

## **Project implementation**

**Which is the last date for the implementation of the project activities in this programme?** All project activities must be completed by 31st December 2014.

**How long should the partner have ownership of the project results?** Prior consent of the JMA is required for the transfer of ownership, industrial and intellectual property rights for outputs and results of the project during the implementation period of the project and for five years after completion of the project.

**Should the Expenditure Verification Report be submitted once per project or more often?** According to the provisions of the Section 3.3.2.1 of Guidelines for Grant Applicants, the Expenditure Verification Report, produced by an auditor shall be attached to any request for a further pre-financing installments for the projects of duration over 18 months or awarded grant over 300,000 EUR, as well as to the request for balance payment and shall be submitted to the JTS. For projects of duration less than 18 months or awarded grant less than 300,000 EUR the Expenditure Verification Report is to be submitted with the request for balance payment.

**Can the procurement be initiated before signing the Grant Contract?** According to Grant Contract Art.7 - Procedures to award subcontracts for goods/services/works may be initiated but contracts may not be concluded by the Beneficiary or its partners before the start of the implementation period of the Project.

**How is the starting date of the project defined?** Project starting date is defined by the Beneficiary and the JMA and stipulated in the Grant Contract (GC). It can be either the day following that on which the last of the two parties signs the GC, or a later date agreed in the GC but no later than 6 months after signing the GC.

**How to choose auditor for a Project?** The requirements for the auditors carrying out the verification are listed in the Annex 8.6 to the Guidelines for Grant Applicants stating that the selected auditor has to be member of the national accounting or auditing body, which, in its turn, is member of the International Federation of Accountants (IFAC); or be a member of the national accounting or auditing body and commit itself to undertake the assignment in accordance with the IFAC standards.

**What is meant by "Nationality rule and rule of origin"?** According to the nationality rule participation in the procurement and grant procedures is open on equal terms to all natural and legal persons from the EU and from eligible countries.

According to the rule of origin all supplies and materials purchased under a contract financed within the Programme must originate from the EU or from eligible countries.

Eligible countries:

Member States of the European Union:

Austria, Belgium, Bulgaria, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden,

United Kingdom.

ENPI countries:

Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestinian Authority of the West Bank and Gaza Strip, Russian Federation, Syria, Tunisia, Ukraine.

Countries that are the beneficiaries of an Instrument for Pre-Accession Assistance set up by Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA):

Croatia, The former Yugoslav Republic of Macedonia, Turkey, Albania, Bosnia, Montenegro, Serbia, including Kosovo.

Member States of the European Economic Area:

Iceland, Lichtenstein, Norway.

The nationality rule applies to natural and legal persons.

The nationality rule does not apply to the experts proposed by service providers taking part in tender procedures or service contracts financed by the Programme.

All supplies and materials purchased, including the materials to be used for construction are the subject to the rule of origin.

The rule of origin does not apply to the contractor's equipment to be used during the construction.

**Is it allowed to use black & white Programme logo?** Depending on the colors used in the publicity material the Programme logo has to be used either in full colors or in grey scale.

**Where is the proper place for description of communication and visibility activities in the project Application?** Communication and visibility activities should be described in the Worksheet III (Description of the Activity Package 2); the relevant costs are to be foreseen in the respective Budget Headings of the project Budget and their division per partner has to be reflected in the costs for implementation of Activity Package 2 in the Worksheet XIII of the Application Form.

**Is a separate account required for the purpose of keeping the project accounts?** The Beneficiary and the project partners shall keep accurate and regular accounts of the implementation of the project using an appropriate accounting and double-entry bookkeeping system. In order to ensure it the Beneficiary and all partners involved in the implementation of the project and receiving funds from the Programme must maintain a separate accounting system or an adequate accounting code for all transactions related to the project without prejudice to national accounting rules. In this way all project related expenditure and receipts should be clearly identified.

**If project management and / or financial management are sub-contracted, is the public procurement required?** Yes, purchase of services is subject to procurement procedures described in section 3.2.5 of the Guidelines. It has to be noted that the

beneficiary and the project partner(s) as well as associates are not allowed to sub-contract each other or employees of their organizations in order to carry out project activities.

**Can project partners (especially partners from Russia) receive payments under the Grant Contract?** After the Grant Contract has signed, the beneficiary is responsible for requesting and receiving payments from the Contracting Authority, which then are timely forwarded to the project partner(s) in accordance with the project budget and Partnership agreement.

**When can the Beneficiary request pre-financing?** Option 1:

If the overall duration of the project does not exceed 18 months and if the grant does not exceed 300,000 EUR, the pre-financing is paid in two instalments - (1) initial pre-financing instalment, which will be transferred to the account of the Beneficiary within 45 days after signing the Grant Contract and submission the Request for advance will be maximum 40% of the grant; (2) together with the 6-monthly Interim Report the Beneficiary may submit the Request for further pre-financing instalment not exceeding 40% of the project grant. If the consumption of the previous payment is less than 70%, the amount of the further prefinancing instalment shall be reduced by the unused amounts of the previous payment.

Option 2:

If the overall duration of the project exceeds 18 months or if the grant exceeds 300,000 EUR, the initial pre-financing instalment will be 40% of the forecast budget for the first 12 months of the project. It will be transferred to the account of the Beneficiary within 45 days after signing the Grant Contract and submission the Request for advance. The Joint Managing Authority shall pay further pre-financing instalment for each twelve month period of implementation of the project after approval of the 6-monthly Interim Reports. Further pre-financing instalment may only be given if the part of the expenditure actually incurred which is financed by the Joint Managing Authority stands at least at 70% of the previous payment (and at 100% of any previous payments) as supported by the corresponding Interim Report, an Expenditure Verification Report. If the consumption of the previous payment is less than 70%, the amount of the further prefinancing instalment shall be reduced by the unused amounts of the previous payment.