

FUNDS AND PROGRAMMES DIVISION

Grant Agreement & System Structure

Overview

Stakeholders and administrative structures:

- Documents making up the Grant Agreement
- Main obligations arising from the Grant Agreement:
 - Financial Details
 - Revenue Generation
 - Publicity
 - Monitoring and Evaluation
 - Procurement
 - Reporting
 - Documentation
 - Audit and Control
 - Changes to the GA
- Role of the Project Leader

MAIN STAKEHOLDERS

Beneficiary/ Project Promoter

- The organisation responsible for the implementation of the project
- The Beneficiary is responsible to implement the project in line with the terms of conditions of the signed Grant Agreement
- The Beneficiary should always be guided by the principles of good governance and sound financial management

Treasury

Treasury is responsible for:

- Receiving requests for payment (from the RA) to Contractors and Beneficiaries (in case of reimbursements)
- Carrying out relevant checks, particularly ascertaining that the expenditure and supporting documentation is correct and in line with the Financial Regulations
- Effecting payments to Contractors and Beneficiaries through the Central Bank of Malta in respect of expenditure incurred for approved projects

Responsible Authority (RA)

The main task and responsibility of the RA is the proper management of the funds, including the following main responsibilities:

- Project Selection
- Project Monitoring
- Record keeping and regular reporting
- Administrative and Physical Spot Checks
- Verification of invoices during Statement of Expenditures

Certifying Authority (CA)

The main task and responsibility of the CA is certifying declarations of expenditure and applications for payment before they are sent to the European Commission including:

- Submitting interim and final payment claims to the Commission
- Ensuring that it receives adequate information from the RA
- Recording amounts requested and received from the Commission
- Keeping record of the irregular amounts

Audit Authority (AA)

The main task and responsibility of the AA is to carry out audits on co-financed operations to:

- Ensure the effective functioning of the management and control systems
- Verify the correctness of expenditure declared
- Report irregularities to DG OLAF

Department of Contracts (DOC)

- DoC is responsible for the administration of the procurement procedures as laid down in the Public Contracts Regulations (LN 296 of 2010)
- In this function DoC provides guidance and advice to Beneficiaries on all issues pertaining to public contracts
- DoC has the role to establish guidelines for use by Contracting Authorities & support Contracting Authorities in preparing the tender dossiers

Grant Agreement

The GA is a legally binding document signed between the RA and the Beneficiary to formalise the obligations related to the implementation of the project. The GA also includes the following Annexes that are considered to be equally binding

- Annex I – Project Description
- Annex II – Financial Identification Form of the Beneficiary

Main obligations arising from the Grant Agreement

Financial Details

- The Total Eligible Cost is the maximum payable on the project. ***Any changes are subject to a formal approval in writing by the RA following a justified request by the Beneficiary***
- Any savings made following contracting procedures and/ or changes/ withdrawal of activities or part thereof will revert back to the Programme
- Failure to deliver the agreed targets in full may result in recovery of funds



Revenue Generator

- The Beneficiary is to monitor and declare any revenue generated from the project, up to the year 2020
- Any revenue which was not included in the calculation of the grant amount, is to be reported to the RA. This revenue would need to be recovered in full, even if falling due after the end of the Programme.
- If net revenue covers part or all of the investment cost, the RA will recover and/or cancel all or parts of the assistance granted, as the case may be.

Publicity

- The Beneficiary shall acknowledge the grant support received under the Solid Funds.
- Specific information regarding purpose, text and logos in relation to the specific funds publicity measures may be found in the Manual of Procedures, Visibility Guidelines and supporting documents

Monitoring and Evaluation

- The Beneficiary shall participate in and contribute to monitoring and evaluation activities organised by the RA and the European Commission
- The Beneficiary binds itself to provide information to evaluators, commissioned either by the RA or the European Commission and to record the information provided
- The Beneficiary is obliged to keep an inventory of all the equipment and keep it in file
- The indicators and targets set out in the Project Description are binding on the Beneficiary***

Public Procurement

- All Public Organisations must follow the national Public Contracts Regulations (LN 296 of 2010), when implementing operations co-funded by Cohesion Policy
- They should liaise with Department of Contracts on matters related to the issuing of tenders and seek guidance as needed
- Post contractual issues should also be discussed with DoC, while also keeping the RA informed at all times

Reporting

- The Beneficiary shall provide an interim report on the progress of the project and a final report at the end of the project to the RA.
- Nil Irregularity Reports should be provided to the RA every 3 months during the duration of the project

Documentation

- The Beneficiary shall keep documentation in a form agreed with the RA, as outlined in the Manual of Procedures.
- The Beneficiary must retain copies of these documents until three years following the closure of Programme.
- The Beneficiary must ensure that copies of documentary evidence to support all the payments effected for which expenditure was claimed, are retained.

Audit and Control

- The Beneficiary shall grant the RA, the CA, the AA, the National Audit Office, the European Commission and the European Court of Auditors etc, the full right of access to ALL documents concerning the implementation of the project, its results and the use of the grant in accordance with the terms and conditions of the GA and those laid down in the relative Regulations
- The Beneficiary shall allow these organisations the appropriate right of access to sites and premises where the action is carried out and to all the information, including information in electronic format, needed in order to conduct such checks/audits as outlined in this Article

Changes to the Grant Agreement

- No amendment or variation to the terms of the GA will be effective unless agreed to in writing by the RA
- Any change to the Project Description must be requested in advance and in writing to the RA together with a justification of the said change
- Substantial modifications affecting the nature of the project or its implementation conditions may lead to a partial or full recovery of the funds.

It is extremely important that all sections of the Grant Agreement and relative Annexes are analyzed and understood. All sections are equally legally binding!

THE ROLE OF THE PROJECT LEADER

Project Leader

- After obtaining the funds, a Project leader has 2 options:

1. Panic



2. Implement



Project Leader

Essentially a Project Leader is ***accountable for the success and/or failure of a project.***

The Project Leader is the representative of the Beneficiary with the RA and other horizontal stakeholders.

EU Funds Project Leaders

- EU Funds Project Leaders have to deal with several challenging management tasks specific to EU Funds.
- Their work refers to different aspects and phases of project management which require a high level of expertise.

Project Management

- Project Management is the application of processes, methods, knowledge, skills and experience to achieve project objectives.
- A project is a unique, transient endeavour, undertaken to achieve planned objectives, defined in terms of outputs, outcomes etc.
- Project management processes fall into five groups:
 - conception and initiation
 - definition and planning
 - launch and execution
 - performance and control
 - closure and evaluation

Responsibilities

- ***Planning, Executing and Closing the project: defining the project, building its*** comprehensive work plan, managing to the budget, ensuring adherence with the Grant Agreement, Manual of Procedures legislation and regulations, and execution within the defined timeframes.
- ***Managing Teams: Project Leaders are*** not expected to carry out all of the project work themselves. The success of the project also depends on the project leader's ability to lead the project team.

Responsibilities

- This is achieved by facilitating commitment and productivity, mitigating, and motivating the team to achieve all of the objectives of the project in an effective, efficient and timely manner.
- However the project leader is ultimately accountable.

Responsibilities

- ***Managing Expectations: aligning project*** to business goals, managing stakeholders, communicating project status, managing milestones and unexpected difficulties.
- Is guided by the principles of good governance and sound financial management.
- Ensures the preparation of necessary financial reports (claims, etc.) and operational reports and updating the SIS in line with the Manual of Procedures and other regulatory frameworks.

Implementation

- ***Putting words into action: the ultimate acid test..***
- Role of Project Leader becomes more challenging.
- Get to know the details of the Grant Agreement and the dynamics of the project particularly its limitations.

Implementation

- Familiarise yourself with the Manual of Procedures and make sure you attain a good understanding of the document.
- Get project partners involved.
- Clearly delineate roles.
- Ensure that tender documents are drafted in line with the Grant Agreement.
- Stick to the original plan as much as possible, but be prepared to revisit when and as necessary.....flexibility within the legal parameters is crucial!

Implementation

- Identify constraints, potential setbacks at the earliest.
- Take timely action.....communicate, get all interested parties on board, identify remedial action, document your findings and proposed way forward, get necessary approvals.
- Set-up effective internal monitoring mechanisms.....you need to continually feel the pulse and the rate of progress being registered.....ensure that you can track progress/lack of progress as it happens.

Implementation

- Monitoring should focus on:
 - Physical progress (inputs, activities carried out, results etc.)
 - Financial progress (budget, contracting, disbursement etc.)
 - Feedback received from target groups
 - Reactions garnered from any problems/conflicts that have arisen

Implementation

- Collection of data/reports must be regular and has sufficient information to enable you to report back on the project's progress to the RA and Line Ministry
- Standardise format and focus on key milestones
- Ensure that the monitoring system is accepted, and understood by all team members to keep the project progress in check.
- Consequences of failure in compliance should be laid out clearly
- Plan Ahead – No planning is planning to fail!

Implementation

- All project documents must undergo stringent quality control checks to ensure adherence with the Manual of Procedures.
- Adopt the 4 eyes principle.
- Do not process or certify documentation unless you are 100% satisfied.
- Keep an eye out for eligible and ineligible costs.

Implementation

- Ensure that all administrative and financial records are kept and filed as outlined in the Manual of Procedures.
- Build a positive rapport with the RA and other Horizontal Stakeholders.
- Do not assume that all the stakeholders know the details of your project.

Implementation

- Facilitate on-the-spot/physical checks and Audits.
 - Ensure that the required documentation is available.
 - Consult checklists outlined in the Manual of Procedures.
 - Make yourself available on the day.

Concluding Remarks

- There is no miracle recipe to successfully manage a EU Funded Project. However, if the project is well-coordinated and budgetary, administrative, and legal issues are addressed from the beginning, there is a good chance that it will succeed.
- *All project leaders face problems on Monday mornings – good project leaders are working on next Monday's problems.*

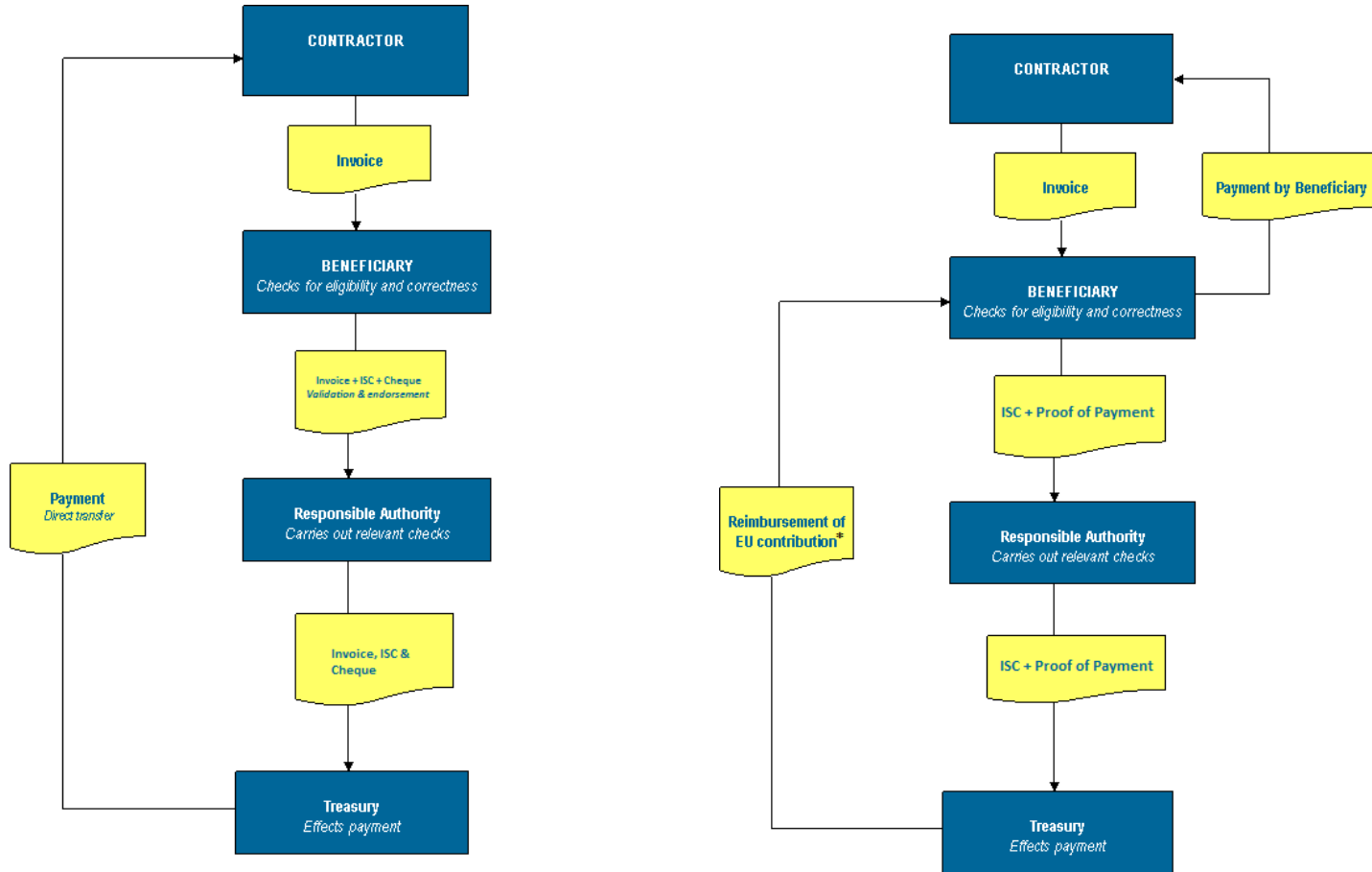
Payment Process

Financial Identification Form

- Business and banking information
- VAT Number
- IBAN Code
- Multiple Bank Accounts
- Original document

EUFM's role

A payment can be either a direct payment of reimbursement.



Payment Documents

Contracts for Works, Supplies or Services

- Guarantees
- Payment Schedule / Certificate of Works
- Dates
- Amounts excluding VAT
- Variations
- Addendum

Salaries

- Consistent reference numbers
- Separate claims for different calendar years

Thank You