Part 4:

Administration of CEF-Transport grants

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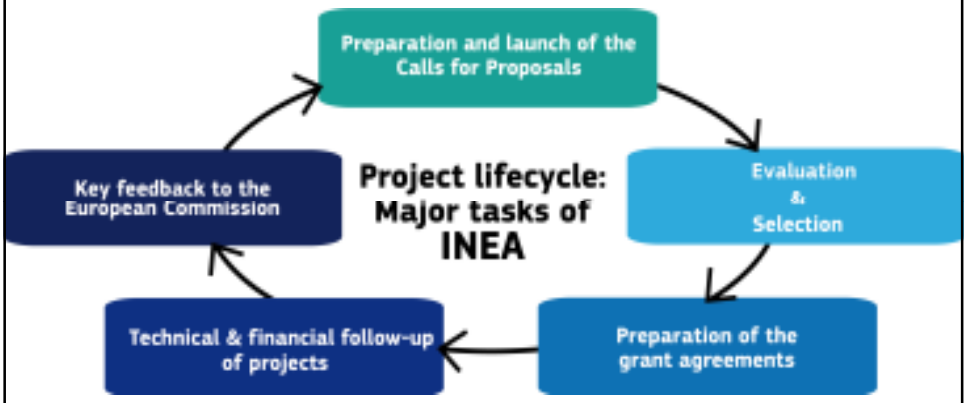
Content:

1. INEA's project and financial cycle & reporting requirements
2. Payments and certificates
3. Sampling procedure and declaration of personnel costs
4. Audits

1.1. INEA's project lifecycle



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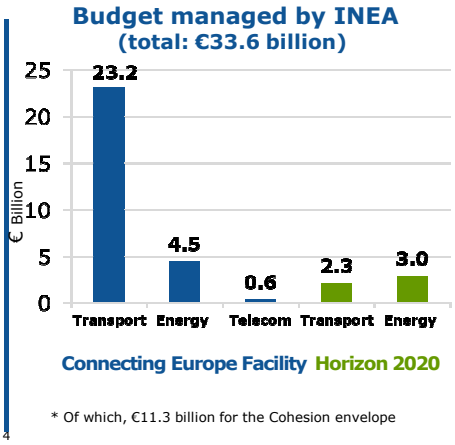
INEA's programmes and budget

>1500 INEA ongoing actions



* Of which, €11.3 billion for the Cohesion envelope

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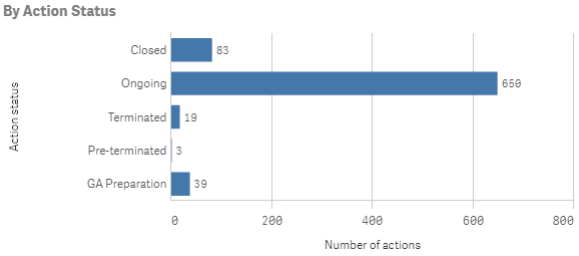
Status of CEF Transport programme



1.2. Financial cycle & reporting requirements

GA 4.1.2, II.23.1.2 and II.24.1

1) Pre-financing payment

- Pre-financing of 40% of the maximum grant amount] or 40% of the first installment
- Paid within 30 days upon entry into force of the agreement or following specified date
- Sometimes subject to the receipt of a financial guarantee
- Further pre-financing = 40% of financial needs, upon request

2) Interim payment

- ASR = Technical report ☞ **GA II.23.2.1**
- To be submitted with requests for interim payment, within 8 months of the end of the reporting period(s)
- Template provided by INEA (GA Annex VI)
- First mandatory IFS due following the second reporting period
- Audit certificate (GA Annex VII) ☞ **GA II.23.2.2**

3) Final payment

- Within 12 months following completion date (and preferably earlier)
- Certification by the concerned Member State(s)
- Audit certificate (GA Annex VII)

2. Payments and Certificates

2. Details of the eligible costs declared by each beneficiary (Article II.23.2)

Action Number :		
Beneficiary's Legal Name :		
Indicate the currency of the general accounts used by the beneficiary (art. II.23.4) :	EUR	/EUR
Calculated exchange rate :	1	
Total direct costs declared for all activities in EUR (including only eligible VAT) :		**0.00 €**

Activity N° according to the Grant Agreement	*Item selected for the CFS*	*Name of Beneficiary / implementing bodies / affiliated entity as mentioned in the Grant Agreement*	*Type of procurement contract (services/supplies/work/a/not applicable)*	*Short description of the cost declared*	*Supplier*	*Date of invoice*	*Unique Accounting number*	*Internal reference of the procurement contract*	*Amount **excluding VAT** (in the currency of of the general accounts)*	*Amount of **eligible VAT** (in the currency of the general accounts)* **VAT is only eligible in accordance with art II.19.2.h and article 14 of the Grant agreement**	*Amount in EUR (**including eligible** VAT)*
											0.00
											0.00
											0.00
											0.00

Eligibility of costs

GA II.19

Eligible costs are costs actually incurred by the beneficiaries, which:

- Are incurred during the Action duration
- Are indicated in GA Annex III
- Are necessary for the implementation of the Action
- Are identifiable and verifiable
- Comply with tax and social obligations
- Are reasonable, justified and comply with sound financial management principles

Examples of ineligible costs: return on capital, deductible VAT, (costs of land and building acquisition), indirect costs…

Technical report

- Measures and have to be **sufficiently described** and backed up with relevant milestones, deliverables and means of verification.
- The **degree of completion** per activity will be indicated in quantitative terms (in %). The **method used** shall be **explained** in the final report.
- The GA foresees that the Agency may reduce the grant amount for poor, partial or late implementation. (GA Art. II.25.4)
- Deviations from the estimated cost at activity level should be explained, and **duly justified**.

Certificate on the Financial Statement – CFS

- *Compulsory if 2 conditions are fulfilled – GA Art II.23.2.1 (b):*

  EU contribution is at least EUR 750 000

  AND

  Reimbursement requested is at least EUR 325 000

- *Audit findings taken into account by INEA for follow-up*

When is a CFS required ?

	Request for re-imbursement	Grant budget	
Beneficiary I	328,000	400,000	✗
Beneficiary II	330,000	760,000	✓
Beneficiary III	200,000	800,000	✗

European Commission

Currency conversion

☞ **GA II.23.4**

- Financial statements must all be in Euro.
- Beneficiaries with their accounts established in a currency other than the Euro, must convert their costs to Euro.
- This shall be done at the average of the daily exchange rates published in the Official Journal of the EU, calculated over the corresponding reporting period.
- Check the guide for currency conversion: https://ec.europa.eu/inea/sites/inea/files/practical_help_to_the_implementation_of_article_ii_23_4_final.pdf

European Commission

3. Sampling and personnel costs

Sampling and procurement table

CEF Transport
2015-EU-TM-0152-M
"FAMOS ODIN: FINALISING SURVEYS FOR THE BALTIC MOTORWAYS OF THE SEA"

C	D	E	H	I	J	K	L	M	N	O	P	Q
Type of procurement (supply / services/ works)	Short description of the cost claimed	Supplier	Amount in EUR (including eligible VAT)	Date of signature of the contract	Value of the (framework) contract (euros)	Aggregate value of the (framework) contract with all subsequent amendments (euros)	Procurement Procedure at European or National level ?	Procedure (open/ restricted/ negotiated etc.)	Reference of publication(s) in the Official Journal (contract notice)	Reference of publication(s) in the Official Journal (contract award notice)	National law applied transposes Directive 2004 or 2014 ?	Comments:
works	Invoice: Survey service	Meritaito OY	83,672.00	26-05-2017	3,000,000	3,000,000	European	Open	2017/S 053-097945	2018/S 092-209202	2004/18/EC	The procurement process lead to a framework contract, with the Swedish Maritime Administration (SMA), regarding hydrographic surveys in the Swedish sea areas.
works	Invoice: Survey service	Meritaito OY	103,748.36	26-05-2017	3,000,000	3,000,000	European	Open	2017/S 053-097945	2018/S 092-209202	2004/18/EC	The procurement process lead to a framework contract, with the Swedish Maritime Administration (SMA), regarding hydrographic surveys in the Swedish sea areas.
works	Invoice: Survey service	Meritaito OY	230,939.64	26-05-2017	3,000,000	3,000,000	European	Open	2017/S 053-097945	2018/S 092-209202	2004/18/EC	The procurement process lead to a framework contract, with the Swedish Maritime Administration (SMA), regarding hydrographic surveys in the Swedish sea areas.
Supplies	Invoice: Bunker Jacob Hägg	Petrobell	105,061.86	11/04/2016	8,456,000	8,456,000	European	Negotiated with publication	2015/S 176-318962	2016/S 017-025564	2004/18/EC	Bunker consumption report for survey vessel Jacob Hägg. Daily bunker consumption specified in separate file for survey activities in Famos Odin and a list of invoices are attached. The tender is for both Swedish armed forces and
Supplies	Invoice: Consumables	Menigo Foodservice	2,048.08	18/04/2017	Not applicable	2,048	National	Negotiated without publication	Not applicable	Not applicable	Not applicable	Food supplies to crew daily meals onboard the survey vessel. The vessel is surveying 24/7 and must supply the crew with meals onboard during operation.
services	Invoice: Consults	Sigma IT Consulting Sweden AB	4,568.49	22-02-2015	12,000,000	12,000,000	European	Negotiated with publication	2015/S 044-076440	Not applicable	2004/18/EC	The procurement process lead to a framework contract, with the Swedish Maritime Administration (SMA), regarding framework agreements for IT consulting services in the areas of competences: - business development and strategy - system development.

3.1 Sampling and procurement table

Blue item – What we need

Procurement procedure above EU thresholds

- Explanation of the procedure
- Contract notice (OJEU)
- Award notice
- Minutes of the evaluation and selection of bidder (including comparison)
- Contract (upon request)

Blue item – What we need

Beneficiary private entity

Proof of sound financial management

National procurement

- Explanation of the procedure
- Contract notice
- Award notice
- Minutes of the evaluation and selection of bidder (including comparison)
- Contract (upon request)

Procurement

☞ **GA II.9**

- Award to tender offering best value for money or, as appropriate, the lowest price
- Contracting authorities/ entities within the meaning of EU Directives shall follow applicable national / EU Directives public procurement rules
- For Beneficiaries other than contracting authorities/ entities, sound financial management
- Procurement will be verified at payment time together with the verification of the sampled costs (and documentation should be readily available for audit purposes)
- Non-compliance will lead to rejection of costs or reduction of support !!!

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3.2 Personnel costs

2 possibilities to fill in the staff costs declaration

Declare actual personnel costs on yearly or monthly basis

- *Yearly basis: hourly rate = actual annual personnel costs / annual productive hours*
- *Monthly basis: hourly rate = actual monthly personnel costs / annual productive hours / 12*

OR

Declare personnel costs on the basis of unit costs – Commission Decision C(2016)478

- *Based on beneficiary's usual cost accounting practices*
- *Using annual productive hours*

Poor, partial or late implementation

Note available on https://ec.europa.eu/inea/en/connecting-europe-facility/cef-transport/beneficiaries-info-point

Based on article II.25.4 of GA:

LATE IMPLEMENATION:

Step 1 *- Technical completion rate at activity level*

Step 2 *- Technical completion rate at Action level*

Step 3 *- Maximum amount of EU support to be paid*

- *A cap obtained by applying the the completion rate to the maximum EU support, or*
- *the maximum contribution based on the costs considered eligible by INEA, which is obtained by applying the co-funding rate to the costs declared for each activity.*

The amount of EU support to be paid will be the lower of the two amounts

PARTIAL IMPLEMENTATION

Case-by-case analysis

- *Same approach as late implementation*
- *Bigger or full reduction required*

4. Audits

1) Audit for the CFS

2) INEA's external audit carried out ex-post

3) European Court of Auditors:

- Financial audit
- Performance audit

For more information

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http://ec.europa.eu/inea

@inea_eu

Look for INEA!

Thank you!