financial claims may follow different rhythm

Reporting & payment cycle



On-line reporting

INTERREG IVC ONLINE FORM - LABOUR PLUS (Phonetic Report)

Progress Report 6 - SUBMITTED

Reporting period: 01/01/2014 - 31/12/2014

1. ACHIEVEMENTS SO FAR

1.1. Summary of the project's achievements so far

1.2. Financial performance

2. Financial performance

2.1. Total eligible expenditures by budget line

Budget line	Total Budget	Previous report	Current report	Accumulated	%	Remaining
1. Personnel	100,000.00	100,000.00	100,000.00	100,000.00	100.00	0.00
2. Travel and subsistence	100,000.00	100,000.00	100,000.00	100,000.00	100.00	0.00
3. Transport and services	100,000.00	100,000.00	100,000.00	100,000.00	100.00	0.00
4. Equipment	100,000.00	100,000.00	100,000.00	100,000.00	100.00	0.00
5. Other	100,000.00	100,000.00	100,000.00	100,000.00	100.00	0.00
Total	500,000.00	500,000.00	500,000.00	500,000.00	100.00	0.00

Project performance



- Annual performance review of progress report
- Corrective measures in case of underperformance
- First occasion: official warning
- Second occasion: financial correction.
 - 5 – 25% project budget in the given year
- External factors / force majeure may be considered

Project performance



- Possibility for deviations: **tolerance levels**
 - Delivery to time
 - Delivery to budget
 - Delivery of outputs
- Action plan
 - Specific actions to solve deviation and ensure compliance
- Exception plan
 - Technical modifications to budget or work programme
 - Major modifications to the performance targets of the project

Exercise – Financial claim





First level Control

- Verification of expenses by independent controller
- Each partner has a First Level Controller (FLC)
- FLC must be approved by your national authority
 - Start of project
- Different systems per Programme and Member State
 - Centralised at MS level
 - Shortlist of accepted controllers
 - Decentralised: free choice of internal or external controller

First Level Control

- Approved FLCs must check each payment claim
- What does FLC check:
 - Does expenditure comply with EU, Interreg, national rules?
 - Is expenditure properly documented (audit trail)?
 - Were goods and services actually delivered?
- Lead Partner FLC:
 - Verify correctness and compliance of partners reports

First Level Control

- INTERREG programmes offer FLC training sessions
- Interaction with FLC throughout project
 - Start early on – set up of accounting system
 - Keep FLC up to date
 - LP engagement with partner FLC
- Nature of FLC checks:
 - 100% controls
 - checks on the spot

Other controls and audits

- Monitoring visits by programme secretariat
 - each project
- Second level control
 - sample of projects
 - programme Audit Authority
- Other controls
 - EU, programme, national audits
 - during or after the project

After the project

- Record keeping
 - partners must archive docs after project (5 years or more ...)
- Possibility of audits
- Continuity of investments
 - No major changes for 5 years after project
- Revenues
- Maintain on-line presence



Communication in EU projects

- Specific role of communication:
 - Demonstrate how EU funds are spent
 - Show added value of EU cooperation
 - Achieve, demonstrate and share results
- Strategic tool to achieve project objective
 - Starts in application stage
 - Communication strategy

Communication strategy

- Communication objectives
 - contribute to reaching project objective, change
 - disseminate project results
- Target groups
 - specific audience(s) linked to project issue
 - general public
- Messages
 - Limited number of key messages
 - Target group specific

Communication strategy

- Activities & outputs
 - channels and tools to transmit a message to a target group
- Time plan
 - linked to project milestones
- Resources
 - capacity and expertise
 - budget
- Evaluation
 - measure effectiveness of communication approach

Communication rules

- Logo's and branding
 - Use of EU and programme logo mandatory
 - Project logo and brand (if needed)
- Website
 - Project website
 - Partner organisations websites
- Posters and billboards
- Contribution to programme events
- Continuity after project

Exercise – communication strategy



Final remarks

- Complex, but it can really be done
- Project management team – competence and capacity
- Interaction with the programme secretariat
- *"Keep your eyes on the prize"*



Dank voor uw aandacht

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