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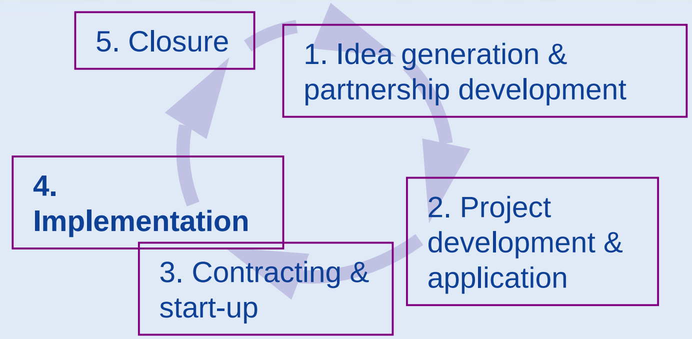
# Implementation

## Territorial Cooperation Project Management

15-16 May 2008

Bucharest

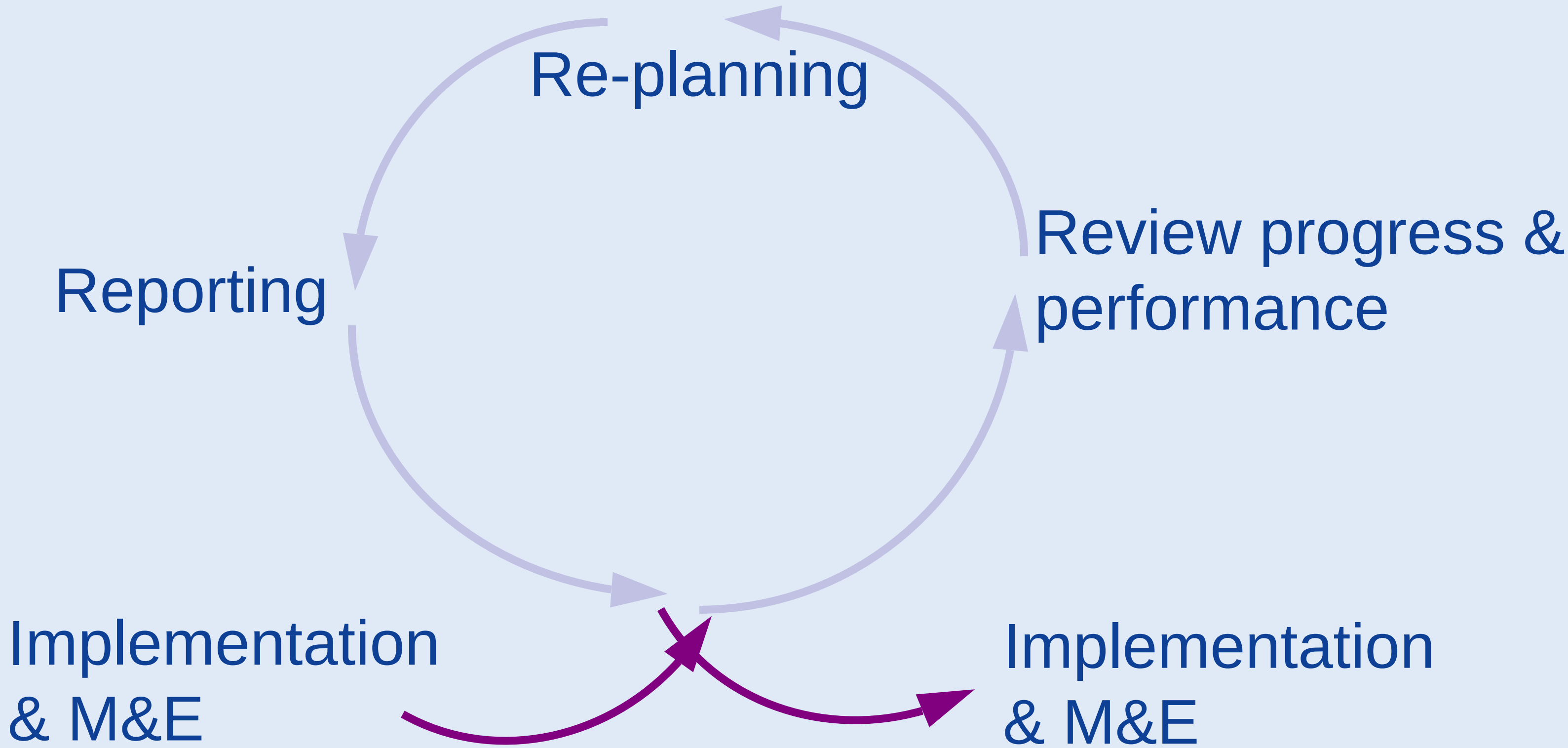
# What happens at this stage?




- Keeping track of the project
- Monitoring & evaluation at project level
- Activity reporting
- Changes
- Information & communication
- Financial management & reporting

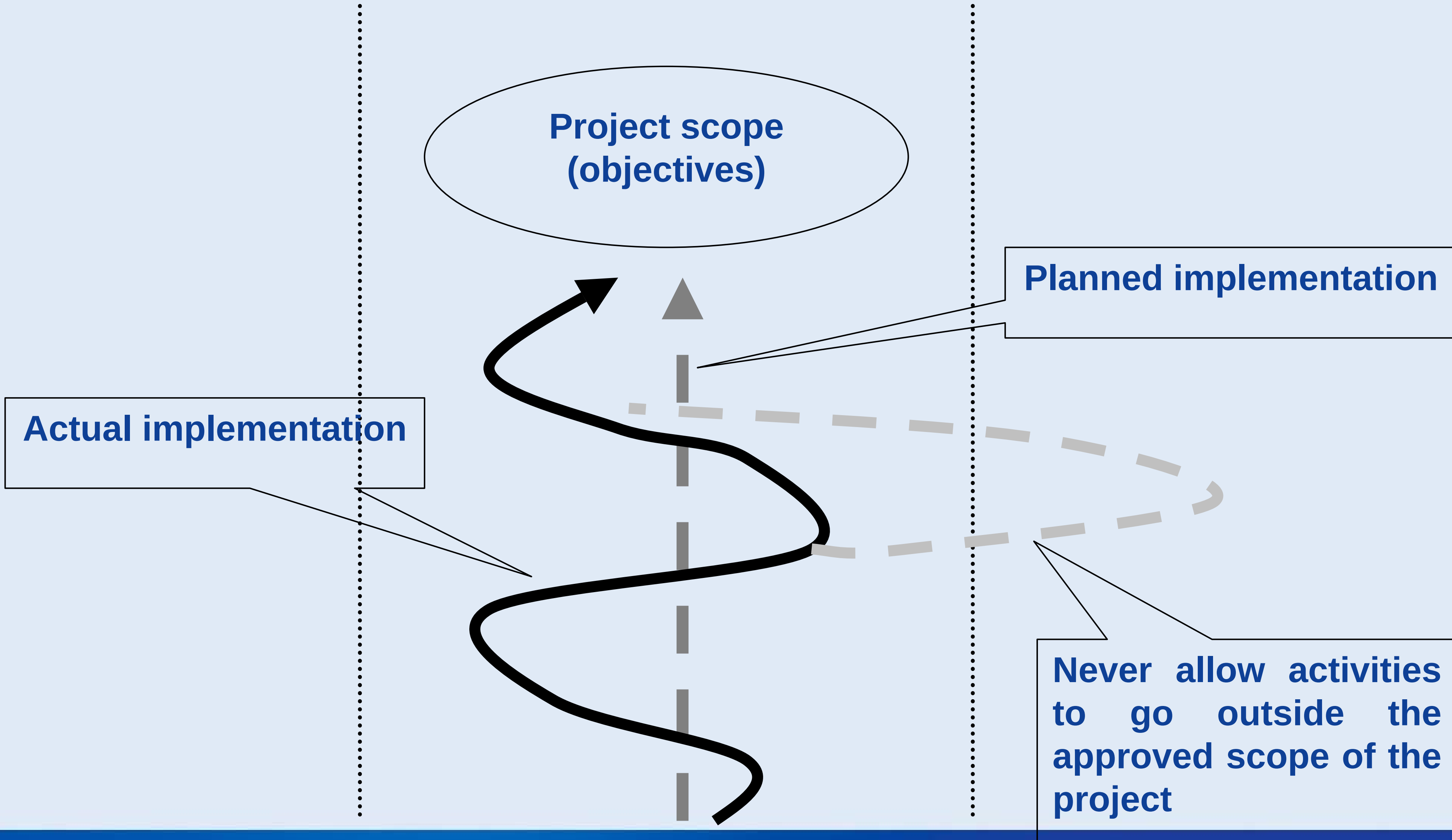
# Implementation

A learning process

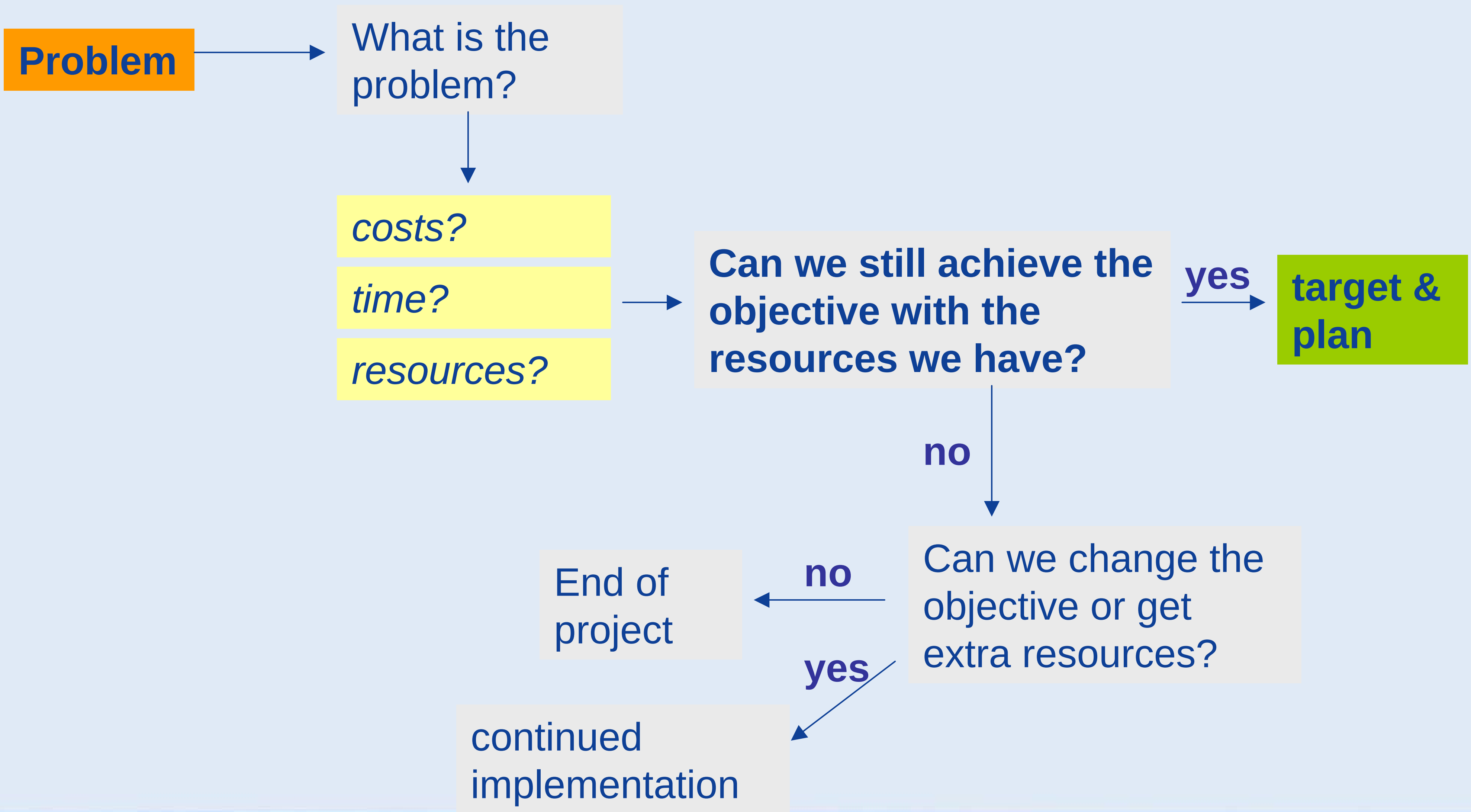



*Adapted from: Project Cycle Management Guidelines, EC, 2004*

# Nothing goes exactly to plan



# From problems to targets



# Project changes

- Activity changes
- Roles changes
- Partnership changes
- Changes in deliverables
- Changes in the project timetable
- Budget changes

# How to report changes?

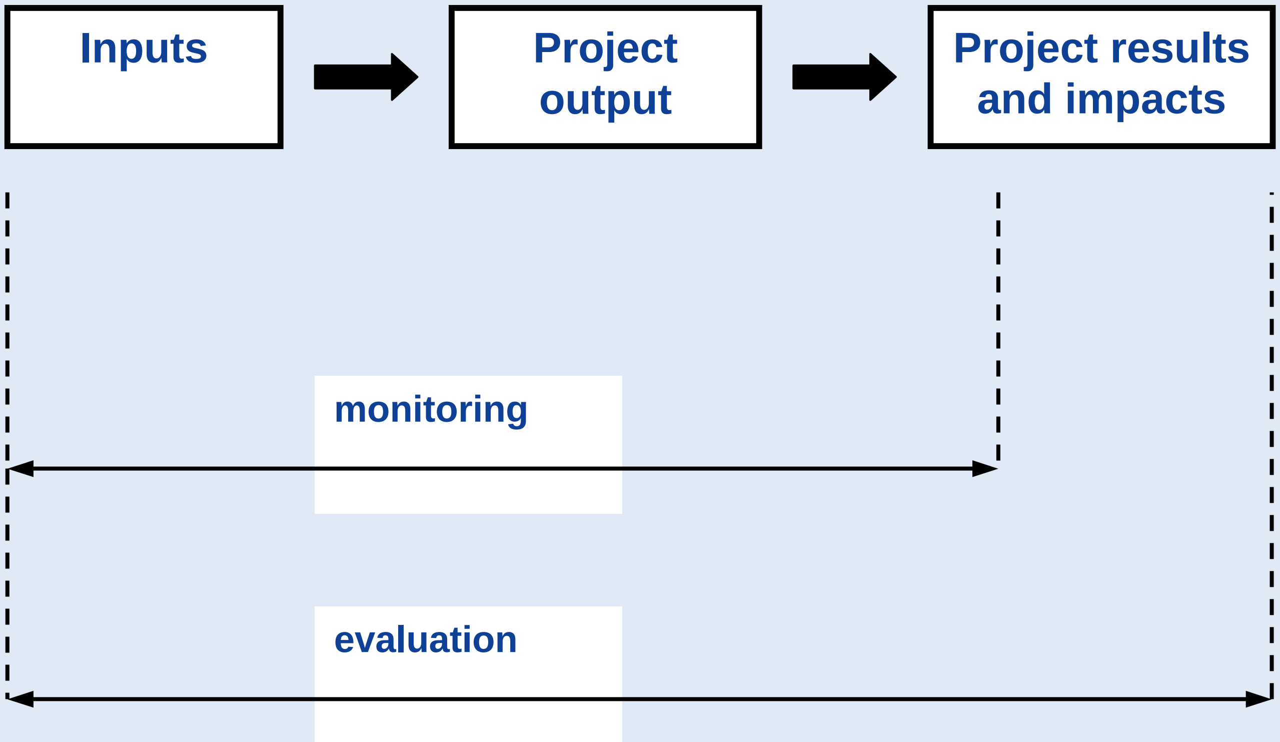
- The nature of the change (activity, partnership, etc.)
- Who does it affect – one partner / the whole partnership?
- Does it have an effect on the project budget?
- Does it have an effect on the project timeframe?
- Is there a danger that the project will not deliver all or part of its activities?
- Is the change related to working methods and procedures or objectives and deliverables?
- Outline alternative solutions, justify them with regard to the
- application (i.e. they do not significantly change the original plan)

1. Identify: sources and / or problems
2. Assess:

| | Low impact | Medium impact | High impact |
|---|---|---|---|
| High probability | Medium risk | High risk | High risk |
| Medium probability | Low risk | Medium risk | High risk |
| Low probability | Low risk | Low risk | Medium risk |

3. Address: ignore, remove, contingency plan

# Difference between monitoring and evaluation




***Monitoring*** – focusing on operational project management issues

***Evaluation*** – focusing on strategic aspects of quality, management and effects

# Why monitor?

| | |
|---|---|
| Project | • Support project implementation and indicates whether targets are being met;<br>• Stimulates improvement in project results;<br>• Provides reliability and credibility of results;<br>• Foresees potential problems in good time and simplifies decision-making. |
| Programme | • Gives an accurate picture of the status of project implementation;<br>• Allows programmes to keep track of main project variables and allows problem identification;<br>• Supports programme information and publicity;<br>• Verifies and provides transparency on spending of public funds |

# Monitoring as a process

Monitoring is a continuous programme-lead process with clearly defined deadlines.

# Responsibilities for monitoring

Conduct team reviews

*(review progress and status and plan for the future)*

Manage changes

*(monitor changes to one or more project parameters)*

Lead Partner

↕

Project partner 1,2,etc.

Continuously monitor project progress (internal)

*(ensure that the project stays on target)*

Formal project progress (external)

*(ensure that all stakeholders are informed of the progress)*

## What is required for monitoring?

- Written status reports;
- Updated list of activities, problems and issues;
- Updates to the plan and schedule;
- Updates on outcomes/ results;
- Update on project indicators;
- Dissemination activities;
- Comparison of actual to budgeted costs and expenditure;
- Certified statements of expenditure;

+

… various supporting documents

# Some ideas on how to improve project monitoring

- Design a project monitoring system compatible with the programme system;
- Define and measure key indicators (output, result, impact);
- Encourage early task allocation within the partnership;
- Use user/beneficiary feedback to improve performance;

## *What do projects do when feedback is received?*

| | |
|---|---|
| **OPTION 1**<br>"Do nothing" | • change of the perception of the project;<br>• requests for further clarifications;<br>• delayed or cancelled payments;<br>• on-the-spot checks. |
| **OPTION 2**<br>"Take action" | • verification of good project management and performance;<br>• improved understanding of the project;<br>• speed up checking procedures;<br>• speed up payment procedures. |

## Project evaluation themes

- ***Relevance:*** To what extent are objectives relevant to the evolving needs and priorities at regional, national and EU level?
- ***Efficiency:*** How were the resources (inputs) turned into outputs and results?
- ***Effectiveness:*** How far has the project contributed to achieving its specific and global objectives?
- ***Utility:*** Did the project have an impact on the target groups in relation to their needs?
- ***Sustainability:*** To what extent can the changes (or benefits) be expected to last after the programme has been completed?

# Evaluation as a continuous process

**Internal** =
peer review

EVALUATION

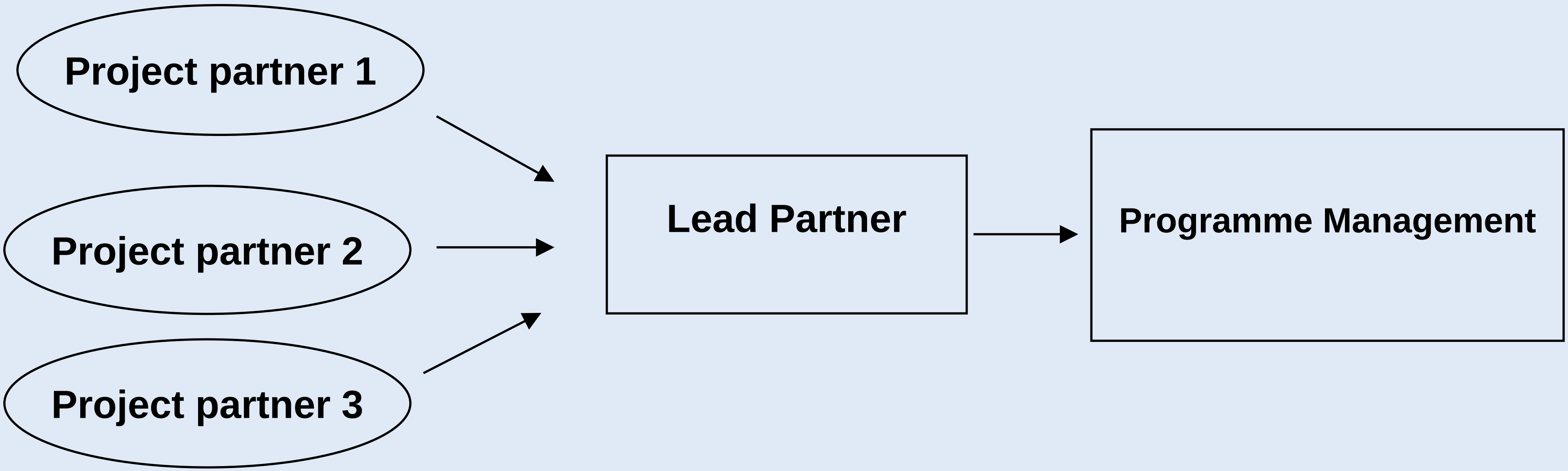
**External** =
overall
project
performance

**Programme** =
”us” and the
rest of the
projects

## Evaluation as a continuous process

- Plan for evaluation;
- Make provisions for collecting and interpreting information;
- Agreeing on the use and purpose of the evaluation results.

# Activity reporting process




**The central role of the LP in this process is clear!**

# Reporting requirements

| Content requirements | Technical requirements |
| --- | --- |
| • Relevance of information provided | • Report on time |
| • Report on activities carried out | • Maximum length for different report sections |
| • Include results and where possible impacts of project activities | • Consistency with the application and appendixes |
| • Proportionality between level of detail and expenditure | • The project website is not a tool for reporting |
| • Highlight main achievements | • One consolidated report for the whole partnership |

# Control procedures in 2007- 2013

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| PARTNER<br>PARTNER<br>LP | LP | MA | MS | CA |
| All project partners (including LP) draw up statement of expenditure and have it checked by nationally designated first level controllers | LP checks that all claims have been certified by the approved controllers. Draws up an aggregate project claim (calculations may also be checked by LP controller) | MA (possibly delegated to JTS) checks certification again. Also checks reports to ensure the project is being delivered in accordance with the approved application. | MS responsibility to set up a system (possibly delegated to MA/JTS) including on the spot checks of a sample of operations checking administrative, financial, technical and physical aspects as appropriate. | CA checks a sample of the project claims to confirm that the work that has been done provides a sound basis for making the programme claim. |

# Characteristics of First Level Control

- Covers 100% of the expenditure claimed
- Takes place every time a project makes a payment claim
- Takes place at the beneficiary (partner) level
- Expenditure which has not been certified by FLC cannot be included in the programme payment claim to the European Commission

## First Level Control includes

- **Document check** that expenditure has been calculated and documented in the proper way and is eligible (First Level Controller)
- **Administrative check** that all expenditure relates to approved and relevant activities (national responsibility)
- In some cases '**on-the-spot' checks** – based on risk analysis
- The **Lead Partner** should also confirm that partner claims have been properly certified and that expenditure has been incurred on the agreed activities only

Art 16 EC 1080/2006

*“…each Member State shall set up a control system making it possible to verify the* ***delivery*** *of the products and services co-financed, the* **soundness** *of the expenditure declared…and the* **compliance** *of such expenditure…with Community rules and its national rules.”*

## Challenges for the First Level Control

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Proof of existence depends very much on the project output

- Investment projects
- 'Soft' projects e.g. networks

*"…the only projects which should be approved are those which present a clear work programme with, for each activity, an identifiable product which makes it possible to check afterwards whether or not the event occurred."*

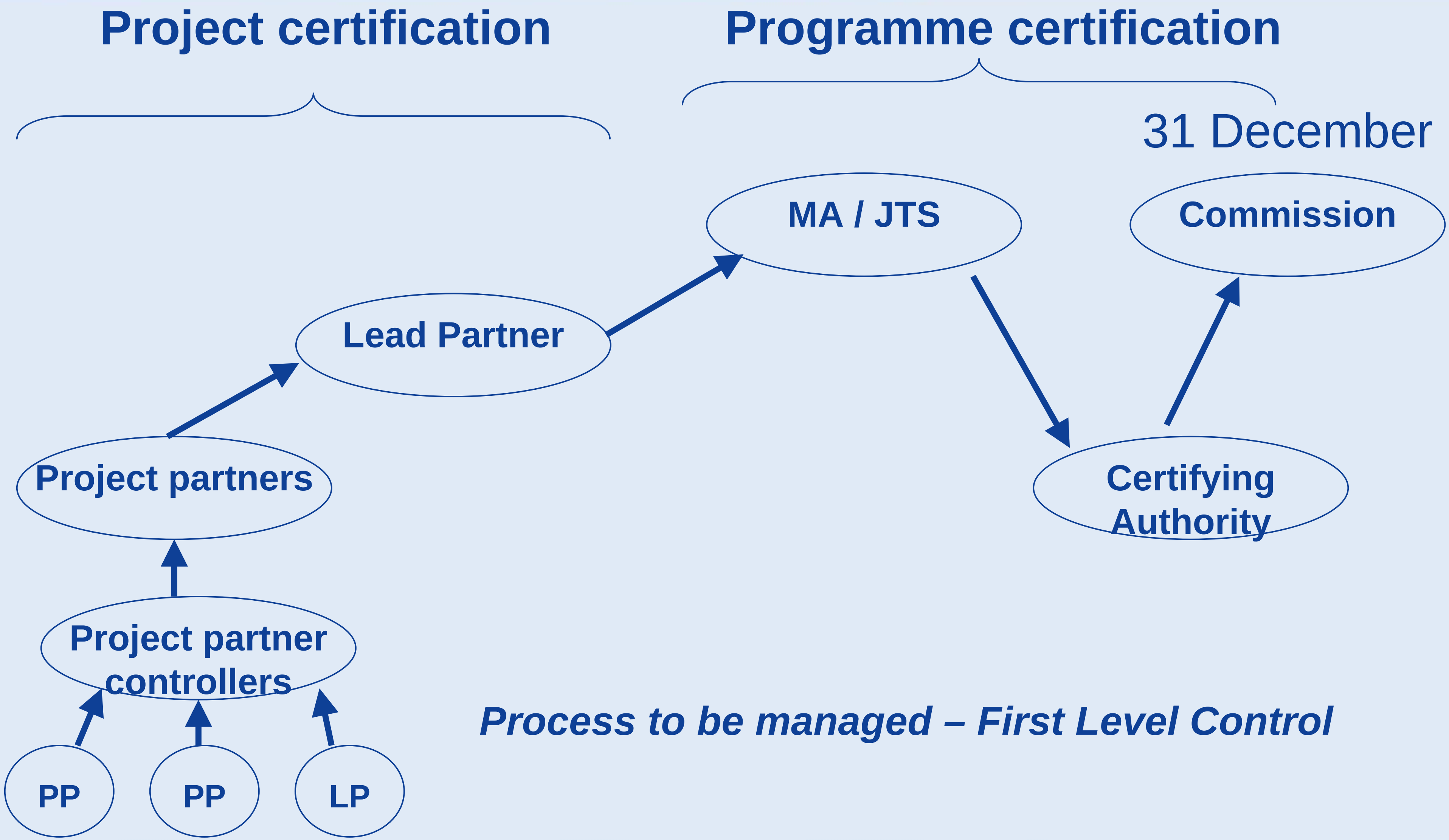
- *conference papers*
- *a website*
- *implementation document*
- *a report on the activities undertaken*

# What is checked at First Level Control?

Includes checks on compliance with EC and national rules on:

- Eligibility
- State aid
- Public procurement
- Publicity and information
- Protection of the environment
- Equal opportunities
- Other relevant legislation

# FLC and reporting process



# Reporting questions

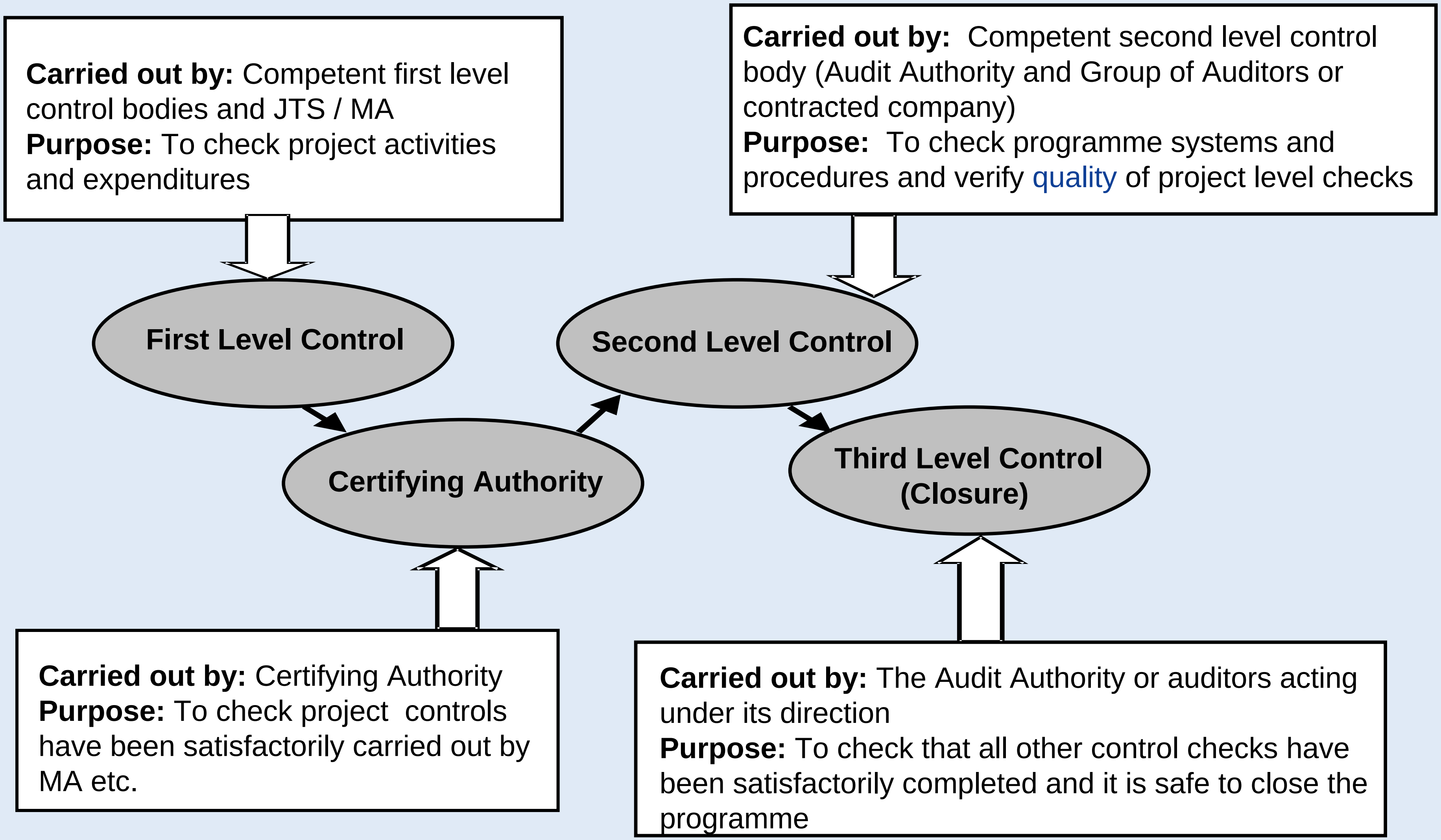
Key issues to decide on when developing the project finance reporting system:

- How long will it take the appointed controllers to control expenditure?
  - ‘Each Member State shall ensure that the expenditure can be validated by the controllers within a period of three months’
- What will happen to partners that cannot have certified statements ready in time?

# GROUP WORK 6: Monitoring flow chart

- The deadline for submitting the project progress report (both financial and activity) to the JTS is 31.08.2007
  …create a flow chain, starting from the partner level, for report submission to the JTS keeping the following in mind:
- Deadlines for reports submission (JTS but also internal project ones);
- Responsibilities for drawing up and submitting the reports (partner and LP level), risk considerations;
- Supporting documents needed to establish the audit trail and FLC certification required;
- Type of information needed for the activity reports;
- Work out the time taken until the partners receive payments.

# Financial control structure in Territorial Cooperation



# Other control bodies

- **Co-financing organisations**
- **Member States**
- **Commission Audit Service**
- **Court of Auditors**
- **OLAF**

Checks are rare –

but always possible

## What is the audit trail?

A record showing how every EURO of project money has been spent.

- In most cases invoices for products and services delivered

- Costs for which it is not possible to provide an individual project invoice (e.g. Overheads) use documents of ‘equivalent probative value’ (= they provide reliable proof of how the money was spent)

- It is not enough to prove that the money has been spent. Proof also needed that activities were actually carried out and value for money principles have been observed (e.g. evidence of public procurement procedures)

## Securing the audit trail

- The MA keeps a record of where all documents are stored (projects will need to supply this information after approval)

- Documents have to be kept until three years after the formal closure of the programme (31.03.2020 or even later for the new programmes)

- Some countries have stricter rules (e.g. Germany 10 years)

IF YOU CANNOT PROVE IT, IT NEVER HAPPENED!

## Financial control

Common problems detected

- Timesheets wrong
- Overhead calculations wrong
- No evidence of tendering
- Documents not available
- Ineligible expenditure included
- Missing signatures, wrong dates etc.

If communication in the partnership is bad, these problems get bigger at partner level

## FLC and Eligibility

- Is this issue covered in the **regulation**?

- Is this issue covered in **national rules**?

- Does this expenditure actively contribute to fulfilling the projects' **objectives**?

AND will it provide a benefit for the programme area?

How to avoid problems

- Set up separate project bank account
- Involve finance managers from the start
- Secure the audit trail (put requirements in writing)
- Find out what to file and make sure you do it

How to avoid problems 2

- Find out national procurement thresholds
- Keep all activities in the eligible area
- Avoid grey areas
- Only report real costs, directly related to project implementation and included in the approved application

What is an irregularity (1):

"… any infringement of a provision of Community law resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the Communities by charging an unjustified item of expenditure to the Community budget;"

Certifying Authority initiates recovery

▼

Lead Partner repays funds

▼

Lead Partner recovers funds from partner

▼

If unsuccessful, partner Member State pays funds to Certifying Authority

▼

Certifying Authority repays Lead Partner

# Communication

*Externally*

programme

National/regional/ local stakeholder groups

other providers of funds

*Internally*

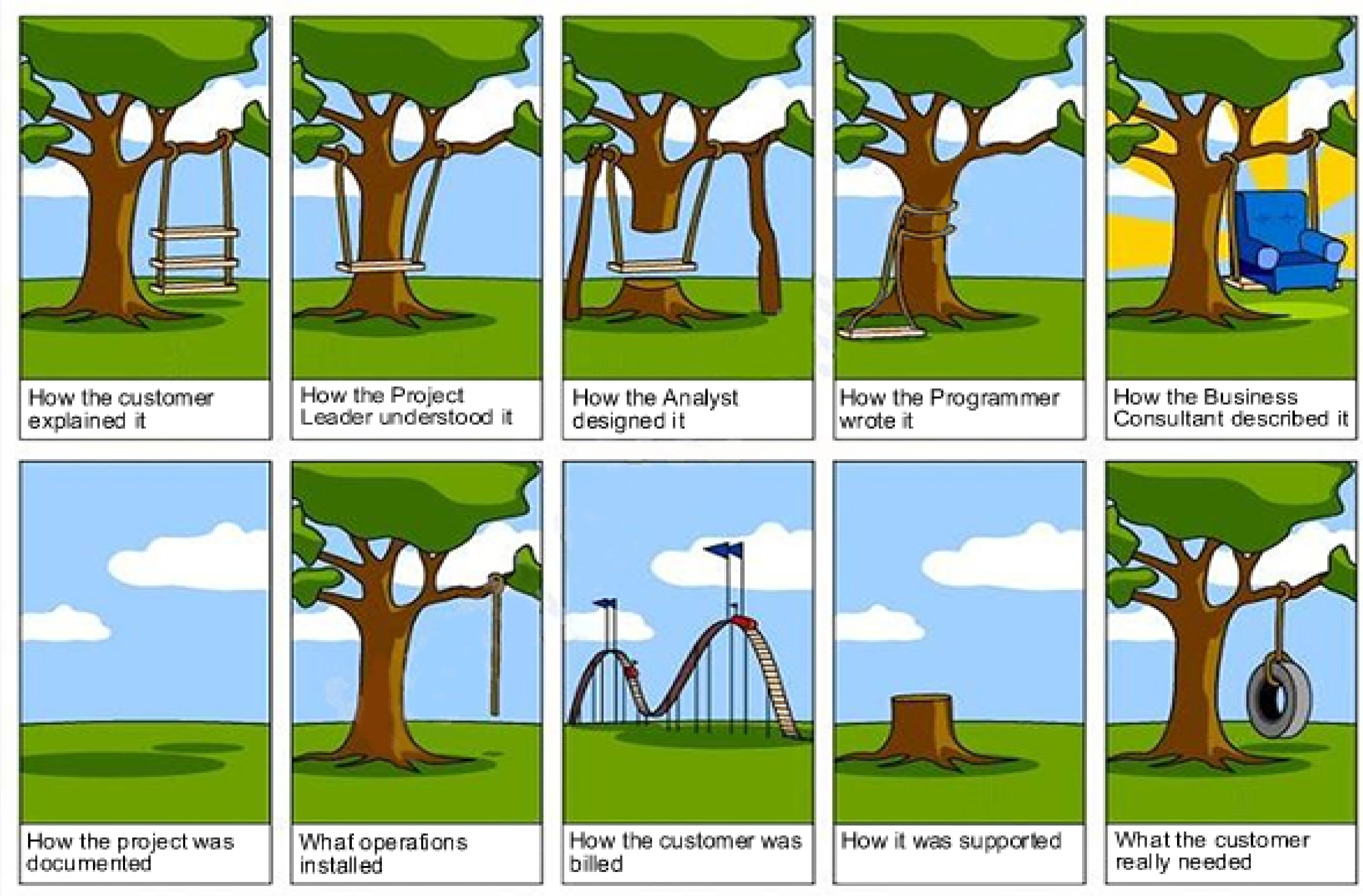
- between partners in WP
- between all partners
- with the Project Steering group & PM
- with financial and administrative staff
- with consultants, contractors, specialists

specific target groups

general parties interested in the project

Associated organisations

# Why does it matter?



# Internal communication

- What needs to be communicated and why?
  - Information that partners need in order to work together
  - Information about project progress to identify and react to problems and successes
  - Information about decisions and changes within the project and externally (the programme)
- Who needs to be informed?
- When and how often they need to be informed?
- How they should be informed?
  - What is the most appropriate medium?
- What do you want them to do by when?

## Means of communication

<u>face to face meetings</u>

- project meetings, partner visits, meetings within the partner organisation

Trust building, essential for making key decisions and complex tasks, efficient for development and learning

<u>Exchanging information over distance</u>

- email, fax, letters, telephone, telephone conferences, reports

Daily management and partner communication

<u>Virtual meetings</u>

- video conferencing

Also used for decision-making and complex issues but requires knowing the partners (trust) and ICT/skills.

<u>Virtual working tools</u>

- intranet, online working platforms

Enables distance collaboration, transparency, requires ICT /skills

## Finding the right balance

Avoid information overload…

… but ensure that all partners have the information they need, keeping in mind:

- different levels of experience/specialism,
- cross-cultural differences,
- different rules and procedures,
- remote team-work situation

*'Said is not the same as heard. Heard is not the same as understood. Understood is not the same as done.'*

*SOCRATES Survival Kit*

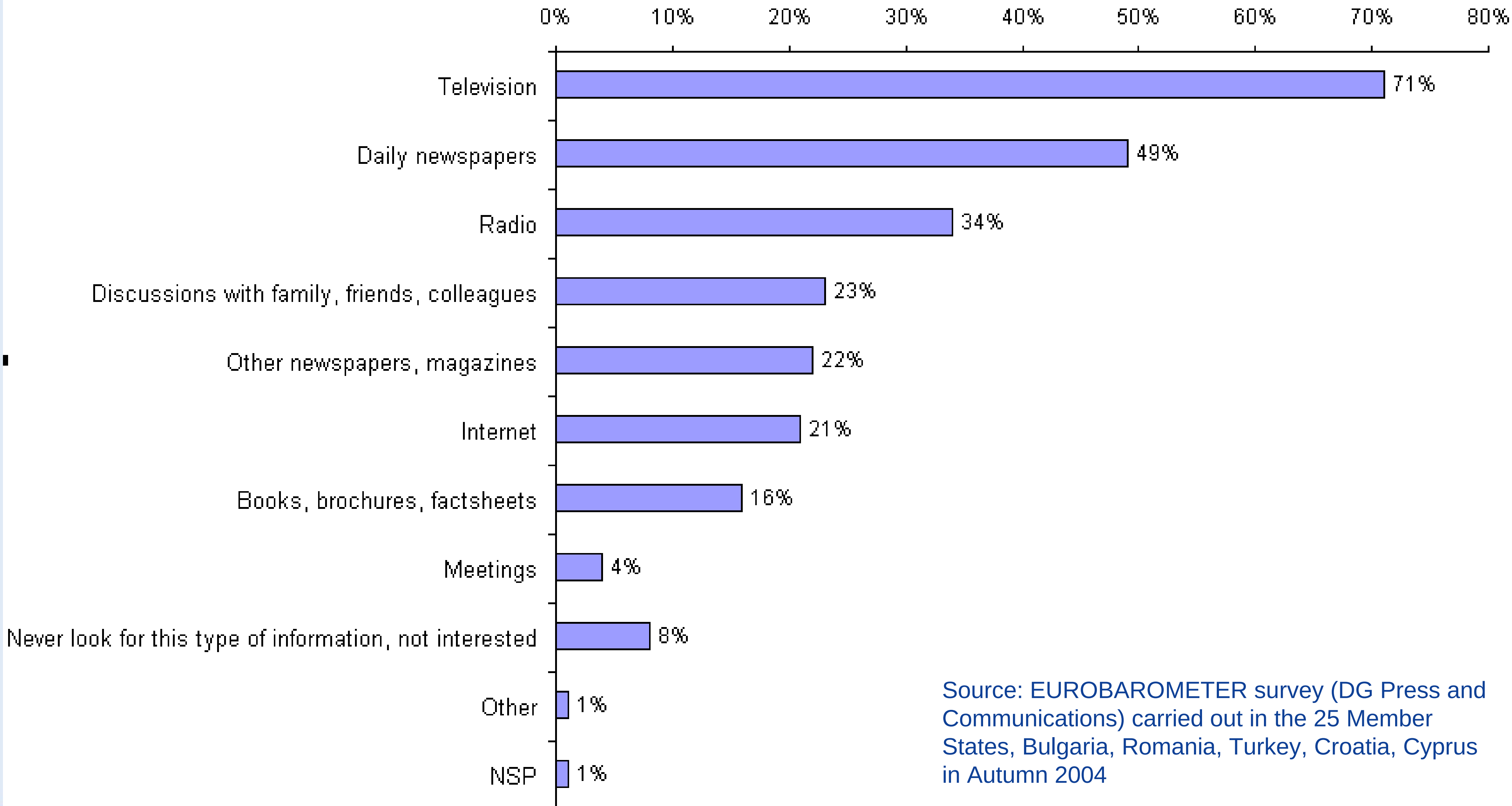
# External communication & publicity

*Project communication*

*Publicity*

| Project stage | Target groups | Tools |
|---|---|---|
| Project close | Main target groups/ key stakeholders/ wider audience (e.g. the public) | Final project conference;<br>Media coverage – newspapers, radio and TV;<br>Project evaluation results. |
| Implementation | Key stakeholders/ main target groups | Conferences and project clustering;<br>Media coverage; Project surveys;<br>Project publications and web site;<br>Project newsletter;<br>Seminars and workshops; Project meetings |
| Approval | Key stakeholders | Project meetings;<br>Start up project conference;<br>Press release; Project leaflet |
| Project idea | Potential partners/ key stakeholders | Project idea meetings;<br>Project idea info sheet |

# Sources of information on the EU, policies and institutions




Source: EUROBAROMETER survey (DG Press and Communications) carried out in the 25 Member States, Bulgaria, Romania, Turkey, Croatia, Cyprus in Autumn 2004

## Planning external communication

1. Identify **stakeholders and target groups** in *detail*
2. Develop **methods and tools** for managing and communicating key messages
1. Develop a **joint communication plan** so the activities of individual partners are coordinated and timed
1. Ensure adherence with **programme requirements**
2. Identify the **actions and costs** required
3. Define **targets**
4. Provide the **Project Steering Group** with a detailed framework of communication mechanisms/tools
1. Ensure the communication of **regular project updates**

# GROUP WORK 7: Communication plan

Develop an external communication plan for the project, including the following:

- Groups and stakeholders to be addressed
- Key messages for each group
- Tools & means of communication (variations per country?)
- Targets/ indicators