



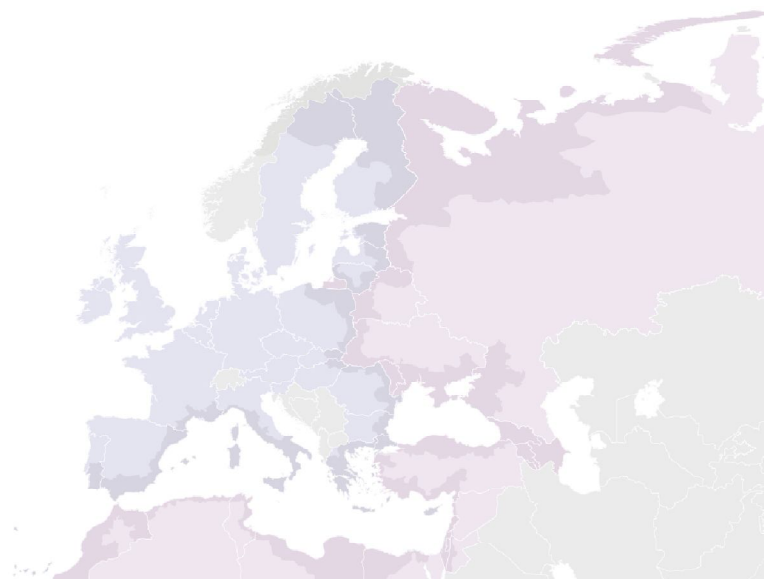
Technical support to the implementation
and management of ENI CBC programmes

Questions and Answers on closure of ENPI CBC programmes 2007-2013

July 2017

(Based on Q&As raised in the framework of the meeting on closure for ENPI CBC programmes held in Brussels on 10 May 2017 and updated after the meeting on recoveries for ENPI CBC and ENI CBC programmes held in Brussels on 27 June 2017)

[SECTION 5 – Final report by the JMA \(questions 19 to 41\)](#)



Topics	Questions	Proposed answers
<p>Final report by the JMA:</p> <p>a) Executive summary</p> <p>b) Technical part</p> <p>c) Financial part</p> <p>d) Audit reports</p>	<p>19) As the bookkeeping records of May and June are not available (and costs audited) by 30th June, can we report rest of the costs afterwards (in practice August 2017) to Commission. Or could we send technical part by 30th June and the financial part when it's totally ready (end of August).</p>	<p>Both the technical and the financial report have to be submitted by 30th June. However, the audit report may include non-paid costs incurred (e.g., those of the months of May and June in this particular case).</p>
	<p>20) Division of the costs between ENI preparation and ENPI, can the salaries be reported with estimated shares (%) of working time (no timesheets available). Shall we allocate IT, rent etc. costs with the same divisions?</p>	<p>In case there are no detailed timesheets allowing for a precise division of costs, you may use an estimate and include a description of the method used for the calculation. This method may be used for staff costs, as well as for indirect administrative costs.</p>
	<p>21) Transfer of assets:</p> <ul style="list-style-type: none"> Is it necessary when the management structures – MA and JTS - are the same institutions? Some assets might have been already discarded. <p>Which part (technical or financial) of the report should contain the information related to the paragraphs “transfer of assets” and “specific thresholds or requirements in JOP” (p. 19)? If the institution acting as JMA for the ENPI is the same for the ENI, the assets transferred to the new institution are considered as “change of ownership”?</p>	<p>It is not necessary to indicate the transfer of assets if there is continuity, that is, when there is no “change of ownership”. You must simply state this situation in the report. The assets discarded should be out of the inventory of the institution, following its own usual procedures. The auditors need to verify that these procedures have taken place, in accordance to your rules.</p> <p>This information, as well as the one on “specific thresholds or requirements in JOP” needs to be included in the technical part of the report.</p> <p>In case that some assets were purchased from ENPI funds for ENI Programme this information shall be included and added a breakdown of the items purchased. In this way it will be avoided double invoicing.</p>
	<p>22) Interest:</p> <p>We consider that it is not easy to put in practice such an approach and might complicate unnecessarily the process of managing the interest. In order to be considered as co-financing, it should be paid and it is not clear how it will be paid. It might be used as Technical Assistance funds for the ENI programme.</p>	<p>As indicated in the Guide, interest can be used for covering expenses which were not included in the reported TA costs. Such expenses are paid already (borne by the Member State), for example, cost of staff of the bodies hosting the JMA during the duration of the ENPI programme.</p> <p>As a result of the final calculation, irrespective</p>

		<p>whether the option above will be used or not, a <u>financial leftover</u> (amount of other revenues exceeding the additional costs) might still be present. As anticipated in the Guide, the possible options for the use of such leftover are currently being explored by DG Near. The outcome of this exercise will be notified in due time after the submission of the final report, but – whichever the choice - <u>it will not affect the closure of ENPI CBC programmes.</u></p>
	<p>23) Indicators: Regarding the reported indicators which might divert significantly from the target set in the programme, please clarify whether a specific approach should be followed in case the target are exceeded.</p>	<p>No specific approach should be followed. The programme needs to report them and, ideally, explain the reasons for the success.</p>
	<p>24) Project implementation: TESIM guide mentions 2 sections of the report which would imply the overlapping, partially, of information related to project implementation:</p> <ul style="list-style-type: none"> • The detailed list of the concluded contracts and summary of difficulties encountered • Summary of the project monitoring, evaluation and audit <p>We would prefer to approach the subject of project implementation in one single section.</p>	<p>The programmes are free to organize the technical information in a different way, provided that all indicated elements are included in the report.</p>
	<p>25) Table pg. 33: For projects: Please clarify the meaning of expenditure planned (allocated or contracted? If contracted - initially contracted, final contracted, final at the end of implementation taking into account addenda, termination. If allocated – initially allocated, allocated after reallocation between priorities, allocated after JOP funds increased from the EC?).</p> <p>For TA: We did not have allocated amounts for 2014-2020.</p> <p>Please clarify the meaning of amounts paid, with or without recoveries.</p>	<p>“Expenditure planned” means the amounts budgeted in the last version in force of the Joint Operational Programme.</p> <p>In the case of the technical assistance devoted to the new programming period, the amount planned should be zero.</p> <p>The amounts paid by the programme should be considered as the sum of all payments made, regardless of any subsequent recovery, which will be accounted for in other tables of the report.</p>

	<p>26) Table pg. 34: Please clarify the terms in this table. It is not clear how it should be filled in.</p>	<p>Following the discussions held during the event, terminology has been revised in the tables in page 34. See the updated Guide, as well as the attached Excel file for further clarification.</p>
	<p>27) Table 1 pg. 36: Please clarify the meaning of amount planned.</p> <p>Is this amount relevant for the absorption rate? The absorption rate should be calculated as percentage of amount paid / amount allocated to TA in the JOP.</p> <p>Please clarify the meaning of total amount recovered.</p>	<p>The amount planned means the amount in the indicative budget in the JOP in force, <u>if this breakdown exists</u>. In case the TA budget has no breakdown per type of expenditure, please indicate any available breakdown, such as per programme body.</p> <p>The absorption rate is the amount paid on the amount allocated.</p> <p>The word “recovered” in the total is an error, which has been corrected in the updated guide. It should simply say “total” (see the new version table 5A).</p>
	<p>28) Table 2 pg. 36: Please clarify the meaning of amount awarded. Please note that there are differences between amounts awarded and amounts contracted. (regarding contracted amounts, please see above the questions for table on pg. 33.)</p> <p>Regarding amount paid, please see above the questions for table on pg. 33.</p> <p>Please clarify whether only ENPI should be reflected.</p>	<p>The updated guide has been corrected and the word “awarded” has been substituted by “contracted”.</p> <p>Regarding amount paid, also the recoveries should not be deducted from the amounts paid.</p> <p>In case of programmes with other sources of funding, such as IPA, the tables should be adapted to show both the ENPI and IPA amounts separately, as well as a total per project. (See table 5B)</p>
	<p>29) Table 3 pg. 36: Please clarify whether the table is intended only for financial corrections applied in accordance with Reg. 1343/2014 or for all the recoveries.</p>	<p>The table is intended to include ALL financial corrections applied by the JMA during the entire duration of the programme, both before and after the modification of the ENPI CBC IR (See table 5C).</p>
	<p>30) Table 4 pg 36: Please clarify what it is requested for date of the decision by JMC. The JMC decision for recoveries is not required.</p>	<p>The updated Guide has been corrected to indicate JMA/JMC, as “contracting authority” has different interpretation in different programmes. In some of them is only JMA, while in others is, depending on the articles of</p>

	the grant contract, either JMA or JMC (See table 5D).
<p>31) Table 1 pg 37: The date of decision by EC is also needed, in accordance with Reg. 951/2007.</p>	Following the discussions during the event, the date of decision by the EC has been added in a separate column, as both dates are needed, in accordance with article 27.5 of the ENPI CBC IR (See table 5E).
<p>32) Tables 2 and 3 pg 37: Also country of the partner should be mentioned. Please clarify the term <i>indicative</i> for the date of the recovery decision.</p>	<p>The label has been modified in the updated Guide, so it says "Country of beneficiary/partner".</p> <p>The word "decision" has also been removed. (See tables 6A and 6B)</p>
<p>33) Table 2 pg 38: This table should include also the elements from table <i>Additional revenue</i> from page 34.</p>	<p>Yes. They were added to the table 8A: Other revenue from projects (penalties, interest on recoveries etc.) and Revenue from Technical Assistance (penalties, interest on recoveries). The item "Interest on prefinancing" has a different treatment and therefore has to be reported separately (see point 4.6 of the Closure Manual).</p>
<p>34) General comment for the tables: Please note that there might be differences of absorption rates in different tables, depending on the type of information used (ex.: amount allocated in JOP, amount contracted).</p>	These potential differences have been clarified in the updated Guide.
<p>35) Section 7.4, last bullet: The amounts recovered should be included in the Financial part.</p>	The amounts in the financial part of the report include all amounts recovered, regardless of who and when identifies the need of the recovery (e.g., due to underspending or checks by JMA/JTS during the revision of payment claims), while the amounts mentioned in section 7.4 refer exclusively to the amounts identified during the audit work.
<p>36) Please explain the financial tables from the financial part of the Guide on closure. For instance, Section B), tables Technical assistance and List of</p>	The financial tables have been revised in the updated Guide and the label "total amount recovered" has been corrected, where relevant. An Excel file with the table is provided together with the Guide.

	<p>projects, the last row “total amount recovered”.</p>	
	<p>37) Please detail the section regarding the interest on pre-financing</p>	<p>The information refers to the interests mentioned in article 21 of the ENPI CBC IR, as previously mentioned in other answers. The amount needs to be assigned to the programme and declared in the final report.</p>
	<p>38) Please explain the calculation of the final balance, focused on how the amount waived from projects and the amount of pending contentious recoveries in Member States, should be reflected</p>	<p>The amounts waived from projects shall be accepted as programme expenditure and paid by the EC, once fulfilled all the requirements in article 27.5 of the ENPI CBC IR. It does not have a specific line in the final table, as the amounts waived are included in the total amount paid to projects.</p> <p>Opposite, the amounts to be recovered from contentious cases in Member States shall be paid either by the concerned beneficiary/partner or by the concerned Member State. Consequently, the amount needs to be deducted from the final amount of declared expenditure.</p>
	<p>39) Regarding point 5.2 when you talk about the reduction of grant based on detailed assessment, can you please elaborate in more detail on what are your recommendations on how to proceed with projects where one of the partners abridged the law? Who should be informed and what type of punitive measures can be imposed.</p>	<p>Section 5.2. does not refer to projects where one of the partners abridged the law, but to cases where the project was poorly or partially implemented and did not reach its expected results. For cases of breach in legal obligations, please refer to articles 4 and 5 of EC Regulation 2988/95 on the protection of EU financial interest, which details the type of punitive measures to apply.</p>
	<p>40) In point 7.2 part c) The Final Statement on pending contentious recoveries, please elaborate what category of costs can be waved and what are the criteria for waving costs.</p>	<p>Waivers are regulated in article 27.5 of the ENPI CBC IR. More details on the criteria for waving are indicated in article 80 of the Financial Regulation.</p> <p>At this stage JMAs are allowed only to wave the amounts up to EUR 200,00.</p>
	<p>41) As currently sample checks are being carried out by the Internal Audit Section of the JMA and it is foreseen that the results of them will</p>	<p>Such cases could be covered in the tables related to the pending contentious recoveries, identifying in the description of the recovery that proceedings are ongoing and only a</p>

be known by the end of May, how to reflect in final report financial part information, if as a result of sample checks there would be a need for recovery but the JMA would not been able to recover the amounts yet or the JMA decision of recovery would not yet been taken (as the procedure takes time and also opinion of the respective NA).

preliminary decision regarding recovery has been taken.