

MRDPA

Procedures manual
Procedure on establishing the application of financial
corrections for not achieving or partial achieving the
indicators within the grant contracts

Code
Edition 1
Revision
Date 28.01.2015

**Procedure on establishing the application of financial corrections for
not achieving or partial achieving the indicators within the grant
contracts under the
Cross Border Cooperation Programme Romania –Bulgaria 2007-2013**

The situation of editions and revisions of the procedure

	The procedure edition	Revised chapter)	The revision method	Entry into force date
	1	2	3	4

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ABBREVIATIONS

AA	Audit Authority
MD	Monitoring Directorate
ERDF	European Regional Development Fund
EU	European Union
JTS	Joint Technical Secretariat
MA	Managing Authority
MRDPA	Ministry of Regional Development and Public Administration
NA	National Authority
Programme	Romania – Bulgaria Cross-Border Cooperation Programme 2007-2013
RO	Romania
ROC	CBC Regional Office Calarasi

REFERENCE DOCUMENTS**Documents**

Romania – Bulgaria Cross-Border Cooperation Programme 2007-2013
 Subsidy and co-financing contracts concluded within the framework of the Programme
 The principle of equal treatment as defined in the EU and national legislation

1. The scope of the procedure

The present procedure is based on:

- The Audit Authority's recommendation to have a procedure for establishing the application of financial corrections for not achieving or partial achieving the indicators within the grant contracts under the Cross Border Cooperation Programme Romania – Bulgaria 2007-2013,
- The principle of equal treatment for all grant beneficiaries.

The aim of present procedure is to establish the methodology which will be applied for the projects implemented under the Cross Border Cooperation Programme Romania-Bulgaria 2007-2013 within the priority axis 1 – Accessibility; 2 – Environment and 3 – Economic and social development in case of not achieving or partial achieving the indicators within the subsidy contracts.

Please be aware of the fact that this procedure is not establishing a correction methodology for cases of infringement of procurement legislation

2. General aspects

The relevant structures within the Programme ensure the monitoring of the projects implemented in the framework of the Cross Border Cooperation Programme Romania – Bulgaria 2007-2013.

In this respect, a constant process of analysis, data collection and documentation, together with regular providing of observations on the activities made, the results and indicators achieved, is assured.

The following two categories of indicators, that are included in the approved applications and are part of the subsidy contract, are taken into consideration in the process of monitoring:

1. Result indicators (programme result indicators),
2. Project indicators (project indicators).

The status of achieving the indicators will be monitored during the subsidy contract validity period, by means of the analysis of the intermediate progress reports, as well as on site monitoring visits, according to the internal monitoring procedures.

After completion of the implementation period, the indicators' degree of achievement will be specified within the final monitoring visit report and will be declared by the Project Lead Partner in the final progress report, comprising the supporting documents in this respect (if applicable).

3. Establishing the indicators' degree of achievement

JTS representatives will ensure the monitoring of the result and project indicators' degree of achievement, as included in the approved application form, annex to the subsidy contract.

The progress of the indicators will be assessed based on the information in the final progress report.

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The indicators' degree of achievement will be appraised considering the following factors:

- a. the difference between the baseline value and the target value established in the subsidy contract;
- b. the effectively achieved indicator value (according to the justification/supporting documents/monitoring sources)

Degree of achievement = (achieved value*100) / target value

Considering the fact that within the projects there were included indicators that cumulate to the programme level not to each project level, the following qualitative indicators will be considered achieved 100% in case of unfolding all the activities within the project and in case of achieving the general objective of the respective project:

1. Reduction of travel time between the settlements located on either side of the borders,
2. The extent to which the eligible area is covered by awareness raising campaigns,
3. The extent to which the Danube is covered by joint flood prevention systems in the cross-border area,
4. The extent to which the eligible area is covered by joint risk prevention systems,
5. The extent to which the Danube is covered by joint early warning emergency activities against flooding.

4. Correction methodology

Final site visit to the project beneficiaries.

During the final site visit to the project beneficiaries, the JTS' representatives will verify the degree of achievement for all indicators (established in the application form).

The MA representatives could participate during the final visits if considered necessary at the MA level.

If it is found that the degree of achievement of the monitored indicators is lower than the target value for which the beneficiaries committed themselves by means of the subsidy contracts, JTS' and MA's (if the case) representatives will establish a deadline for submission of justifying documents related to their findings, stamped "according to the original".

If clarifications are needed, JTS can organize special monitoring visits to the project partners too and can request from the beneficiary to submit clarifications within a deadline of 10 working days.

If the JTS's representatives will consider that the indicators were not achieved, they will mention in the final site visit report and in the administrative analysis of the final progress report if this situation has an impact on the objective/s of the project or not and will inform the MA -Monitoring Directorate (MD).

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5. Application of financial corrections

Having in mind the provision of the subsidy contract, article 7, (2), *"The LP has the responsibility of implementing the operation according to the provisions of the present contract, of the Partnership Agreement (annexed to the present contract) and of the national and European legislation on force. The LP shall be responsible in front of the MA for the implementation of the obligations assumed in the Contract and in the Partnership Agreement, for the implementation of the operation and for achieving the goals stipulated in the contract and its Annexes."* and the Romania – Bulgaria Cross-Border Cooperation Programme 2007-2013, in case the MA will establish that the indicators of the project have been partially achieved, a proposal including the MA's conclusions and the measures to be taken in this respect will be submitted to the JMC's consideration.

The proposal will include an analysis of the project's achievements, in accordance with Annex 1 – Instruction no. 47/05.04.2012, hereby attached, will specify if the objective/s of the project are affected by the partial achievement of the indicators and will include measures to be taken (either financing the Action proportionally with its execution, or terminating the contract and requesting the reimbursement of the already paid amounts in cases where the objective/s of the project are seriously affected by the non achievement of the indicators).

Decisions are to be taken on a case by case basis. The global sum of the correction will be distributed between Partners' budgets taking into account the role of each partner in the implementation of the project indicators, the budget and the expenditures of each project partner.

The procedure is not applicable if the project's results and objectives are achieved. Decision no.83/26.05.2014 will be also taken into account.

Anexa 1

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Nr de persoane care au acces la facilitati ICT	5000	3000	60,00	40,00
.....				
Nr de persoane care participa la people to people actions	1000	1000	100,00	0,00
Nr. de materiale promotionale realizate	10	10	100,00	0,00
.....				
3 seminarii	3	3	100,00	0,00
.....				10,00

- *intre 0 si 10 % grad de nerealizare indicatori - corectie 0%
- *peste 10% si 20 % grad de nerealizare indicatori - corectie 5%
- *peste 20 si 30 % grad de nerealizare indicatori - corectie 10%
- *peste 30 si 40 % grad de nerealizare indicatori - corectie 15%
- *peste 40 si 50 % grad de nerealizare indicatori - corectie 20%
- *peste 50% grad de nerealizare indicatori - corectie 100%