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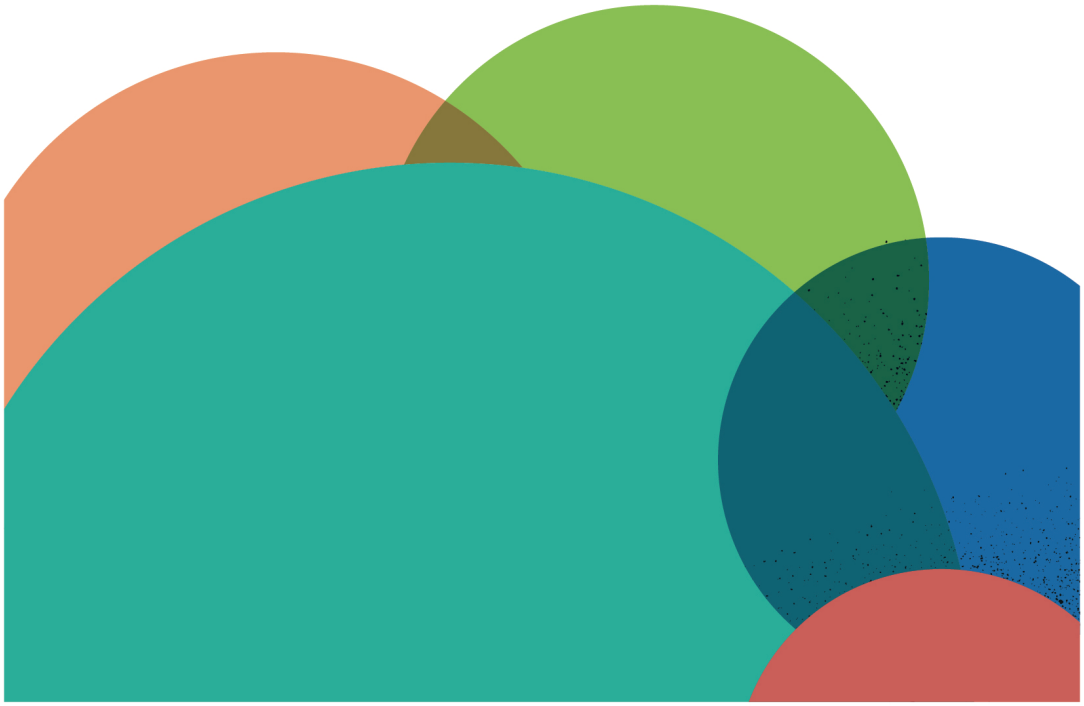
FACTSHEET

Interreg IPA South Adriatic
(Italy–Albania–Montenegro 2021-2027)



PROGRAMME MANUAL

4.1 Reporting and Monitoring procedures

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Introduction

The approved application form (AF below), which is a binding document, guides the project implementation. This factsheet sums up the key elements of the project reporting activities of the 2021-2027 programme "2021TC16IPCB008 (Interreg VI-A) IPA Italy Albania Montenegro (South Adriatic)" or Interreg IPA South Adriatic (the Programme below), while providing project partners with related technical guidance.
Reporting is one of the processes applied by the Programme bodies to monitor, on a regular basis or at certain intervals, the project implementation, physical and financial progress of the project, the performance, the achievement of deliverables, outputs, results and the contribution to the Programme objectives and outputs. Reporting is also the basis for reimbursement of the IPA funds to cover project expenditures, first to the Lead Partner (LP below) and, through the LP, to the other Project Partners (PPs below).
PPs are required to follow this step, as to enable a proper implementation and monitoring of their project.
Keep in mind that all reporting procedures (including the related annexes to be filled in) are managed through Jems Platform.
The binding legal basis for the Interreg IPA South Adriatic projects are the applicable EU Regulations, especially the Interreg Regulation (EU) 2021/1059 and the CPR Regulation (EU) 2021/1060, the Financing Agreements for Albania and Montenegro, the Programme rules, especially the eligibility rules, National specific rules, the Subsidy Contract and Partnership Agreement.

The Managing Authority of the Programme (MA), assisted by the Joint Secretariat (JS), reserves the right to derogate from and to amend the procedures described in this fact sheet, whenever it is necessary to assure a sound financial management of the programme.

1 The reporting procedure

1.1 The Reporting System and Process

There are 2 types of reports a project has to complete:

- **R. – i.e. Partner Report**: This report is filled out by each Partner, including the Lead Partner. It contains both activities and financial information. The Partner Report is submitted by each Partner to its National Controller in Jems.
- **PR. – i.e. Project Report**: This report is filled out by the Lead Partner. It contains both activities and financial information based on the inputs collected in the Partner Reports, and National Controller's certificates. The Project Report is submitted through the Jems by the Lead Partner.

Partners' Reports and Project Reports must be submitted exclusively through the electronic monitoring system Jems to the MA/JS.

The templates of both R and the PR follow a similar structure and are described in the related Jems manual

- partner reporting sections;
- project reporting sections.

Each PP contributes to the content of the Project Reports (PR) by submitting its own Partner Report (R), which includes adequate information concerning physical and financial progress in relation to a certain reporting period, and which allows the LP to correctly report on behalf of the entire partnership.
Partner reports include the Controller' Certificates, as well as for Small Scale Projects (SSPs) the verifications carried out by Controllers/programme bodies on each SCO evidence provided.

Based on the Rs and validated expenditures, the LP includes relevant project data into the periodic PRs. The Lead Partner confirms that the information provided by the Partners:

- has been verified and validated by the assigned National Controller (or/and programme bodies for the SSPs) in compliance with the respective country specific control requirements;
- has been accurately included in the PR and that the related costs are incurred for the implementation of the project activities, as set out in the application form (AF) and described in the PR.

In the Project Report, the LP reports about the project progress, in alignment with the approved AF and justifies the reported expenditures validated by the National Controllers (see related F.S. of the Manual).

Once the PR is completed in all its parts, the LP submits it to the MA/JS. In order to simplify the reporting procedure, the Application for Reimbursement AfR is considered provided through the submission of each PR (ie . automatic generation).
The MA/JS checks the submitted PR and, if necessary, requests clarification to the Lead Partner in order to approve it.

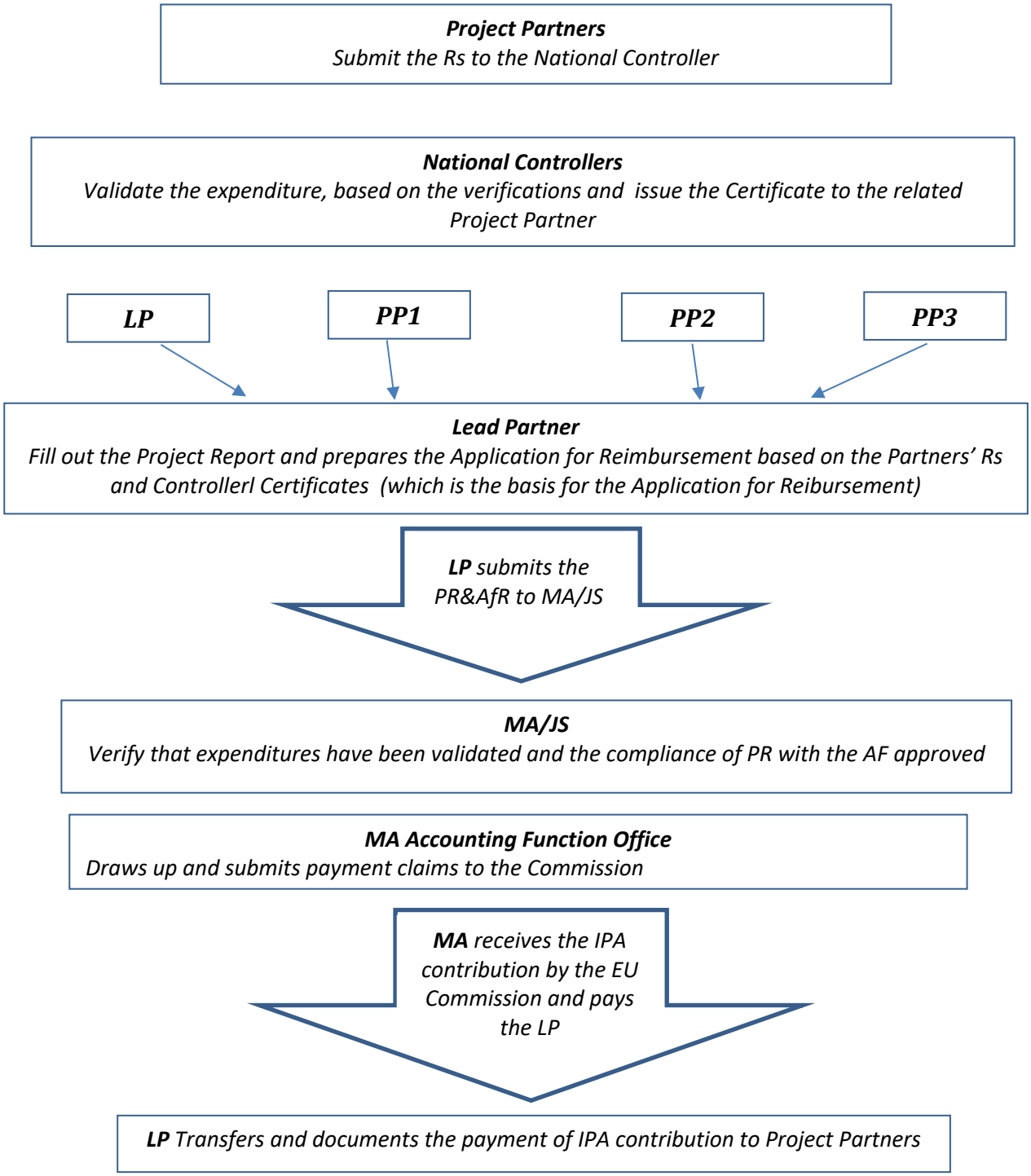
Please note that the Partner Report (R) is an electronic document filled in via the Jems system by each project partner and submitted to the Lead Partner (LP), too. Therefore, the LP bears responsibility for checking the content of each single R.
Only the Project Report (PR) submitted by the LP to the MA/JS is checked by the JS/MA.

The Accounting Function office of the MA draws up and submits the payment applications to the Commission. The MA proceeds with the reimbursement of the related IPA contribution to the LP on its specified bank account. The LP is responsible for transferring the contributions to the PPs according to the Subsidy Contract and Partnership Agreement and without delay as well as for uploading the proof of payments in the Jems system; no amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce that amount for the other partners.

With the exception of the SSPs, the JS organises one or more **mid-term review meetings** with LPs, with the aim to have a detailed picture on the project progress and performance, and the implementation of the core activities (see related annexes). The results of the mid-term review might lead to project changes, including budget changes or corrections.

In order to guarantee a correct implementation of the financed projects, the Programme bodies (MA/JS/NAs/NIPS/Controllers) may organize during the project lifetime, monitoring visits and on-the-spot verifications.

The scheme below, summarizes the process of the reporting system



1.2 Reporting deadlines

There are no restrictions for the number of partner reports (Rs) to be created by project partners. In any case, it is advised to submit a partner report at least twice a year, i.e. within 3 months from the end date of each reporting period, which is fixed in the AF, lasting each six months starting from the project start date. The deadlines should consider that the Controllers should be able to validate the related expenditures, as well as that the Lead Partner should have enough time to collect all Rs and submit the PR by the set deadline. All reports have to be submitted via Jems.

The Lead Partner has to submit the PR to the MA/JS through the Jems system, following the scheduled deadlines. The Lead Partners are reminded that failing to submit the PRs may be a reason for termination of the Subsidy Contract.

The PR must be submitted to the MA/JS by the LP, within 3 months from the end date of each reporting period. The deadlines for submission of PR are defined in the Application Form in its current version – project **reporting schedule**. The deadlines should be understood as the latest possible submission date, meaning that if a Lead Partner is ready to submit the PR before the set deadline, it may do so. All reports have to be submitted exclusively via Jems.

The **first PR** shall include the "Preparation costs" lump sum and the expenditures incurred, paid and validated within the first reporting period. Only for strategic/standard projects, it is strongly recommended that also the Project's Communication Plan is included in the first reporting period, unless otherwise agreed with the JS project officer in charge.

The **last PR** must also include the Project "Closure costs" as set out in the related call for proposal (not applicable for SSPs).
Any delay in the submission of the PR shall be agreed upon with the assigned JS project officer. In cases of delays, the JS may agree with the Lead Partners to submit the validated expenditures in next reporting periods.

Warning!
Postponements of deadlines for submission of reports can be agreed with the JS only in exceptional and duly justified cases. In such cases, the LP has to request the postponement to the MA/JS prior to the deadline.

The Project Partners (PPs) should consider that the preparation of their Rs, with related validation of the expenditure by the assigned National Controller, affects the collection and the submission of the PRs by the Lead Partners (LPs) within the fixed deadline.

LPs are recommended to agree appropriate deadlines with the PPs for the timely submission of each R and validation of partner's expenditures by the National Controller, in order to guarantee the timely collection of all Rs and timely quality check by the LP (including deliverables and outputs) and the preparation and submission of the Project Report.

Illustrative and indicative example:
- Reporting period: 1/1/2024-30/6/2024
- Reporting deadline: 30/9/2024
Accordingly LP agrees with partners, who consulted the own National Controllers:
- Deadline for submission of Partner Report by PP to Controller: 15/7/2024
- Deadline for validation of expenditures (including any PP's clarification) by National Controllers: 15/9/2024
- Deadline for submission of the PR by LP to MA/JS: 30/9/2024

Once the PR is submitted by the LP, the JS/MA performs their checks, in compliance with the check-lists agreed.
The checks and approval of the PRs and payments of the IPA contribution, should be concluded within 80 days, unless the JS/MA needs to request integration of documentation and clarification to the LPs or PPs, which suspend this deadline consequently. The LP shall provide the requested clarification/integration of the necessary documents to the JS/MA without further delay and according to the deadline set by the JS/MA.

Finally, the Accounting function Office of the Managing Authority, proceeds with the submission of the payment application to the European Commission.
The payment of the eligible IPA amounts, to the LPs, by the MA is subject to the availability of IPA funds in the MA account.

Warning for Italian Partners!
Please note that prior to any payment to Italian Partners the Managing Authority and Italian Lead Partners must verify in the related online platform the validity of the recipient's DURC certificate (i.e. regular payment of social contributions) and other mandatory administrative checks whereas applicable (i.e. anti-corruption and anti-mafia controls).
In case of irregular DURC certificates of the Italian partners and/or negative checks of other administrative checks, the Managing Authority and Lead Partners shall suspend the payments, while in case of Albanian and Montenegrin Lead Partners, the Managing Authority shall instruct them, before any payment to Italian partners.
Please note that irregular DURCs of Italian Lead Partners have a negative impact on all other project partners, therefore they are urged to regularly verify their own DURC certificates.

The Lead Partner is responsible for the reimbursement of the respective eligible amounts to each PP, according to the amounts validated by the National Controllers (or/and the concerned programme bodies in case of the SSP), which are included in the specific PR, without delays (ie. by 30 days from the receiving of IPA amounts by the MA in compliance with the Subsidy Contract and the Partnership Agreement). The LP shall document the payment in the Jems system (evidence of the payment shall be uploaded in the related annex section – **cfr. ARCHIVING RULES in JEMS for AUDIT TRAIL chapter).**

If evidence of the transfer of payments to partners by the LP is not uploaded into Jems, the subsequent reimbursement will be suspended.
The co-financing for Italian partners will be covered by the National "Fondo di Rotazione" applicable in Italy and will be paid by the MA for the total eligible amount after the project closure and after the validation of all incurred project's expenditures. A specific request for reimbursement of the National "Fondo di Rotazione" must be sent to the MA by each concerned partner according to a specific template provided by the MA (see project closure F.S.).

The Final Project Report (FPR) must include the summary of the overall activities implemented during the project lifetime, cooperation added value, any prizes related to project result gained during national/international competitions or mentioning of these by key project target groups, as well as the list of outputs. The information about the project contribution to the Programme Output Indicator(s), the horizontal issues, etc. shall be reported by the LP, too.
The procedure of submission, checks and approval for the FPR is identical to the one described for the Project Reports.

The Final Project Report (FPR) shall be submitted within the same deadlines of the other PRs.

1.3 Partner report submission

The description of the project implementation for the concerned reporting period in the Partner Report by each project partner shall be adequately detailed to allow the development of an exhaustive Project Report by the Lead Partner.

The partner report consists of :

- Workplan progress sections (including communication issues related to each WP), providing information on the implementation of activities, deliverables and outputs; information on travels and the participation of staff to project meetings/events outside the partner's municipality of residence shall be provided too, in order to justify the travel & Accommodation 15% staff costs flat rate reimbursement, if foreseen in AF)
- Public procurement section, providing information on the project-related procurements (not applicable to small-scale projects, i.e. SSPs);
- List of expenditures sections, providing information on the project expenditures verified by national controllers (according to the Rules of Eligibility of Expenditure);
- General communication and management tools shall be shortly described in the summary of partner's work in the reporting period and uploaded in the "report annexes" section

In the activity part of the R, PPs must describe the project implementation activities at Partner level, how they are progressing, how the target groups are reached (specifying always number and typo involved), and the status of the related planned outputs, as well as the deliverables related to completed activities if any, whose evidence must be uploaded. Take into account that the LP in the Activity part of the PR collects all contributions contained in the Partner Reports (Rs).
In order to upload correctly the progress evidence in your reporting stage, take care to follow the **ARCHIVING RULES in JEMS for AUDIT TRAIL chapter**.

The R also contains the financial data of the expenditures (including the related annexes as required in the SA_FS 4.10 - Audit trail section per each selected eligible expenditure category, and/or in the SA_FS_4.10.1 - management verification section, per each selected SCOs, in accordance with the eligibility rules and the rules set out in the related call for proposal), which are reported by the Partner, validated by the National Controller, who issue a Controller' Certificate. (For SSPs the certificate will be issued upon reaching the SCO's output under consideration - more details in the F.S. 4.10.1)

The PP has to submit the R to the designated National Controller within the deadline agreed in compliance with the country specific Control System and before the deadlines agreed with the LP, on time for the submission of the PR.

The list of expenditures validated by the National Controller shall be coherent with the activities and outputs reported in the R. Nonetheless, expenditures for activities reported in previous reporting periods may also be included and in this case a precise reference to previous partner reports is advisable for an effective management verification.

Project partners are required to report and describe their activities for a given period in a partner report, even in case no expenditures incurred. In this case, the project partner shall fill in all activities part as well as include a "zero-expenditure" item in the system (amount 0, description "zero-expenditure"), while the National Controller, by releasing the partner report in the Jems system, only confirms that the partner report has no expenditure to be validated**. (NOT applicable for SSP)**

With reference to the SSP, take into account that they are reimbursed exclusively on Simplified Cost Options, for which the Programme bodies take care of the management verifications listed in the F.S. 4.10.1 Simplified cost options guidance and upon full achievement of the output.
Therefore, remind that the SCOs output evidence shall be uploaded in the Workplan progress - related deliverable attachment section and not in the list of expenditures sections (LoE). Any SCO evidence shall be uploaded in a complete way (no partial uploading will be allowed), organizing the documents according to the details provided in the FS 4.10.1 - management verification related to the chosen SCO and keeping in mind the logic of the audit trail for SCOs;
Each partner should keep in mind that, in order to avoid misunderstanding in the management verification procedure, only evidence of its own SCOs in charge shall be included in its partner report. Generally speaking, if there are contribution by the partner to other AF planned deliverables (out of any SCOs in charge), it should be explained in the summary of partner's work in reporting period, and only if relevant, uploaded in the correct section of the workplan progress, as contribution to the project objective/output/result.
The section "report annexes" should be used only for general attachments which are not linked to any specific activity/deliverable, such as management tools or general communication tools.

Considering that any SCO output carried out by each partner shall contribute to the global project objective and Project output/result, the JS suggests any partner to upload in the reporting phase also a very short follow up that the LP could use for the following step of the project implementation. This follow up should include the following contents:

- SCO aim
- focus and outcomes achieved,
- number and typo of participants,
- contribution to the project output or to the following project implementation step

The follow up document should be uploaded in the workplan progress section and in the relevant attachment section, as contribution of the the activity/deliverable/output it contributes to).

1.4 Project report submission

The project Report (PR) shall provide information about the progress and the output achievement. Additionally, any public procurement procedures, as well as project's visibility/ dissemination actions carried out within the reporting period, must be included in the PR.

In the activity part of the PR, the LP should provide a comprehensive overview of the overall progress of the project in terms of activities carried out, deliverables, outputs and results achieved, cross-border implementation by the Partnership and cooperation added value, as well as any kind of deviation from the original application form.
Furthermore, detailed description concerning the progress towards reaching the specific objectives of the project should be provided in terms of target groups reached and involved by the Partnership; activities carried out by PPs within the different work packages; the overall progress in relation to the planned activities, deliverables and outputs compared to the initially envisaged target values.
Only completed deliverables/outputs/results shall be attached by the LP in the periodic PR and in the related reporting section, avoiding any kind of duplication of the same document in different parts of the PR or in the further PRs to be submitted. Any completed deliverables/outputs/results shall be attached only once and in the related reporting period. In the further PRs the LP shall always provide the number of PRs where it is possible to find any completed deliverables/outputs/results already uploaded in previous PR.

If not uploaded before, remind that the evidence of the final output/result of the project shall be included at least in the last PR.

In case of SSP, The LP will summarize common activities concluded into the related PR, with final relevant attachment. With reference to the SCOs certified outputs by any partner, the LP will attach in the workplan progress per each deliverable achieved, only relevant final documents (eg. Follow up documents by any Partner).

Warning!
Relevant deliverables/outputs/results finally achieved and suitable for communication or capitalizazion purposes shall be uploaded by the LP also in the "**shared folder**" in Jems. (cfr. **ARCHIVING RULES in JEMS for AUDIT TRAIL chapter),** in order to avoid their uploading in several Rs**.**

The PR filled out by the LP (on the basis of the information provided by the PPs) must be sent to the JS/MA through the Jems portal.
Each PR shall describe the activities implemented in the concerning reporting period. Expenditures incurred within the **project** eligibility period, but in previous reporting periods, may be reported through the project lifetime, once they are validated by the National Controllers.

Warning!
The information included in the section A2, A3 and A4 have to be adequately detailed in order to allow a fast and prompt verification of the PR by the MA/JS.
The provided description in the highlights of main achievement shall be suitable for COMMUNICATION purposes and thus understandable for non-specialists.
Take note that any project output shall be published on the project website on time.

The PR/R include the expenditures validated by the National Controllers for the LP and the PPs. Please check the related Fact Sheets of the programme manual for the Controller Management Verifications.

2 Application for Reimbursement and verification of the PR

Application for reimbursement (AfR)
Taking into account the obligations of the LP, in compliance with the Article 26 of the Regulation (EC) No. 1059/2021 and the Subsidy Contract, the Application for Reimbursement is the basis for requesting the reimbursement of the EU contribution (IPA III fund) by the LP for the entire project, based on the Control Certificate, confirming the validation of project expenditures by the National Controllers (or/and Programme bodies in case of Small-Scale Projects).

The data of the AfR are automatically included in the financial part of the submitted PR in Jems, based on the validated expenditures, included by the LP, who gathered all partners reports and control certificates in the Jems system.
In case the partner reports or Controller Certificates are not available for a given reporting period, the LP shall submit the PR including only the Controller Certificates available for the reporting deadline. The expenditure of the project Partners not validated for the given reporting period within the deadline, shall be requested in the earliest next R. **For SSP only SCOs completed with related SCOs output evidence will be reported**.

The reimbursement of EU contribution will be paid in EURO by the MA to the LP's bank account (as indicated in Jems).

JS/MA Check
MA/JS are responsible for checking and approving of the project Reports. The main objectives of PRs assessment include confirmation that expenditures have been validated (i.e. presence of the controllers' certificates), analysis of the project's progress, timely implementation of the activities, project's output evidence and their correspondence to the Application Form.

When the MA/JS detect some inconsistencies or insufficient information in the reporting documents, they revert the PR, in order to request the necessary integration from the LP within maximum 10 working days, which must be completed with all required documents (shorter deadlines might be given for urgency, the type of completion or in duly justified cases longer deadlines may be agreed on).

The MA/JS reserves the right to change this standard procedure in order to ensure sound management of the programme.

Rejection of the Project Report and the Application for Reimbursement
If the LP does not fulfil all the requested corrections, or with major deviations, the R might be rejected. If a PR is rejected the amount requested in the AfR will not be reimbursed to the LP in the concerned reporting period.
This would also mean that the LP was not able to appropriately fulfil its reporting obligations deriving from the Subsidy Contract. Therefore, the MA reserves the right, on prior decision of the Monitoring Committee, to:
- apply a reduction of the project budget;
- withdraw from the Subsidy Contract (Art. 12 of the Subsidy Contract).

In case of investment activities performed during the reported period, the JS officers, the MA, the National Authorities, the National Info Points may proceed with on-the-spot visits at any time.

The LP is responsible to transfer the received contribution from EU Funds to each project Partner according to the approved AfR as soon as possible, at the latest within one month of its receipt (or as agreed with the concerned project partners).

No deduction, retention or any other specific charges can be made by LP concerning the approved amount, when transferring the contribution.

In case the LP does not transfer the EU Funds, an irregularity procedure could be initiated by the MA/JS.

Timeframe of reimbursement

The LP and the project Partners must consider the timeframe of Funds reimbursement when preparing the time plan of their project activities.

The following flowchart presents the procedures described in the previous sections with the indicative timeframes.

It should also be taken into consideration that the timeframe for the PRs check by the MA/JS might be extended for required integration to be provided by the LP.

3 De-commitment and overbudget

Decommitment at Programme Level
The European Commission shall automatically de-commit any part of a budget commitment of a Programme that has not been used, according to the Artt. 105-106-107 of Regulation (EU) No 1060/2021.
In case the Programme is affected by decommitment of Community funds, the MA, upon a decision of the Monitoring Committee, is entitled to decommit the approved projects' budget.
Reference Documents

- Regulation (EU) No 1060/2021
- Subsidy contract
- Partnership agreement

Therefore, LP must ensure that each PP strictly follows its spending forecast according to the approved AF. The Partnership has the possibility to deviate from the spending forecasts laid down in the Subsidy Contract and AF, but it must be taken in consideration that in case of under-spending compared to the original spending forecasts, the MA may decommit the project, by reducing the original project budget and the corresponding contribution from EU Funds.

If the Project Partners are not able to report expenditures according to the approved spending forecast, the MA assesses the level of under-spending and the reasons for lower financial performance. In case of underspending, the MA reserves the right to propose to the MC the budget decommitment (Art. 12 of the Partnership Agreement and Art. 17 of the Subsidy Contract).
In case of approval of the project's budget decommitment by the MC, the MA/JS initiates the procedure as specified in the Factsheets 4.7_Annex_2_Project_Change_Decommitment. Through this process the distribution of the decommitment at project Partner level will be defined, taking into consideration the financial performance of the different Partners.

How to avoid decommitment at project level
The risk of a decommitment during project life time can be reduced by taking into consideration that:

- the financial plan of the project, especially the budget split along activities timeline should be defined carefully (considering already in advance possible delays, e.g. in the control);
- the financial performance of the project Partners should be monitored closely and regularly by the LP (as stated in PA the LP shall ensure sound financial management of the project);
- the project Partners should stay in contact with their National Controllers (or/and programme bodies for the SSPs) as to ensure that the expenditures can be certified in time (as stated in PA the project Partners shall ensure timely reporting of activities and costs);
- use the overbudget during the project life – see below.

Projects' Overbudget
With the aim of mitigating the de-commitment risk the beneficiaries of Strategic Projects shall commit to book in the budgets of their organisations own national/regional funds for an additional 15% of the total partner budget (over-budget) and they have the right to report over-budget expenditures towards the end of the project implementation.
Upon approval of the MA, also the beneficiaries of the standard call, may have the right to report over-budget expenditures towards the end of the project implementation.
Small Scale Projects don't have any possibility to request overbudget.

Over-budget is understood as an amount related to operations or part thereof, which may be budgeted and reported, even though not available in the programme allocation for the specific priority axis. This amount is expected to become available in the future, because of underspending and savings, which usually occur at closure of the operations and of the programme.
The subsidy contract and corresponding partnership agreement regulate the overbudget, specifying that the amount in overbudget must be covered with other funds, in case savings are not available at programme closure.
Consequently, the additional activities/outputs in overbudget must be:

- coherent, suitable and functionally contributing to reaching the global project objective,
- eligible and compliant with all programme rules, in particular their expenditures must not be financed by other EU programmes (double-financing), and not part of a completed operation,
- validated by the national controllers,
- advanced/mature at the time of the inclusion into the project, i.e. already contracted, carried out or paid ,
- clearly identified in separate reporting, as they will not be reimbursed immediately, but only at programme closure, when savings become certain.

The Managing Authority may not assume responsibility for amounts, which do not become available at programme closure.

Therefore, these are the steps to be followed:

1. **Contact JS**: The Lead Partner or the project partner, who is willing to use the over-budget and to include advanced activities into the project, contacts the assigned JS officer, to verify the overall coherence, the suitability of the activities-actions and outputs to functionally contribute to achieving the global project objective, as well as the potential savings in the priority axis;
2. **Contact the National Controller**: The Lead Partner or the project partner, once received the pre-approval by MA/JS, will submit all supporting documents to the assigned Controller to pre-check the completeness of the related expenditures to be submitted;
3. **SC Addenda**: The Lead Partner and the Managing Authority agree on the clause related to overbudget, while signing an addendum to the Subsidy Contract and the Project Partners with the Lead Partner do the same, in relation to the Partnership Agreement, if not done before;
4. **Separate R**: The Project Partner includes the overbudget activities and related expenditures in a separate Partner Report (R), which must be submitted to the Controller, who shall validate its compliance with all programme rules. Overbudget partner reports must include appropriate evidence and justification on the coherence of the activity/deliverable and its suitability and functional contribution to reaching the global project objective/result;
5. **Separate PR**: The Lead Partner includes all available and validated Rs of step 4 into a separate R, including the justification provided by the partners;
6. **Reporting to EU Commission**: Following up on the verifications by JS and MA, the MA Accounting function includes these expenditures in the payment application;
7. **Payment**: No payment shall be made by the MA to the Lead Partner and Project Partners in relation to PRs in overbudget, until programme closure. Once and as soon as the operations of the specific priority axis are closed and unspent amounts are certain, the MA de-commits these and commit them in compliance with the amounts reported in overbudget, and, in case of partial availability of funds, divide it per partner in proportion to the reported amounts, in order to be able to release the final payments, including the overbudget amount

4 Mid-term review and additional on-the-spot verifications

Project Mid-Term Review

All projects of the Interreg IPA South Adriatic are going to be subject to a mid-term review carried out by the Joint Secretariat, which may be supported by the MA/NIPs/National Authority & National Monitoring Units. The aim of the mid-term review is to revise the project progress against the project objectives, outputs and expected results, defined in the approved application form and to timely detect bottlenecks, which may occur during the project implementation, as well as to gain knowledge of the state of play, considering eventual external factors, while at the same time agreeing on any source of risk for the project and mitigating measures.

The mid-term review takes place:

- For **Strategic Projects**: every 2 years of the project implementation phase, or as agreed between JS and LP, taking into account that the LP shall update the assigned JS officer on the project state of art and the risk assessment mitigation measures;
- For **Standard Projects**: around the end first half of the project implementation phase, or agreed between JS and LP, as a general rule, after the submission of the concerned project report;

It must be highlighted that, during the project implementation, representatives of the Programme Bodies are verifying project activities during standard events organised by the project.

The mid-term review is based on the following elements:

- The latest project report (R) covering the project mid-term;
- The project mid-term summary sheet (based on a template provided by the programme, Annex 4.1.1) in which the LP summarises the most recent state of play of project implementation and provide a realistic activity and financial forecast for the remaining project life time (deliverables and outputs and as well as spending per project partner and budget line). As a general rule, the completed sheet Annex 4.1.1 has to be provided to the JS at least two weeks prior to the mid-term review meeting, unless otherwise agreed between JS and LP.
- A mid-term review meeting with the JS officers in charge, organised by the project, possibly at the occasion of a steering committee meeting in order to involve all project partners or with the Lead Partner.

As a general rule and unless otherwise agreed, the meeting takes place approximately one month after the submission of the progress report at the middle of project duration.

The mid-term review follows a collaborative approach between JS and LP and project partners. It ensures engagement of project partners and should be understood as a constructive dialogue between PPs and the JS. It is considered as a valuable source of feedback to both the partnership and the programme. In the review, it will be analysed whether there is a need to restructure or modify the project in terms of, e.g. adjusting or modifying the work plan, the time plan or budget. In case specific risks/problems or significant delays are identified, the partnership has to develop and agree on mitigation measures.
It is to be emphasized that major project modifications can only be requested in exceptional cases, which need to be duly justified and approved by the JS/MA/MC (see Factsheet related to project modifications, incl. annexes) depending on the type of change.

The mid-term review focuses in particular on the following aspects:

- Analysis of physical and financial progress of the project;
- Joint reflection on management issues (including communication, knowledge management and transfer);
- Sustainability of outputs and results;
- Realistic forecast and recommendations for the remaining project implementation period;
- If applicable, identification of risks/problems, project deviations and delays as well as necessary project modifications (finance and activity modifications, etc.).

As an outcome of the mid-term review feedback, recommendations (e.g. on management and communication issues, budget, content-related aspects, investments etc.) for the remaining project period will be provided by the relevant programme bodies, addressed to and in consultation with the partnership (as Annex 4.1.2). In addition, follow-up actions may be agreed.

As a general rule or as agreed between JS and LP, LP prepares a summary of the main points of discussion and the conclusions/agreements taken at the mid-term review meeting within two weeks after the meeting. If project modifications are deemed necessary after the mid-term review, the project can formally request those modifications to the programme following the procedure described in Factsheet 4.7.

Warning!
The JS recommends requesting major changes after the mid-term review and on the basis of the outcomes of the review, especially in case of low project performances. The MA reserves the right to decommit and apply reductions to the project budget, in case of severe shortcoming and delays in project implementation (as reported in the Annex 2 to the Factsheet 4.7).

How to prepare for the mid-term review
The mid-term review meeting should be preferably organised back to back to a regular project Steering Committee meeting in order to involve all PPs and to minimise costs.
The project management team may be invited to attend the meeting to be agreed between JS and LP, while National Info Points and National Authorities/National Monitoring Units may also be involved.
As a general principle, **mid-term review meeting may run according to the following agenda**:

- Introduction of the meeting by the representative of the JS or Programme bodies;
- LP presentation (activity and financial progress, management, communication, problems, need for project modifications, other issues);
- Further presentations by other PPs (e.g. on specific outputs and highlights, investments, target groups etc.);
- Open discussion on issues encountered;
- Recommendations and agreement on follow-up actions, as applicable.

If required, a separate follow-up meeting could occur at the fringe of the mid-term review meeting.

The LP and all PPs should prepare well in advance for the meeting. This includes collecting most recent content and financial information (quantitative and qualitative data) allowing realistic projections towards the project end. This information feeds into the mid-term project review factsheet-Annex 4.1.1, to be submitted to the JS two weeks prior to the mid-term review meeting, or as agreed between JS and LP, with the involvement of the project partners.

When preparing the mid-term review meeting the LP has to:

- Agree with the JS a date and venue as to allow for a timely organisation of the meeting (online meeting may be agreed upon between JS and LP);
- Provide the JS with an agenda and list of participants and distribute it to all PPs;
- Organize the logistics for the meeting (venue, equipment, etc.), as needed.

Warning!
It is recommended to prepare with special care the project report, which will be submitted before the mid-term review, as well as the project mid-term review template, since these documents will be the basis for the mid-term discussion and appraisal. After the mid-term review meeting the LP has to arrange any necessary follow-up with the partnership.

In case it is needed, the national bodies (National Authority/National Monitoring Units & NIPs) will monitor the activities of their partners with periodic visits and/or phone calls as appropriate.

Additional on-the-spot visits
In addition to mid-term review meetings, in case of poor financial performance of a project or other shortcomings detected, it might be necessary to have additional on-the-spot visits by the MA/JS or NIPs/National Authority & National Monitoring Units and the project partners. The main goal of these additional verifications is to solve issues and problems detected during implementation, to maximise the impact of the programme, to ensure the proper use of the funds, to support, advise, assist and assess the project partners.
In case of projects with major investments additional on-the-spot checks might be planned at the premises related to the partner or where the investment is located.

The on-the-spot visits are not to be considered an audit on the expenditures (performed by the AA or by National Controllers), but a technical verification related to the implementation of the project, the achievements of project objectives, as well as expected outputs/results.

The MA reserves the right to carry out specific actions, including decommitment (as explained in the related Factsheet) and/or withdrawal from the Subsidy Contract, in case the project implementation significantly differs from the objectives indicated in the Application form, serious deficiencies occur or in all cases foreseen by the Subsidy Contract clauses. In any case the MA/IS are committed to have a constructive approach with the partnership in solving serious bottlenecks, which put at risk the entire project.

Monitoring visits

During the project implementation, the national Authorities, in accordance to the Risk based management sampling methodology, to the assessment carried out during the MTR or to a settled internal national monitoring procedure, may organize monitoring visits between the NIPs/National Authority & National Monitoring Units and the listed project beneficiaries per each concerned country. The monitoring visits have an advisory role and the main goal is to check the internal capacities/performance of the partners involved for the benefit of the project implementation, to maximise the impact of the programme and of the implementation procedures, to support, advise, assist and mitigate any risk in the proper use of the funds

5 ARCHIVING RULES in JEMS for AUDIT TRAIL

Audit Trail

One of the most common errors in Interreg projects, which caused many ineligible expenditures, irregularities and thus funds being paid back to the programme, is the documentation of expenditures (the audit trail).

We **strongly recommend and urge all project managers** to organize and keep the audit trail right from the beginning, i.e. to store all key electronic documents in a project storage space (server, shared drive, external hard disk), as well as in original paper folders.

For example, you might want to organise your folders according to the expenditure category (01 for staff, 02 for external services….) and the subfolders according to the workplan references (01.1 management, 01.2 WP1…).
Please note that in case of controls and audit, you will be required to demonstrate you are keeping an organized and complete audit trail.

We suggest, thus, to name your files with a certain logic and to upload them in the Jems for reporting with a coherent name such as: ***"YEAR_No OF PR_*EXPENDITURE CATEGORY*_DOCUMENT TYTLE & NUMBER"***

Warning!
The Jems system allows the uploading of only one file per each item. Therefore, in case multiple files should be uploaded per item, it is recommended to upload a .zip or .rar file, with a defined title clearly linked to the item itself (**maximum dimension for item: 100 MB)**

The supporting documents of the expenditures, in the Jems "List of expenditures" section as well as in the other reporting sections for evidence of SCOs and project deliverables/outputs, may be uploaded in both pdf files and zipped folders. Take note of the Jems limitation in the "**uploading procedure**", since only one file can be uploaded per each item. In case multiple files need to be uploaded to one item, it is recommended to upload one pdf document or a .zip or .rar file , including all necessary supporting documents for each expenditure, correctly named.

The Jems system foresees different kinds of sections to attach the relevant documents referred to a project during its lifetime of implementation.

Be aware that the documents to be uploaded during the reporting procedure per each expenditure item, are listed in the following Factsheets:

- **SA_FS 4.10 - Audit trail section per each selected eligible expenditure category,**
- **SA_FS_4.10.1 - Management verification section per each selected SCOs**

In cases of expenditures incurred on the basis of public selection procedures/public procurement procedures and paid periodically through the concerning payment documents (such as monthly staff payslips or invoices for services contracted), Partners have to report on each new public procurement and update it in later reports. Any procurement can be directly linked to expenditures in the section list of expenditures. Therefore, take care to create any procurement item with a clear contract name which it will be then used in the "List of Expenditures".

Documents Archiving

Here below you can find a summary table to guide each beneficiary in the correct uploading of documents in Jems platform, ensuring a correct audit trail as well as an easier monitoring/verification actions by the programme bodies/Controllers, avoiding overlapping, double counting or fragmentation in the uploading procedures.

REFERENCE GRID FOR ARCHIVING AND REPORTING ISSUES IN JEMS

Jems SECTION	JS uploading Privileges	LP/PP uploading Privileges
CONTRACTING - CONTRACT AND AGREEMENT - **CONTRACT**	Upload relevant contract docs (SC, PA, MA decree, CUP LP, updating of SC or PA)	To be used by LP to upload PA
CONTRACTING - CONTRACT AND AGREEMENT **- PROJECT**	Upload MA authorizations, relevant MA communications, MA acts of Pre Financing, MA reimbursement to LP	To be used by LP to upload Pre Financing request, acts of reimbursement to PPS
CONTRACTING **- PARTNER Details**	//	To be used by any PP to upload relevant docs (financial identification doc. or other relevant partner docs)
SHARED FOLDER	May upload and cancel everything	To be used by LP/PP to upload ONLY relevant final deliverables/outputs/results suitable for Project results' publication (**NOT possible to cancel uploaded docs**)
Application Form **MODIFICATION**	Must open any modification request & upload relevant/ completed docs provided by LP via email and pre-checked	To be used by LP to update the AF and submit it in accordance with the modifications allowed by Programme bodies
REPORTING		
REPORTING – R/PR **– report annexes**	//	To be used only for justified cases by LP/PP (ie. to upload general management or general communication evidences), since all files already uploaded in the different sub-sections of the partner report, are automatically shown in this section and not viceversa.
REPORTING – R/PR – workplan progress **– deliverable - attachments**	//	To be used by LP/PP to upload relevant evidence per each deliverable achieved or contributed to. **In case of SSP, take care on correct uploading of each SCO's output by PP in Rs, or of each achievement evidence by LP in PRs**
REPORTING – R – workplan progress – public procurement **- attachments**	//	To be used by any PP to upload evidences per each procurement finalized (**NOT applicable for SSP**)
REPORTING section – R – list of expenditures **- attachments**	//	To be used by any PP to upload evidences per each expenditure item (**NOT applicable for SSP)**
REPORTING section – PR **– OUTPUTS and RESULT - attachments**	//	To be used by LP to upload final evidences of the achieved project outputs and results

6 Programme reference documents

- Subsidy contract
- Partnership agreement
- SA Jems Manual
  - Factsheet Jems manual partner reporting
  - Factsheet Jems manual project reporting
- SA Programme Manual
  - Factsheet 1.1 Programme strategic framework
  - Factsheet 4.6 State Aid
  - Factsheet 4.9 Italian First Level Controller Procedure
  - Factsheet 4.4 Controllers guidelines
  - Factsheet 4.10 Eligibility rules
  - Factsheet 4.10.1 Simplified cost options guidance

Templates (in word file)

- Annex 4.1.1_template for Project summary sheet
- Template of MTR agenda and registration list
- Annex 4.1.2_Template for MTR/on the spot check minute
- Annex 4.1.2 bis_ Template for Monitoring visit minute