

Training on Project Management and Implementation
for Grant Beneficiaries and Partners TC Programme AZ-GE

Anticipating what is needed when the Project closes

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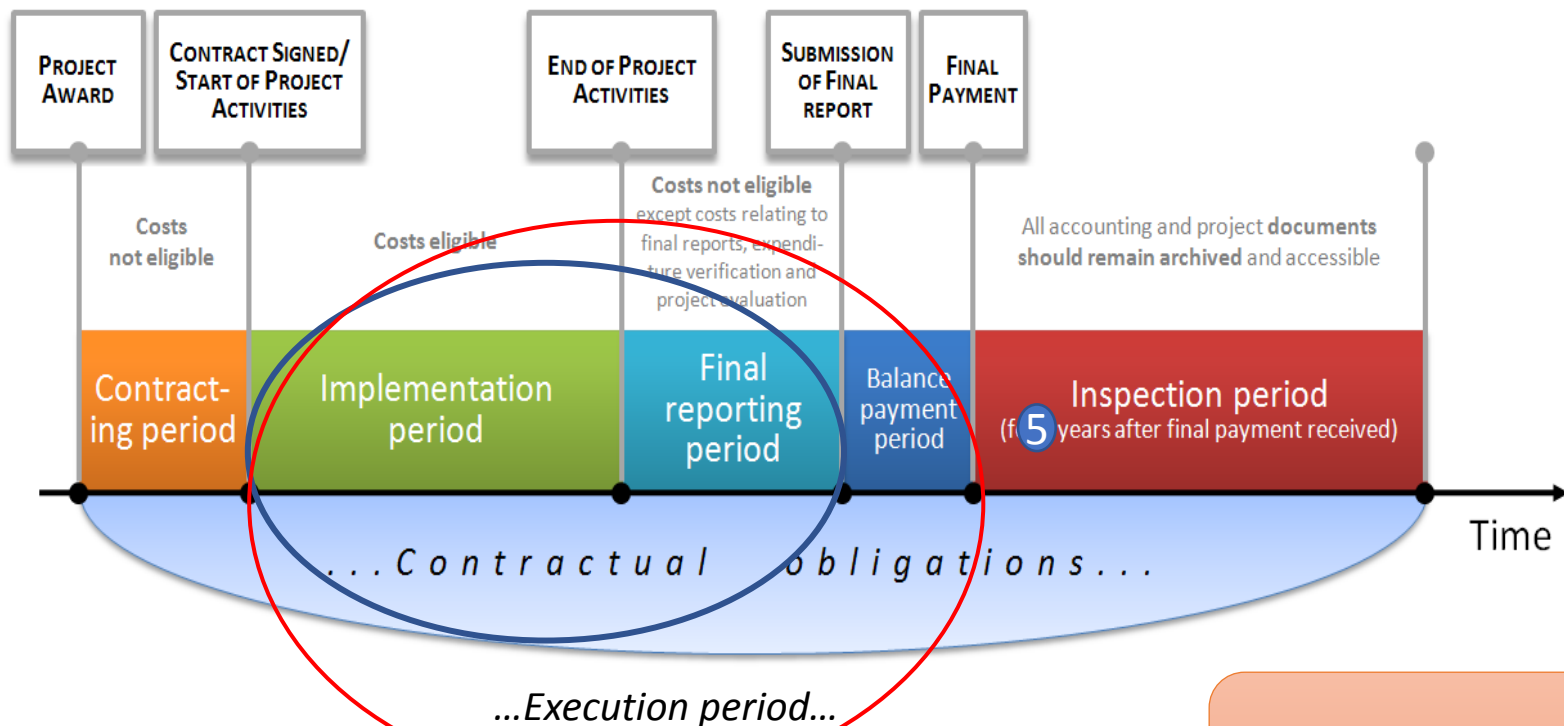
This Programme is co-funded by the
European Union



Implemented by

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

Timing and contractual obligations:



BE READY UNTIL 2025!

- Implementation period: 14 months
- Execution period: 14+18 months
- Contractual obligations : 5 years



Remaining ready for 5 years after closure...

Article 45 of Implementing Rules (Regulation (EC) 951/2007:

“The project beneficiaries and partners shall, for **5 years** from the date of the payment of the balance of the project, **keep all documents** related to the project, in particular the reports and supporting documents as well as accounts, accounting documents and any other document related to the financing of the project.”



Requirements from PraG :

Article 16.2 of the General Conditions

- ➔ It indicates the conditions of the eventual control by EC, OLAF, Court of Auditors or external auditors duly authorised by MA during the project implementation and the 5 years after the payment of the balance.
- ➔ The beneficiary and its partners undertake to **give appropriate access** to:
 - The **sites and locations** at which the project was implemented (in case of infrastructures or equipment);
 - The **information systems and databases** of the project and of the institutions;
 - All the **documents** concerning the technical and financial management of the project.



Checklist for closing the project:

- The **Partnership Agreement** should be valid until the end of the open-to-control period and include all the necessary clauses to ensure smooth after-closure procedures.
- The **original documents** and the **computerised systems** are **easily accessible** during the full period.
- **Web-sites** and any **Internet-based** tools have to be **stored locally** to be able to show them in case of control.
- Even if **infrastructure or equipment** property is transferred after the project closure, the agreement with the recipient has to include the **right of access** during the open-to-control period. The **project archives** must keep all technical documentation and pictures.



Checklist for closing the project:

- ➔ Any **equipment** at the end of its useful life, i.e. obsolete computers, need to be **removed from the institution inventory** following adequate procedures, which **have to be archived** with the project documents, even after project closure.
- ➔ **Technical documentation** must include all supporting documents and pictures **proving all the activities** financed during project implementation, both tangible and intangible.
- ➔ **Financial documentation** must be accessible in original form or equivalent, according to national law. It must include **proof of delivery of services and products**.
- ➔ Beneficiary and all partners must agree to nominate a **contact person during the open-to-control-period**, with adequate knowledge of the project, its content, its archives and computer systems and records.



Important issues regarding project closure :

Before formally closing your project, **be sure that:**

- ▶ Your organisation and not only you, **is aware of the obligations** during the open-to-control-period.
- ▶ **A communication line** is kept open with all your partners **for the next 5 years**. Even if it is written in the Partnership Agreement, check how you are going to make this operational.
- ▶ **Revise the project documentation (all of it!!)** and verify that it is organised in a way that anyone with no knowledge of the project can ensure a smooth control by EC or any other competent body.



Recovery procedure:

The term **'recoveries'** refers to the recovery of payments by the MA in excess of what is legally required for example, due to ineligible expenditure, or lower than expected costs for the project, etc

- ➡ The MA will start by issuing a **"recovery order"** when it has identified a potential payment in excess.
- ➡ **The first step** will be to inform the **Beneficiary** and give them the opportunity to send clarifications and additional information and documentation. This procedure is called a **'contradictory procedure'**. The MA can waive it with prior approval of the EC and the programme Joint Decision Making Committee (JDMC).
- ➡ In case of refusal the case could be address to the **relevant national bodies**.



Legal basis for recovery procedure

Source	Content
Financing Agreement between the EU and each Partner Country	It specifies the conditions for recovery from Beneficiaries and Partners in the Partner Country and the role of national authorities
Article 18 of your grant contract General Conditions	Includes the basic conditions for recoveries in accordance with the common rules applicable to all projects financed by DG DevCo,
Article 7 of your grant contract Special Conditions	Adapts the General Conditions
Partnership Agreement	Ensures that all partners comply with the conditions set out in the grant contract (a commitment to contractual obligations is also part of the Partnership Statement included in the Application Form).



Pay attention !

- ➡ **!!! The Beneficiary has the first responsibility** to the MA, regardless of the recovery being addressed to one of its Partners
- ➡ **!!! The Partnership Agreement** provides the basic legal basis for liabilities in case of eventual recoveries being requested from partners
- ➡ As the MA may be located in a different country from that of the Beneficiary or Partner needing to reimburse the MA, the legal **framework provides the necessary basis for the involvement of both the European Commission and the national authorities in order to ensure that all amounts paid in excess are recovered.**



SWITCH OFF THE LIGHTS!

But be ready to switch them ON if necessary...

Thank you !

