

## Project life cycle

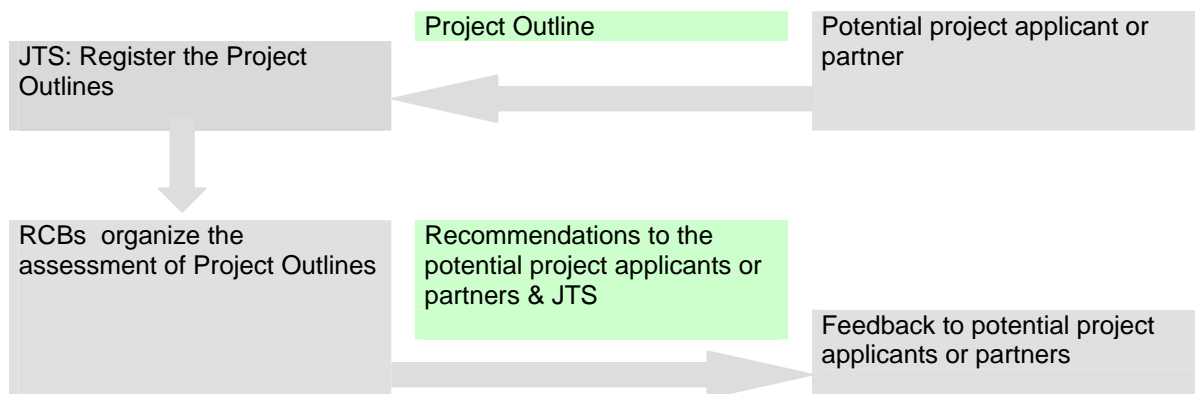
The administrative work involved in the procedures for granting assistance to the individual projects under the Objective 3 Operational Programme Austria-Slovenia will be managed according to the following rules, which may be further specified by the agreement between the MA, the RCBs and the JTS.

## Information and advice

Potential project applicants will be adequately informed by the Managing Authority, JTS and RCBs about the programme objectives, the prerequisites for obtaining ERDF funds and the individual procedures to be followed. Active public relations work will be implemented in agreement between the Managing Authority, JTS and the RCBs, and, if appropriate, also with the participation of existing regional consulting and project management institutions and the national assistance authorities. A communication and information plan shall be drafted and approved by the JMC.

In order to receive advice, the project applicants have the possibility to send a project outline to the JTS, which will check the coherence of the submitted project outlines and will meet regularly in a common joint RCB group to discuss joint ideas and partners. The RCBs are organising the support of potential project applicants in finding cross-border project partners and clarifying of requirements for the first check for regional/national co-financing.

The RCBs will provide a written feedback about the achievements of this discussion to the applicant. This feedback is a recommendation and not a binding decision.

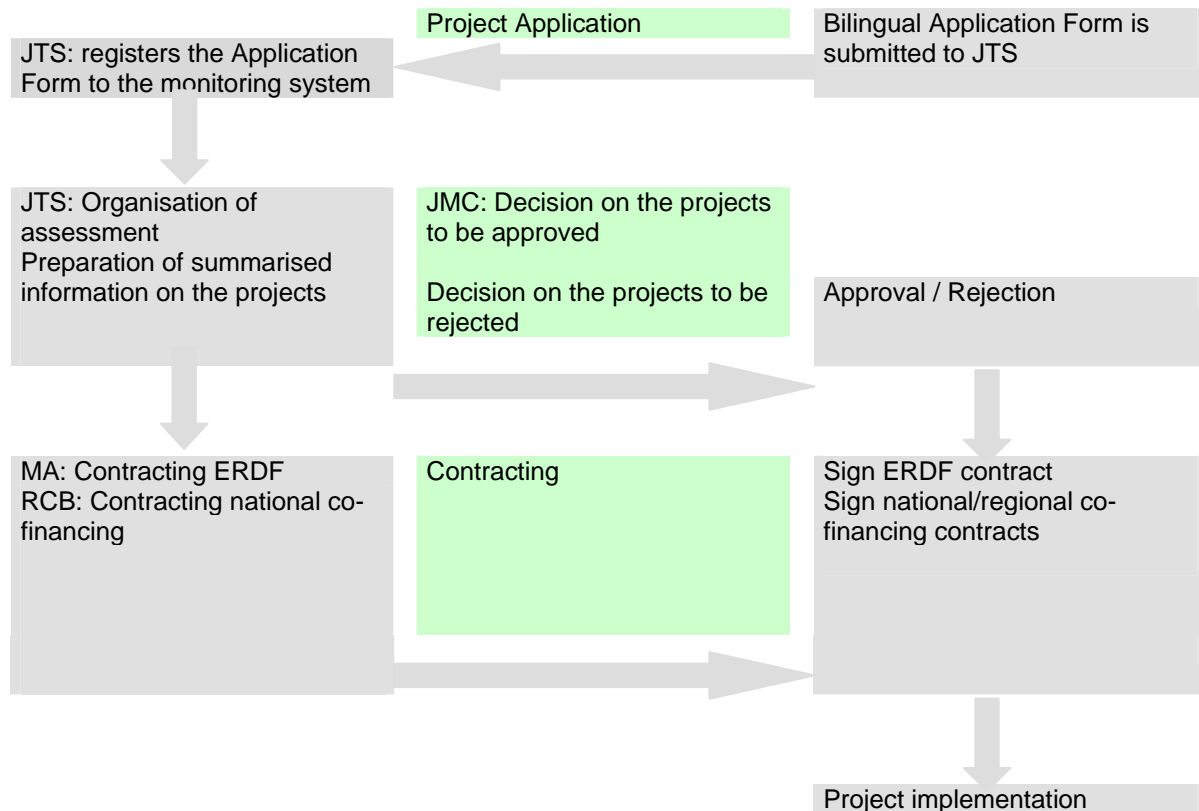


## Project application

Project applications (also in electronic form) shall be submitted via bilingual Application Form to the JTS, including all required annexes .

Each complete application which fulfils the necessary formal requirements for ERDF-funding (cross-border impact, administrative compliance, eligibility, etc.) will be reported by the JTS to the CMS. Thus, the information on and the changes of all applications are available to the programme partners via the CMS.

JTS prepares a final list of recommended projects for submission to the JMC.



### Assessment of project applications

The output of this second step shall be recommendations for ERDF-funding given to the JMC. Methodology for project assessment will be defined and confirmed by the JMC.

The Joint Monitoring Committee will set up common standards for the eligibility and selection criteria.

If there are too many recommended applications in comparison to the available budget, the involvement of public experts to do a specific ranking between these applications can be foreseen.

The results of the assessment in a form of a report and a list of recommended projects are presented by the JTS/MA to the JMC for a formal decision.

This report will cover all the project applications which were received by the JTS, and will justify recommendations for decision – consistently taking reference to the selection criteria given by the programme documents and confirmed by the JMC.

### **Project decision for ERDF-funding**

The JMC formally decides on the approval of the project and on the ERDF contribution. The decision can only be taken by the voting members. The JMC meets at least twice a year; in urgent cases a programme partner can ask for an additional JMC or a written procedure for project decisions.

After the formal decision is made, the applicant is informed about the approval/rejection of the project application with an official letter by the MA. Moreover, further information about the next steps for contracting as well as about the main regional/national contact authority for the implementing phase is provided within this letter.

### **Project contracting**

The ERDF contract is issued by the MA on the basis of a bilingual standard ERDF frame contract, which is identical to the regional/national co-financing contract in all main chapters. Furthermore, partnership agreements and all relevant parts of the agreement between the MA and the programme partners/RCBs should be part of the contract.

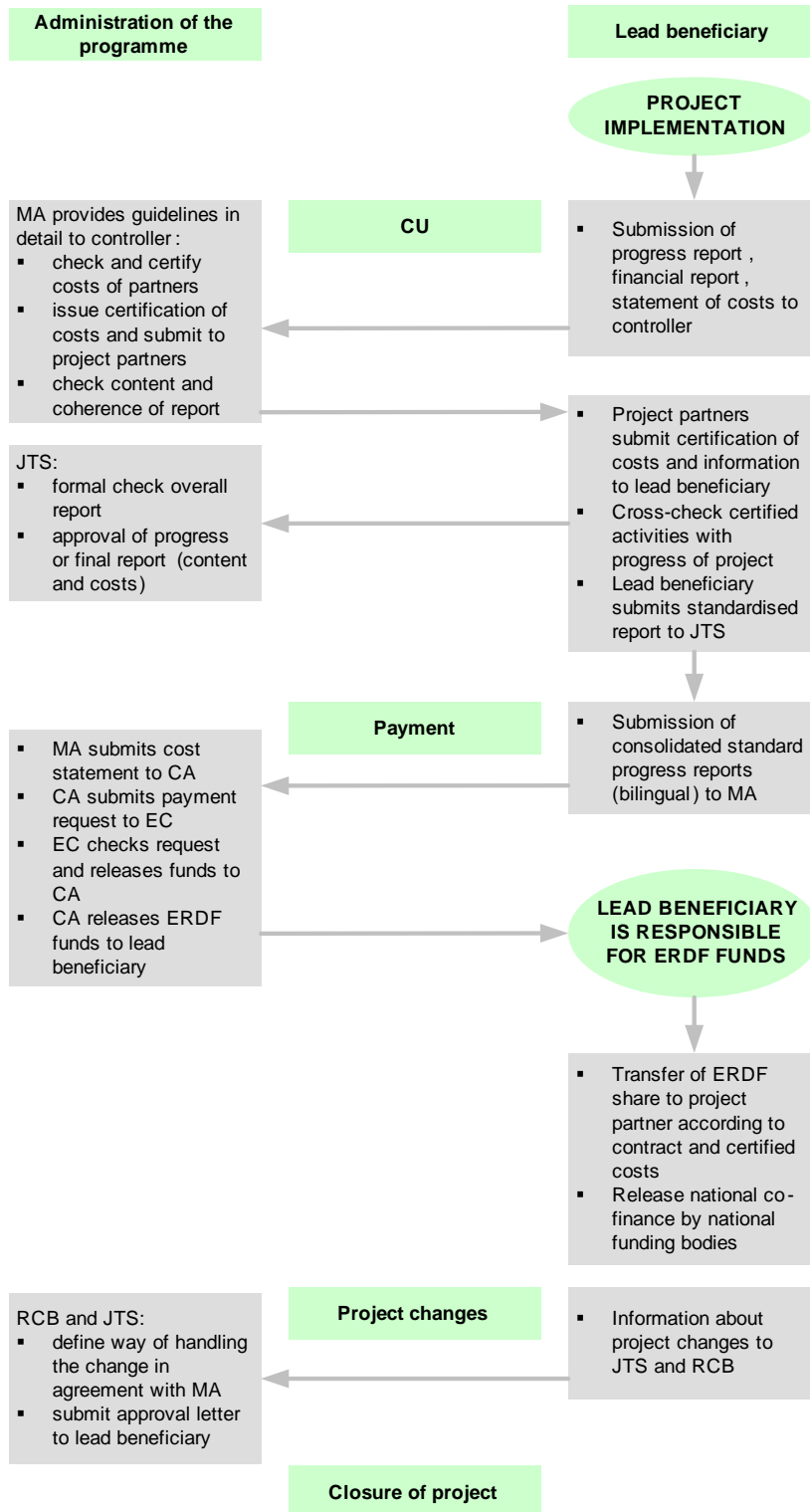
The national/regional funding bodies issue the national/regional co-financing contracts linked to the ERDF-contract to the project partners.

Finally, before signing the ERDF contract, the MA will assure the correctness of the Controllers for each project partner by asking for confirmation by the Art. 16 authorities which are mentioned in the OP.

After completing the regional/national contracting of co-financing, the RCBs provide the information to the JTS.

In case of funding which falls under the EU-competition rules, guidelines which are notified by the EU-Commission have to be used. No major projects are foreseen.

## Contracting and financial flow



### **Financial controls according to Article 16 (EC) 1083/2006 («Control Unit - CU«)**

To ensure validation of expenditure in terms of delivery of products and services co-financed, soundness of expenditure declared, compliance of such expenditure with Community and national rules as set out in Article 16 (1) (EC) 1080/2006, each Member State will designate Controllers responsible for verifying the legality and regularity of the expenditure declared by each beneficiary in the operation.

A detailed description of the control system will be provided through the description of the management & control system as requested by Article 71 (EC) 1083/2006.

The responsibility is given to:

#### **In Slovenia:**

Government Office for Local Self-Government and Regional Policy  
Department for controls  
Kotnikova 28, 1000 Ljubljana

#### **In Austria:**

In general, the responsibility for control according to Article 16 (1) (EC) 1080/2006 will be – according to a Federal Constitutional Act - taken over by the following authorities in the Länder (for project partners coming from the respective Land):

##### BURGENLAND:

R M B - Regionalmanagement Bgld GmbH, Control department  
Marktstraße 3, Technologiezentrum Eisenstadt, A-7000 Eisenstadt

##### CARINTHIA:

KWF Kärntner Wirtschaftsförderungsfonds  
Department Controlling  
Heuplatz 2, 9020 Klagenfurt

In cooperation with

Amt der Kärntner Landesregierung  
Abt. 20 – Landesplanung

##### STYRIA:

AMT DER STEIERMÄRKISCHEN LANDESREGIERUNG  
Abteilung 16 - Landes- und Gemeindeentwicklung  
Referat für grenzüberschreitende Zusammenarbeit  
Stempfergasse 7, A-8010 Graz

In cooperation with

Fachabteilung 4B Landesbuchhaltung  
Burggasse 13, A-8010 Graz

In exceptional cases, the control according to Article 16 (1) (EC) 1080/2006 can be delegated to another experienced authority – based on the provisions of the Federal Constitutional Act.

The Controller of each project partner will be fixed in the ERDF contract.

Detailed guidelines for invoicing and a guideline / handbook for a common understanding of the eligibility of costs will be provided by the MA for project partners and Controllers. The reporting periods depend on project duration; in general, every six months a progress report should be elaborated.

For each accounting period, a report package (consisting of a progress report, a financial report and a statement of costs in national language) will be submitted by each project partner to its responsible Controller for assessment and to the LP for information.

After this check the Controller issues a certification about all eligible expenditures per partner (*Certification of Expenditure*) after submission and remits it to the presenter. Project partners will forward their Certificate of Expenditure to the LP, who is in charge of collecting all certifications for the joint report.

The lead partner includes the reports from his partners into his own and elaborates one common bilingual report, which he submits to the JTS for a final check. This report also includes the progress on the project implementation and has to be in line with the expenses. The common bilingual progress report thus includes information on the actual cooperation, activities, results, impacts and eventual changes of the project plan. The JTS has to cross-check the report in terms of certified activities and project progress.

According to Art. 15 (1) (EC) 1080/2006, the MA satisfies itself that the expenditure of each beneficiary participating in the operation has been validated by a Controller referred to in Art. 16 (EC) 1080/2006.

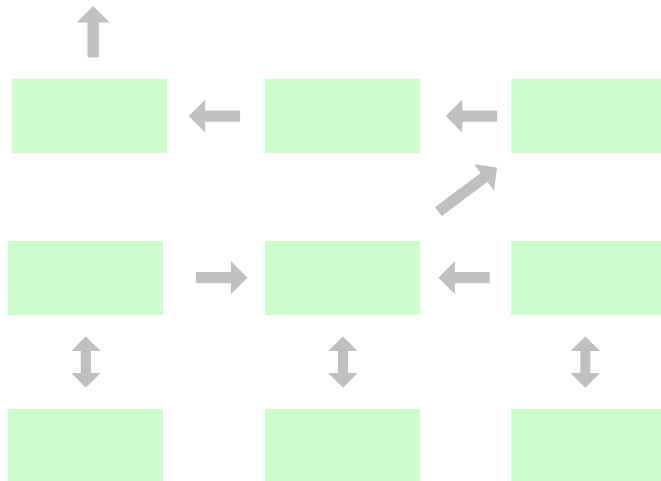
### **Irregularities**

With reference to Article 28 of Council Regulation (EC) 1828/2006, within two months following the end of each quarter, Member States shall report to the Commission any irregularities which have been the subject of a primary administrative or judicial finding, as defined by Article 27 of the same Regulation.

As specified under point 4 of Article 28, irregularities relating to operational programmes under the European territorial cooperation objective will be reported by the Member State in which the expenditure is paid by the beneficiary in implementing the operation and the Member State will inform, at the same time, the Managing Authority, the Certifying Authority and the Audit Authority.

The Member States will set up a formalised procedure to deal with irregularities in compliance with the provisions of Council Regulation (EC) 1828/2006. This procedure will – amongst others – set out detailed rules and responsibilities for reporting obligations, joint controlling standards, recovery of unduly paid funds, liabilities and coordination between responsible authorities on either side.

### Flow of progress reports



### Payment

In general, the first payments are not possible until after all contracts are signed. After having checked the overall report, the MA issues the cost statement and submits it to the CA. On the payment request of the CA, the EC checks the request and releases the funds to the CA. The paying unit of the CA transfers the ERDF funds to the lead partner. The whole process will be pictured into the CMS. The lead partner is responsible for transferring the ERDF share to the project partners according to the contract and certified costs. On behalf of the lead partner direct transfers from the CA to the project partners are also possible.

The national/regional funding bodies will release the national co-financing to the project partners/lead partner.

The transfer of the ERDF money has to be linked with the transfer of regional/national co-financing; the detailed procedure has to be fixed within both contracts - ERDF and public co-financing.

### Project changes

The JMC defines the rules for project changes. In certain cases, the MA can delegate the responsibility for approval of project changes.

CA

M

P

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