



REPUBLIC OF MACEDONIA
MINISTRY OF LABOUR AND SOCIAL POLICY

**GUIDELINES OF
INTERNAL WORKING PROCEDURES
FOR
IMPLEMENTATION OF PROJECTS BY
END RECIPIENTS / FINAL BENEFICIARIES
UNDER IPA COMPONENT I
(Transition Assistance and Institution Building)**

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Table of Contents

| | |
|---|-----------|
| Table of Contents..... | 2 |
| I. Definitions..... | 4 |
| II. Introduction | 7 |
| III. General Administrative Rules to be Followed..... | 9 |
| IV. Programming Activities..... | 10 |
| IV.1. Role of SPO and End Recipient/Final Beneficiary in Programming | |
| 10 | |
| V. Procurement Activities..... | 13 |
| V.1. Role of SPO and End Recipient/Final beneficiary in Preparing | |
| Tender Documentation, Tender Evaluation and Contracting | 13 |
| V.2. Role of SPO in Preparing Tender Documentation, Tender | |
| Evaluation and Contracting | 14 |
| V.3. Role of the End Recipient/ Final Beneficiary in Preparing Tender | |
| Documentation, Tender Evaluation and Contracting | 15 |
| V.3.1. Procurement Plan | 15 |
| V.3.2. Contract Forecast and Procurement Notice | 16 |
| V.3.3. Preparation of Terms of Reference and Technical Specifications | 17 |
| V.3.4. Nomination of Members of Evaluation Committee | 19 |
| V.3.5. Preparation of Guidelines for Applicants/ Call for Proposals Application | |
| Package | 21 |
| V.3.6. Preparation of Twinning Project Fiche/ Twinning Light Project Fiche | 22 |
| V.3.7. Nomination of Members of Twinning Selection Committee | 23 |
| V.3.8. Conflict of Interest..... | 24 |
| V.4. Conditionalities | 25 |
| VI. Contract Monitoring Activities..... | 28 |
| VI.1. Monitoring Tools | 29 |
| VI.1.1. Project meetings..... | 29 |
| VI.1.2. Approval of Reports/ Outputs..... | 31 |
| VI.1.3. Verification of Expenditures..... | 32 |
| VI.2. Role of SPO in Contract Monitoring | 36 |
| VI.3. Role of End Recipient/ Final Beneficiary in Contract Monitoring | |
| 37 | |
| VI.3.1. Role of End Recipient/ Final Beneficiary in Service Contract | |
| Monitoring..... | 39 |
| VI.3.2. Role of End Recipient/ Final Beneficiary in Supply Contracts | |
| Monitoring | 40 |

| | |
|--|-----------|
| VI.3.3. Role of End Recipient/ Final Beneficiary in Works Contracts Monitoring | 41 |
| VI.3.4. Role of End Recipient/ Final Beneficiary in Twinning Contracts Monitoring | 41 |
| VII. Projects Sustainability..... | 49 |
| VIII. Transfer of Ownership of Assets | 50 |

I. Definitions

For the purposes of these Internal Working Procedures, the following definitions shall apply:

Conflict of interests - where the impartial and objective exercise of the functions in the implementation of a project is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with the beneficiary

Decentralised Implementation System – management system within which part of the management and the responsibilities shall be transferred to the Republic of Macedonia as beneficiary country, while the European Commission shall carry out ex-ante control over the management process and retain the final responsibility under the EC Treaties.

Accreditation - the European Commission confers the powers to the national authorities to manage the IPA funded projects by adopting a formal decision to accredit the institutions which comply with the criteria listed in the Annex to the IPA Implementing Regulation 718/2007. Prior to accreditation, the European Commission shall satisfy itself that the established and functioning management and control systems meet the conditions for sound financial management.

End Recipient/ Final Beneficiary – any public (centralized/decentralized) body/unit/department of a Ministry of other institution part of the national administration or non-governmental organization that is responsible for initiating and implementing the project on which behalf the CFCD as a Contracting Authority concludes a contract with a supplier of goods, services, works or benefiting from the IPA assistance. They will receive institution building assistance, equipment or psychical assets, necessary to achieve intended project results and will retain ownership of results.

Evaluation Committee- A committee made up of an odd number of members (at least three) with the necessary technical and administrative expertise to give an informed opinion on tenders or grant applications

Grants - grants are direct financial contributions, by way of donation in order to finance: (a) either an action intended to help achieve an objective of an IPA programme/measure/project (*action grant*); (b) or the functioning of a body which pursues an aim of general European interest or has an objective forming part of a European Union policy (*operational grant*).

IPA Funded Project – action initiated and implemented by the Beneficiary Institution in pursuing objective in line with accession criteria and part of the Financing Agreement under TAIB Component with specific purpose, results and activities that is to be implemented within a defined period of time and allocated budget.

IPA Structure – respective structures for IPA implementation, established within the line ministries and other IPA beneficiary institutions, as part of the Operating Structure for implementation of IPA Component I – Transition Assistance and

Institution Building, duly accredited by the National Authorizing Officer and the European Commission services.

Senior Programme Officer – senior officials from the national administration designated by PAO in accordance with Article 75 of IPA Implementing Regulation, the SPO will have to assist beneficiaries in the management of the projects and to ensure their proper implementation. In accordance with the tasks delegated by the Operational Agreements, SPO will support PAO in programming, preparation of procurement tenders and administration of the contracts. SPO will be responsible for the monitoring of the projects and contracts (SPO MoP, Section C1).

PRAG - Practical Guide to contract procedures for EU external actions - sole working tool developed by the European Commission, which explains the contracting procedures applying to all EU external aid contracts financed from the European Union general budget and the 10th European Development Fund.

Service Contracts - Service contracts are technical assistance contracts. A study contract is a service contract which includes studies for the identification and preparation of projects, feasibility studies, economic and market studies, technical studies and audits. A technical assistance contract is where the supplier is called on to play an advisory role, to manage or supervise a project or to provide the consultants specified in the contract.

Supply Contracts - Supply contracts cover the purchase, leasing, rental or hire purchase, with or without option to buy, of products.

Tender Dossier - Dossier which contains all the documents needed to prepare and submit a tender.

Twinning - Twinning provides the framework for administrations and semi-public organisations in the beneficiary countries to work with their counterparts in Member States. Together they develop and implement a project that targets the transposition, enforcement and implementation of a specific part of the *acquis communautaire*.

Twinning Manual – common manual for preparation and implementation of Twinning projects under both ENPI and IPA providing practical and comprehensive information.

Works contracts - Works contracts cover either the execution, or both the execution and design, of works or a work related to one of the activities. A ‘work’ means the outcome of building or civil engineering works taken as a whole that is sufficient of itself to fulfil an economic or technical function.

The terms used in this Internal Working Procedures shall bear the same meaning as attributed to them in the IPA Framework Regulation, the IPA Implementing Regulation and the Financing Agreements for TAIB Component.

If any discrepancies appear between the documents mentioned above and this document, the former shall prevail.

II. Introduction

The Instrument for Pre-Accession Assistance (IPA) was established with Council Regulation (EC) No 1085/2006 of July 2006 (OJ L 210 of 31.07.2006).

The European Commission adopted Regulation (EC) No 718/2007 of 12 June 2007 (OJ L 170 of 29.06.2007), for implementing the Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-accession Assistance (IPA). The Implementing Regulation (EC 718/2007 of 12 June 2007) was amended by the European Commission with Commission Regulation (EC) No 80/2010.

On the basis of the adopted Regulations and in order to tailor a specific document for implementation of the IPA in Republic of Macedonia, the Framework Agreement between the Government of the Republic of Macedonia and the European Commission on the rules for cooperation concerning EC financial assistance to the Republic of Macedonia in the framework of implementation of the assistance under the Instrument for Pre-accession Assistance (IPA) was signed, and was later on ratified by the Parliament of the Republic of Macedonia on 30 January 2008.¹

In order to establish the structures, bodies and authorities for IPA and designate proper responsibilities and tasks to them, the Government of the Republic of Macedonia adopted the Decree on Determining Mutual Relations between the Bodies and the Structures of the Decentralised Management of the First Four Components under the EU Instrument for Pre-Accession Assistance (IPA)². The Decree is the basic document in which the main responsibilities and actors in the IPA Decentralised Implementation System are elaborated and represents a basis for the further establishment of the system for implementation of IPA in the Republic of Macedonia.

The established structures bodies and authorities were accredited for implementation of projects financed under IPA Component I – TAIB with Commission Decision (EC) No C (2010) 8834 for Conferring Management Powers relating to Component I – Transition Assistance and Institution Building of the Instrument for Pre-Accession Assistance (IPA) to Republic of Macedonia on 21 December 2010. In accordance with the Decision for Conferral management powers the **Operating Structure** for IPA Component I – TAIB is consisted of the following:

- The National IPA Coordinator as responsible for programming under IPA Component I (NIPAC Office), monitoring projects/Programme implementation, following implementation on conditionalities;
- Central Financing and Contracting Department (Implementing Agency) – responsible for procurement, contracting operations (contracts) under projects, monitoring contracts implementation, payments and accounting;

¹ Official Gazette of the Republic of Macedonia No. 18/2008 of 5 February 2008.

² Official Gazette of the Republic of Macedonia No. 132/2008, 119/2009 and 81/2010

- All Senior Programme Officers / Implementing Authorities accredited by NAO and responsible for the technical implementation of contracts subject to Operational Agreement signed between PAO (Head of CFCD) and SPOs;
- Internal Auditors – responsible for auditing compliance with accredited procedures

In that line CFCD as Implementing Agency, acts as central body within the Operating Structure solely responsible for carrying out tendering, contracting, recording the transactions in the accounting system and executing payments upon concluded contracts for projects financed under IPA Component I – TAIB under IPA decentralised management system.

Programme Authorising Officer (PAO) as Head of CFCD, adopted the Internal Manual of Procedures of CFCD in January 2009 (amended in January 2010 and September 2011) consisting the relevant procedures regarding management of projects financed under IPA as well as Functioning of the Management and Control System in the Operating Structures.

PAO delegated part of the tasks and responsibilities prescribed in point 6, Annex A of the Framework Agreement to Senior Programme Officers by signing Operational Agreements with them. Upon signature of the Operational Agreements in July 2008 (amended in January 2009 and December 2010), Manual of Procedures for SPO was also adopted by PAO and SPOs detailing the tasks and responsibilities of the SPOs.

Due to the fact that not all IPA Structures that are accredited are End Recipients/Final Beneficiaries of the projects there is a need for regulation of the relations and responsibilities between the Senior Programme Officers and the End Recipients/Final Beneficiaries of the projects. The Internal Working Procedures shall regulate the relations between the Senior Programme Officers) and the Final Beneficiaries/End Recipient with respect to implementing projects under the pre-accession assistance of IPA Component I – Transition Assistance and Institution Building.

According to Article 11 of IPA Implementing Regulation SPOs have been given “responsibility for the management, implementation and control of programmes/projects, including cases where there is no hierarchical link between them and the bodies participating/benefiting from an action shall establish through formal working arrangements:

- An appropriate system for the exchange of information, including the power to require information and a right of access to documents and staff on the spot if necessary;
- The standards to be met;
- The procedures to be followed.”

Whereas according to the Decision for conferral of management powers for IPA Component I, the SPO may treat the Final Beneficiary's role as contributing to the adequate planning and execution of project activities, whilst still being responsible for carrying out verifications necessary to ensure their reliability.

III. General Administrative Rules to be Followed

1. In general, communication between the SPO's and the End Recipient/Final Beneficiary shall be in writing (hard copy/letter). In specific cases, for time efficiency purposes, the communication could be realized in electronic way (via e-mail), except for the final approvals of documents which shall be in writing.
2. Full compliance with all institution internal regulations during the implementation of projects shall be ensured by End Recipient/Final Beneficiary (e.g. filing and archiving, registering the procured supplies in institutional Assets Book/ Inventory List, labour legislation, etc.).
3. The End Recipient/Final Beneficiary shall ensure adequate document retention in line with Article 20 of the IPA Implementing Regulation and Article 21 of the Framework Agreement³ with all activities related to IPA funded project implementation;
4. The End Recipient/Final Beneficiary in cooperation with the SPO's shall ensure full compliance with the principles for confidentiality and impartiality and sound financial management in all stages of the projects implementation;
5. The coordinator for all communication with SPO concerning the preparation, implementation and monitoring of the project shall be the Head of End Recipient/Final Beneficiary (or in a case where this position is vacant, Acting Head, Deputy Head, State Advisor or other relevant person) or person appointed by him/her. The role of the coordinator shall be to coordinate all employees involved in the various processes for the project implementation, regardless of whether there is a formally established working group or not;
6. One of the main tasks of the coordinator shall be to ensure proper segregation of duties among the End Recipient/Final Beneficiary staff concerning a single IPA funded contract. Segregation must be maintained between staff involved in drafting of programming documents, drafting of tender documents, involvement in Evaluation Committee and verification of costs. The End Recipient/Final Beneficiary shall comply with PRAG rules during the project preparation and implementation, as well as with the established procedures in the SPO and CFCD Manuals of Procedures for their applicable actions. SPO shall be responsible to familiarise the End Recipient/Final Beneficiary with such rules if those are not already elaborated in these Internal Working Procedures;
7. The End Recipient/Final Beneficiary shall ensure availability and inclusion of the concerned staff in all activities concerning the project/s implementation. The End Recipient/Final Beneficiary and appointed coordinator shall be responsible for the implementation of activities and quality of outputs in front of the SPO.

³ Framework Agreement between the Government of the Republic of Macedonia and the European Commission on the rules for cooperation concerning EC financial assistance to the Republic of Macedonia in the framework of implementation of the assistance under the Instrument for Pre-accession Assistance (IPA).

8. In case when the End Recipient/Final Beneficiary is not part of the same institution as the SPO, applicability of these Internal Working Procedures for the End Recipient/Final Beneficiary shall be ensured by signing Memorandums of Understanding specifically for implementation of the IPA funded project/s. The Memorandums of Understanding shall be signed by the Director/Secretary/Head of the End Recipient/Final Beneficiary institution and the Minister/Director/Secretary of the SPO's institution.

IV. Programming Activities

IV.1. Role of SPO and End Recipient/Final Beneficiary in Programming

The role of the SPO in programming is to coordinate and support the End Recipient/Final Beneficiary in the process of identifying IPA priorities and drafting project proposals for IPA TAIB National Programme, once NIPAC officially initiates the programming cycle for the referent programming period. The first draft programming document which identifies the potential priority areas to be supported by IPA funding, is prepared by NIPAC, based on the analysis of the strategic documents related to EU accession, such as: MIPD, Accession Partnership, NPAA, etc. After receiving the first draft programming document prepared by NIPAC, SPO informs the relevant departments within the Ministry/beneficiary institution via e-mail and/or in writing, as well as other institutions/agencies related to the work of the Ministry and that could potentially benefit from the IPA TAIB funds on the start of the new programming cycle for the relevant IPA TAIB National Programme, with request to express, by the deadline stipulated, their interest for proposing project ideas under the priority areas identified in the first draft of programming document and to propose additional priority areas, if any.

The proposed priorities by the End Recipient/Final Beneficiary are subject to approval by the relevant authorities (Minister or Deputy Minister or State Secretary).

For the selected priority areas, the End Recipient/Final Beneficiary, together with the Programming officer in the IPA structure and the SPO shall prepare Project Identification Fiche (PIF) or Sector Identification Fiche (SIF). For that purpose, upon SPO request, the End Recipient/Final Beneficiary shall nominate competent persons responsible for drafting the PIF/SIF and at a later stage PF/SF.

| | |
|---|---|
| Sector Identification Fiche -SIF | The first phase of preparation of the sector fiche, which includes problem analysis of the sector |
| Project Identification Fiche – PIF | Draft of Project Proposal, concept outline of project proposal prepared in line with NIPAC's template during the programming identification phase. |
| Sector Fiche _SF | A key document which forms the basis for the initiation of the sector based activities |
| Project Fiche -PF | A key document which forms the basis for the initiation of the project. It outlines the scope, objectives, and the purpose of the project, information on |

| | |
|--|--|
| | project justification, beneficiaries, the main activities and deliverables. Project fiche also defines the way the project will be structured and how it will be successfully implemented - project organization, roles and responsibilities, link with other projects or donors, budget, project duration, project's possible risks, assumptions and constraints. The project fiche will be subject of modification in exceptional and duly justified cases |
|--|--|

When proposing project ideas, the End Recipient/Final Beneficiary shall respect the following requirements:

- The project proposal is in line with priorities identified in the strategic documents such as: The Working Programme of the Government for the referent period, the Sector Strategies, MIPD, Accession Partnership, NPAA, etc.
- The proposed project is linked with EU accession process - the End Recipient/Final Beneficiary is obliged to fully justify the project proposal in order to highlight its importance and the necessity to be implemented.
- There is no overlapping of the proposed project with other donor assistance.
- The proposed project is mature to start with implementation in the referent period and ER/FB shall propose a realistic budget.
- Necessary consultation on the required rate of co-financing shall be assured as well.

In the next stage, the End Recipient/Final Beneficiary shall further develop the accepted PIF/SIF by the EU Delegation in Project Fiche (PF) or Sector Fiche (SF).

The SPO will coordinate and support the End Recipient/Final Beneficiary in preparation of the PIF/SIF and PF/SF. In this respect, the SPO /IPA structure will provide the End Recipient/Final Beneficiary with instructions (stipulating the deadline) and advise on the preparation of the programming documents and the valid templates received by the NIPAC Office, that need to be followed in each stage of programming (e.g. formats/templates SIF/SF format, PIF/PF format, Guidelines for SIF/SF/PIF/PF, Logframe template, Logframe Guidelines/Checklist, Quality Support Group Criteria, Programming Schedule, Questionnaires to potential beneficiaries on assistance needed and types of interventions to be requested, Lessons learned). Please see Flowchart 1.

The SPO shall make the final check of the Sector/Project Fiches developed by the End Recipient/Final Beneficiary before its endorsement and official submission to NIPAC by the relevant line Minister/Head of Agency/Body. See Flowchart 1

The End Recipient/Final Beneficiary shall provide the SPO with the programming documents (PIF/SIF and PF/SF) by the deadlines stipulated in the instructions, which are set according to the Time Schedule as stipulated in NIPAC Programming Manual and/or NIPAC request. Also, the End Recipient/Final Beneficiary will provide all the information requested by the SPO in due time, so that SPO be empowered to implement his/her duties as stipulated in the legal framework related to functioning of DIS. When drafting the PIF/SIF and PF/SF, the End Recipient/Final Beneficiary will

take into account and incorporate all relevant comments and recommendations made by the EUD and/or DG Enlargement in the consultation process.

Each draft programming document shall be approved by the End Recipient/Final Beneficiary.

On SPO request, the End Recipient/Final Beneficiary is obliged to participate in all coordination meetings related to programming of TAIB Component. It shall also organise coordination meetings with all target bodies of the relevant project, if needed.

Flowchart 1 - Programming TAIB Component Preparation Sector/Project Fiches

| Responsible body | Activity | Document | Timing |
|---|--|---|--|
| SPO | Informs ER/FB (by e-mail and/or in writing) on the start of Programming Process, submits instructions, time-table, templates If needed, organizes clarification meeting. Coordinates and supports the ER/FB in preparation of the PIF/SIF and PF/SF, by giving instructions, advice, and recommendations | New templates SIF/SF/PIF/PF; Guidelines for SIF/SF ; LFM template, LFM Guidelines/ LFM Checklist; SIF/SF/PIF/PF Checklist, QSG Criteria; Programming Schedule; Questionnaires to SPO/ER/FB; Lessons learned paper | As per NIPAC Programming Schedule |
| End Recipient/ Final Beneficiary | Prepares the SIF/SF/PIF/PF in line with templates/instructions/comments Nominates competent persons responsible for drafting the PIF/SIF and PF/SF. Organises coordination meeting with all target bodies of the relevant project, if needed | SIF/PIF ; SF/PF Nomination Letter Invitation Letter, Meeting Agenda, Minutes | As per NIPAC Programming Schedule |
| End Recipient/ Final Beneficiary | Submits the SIF/SF/PIF/PF draft version to SPO | SIF/PIF; SF/PF template | As per NIPAC Programming Schedule |
| End Recipient/ Final Beneficiary | Provides all the information requested by the SPO in due time | E-mail or Letter | According to deadlines in the Letter from SPO |
| SPO | Check the SIF/SF/PIF/PF for compliance and Quality Check before final endorsement and official submission to NIPAC by the relevant Minister/Head of Institution | Checklist SIF/SF/PIF/PF | As per SPO MoP |
| SPO | Invites ER/FB to any coordinative meeting organized by NIPAC, EUD, etc.(if needed) | Letter of Invitation | As per NIPAC Programming Schedule |
| End Recipient/ | Participates in all coordination | Letter of Invitation | As stipulated |

| Responsible body | Activity | Document | Timing |
|-------------------|---|----------|-------------------|
| Final Beneficiary | meetings related to programming of TAIB Component, on SPO request | | in SPO Invitation |

V. Procurement Activities

V.1. Role of SPO and End Recipient/Final beneficiary in Preparing Tender Documentation, Tender Evaluation and Contracting

The End Recipient/Final Beneficiary is responsible for the preparation of the technical documentation necessary to tender the services, supplies, works contracts, award grants and to select a Twinning partner. Also, it is responsible for nomination of the members of the Evaluation/Selection Committee during the tendering process (if so requested by SPO) and assures their availability to all evaluation sessions.

The role of the SPO is to guide and assist the End Recipient/Final Beneficiary in:

- Identification of the need for technical assistance for the preparation of tender documents (preparation of Terms of Reference, Technical Specifications, Market Surveys, Guidelines for Applicants, Detailed Twinning Project Fiches, etc.);
- Preparation of draft Terms of Reference, Technical Specifications, Market Surveys, Guidelines for Applicants, Twinning Project Fiches, etc.;
- Preparation of the draft tender dossier;
- Identification of a list of potential service providers, suppliers or contractors (in case of competitive negotiated procedures);
- Nomination of the members of the Evaluation/Selection Committees;
- Submitting requests to launch tenders;
- Providing input during the tendering clarification phase;
- Preparation of work plan and budget for the project.

Table 1 Technical Documentation prepared by End Recipient/Final Beneficiary

| Types of Contracts | Type of Procedure | | | Technical Documentation to be prepared by ER/FB |
|--------------------|--|--|--|--|
| SERVICE S | ≥ €200,000 International restricted tender procedure | < €200,000 but >€10,000 Framework contracts Competitive negotiated procedure | | ≤ €10,000 Single tender - Contract Forecast - Procurement Notice - draft Tender Dossier (incl. ToR) - Indicative Budget With respect to FWC: - Specific ToR - Indicative Budget |
| SUPPLIE S | ≥ €150,000 International open tender procedure | < €150,000 but ≥€60,000 Local open tender procedure | < €60,000 but >€10,000 Competitive negotiated procedure | ≤ €10,000 Single tender - Contract Forecast - Procurement Notice - draft Tender Dossier (incl. Technical Specification) - Market Research Study |
| WORKS | ≥ €5,000,000 1. International open tender procedure 2. International restricted tender procedure (exceptional) | < €5,000,000 but ≥ €300,000 Local open tender procedure | < €300,000 but > €10,000 Competitive negotiated procedure | ≤ €10,000 Single tender - Contract Forecast - Procurement Notice - Tender Dossier (incl. Technical Specification, Bill of Quantities, Drawings, Detailed Design and/or Feasibility Study, EIA and CBA) |
| GRANTS | Call for Proposals or Direct Grant | | | - Guidelines for Applicants including the Annexes |
| TWINNING | Launch the Twinning Process | | | - Twinning Project Fiche (and Indicative Budget) - Draft Twinning Contract (incl. Work Plan/ Budget) |

V.2. Role of SPO in Preparing Tender Documentation, Tender Evaluation and Contracting

The SPO shall ensure the following:

- Timely inform End Recipient/Final Beneficiary on the start of the tendering process, submitting all the required formats/instructions/links from where the documentation templates could be downloaded;
- Quality check of prepared documents by the End Recipient/Final Beneficiary before submission of the documents to PAO to assure compliance with the provisions of the Financing Agreement and PRAG/Twinning Manual, following standard checklists of the latest valid version of the SPO Manual of Procedures. That Declarations for Confidentiality and Impartiality is signed and submitted

to SPO by End Recipient/Final Beneficiary staff involved in preparation of the tender documentation;

- Assuring nominations and availability of members of tender Evaluation Committee and respect of criteria for nominations;
- Informing/requesting from End Recipient/Final Beneficiary assistance with clarifications to Tender documentation/organization of On-the spot visits by tenderers (if needed)
- That End Recipient/Final Beneficiary has assured projects assumptions/Conditionalities within their responsibilities before the tender be launched/contract started and provide the information on Conditionalities to NIPAC/PAO as requested. See Flowchart 2

V.3. Role of the End Recipient/ Final Beneficiary in Preparing Tender Documentation, Tender Evaluation and Contracting

V.3.1. Procurement Plan

Based on the applicable Financing Agreement/Sector Fiches/Project Fiches, the CFCD has to prepare a Procurement Plan to organise, coordinate and follow-up the procurement activities. The Procurement Plan has to give an overview of the different types of proposed contracts to be tendered and to plan for the most effective management of procurement by the CFCD.

On SPO request, the End Recipient/Final Beneficiary will provide inputs for the preparation and update of the Procurement Plan for the respective TAIB National Programme.

It is important to know the approximate period of time that the procedure takes. The table below shows the average period from the moment the relevant tender procedure is launched to the day of signature of the contract.

Table 2 Duration of Various Types of Procedures

| Procedure | Time in calendar months |
|------------------------------------|--------------------------------|
| Services | |
| International restricted procedure | 9-12 |
| Competitive negotiated procedure | 2-4 |
| Single tender | 1-3 |
| Framework contract | 1-3 |
| Supplies | |
| International open tender | 6-9 |

| Procedure | Time in calendar months |
|-------------------------------------|-------------------------|
| Local open tender procedure | 3-6 |
| Competitive negotiated procedure | 2-4 |
| Single tender | 1-3 |
| Works | |
| International open tender procedure | 6-11 |
| Local open tender procedure | 4-6 |
| Competitive negotiated procedure | 2-4 |
| Single tender: | 2-3 |
| Grants | |
| Call for Proposals | 6-12 |
| Direct Grant | 4-6 |
| Twinning | |
| Twinning | 7-9 |
| Twinning Light | 3-5 |

When the Procurement Plan for the respective National Programme is adopted by the Contracting Authority (CFCD), the SPO informs the End Recipient/Final Beneficiary on the deadlines determined for each stage of the procurement procedure (incl. all updates).

Based on the Procurement Plan, the End Recipient/Final Beneficiary will submit relevant procurement documents (Terms of Reference, Technical Specifications, Market Surveys, Guidelines for Applicants, Detailed Twinning Project Fiches, other tender dossier documents) to SPO, respecting the deadlines set. SPO and the Technical Implementation Officer shall support the End Recipient/Final Beneficiary during the preparation.

V.3.2. Contract Forecast and Procurement Notice

The procurement starts with the publication of contract Forecast and subsequently, the Procurement Notice.

The Table below gives definition of the content and purpose of documents for launching tenders.

Table 3 Description of Documents Specificity

| Forms of assistance | Description |
|---|--|
| Contract forecast | The individual contract forecast gives a brief indication of the subject and content of the tenders concerned. It must be published at least 30 days before the publication of the Procurement notice of open tenders in case of supply and works and for international restricted tenders in case services and works. |
| Procurement notice/Local Publication/Local Advertisement | <p>The procurement notice provides potential candidates with the information they need to determine their capacity to fulfil the contract in question. It applies to all open tenders for supply and works and restricted tenders for services and works:</p> <ul style="list-style-type: none"> - In case of <u>open tenders</u> the procurement notice contains also the tender dossier; - In case of <u>restricted tenders</u> the procurement notice contains only the selection criteria. |
| A letter of invitation to tender | A letter of invitation to tenders accompanied by the tender dossier, which is sent to selected by the Contracting Authority companies in case of a competitive negotiated procedure or the short-listed companies in case of a restricted procedure inviting them to submit a tender. |
| Guidelines for Applicants | Document explaining the purpose of a Call for Proposals for grants. It sets out the rules regarding who may apply, the types of operations and costs which may be financed, and the evaluation (selection and award) criteria. It also provides practical information on how to complete the application form, what documents must be annexed, and rules and procedures for applying. |
| Tender Dossier | The dossier which contains all the documents needed to prepare and submit a tender. |

The End Recipient/ Final Beneficiary provides input for the preparation of the draft Contract Forecast and draft Procurement Notice and approves the final draft version of these documents in writing to SPO. Also, the End Recipient/Final Beneficiary shall incorporate, where relevant, the comments given by the SPO, CFCD and EUD and prepare revised version of the Contract Forecast and Procurement Notice.

Contract Forecast and Procurement Notice shall be prepared by using standard PRAG templates.

V.3.3. Preparation of Terms of Reference and Technical Specifications

The Terms of Reference⁴ (ToR) or Technical Specifications⁵ (TS) has to be drafted by the End Recipient/Final Beneficiary with guidance by the Technical Implementation officer from the IPA Structure in the relevant beneficiary institution (as specified in the Programming documents). On SPO request, the End Recipient/Final Beneficiary shall nominate competent persons responsible for preparation of the tender documentation. The nominated persons involved in tender documentation

⁴ See PRAG annex for more information on ToR

⁵ See PRAG annex I for more information on TS

preparation/control shall sign Declarations of Objectivity and Confidentiality and submit to SPO. The End Recipient/Final Beneficiary shall be aware that these staff members may not be nominated as members of the Evaluation Committee in order to avoid conflict of interest/segregation of duties.

SPO should coordinate and support End Recipient/Final Beneficiary in the preparation of Terms of Reference or Technical Specifications. It will timely inform End Recipient/Final Beneficiary on the start of the procurement process submitting all the required formats/instructions/links where the documentation templates could be downloaded.

During the preparation of tender documentation the End Recipient/Final Beneficiary shall assure full compliance of the content of tender documentation with the text of the approved Sector/Project Fiche in terms of project purpose, activities, and results.

The detailed presentation of all requirements and instructions on preparation of ToR and TS is given in PRAG:

http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

The detailed presentation of all requirements on preparation of Specific ToR FWC is given in Guidelines of Framework Contract Beneficiaries:

http://ec.europa.eu/europeaid/work/framework-contract/beneficiaries-2009/index_en.htm

The End Recipient/Final Beneficiary shall provide to SPO input for preparation of other documents from the tender dossier.

Terms of reference is document drawn up by the Contracting Authority setting out its requirements and/or objectives in respect of the provision of services, specifying, where relevant, the methods and resources to be used and/or results to be achieved. The detailed presentation of all requirements on preparation of Technical Specification for supplies is provided in PRAG <http://ec.europa.eu/europeaid/prag/annexes.do?group=B>.

Technical Specification is the document specifying the totality of the technical requirements contained in particular in the contract documents, defining the characteristics required of a work, material, product or supply, which permits a work, a material, a product or a supply to be described in a manner such that it fulfills the use for which it is intended by the contracting authority. These technical requirements shall include levels of quality, performance, safety or dimensions, including the requirements applicable to the material, the product or to the supply as regards quality assurance, terminology, symbols, testing and test methods, packaging, marking or labelling.

The detailed presentation of all requirements on preparation of Technical Specification for supplies is provided in PRAG <http://ec.europa.eu/europeaid/prag/annexes.do?group=C> and for works in <http://ec.europa.eu/europeaid/prag/annexes.do?group=D>

Draft version of the tendering documents shall be submitted to the SPO in hard copy and electronic form. Also, the End Recipient/ Final Beneficiary/ shall incorporate, where relevant, the comments given by the SPO, CFCD and EUD and prepare revised version of the tendering documents.

Given the technical complexity of many contracts (including service contracts), the preparation of the ToR, TS and other tender documents may require the assistance of one or more external technical experts.

If the End Recipient/Final Beneficiary assesses that it has insufficient capacity to prepare the tender documents, it will timely inform the SPO requesting technical assistance for their preparation. If justified to ask for this assistance to be financed through IPA, SPO will further proceed this request to PAO/NIPAC office (for the use of PPF).

The external expertise is highly recommendable in following cases:

- Service contracts related to standardisation, measurements, inspection, control in food, veterinary, customs;
- Works contracts - feasibility studies, drawings, EIA, CBA, tender dossier preparation;
- Supply contracts - complex market studies.

The End Recipient/Final Beneficiary shall ensure that the experts involved in the preparation of Terms of Reference and Technical Specifications (internal or external):

- sign a Declaration of Objectivity and Confidentiality (PRAG – Annex A3);
- will not participate in the implementation (tendering) stage of the project;
- may not be nominated as members of the Evaluation Committee.

It is important to note that tender documents should preferably be drafted in parallel to the programming process in case of Component I projects. Before the signature of the Financing Agreement the following documents have to be completed:

- Terms of References/Technical Specifications (including indicative budget) for service contracts;
- Market study for supply contracts covering specialised equipment or with a substantial amount earmarked;
- Feasibility study/Environmental Impact Analysis for works contracts.

V.3.4. Nomination of Members of Evaluation Committee

This procedure details the rules, process and responsibilities for selections of members of Evaluation Committee. It applies to procurement tenders and Calls for proposals for grants.

The Evaluation Committee is usually composed of:

- Chairperson and a Secretary without voting rights, representatives of CFCD,
- Odd number of members with equal voting rights according to the contract specificity (i.e. min. of 3 members for Service contracts, min. 5 members for Works contracts),
- Observers of the evaluation process nominated by the CFCD and DEU.

Based on written criteria for selection communicated by CFCD, the End Recipient/Final Beneficiary shall propose voting members of the Evaluation Committee. Substitutes to the members should be nominated on the same conditions as the titulars.

When proposing voting members, the End Recipient/Final Beneficiary should take into account the following major requirements:

- Each member of the Evaluation Committee should have a reasonable command of the language in which the tenders/proposals are submitted;
- The voting members of the Evaluation Committee should possess the technical and administrative capacities to give competent opinion on the tenders/proposals (for grants);
- There should be no hierarchical dependency between members of the Evaluation Committee;
- The assessors (in case of grants) must have an in-depth knowledge of the issues covered by the grant programme concerned. A minimum of five years' experience of a particular issue should be expected;
- Evaluation Committee members must be available for the opening and for the whole time being of the evaluation sessions; this will be assured by signing of Declarations of Availability.
- There is no conflict of interest (for detailed elaboration please refer to the section V.3.8 Conflict of Interest below).

All members of the Evaluation Committee shall enclose CV in Europass CV format (provided by SPO).

The CV must be completed and up-dated, illustrating technical and linguistic capabilities of the proposed member, as well as experience in previous evaluations in order to assess his/her appropriateness. Also the CV must indicate the position of the proposed member, department and agency, in order to check the hierarchical relation between proposed members.

The SPO and PAO have the authority to reject any or all members of the Evaluation Committee if the above criteria are not respected.

The Evaluation Committee should be formed early enough to ensure the availability of the designated members during the period necessary to prepare and conduct the evaluation process.

It should be noted that all the tender documentation, as specified above (TD documents, list of Evaluation Committee members, etc.) is subject to ex-ante approval by European Union Delegation in Skopje. Insufficiencies in this documentation may delay the contract award process and even lead to loss of funds.

V.3.5. Preparation of Guidelines for Applicants/ Call for Proposals Application Package

A grant is a direct financial contribution, by way of donation, from the EU budget in order to finance:

- Either an action intended to help achieve an objective forming part of a EU policy;
- Or the functioning of a Body which pursues an aim of general European interest or has an objective forming part of a European Union policy.

Grants are in general awarded through Calls for Proposals. Guidelines for Applicants (which include the Application Form and other annexes) explain the purpose of the Call for Proposals, the rules regarding the eligibility of applicants and partners, the types of action and costs which are eligible for financing, and the evaluation (selection and award) criteria. They also contain instructions on how to fill in the application form, what to annex to it and what procedures to follow for applying. They give information on the evaluation process that will follow (including an indicative timetable) and the contractual conditions which will apply to successful applicants. These documents are published and distributed to potential applicants using the most transparent means – internet, information sessions, and distribution of hard copies.

The information published will become binding on the Evaluation Committee once the date for submission has elapsed.

The End Recipient/Final Beneficiary shall draft the Guidelines for Applicants using the templates provided in PRAG. SPO/IPA Structure staff should coordinate and support the End Recipient/Final Beneficiary in the preparation of Guidelines for Applicants. If the End Recipient/Final Beneficiary assesses that it has insufficient capacity to prepare the Guidelines for Applicants, it will inform the SPO requesting technical assistance for its preparation. If justified to ask for this assistance to be financed through IPA, SPO will further proceed this request to PAO/NIPAC Office (PPF funds)⁶.

Draft version of the Guidelines for Applicants shall be submitted to the SPO in hard copy and electronic form. Also, the End Recipient/Final Beneficiary shall incorporate, where relevant, the comments given by the SPO, CFCD and EUD and prepare revised version of the Guidelines for Applicants.

⁶ It should be noted that use of PPF funds will delay the procurement process with 3-6 months in addition to the timeframe, specified in Table 2 Duration of Various Types of Procedures, Section V.1.3 of this document.

The detailed presentation of all requirements and instructions on preparation of launching calls for proposals/ Guidelines of Applicants is given in PRAG: <http://ec.europa.eu/europeaid/prag/annexes.do?group=E>.

During the time between publication and the deadline for the submission of proposals, eventual information session might be organized to clarify the unclear issues under the Call for proposals and the End Recipient/Final Beneficiary is to take place, if so required by the SPO/CFCD. In addition applicants may ask questions to help them fill in the form and put together their applications in writing up to 21 days before the deadline for the submission of proposals. The Contracting Authority must reply to all such questions at least 11 days before the deadline for submission of proposals. Should it be needed the CFCD might request the End Recipient/Final Beneficiary to support the answering of these questions should it relate to any specific issues not in the competences of the Contracting Authority.

V.3.6. Preparation of Twinning Project Fiche/ Twinning Light Project Fiche

The purpose of the procedure is to describe the process and responsibilities for the preparation of Twinning and Twinning Light Project Fiche and details the rules, process and responsibilities for selections of members of Twinning Selection Committee.

The Twinning Contracts are outside of the Public procurement contracts and therefore they should be treated separately from the procurement contracts (service, supplies and works contracts). It is a project of administrative cooperation in a specific field that must yield **mandatory results**. Twinning Projects and Twinning Light Projects are set in the form of a grant, whereby the selected Member State administrations agree to provide the requested public sector expertise against the reimbursement of the expenses thus incurred. Such projects are contracted and implemented according to implementing rules laid down by the Commission in the latest Twinning Manual available at:

http://ec.europa.eu/enlargement/pdf/financial_assistance/institution_building/2012/manual_2012_final.pdf

The purpose of Twinning/ Twinning Light Project Fiche is to give instructions and guidance to Member States administration/mandated body during preparation of their twinning proposals they will need to submit. The thorough preparation of the Twinning/ Twinning Light Project's mandatory results is extremely important for the ultimate success of the twinning project. The achievements of a Twinning Project (mandatory results) should be maintained as a permanent asset to the Beneficiary administration even after the end of the Twinning project implementation. This presupposes inter alia that effective mechanisms are put in place by the Beneficiary Administration to disseminate and consolidate the results of the project.

The Twinning/Twinning Light Project Fiche has to be drafted by the End Recipient/Final Beneficiary. On SPO request, it shall nominate competent persons responsible for preparation of the Twinning/Twinning Light Project Fiche. The nominated persons involved in preparation/control of Twinning/Twinning Light Project Fiche shall sign Declarations of Objectivity and Confidentiality and submit to SPO.

The SPO/IPA structure should coordinate and support the End Recipient/Final Beneficiary in the preparation of Twinning/ Twinning Light Project Fiche. It will timely inform End Recipient/Final Beneficiary on the start of the selection process.

Twinning Manual contains a Standard Twinning Project Fiche template which indicates the minimum details to be provided within each section headings. The structure of the template (section headings and subheading) must not be modified.

Given the technical complexity of the Twinning Project, the preparation of the Twinning/Twinning Light Project Fiche may require the assistance of external technical expertise. If the End Recipient/Final Beneficiary assesses that it has insufficient capacity to prepare the Twinning/Twinning Light Project Fiche, it will inform the SPO requesting technical assistance for its preparation. The SPO will further proceed this request to PAO NIPAC Office (PPF funds).

During the preparation of Twinning/ Twinning Light Project Fiche the End Recipient/Final Beneficiary shall assure full compliance of its content with the text of the approved Sector/Project Fiche in terms of project purpose, activities, and results.

Draft version of the Twinning/ Twinning Light Project Fiche shall be submitted to the SPO in hard copy and electronic form. Also, the End Recipient/Final Beneficiary shall incorporate, where relevant, the comments given by the SPO, CFCD and EUD and prepare revised version of the Twinning/Twinning Light Project Fiche.

V.3.7. Nomination of Members of Twinning Selection Committee

There is certain flexibility in respect to the nomination of the members of the Selection Committee and the abovementioned criteria when Twinning Contracts are in question due to the specific nature of this instrument.

The Twinning Selection Committee consists of a non-voting Chairman and non-voting Secretary nominated by the EUD, 3 voting members nominated by the End Recipient/Final Beneficiary and **one** person from the IPA structure acting as administrative support during the process. The observers of the selection process are nominated by the CFCD and SEA.

Based on written criteria for selection prepared by SPO, the End Recipient/Final Beneficiary shall propose voting members of the Twinning Selection Committee. Substitutes to the members should be nominated on the same conditions as the titulars, if requested by the SPO.

When proposing voting members, the End Recipient/Final Beneficiary should take into account the following major requirements:

- Each member of the Selection Committee should have a reasonable command of the language in which the twinning proposals are submitted;
- The voting members of the Selection Committee should possess the technical and administrative capacities to give competent opinion on the twinning proposals;
- There should be no hierarchical dependency between members of the Selection Committee;
- Selection Committee members must be available at the time of selection; this will be assured by signing of Declarations of Availability;
- There is no conflict of interests.

All members of the Selection Committee shall enclose CV in Europass format.

The CV must be completed and up-dated, illustrating technical and linguistic capabilities of the proposed member, as well as experience in previous selections/evaluations in order to assess his/her appropriateness. Also the CV must indicate the position of the proposed member, department and agency, in order to check the hierarchical relation between proposed members.

SPO checks the eligibility of the members of the Selection Committee proposed by the End Recipient/Final Beneficiary, before submission to PAO and EUD for ex-ante approval.

The Selection Committee should be formed early enough to ensure the availability of the designated members during the period necessary to prepare and conduct the selection process.

V.3.8. Conflict of Interest

Conflict of interest arises where the impartial and objective exercise of the functions of a member of the Evaluation/Selection Committee is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other interest.

The following cases constitute conflict of interest:

1. The proposed member of the Evaluation/Selection Committee:
 - Was involved in the preparation of the tender documentation;
 - Is employed by tenderer/applicant organisations or was employed by it within the previous three years;
 - Is a director, partner, member of the management board of tenderer/applicant organisation or partner;

- Has a close family relationship with any person representing an tenderer/applicant or partners;
 - May benefit directly should the offer by the tenderer/twinning proposal be accepted;
 - Is in any other situation that compromises his or her ability to select the proposal impartially.
2. One representative from End Recipient/Final Beneficiary was involved in all/more than 1 stage/s of operation's implementation – drafting technical documentation, procurement, monitoring process.
 3. Participation in operations' implementation
 - Can be compromised because of family, emotional life, political or national affinity, economic interest or any other interest.

All staff has to declare in writing the absence of any direct or indirect interests which might be considered prejudicial to their independence of implementing duties with respect to the relevant project.

V.4. Conditionalities

The End Recipient/Final Beneficiary shall assure that Conditionalities to be met (indicated in the approved Project/Sector Fiche) before launching tender or before contract signature or immediately after contract signature (concerning allocation of staff/setting of project office, etc.) are fulfilled and will report to SPO on status/problems encountered. Follow up of the fulfilment of conditionalities is the responsibility of the NIPAC Office. Each Project Fiche includes a section on conditionalities that usually relate to:

- Legal frame;
- Project documentation;
- Allocation of staff;
- Institutional set up;
- Logistical support to TA (provision of space, counterparts, etc);
- Co-financing, etc.

Conditionalities at Programming phase

Part of the stated conditionalities relate to readiness/maturity of the Project/Sector Fiche (i.e. project documentation – feasibility studies, cost-benefit analysis and specifications) and are to be assessed at the stage of programming. In case these conditionalities constitute a high project risk and are not met/to be met, the respective Project/Sector Identification Fiche and/or Project/Sector Fiche is not going to be proposed/included into the National TAIB Programme.

Conditionalities at Implementation phase (procurement phase)

The monitoring of the conditionalities in the implementation phase is task of PAO and NIPAC Office, who shall follow status of conditionalities through reporting by SPOs/End Recipients/Final beneficiaries in the course of project tendering/preparation process. The conditionalities have to be fulfilled prior to the submission of tender documents to PAO/CFCD.

In case the SPO informs that the conditionalities are not met or there is a risk not to be met, SPO should also include a plan for the fulfillment of the conditionalities and inform PAO. PAO shall follow the plan or shall further inform NIPAC. Once report for not meeting the conditionalities is received by PAO, NIPAC will approach the SPOs and/or the senior management of the End recipients/Final Beneficiaries in order to ensure that proper actions are undertaken for addressing the conditionalities.

Conditionalities at Monitoring phase (at Programme Level)

The latter will be subject of monitoring once the contracts are signed and are final responsibility of End Recipients/Final Beneficiary and NIPAC Office. NIPAC discusses the problems either on the regular monthly monitoring meetings (organised by CFCD), quarterly management meetings (organised by NAO) or on an urgent ad-hoc meeting between NIPAC, NAO, PAO, relevant SPOs/ End Recipients/ Final Beneficiaries to discuss problems with possible de-commitment of funds.

Flowchart 2 - Procurement Activities

| Responsible body | Activity | Document | Timing |
|---|--|---|-------------------------|
| Preparation of Technical Documentation | | | |
| SPO | Following the Procurement Plan informs End Recipient/Final Beneficiary on deadline for submission of inputs for preparation of Tender Documentation - provides templates/Instructions for preparation of technical documentation | PRAG Templates Services ToR/Incidentals FWC Beneficiaries ToR / Reimbursables Supplies Technical Specification Market Study Works Technical Specification Bill of Quantities Drawings Feasibility Study, EIA Grants Guidelines with all Annexes Twinning Manual Twinning Fiche, Work Plan, etc. Declaration of Impartiality and Confidentiality Conditionalities Information | As per Procurement Plan |
| Preparation of Technical Documentation | | | |
| End Recipient/ | Prepares technical | See above | As per |

| Responsible body | Activity | Document | Timing |
|---|--|---|--|
| Final Beneficiary | documentation in line with SIF/SF/PIF/PF Sign Declarations of Impartiality and Confidentiality Prepares Conditionalities Table | | Procurement Plan/SPO Instructions |
| End Recipient/ Final Beneficiary | Sends to SPO the technical documentation Sends Conditionality Table | See above | As per SPO Instructions/ requests/ Invitations |
| SPO | Checks technical documentation against SIF/SF/PIF/PF, Checks Conditionality Table before submission to CFCD | Checklists for ToR/TS/, etc | As per SPO MoP |
| Nomination of Evaluation Committee members | | | |
| SPO | Sends a letter to ER/FB requesting nomination of Evaluation Committee members, attaching – CV format, Declaration of Availability | CV Europass Format Declaration of Availability (Annex C3-2 of the SPO MoP) | As per SPO MoP |
| End Recipient/ Final Beneficiary | Nominates members using formats and sends to SPO | See above | As per SPO MoP |
| SPO | Checks the submitted CVs – qualifications/skills/availability / non-participation in the drafting of technical documentation | CV Checklist (Annex C3-1 of the SPO MoP) | As per SPO MoP |

Flowchart 2 - Procurement Activities

| Responsible body | Activity | Document | Timing |
|---|---|----------------------|-----------------------------|
| Clarification/Information Sessions | | | |
| SPO | Supports CFCD with the answering of clarification questions/participate in meetings information events and organises On-the-site visits (if needed) | E-mail communication | According CFCD Instructions |
| End Recipient/ Final Beneficiary | Supports SPO with the answering of clarification questions/participate in meetings information events and organises on-the spot visits (if needed) | E-mail communication | According SPO Instructions |

The End Recipient/Final Beneficiary shall provide clarifications to tender documentation and facilitate/organize on-the-site visits/meetings for tenderers, if so required by the SPO.

VI. Contract Monitoring Activities

Following the Contract signature, the IPA funded projects officially start with the issuance of an Administrative Order/Notification Letter by the Contracting Authority or the official start date is as otherwise specified in the Contract Special Conditions.

One copy of the full Contract Dossier is officially sent by the Contracting Authority to the SPO for their evidence and further work. Subsequently, the SPO will send a copy of the received Contract Dossier to the Final Beneficiary/End Recipient.

The implementation of the IPA funded projects is a joint responsibility of the following institutions:

- Central Financing and Contracting Department (CFCD) as Contracting Authority
- SPO supported by IPA Unit/Working Group within the Line Ministry/Beneficiary Institution
- End Recipient/Final Beneficiary (not to be confused with Grant beneficiaries in the case of Grants).

CFCD is designated as the Implementing Agency for TAIB Programmes and is ultimately responsible for respecting contracts implementation under the TAIB National Programmes. The Head of CFCD in its function of Programme Authorising Officer (PAO) has delegated some of its tasks to the SPO Line Ministries/Beneficiary Institutions in accordance with the respective Operational Agreements. CFCD together with the SPO/ IPA Structures in the Line Ministries/Beneficiary Institutions represented by their SPOs, follow contracts implementation/monitoring in order to guarantee achievement of contract objectives/delivery of results, respecting the principle of sound financial management.

The Senior Programme Officer and the respective IPA structure - in charge for issuing the visas "read and approved"/"certified correct" /signature of Provisional and Final Acceptance certificates upon signature for approval issued by the End Recipient/Final Beneficiary.

The **sound financial management** requires actions to be implemented in accordance with the principles of economy, efficiency and effectiveness.

The **principle of economy** requires that the resources used to be made available in due time, in appropriate quantity and quality and at the best price.

The **principle of efficiency** is concerned with the best relationship between resources employed and results achieved.

The **principle of effectiveness** is concerned with attaining the specific objectives set and achieving the intended results.

Specific, measurable, achievable, relevant and timed objectives have to be set for all actions. Achievement of the objectives has to be monitored by performance indicators (based on **Article 27 Financial Regulation**).

End Recipient/Final Beneficiary will receive institution building assistance, equipment or psychical assets, necessary to achieve intended project results and will retain ownership of results. The End Recipient/Final Beneficiary and the appointed coordinator will be in charge for day to day implementation of projects and assuring that delivered outputs are of satisfactory quality in line with contractual obligations and that inputs of service providers as stated in contractors' time sheets are true and regular. The End Recipient/Final Beneficiary will co-sign the contractors' time-sheets and approve the contractors' reports/outputs. Also, the End Recipient/Final Beneficiary shall allocate resources and the coordinator shall inform SPO on staff to be involved in implementation of Project activities.

In the case of Grant Schemes, the CFCD is responsible for launching of Call for Proposals upon prepared grant Application Package by the Beneficiary Institution, selecting of Grant Beneficiaries, contracting and administrating of the Grant contracts. The SPO is responsible for assisting CFCD in the organization of Call for Proposals and is responsible for monitoring of the Grant Contracts supported by End Recipient/Final Beneficiary.

The monitoring of the Contracts implementations will aim to assess and verify that:

- There is a adequate progress in achieving the results and objectives of the Contract;
- The activities and outputs are in accordance with the Contract;
- The respective Actions, services/supplies/works are actually delivered/executed;
- Expenditures are in line with the project implementation and eligible;
- Contract complies with the rules on procurement, state aid, publicity and visibility, other relevant Community and national rules.

VI.1. Monitoring Tools

VI.1.1. Project meetings

Project meetings are an important tool to ensure effective guidance of the project implementation to the defined project objectives and early identification and taking corrective actions.

Types of project meetings:

Kick-off meeting

After the signature of the Contract, at the start of project implementation the Contractor, supported by SPO will organise a Kick-off meeting to confirm requirements for Contract implementation and discuss and answer any questions about unclear matters. Representatives of End Recipient/Final Beneficiary and IPA structure will participate in the Kick-off meeting. The aim of the Kick-off meeting should be, among other issues:

- To formally introduce all parties;
- To discuss and agree on outstanding matters;
- To fine-tuning of the methodology to be used;
- To identify the stakeholder who will act as liaison officer for the project;
- To provides the participants with relevant information related to contract implementation rules – , reporting, visibility, vat exemption, etc;
- To schedule meetings and agree on minutes from meetings;
- To discuss project publicity/visibility.

Contract Progress Meetings

Contract progress meetings provide an opportunity to discuss progress and resolve difficulties (if emerged). The meetings are very useful if organised before a monitoring report to being compiled and submitted. These meetings are usually monthly/quarterly/six-months, as defined in ToR.

NOTE: In Service Contracts, when the Terms of Reference do not identify a specific schedule of contract progress meetings, it is recommended that such a tentative schedule (preferably on monthly basis) is agreed either at the “Kick-off Meeting“ or during the contract inception phase. It is recommendable to hold a formal meeting at least once per month for fee-based contracts and at shorter and less definite periods for global price contracts (since the achievement of the Consultants’ outputs very often depends on specific activities to be achieved by a certain deadline or milestone date).

Steering Committee Meetings

Project Steering Committee meetings are set up to facilitate the effective implementation of the project including monitoring the progress and ensuring achievement of the project objectives. Problems encountered or anticipated are also brought up for discussion. The tender documents normally determine general objectives of the project Steering Committee. The objectives of the Steering Committee are:

- Take decisions on strategic issues for project implementation;
- Ensure the project’s strategy aligns with the requirements and needs of target groups/beneficiary and to represent their interests in project deliberations;
- Examine and planning of time schedule of the project to keep the project scope under control as emergent issues force changes to be considered;
- Provide those directly involved in the project with guidance on project issues which would compromise the success of the project;
- Assist in the evaluation of project risks or project problems and project risk management approaches;

- Reconcile differences in opinion and approach, and resolve disputes arising from them;
- Propose for the reorientation of the project or, in extreme cases, termination of the contract;
- Assess quality and verify project technical reports (typical in case of studies, evaluations, etc.) and deliverables, etc.

Where contract is linked to other contracts (Technical Assistance and Supply) as part of a larger project, it is recommended that the Steering Committee covers the project as a whole and also discusses the other components to ensure good coordination.

The Steering Committee meetings are organised by the Contractor (acting as a Secretariat to the Steering Committee) with support of the SPO/End Recipient/Final Beneficiary and SPO, and are attended by the stakeholders and the representatives of the other target institutions, and PAO/CFCD and EUD as observers.

Agenda, including relevant documents, and list of participants are to normally be sent to members at least **10 working** days before the meeting to take place. Minutes of the Steering Committee meeting are prepared by representatives of the Contractor for the particular project, unless otherwise agreed.

Ad hoc Meetings

There are occasions within the regular communication and coordination activities when ad-hoc information on progress is required on an as-needed basis.

VI.1.2. Approval of Reports/ Outputs

Progress reports are intended to assess and inform about the project progress in implementation of activities, delivery of outputs and results and to plan the activities for the next reporting period. The General Conditions/Special Conditions regulate type and regularity of contracts.

End Recipient/Final Beneficiary shall check the report/quality of outputs in order to verify to SPO the stated progress and quality of outputs in implementation of Contracts by issuing “read and approved”. SPO has to check completeness/ accuracy of reports, visibility, compare with reports from On-the-Spot checks, comments from project Steering Committee, etc and issue visa “read and approved” before submission to CFCD.

Approval of quality of outputs and acceptance of stated progress in progress/final reports shall be given in written form (letter) to the SPO which will serve as a basis for SPO supervision and issuance of “read and approved”.

VI.1.3. Verification of Expenditures

The verification of expenditure is part of the procedure for the interim or final payments to the Contractors and Grant beneficiaries. The endorsement 'certified correct' or is required prior authorisation of payment to the Contractors and Grant beneficiaries.

Definition of 'certified correct' (Article 97-99 Implementing Rules of the Financial Regulation)

The endorsement '**certified correct**' shall certify that:

Service Contracts: services provided for in the contract have been properly provided,

Supplies Contracts: supplies provided for in the contract have been properly delivered

Works Contracts: work provided for in the contract has been properly carried out.

For supplies and work, the official or other servant technically competent shall draw up a provisional acceptance certificate, and then a final acceptance certificate at the end of the guarantee period laid down in the contract. Those two certificates shall count as the 'certified correct' endorsement.

Endorsement "certified correct" on invoices and on provisional/ final acceptance certificates is performed by SPO, following the approval of inputs (Service contracts), delivery of supplies/works, etc by the End Recipient/ Final Beneficiary. The Final Beneficiary/End Recipient's signature on the Time Sheets, Acceptance Certificate (supplies/works) enables the SPO to provide "certified correct" and sign the Certificates as well.

Verification of expenditures shall be given in written form either through signature of timesheets, provisional/ final acceptance or with a letter to the SPO which will serve as a basis for SPO supervision and issuance of "certified correct".

Verification of Expenditures with Service Contracts

Before validating "certified correct", the SPO has to verify that the services provided for in the contract have the required quality; stated expenditures are eligible, made in line with the principle of sound financial management, etc. For all contracts the SPO has to review:

- The Narrative and Financial Report (Interim or Final);
- Copies of deliverables/outputs attached to the Report.
- Timesheets /report on Incidentals

Timesheets recording the days worked by the experts must be approved and signed by SPO and End Recipient/Final Beneficiary for compliance with the Contract requirements on a monthly basis. Timesheets are used for recording the days worked by the long-term and short-term experts:

- In the case of long-term experts, these timesheets must record the number of days worked. In the case of short-term experts, these timesheets must record

the number of hours worked. Time spent travelling exclusively and necessarily for the purpose of the Contract may be included in the numbers of days or hours, as appropriate, recorded in these timesheets;

- Weekends and official holiday days are not reported as working days unless approved by PAP/Head of Contracting Authority;
- For short-term experts, 7 hours worked are equivalent to one day worked. For all experts, their time input must be rounded to the nearest whole number of days worked for the purposes of invoicing;
- Up to **30 days** after the start of the contract a timetable for placement of the staff has to be submitted by the Contractor;
- The Contractor has to inform about the date of arrival and departure of each member of staff.

For the purposes of checking and approving the Timesheets, the End Recipient/Final Beneficiary shall create and maintain record file for the daily engagement of the consultants in order to provide for adequate audit trail.

Verification of Expenditures with Supply Contracts

The Acceptance Certificate for supplies is also a precondition for providing ‘certified correct’ by the SPO.

- The Provisional Acceptance Certificate is an acceptance of the delivery of goods. It takes place after the goods have been delivered, installed and tested (functional, technical tests, etc). The types of test to be carried out prior to the issue of the Provisional Acceptance Certificate will be specified in the Contract. The Provisional Acceptance Certificate is the basis for the Contractor to issue an invoice and to ask for payment.
- The Final Acceptance Certificate is issued after the end of the warranty period, specified in the contract. Prior to the issue of the Final Acceptance Certificate all defects and/or damage occurred during the warranty period has to be repaired or goods replaced by the Contractor. Prior the issuing of the Final Acceptance Certificate the SPO has to carry out an administrative or On-the-Spot check. The check covers only defects, maintenance and trainings (if provided for in the contract).

In order to enable the SPO to provide “certified correct” and sign the Acceptance Certificates, the End Recipient/Final Beneficiary must, by the deadline set by the SPO:

- Verify that the goods have been delivered, installed and tested (functional, technical tests, etc), trainings delivered and all manuals provided by approving (signing) the Provisional Acceptance Certificate
- Certify that all defects and/or damage occurred during the warranty period were repaired or goods replaced by the Contractor, by approving (signing) Final Acceptance Certificate.

Verification of Expenditures with Works Contracts

For Works each month the Contractor issues a monthly statement. An Interim Payment Certificate accompanies this. The Engineer has monthly meetings with the Contractor and makes monthly reports, which comment on progress and may propose changes. There is a monthly meeting involving representatives from Final Beneficiary/End Recipient, Engineer, Contractor, SPO's and CFCD representative which review progress on the project. Minutes of meeting are to be taken and sent to all attending parties.

The SPO/Final Recipient/End Beneficiary shall check:

- Monthly Report – “read and approved”
- Interim Payment Certificates - check and send comments/approval/non approval to SPO. If there are same comments from CFCD/SPO/End Recipient/Final Beneficiary are substantial the Engineer instructs a change. Following SPO approval the Engineer submits the consolidated Interim Payment Certificate for approval to CFCD.
- Quarterly Report - the Consultant/Engineer issues a Quarterly Report, which certifies appropriate progress or notifies discrepancies between financial and physical indicators to the project manager. CFCD/SPO and the End Recipient/Final Beneficiary comment on the report and give “read and approve” visa/statement.
- Taking Over Certificate – the Contractor shall carry out of Test of Completion according to the general obligations of the Contract. As soon as the Works have passed any Tests on Completion, the Contractor shall submit a certified report of the results of these Tests to the Engineer, who submits it to CFCD. CFCD shall request approval by SPO and he/she subsequently by Final Beneficiary/End Recipient.
- Performance Certificate - after the Defects notification period expires, following technical tests, the Engineer issues the Performance Certificate and Final Payment Certificate (in compliance with FIDIC rules) and Defects Certificate. These are forwarded to CFCD. CFCD shall request approval by SPO and he/she subsequently by Final Beneficiary/End Recipient. to authorise final payment. Performance Certificate shall be deemed to constitute acceptance of the Works.
- Final Report - upon completion, the Engineer produces a Final Report showing fulfillment of the Contract with financial and physical indicators of service contract and results of supervised works contracts. CFCD/SPO and the End Recipient/Final Beneficiary comment on the report and give “read and approve” visa/statement.

Verification of Expenditures with Twinning Contracts

For Twinning partners since the reports are jointly prepared by End recipient/Final Beneficiary with the twinning Partner, the checks required relate to:

- Quality of outputs (deliverables/outputs attached to the Reports)
- Verification of costs, in line with stated activities/results.

Table 3 End Recipient/Final Beneficiary Monitoring Tools according to type of Contracts

| Type of Contract ⁷ | PRAG General Conditions | | ER/FB Monitoring Tools |
|--|-------------------------|--|--|
| Service Contracts | Global Price | Narrative report | Kick-off meeting participation; Nomination of Members of Steering Committee/attending meetings, Participation in Contract progress meetings; Review /comment Reports/quality outputs/project Work Plan/Draft Use of Incidentals/; Approval of STE Missions Plans /Reports; Approval of KE/STE Time Sheets; Jointly with Contractor prepares Request for Contract Modifications |
| | Fee-based | Narrative and financial reports Expenditure verification report Timesheets | |
| Twinning / Twinning Light Contract | All contracts | Narrative and Financial Report Expenditure verification report | Kick off meeting participation; Member of the Steering Committee nomination/, attending meetings; Provides Counterparts, Venue and other logistical/financial support Actively participates in activities Drafts jointly Quarterly Interim Reports Jointly with Twinning partner prepares Side letters/Request for Contract Modifications Review Progress Reports /STE Mission letters/ Outputs; |
| Supply⁸ contract Works contracts | All contracts | Provisional acceptance certificate Final Acceptance Certificate at the end of the guarantee period laid down in the contract Invoice | Participation in Kick-off meeting Participation in Monthly meetings with Engineer /Contractor (Works) Approval of Reports Execution of On-the-Spot checks jointly with SPO (if required) Attending Provisional Acceptance Recording and reporting defaults in test / warranty period to SPO Attending Final Acceptance |

⁷ Grants are not included as long as the Final Beneficiaries are the Grants beneficiaries.

⁸ Exceptionally complex supply contracts might be required to provide progress reports

VI.2. Role of SPO in Contract Monitoring

1. Consults the End Recipient/Final Beneficiary and request input for the organisation of the project Kick-off Meeting, contract progress meetings (Steering Committee meetings and Contract Progress Meetings), ad-hoc meetings. Undertakes activities related to project Steering Committee as envisaged in the contract.
2. Prepares risks assessment and monitoring visits plan for each contract;
3. Ensures that the appointed coordinator in the End Recipient/Final Beneficiary has established a system of day to day monitoring of the Contractors' performance, for quality control of Contractor inputs/outputs. Provide relevant formats/templates and instructions to End Recipient/Final Beneficiary for projects monitoring.
4. Consults with End Recipient/Final Beneficiary about mission plans/mission reports of non-key experts (Service/Twinning contracts) prior to approving them.
5. Provides to the Contracting Authority "read and approved"/certified correct" of Contractors outputs and provisional/final acceptance (supplies/works), following the approval or disapproval of outputs by the End Recipient/Final Beneficiary recommendations of Steering Committee on progress of project implementation. SPO has the right at any time to request additional information from the End Recipient/Final Beneficiary whether the provided services/delivered supplies, etc. by the Contractor are within the planned time-frame and with the satisfactory quality.
6. Organises On-the-Spot visits/checks and makes recommendations from on-the-spot checks/visits /audits/evaluations to End Recipient/Final Beneficiary for Follow-up activities to ascertain that project purpose will be met.
7. Reviews request for contract modification/addendum upon technical input by End Recipient/Final Beneficiary and Contractor, and provide CFCD with detailed justification on the feasibility of the proposed modification.
8. Informs the End Recipient/Final Beneficiary about the possibility to report directly to Irregularity Officer in CFCD on any certain or suspected irregularities, or to the electronic address for whistle blowing on CFCD web-site.
9. Informs the End Recipient/Final Beneficiary on obligations with respect to project Publicity/Visibility.
10. Assesses Contractor's reports and prepare reports on contract implementation and submit to PAO/Head of Contracting Authority as stipulated in the tender documents, as well as information requested by NIPAC. SPO may request

additional information from the End Recipient/Final Beneficiary for preparation of the reports/information.

11. Contributes (if so required) for the preparation of Annual Implementation Report on TAIB Component and participate in the work of TAIB Sector Monitoring Committee. SPO may request additional information from the End Recipient/Final Beneficiary for preparation of the Annual Implementation Report.
12. Informs and invite End Recipient/Final Beneficiary staff to participate in trainings organized by PAO/IPA TSF as well as communicate any Lessons learned, communicated to SPO by PAO.

VI.3. Role of End Recipient/ Final Beneficiary in Contract Monitoring

The End Recipient/Final Beneficiary has a prime responsibility for the day to day monitoring of Contractors' performance and for implementation of the project in order to achieve the project purpose. The End Recipient/Final Beneficiary is responsible for the efficient use of the allocated resources and for assisting the Contractors in implementation of project activities.

The SPO may treat the End Recipient/Final Beneficiary control systems as contributing to the adequate planning and execution of contract activities, whilst still being responsible for carrying out verifications necessary to ensure their reliability. The SPO has to ensure that the End Recipient/Final Beneficiary has established a system of day to day monitoring of the Contractors performance, for quality control of the activities of the Contractor, as well as to ensure that the beneficiary institution implements its responsibilities related to monitoring.

The End Recipient/Final Beneficiary will provide assistance and support to SPO in exercising its monitoring tasks, i.e. to assess and verify that:

- There is adequate progress in achieving the results and objectives of the contract;
- The activities and outputs are in accordance with the Contract;
- The respective Actions, services/supplies/works are actually delivered/executed;
- Expenditures are in line with the project implementation and eligible;
- Contract complies with the rules on procurement, state aid, publicity and visibility, other relevant Community and national rules.

More particularly the End Recipient/Final Beneficiary shall:

1. Appoint counterpart personnel and inform the SPO/Contractor on relevant counterparts, besides the appointed coordinator as focal point for communication with SPO;

2. Provide adequate working space and facilities for Technical assistance/Twinning team (if applicable);
3. Organise, select and appoint members of Working groups, Steering and coordination committees and submits to SPO;
4. Arrange all legal procedures (e.g. construction permits, urban plan amendments) to allow construction or refurbishment activities.
5. Inform the Minister/ Head of Beneficiary Institution on the need for ensuring adequate number of trained employees and other resources needed for efficient and timely implementation of IPA projects;
6. Monitor daily the project implementation and Contractors' performance and give opinion on quality of deliverables and outputs produced by the Contractor in close cooperation with the SPO to ensure timely and properly project implementation under the best quality standards.
7. Review all reports/outputs from Contractors
8. Provide the requested information by the SPO/IPA structure staff for assessment of monthly/ progress reports, recommend approval/non-approval to SPO and provide any other information required in due time for preparation of reports to PAO/Head of Contracting Authority and NIPAC.
9. Sign the Provisional/Final Acceptance for supply/works contracts.
10. Implement Follow-up activities to ascertain that SPO/audit/evaluation recommendations related to project implementation are implemented.
11. Assure adequate project visibility/publicity in line with EC/SPO Guidelines/instructions and agreed project publicity/visibility plan.
12. Assure sustainability of project outputs by allocating and maintaining personnel and resources.
13. Inform SPO about problems that might jeopardize implementation of the project.
14. Participate in the On-the-Spot checks and visits and sign on-the-spot reports.
15. Reports any suspicion of irregularities.
16. Assure all project conditionalities, as elaborated in SIF/PIF and reports to SPO on all problems in a timely manner;
17. Assure Contract' outputs sustainability, allocate resources for infrastructure/assets maintenance. Signs with PAO/Head of Contracting Authority and Agreement for Transfer of Ownership of Assets.
18. Keep adequate filing/archiving system on all Contracts.

Specific tasks with the different types of contracts are elaborated in the sections below.

VI.3.1. Role of End Recipient/ Final Beneficiary in Service Contract Monitoring

Service contracts are two main types: *Global-price and Fee-based*.

Global-price service contracts are result-oriented contracts. The Contractor has to deliver a specified in the ToR output (preparation of a project, feasibility study, economic and market study, technical study, evaluation and audit). The Contractor may decide the most appropriate way of allocating the inputs indicated in the Contract in order to achieve the outputs requested in the ToR. The Contracting Authority has no control over the inputs for global price contracts. The service provided by the Contractor is paid only if the specific output(s) are achieved. The monitoring of End Recipient/Final Beneficiary should be focused at the quality and timeliness of delivery of outputs and results.

In Fee-based service contracts the expected results are normally more general than those required under a global price contract. Payment for these contracts is related to the **resources and services** actually provided. Therefore, in addition to monitoring of progress, these contracts require also verification of delivery of resources (verification of the inputs of experts and the delivery of services, budgeted under incidental expenditures).

In service contracts usually the End Recipient/Final Beneficiary has the prime responsibility for the day to day monitoring of the performance of the Contractors. The SPO has to ensure that the beneficiary(es) has established a system of day to day monitoring of the Contractors performance, for quality control of the activities of the Contractor, as well as to ensure that the beneficiary implements its responsibilities related to counterpart staff, office space (where required by the contract), attendance of beneficiary institution trainees. More specifically the End Recipient/Final Beneficiary shall:

1. Chair/organise project meetings (Kick-off, Steering Committee Meetings, Contract Progress Meetings and ad-hoc meetings, if so decided) in cooperation with SPO, if not differently specified in the contract.
2. Agree on non-key experts mission plans, review non-key experts reports, provide data/documents and information requested by experts and participate in meetings, task force groups, organised within the mission of the relevant experts, etc.
3. Perform first-level control in cooperation with SPO over the Contractors inputs/activities, results, incl. reviewing outputs, verification of the input of the expert, signing the time sheets, verify the delivery of the services and verify the use of incidentals/reimbursable.
4. Review reports (Inception, Progress, Interim, Final, etc.), that have to be approved by the SPO who gives the visa "read and approved". In case the SPO disagrees with comments/statements of End Recipient/Final Beneficiary he/she has to prepare a letter explaining the reasons rejection of the comments.

5. Monitor the implementation of the corrective /follow-up measures recommended by SPO/CFCD and inform on it;
6. Prepare jointly with Contractor requests for contracts modifications
7. Assure all conditionalities for the effective implementation of contracts,
8. Evaluate contactors' performance and sends to SPO, etc.

VI.3.2. Role of End Recipient/ Final Beneficiary in Supply Contracts Monitoring

1. Chair/organise project meetings project meetings (Kick-off, Steering Committee meetings, Contract Progress Meetings and ad-hoc meetings, if so decided) in cooperation with SPO, if not differently specified in the contract.
2. Review reports (only if so stipulated in the Contract/Technical Specifications), and inform SPO on opinion with progress of contract.
3. Participate in On-the- Spot checks, Provisional/Final acceptance of supplies and inform SPO on any defect, complaints by users, etc. At the delivery End Recipient/Final Beneficiary checks the supplies on the following elements:
 - Quantity;
 - Compliance of items to Contract/Technical Specification;
 - Compliance of items to specified maximum tolerances by inspection;
 - Timelines of delivery;
 - Supporting maintenance (if any);
 - Clarity and compliance of support, quality of trainings (if any).
4. Record the assets delivered in Institution Asset/Inventory Book (put inventory number of the asset, and enter the data in the appropriate system) for material and financial evidence of the Ministry/Institution.
5. During use, before expiry of the guarantee beneficiary shall record all data connected with the performance of the supplies. The following elements provide a list, which forms the basis for specific indicators:
 - Time to failure of the product or the frequency of breakdown in use;
 - Complaints by users;
 - Comments by users specifically sought in an evaluation questionnaire;
 - Installation costs;
 - Maintenance costs;
 - Use costs.
6. Assure proper publicity/visibility of EC contribution for the delivered supplies;

7. Inform SPO immediately on any suspected irregularity.
8. Assure adequate staff and resources for post-delivery management of supplied equipment (sustainability).
9. Evaluates contactors' performance and sends to SPO, etc.

VI.3.3. Role of End Recipient/ Final Beneficiary in Works Contracts Monitoring

1. Chair/organise project meetings (Kick-off meeting, Monthly meetings with Engineer/Contractor /SPO/Contracting Authority and ad-hoc meetings if so decided) in cooperation with SPO, if not differently specified in the contract.
2. Participate in On-the Spot checks Provisional/Final acceptance of works and inform SPO on any defect, complaints by users, etc. In larger projects, this may require appointment of a permanent staff with relevant technical knowledge on the project site.
3. Review reports from Engineer and provide SPO with comments recommendations for approval/non-approval.
4. Record the works in the electronic system for material and financial evidence of the Ministry/Institution.
5. Allocate adequate staff and resources for infrastructure maintenance/management/sustainability.
6. Assure proper publicity/visibility of EC contribution for the created infrastructure.
7. Support the contractor in the activities related to the reallocation of utilities if any.
8. Evaluate contactors' performance and sends to SPO.

The SPO, at any time, may go On-the-Spot check to verify that the relevant equipment/ supplies/goods are on the place and are properly used by the End Recipient/Final Beneficiary staff.

VI.3.4. Role of End Recipient/ Final Beneficiary in Twinning Contracts Monitoring

1. Assure counterpart Project Leader /counterparts to Resident Twinning Advisor, Short-term experts, working premises/equipment and financial resources as described in the twinning contract for the proper management of the project.
2. Actively participate in project activities, allocate adequate budget/logistical support.

3. Prepare jointly with the Twinning Partner Progress/Final reports, review and comment on achievement of mandatory results.
4. Prepare jointly with Twinning partner requests for projects modifications.
5. Assure proper publicity/visibility of the Twinning Project.
6. Allocate adequate staff and resources for sustaining of Project results.
7. Participate in Twinning review missions, following project completion

Flowchart 3 - Contracts Monitoring

| Responsible body | Activity | Document | Timing |
|---|---|---|---|
| SERVICE CONTRACTS | | | |
| Contract Kick off Meeting | | | |
| SPO | Informs ER/FB on issuing of PAO Administrative Order/date of Kick-off meeting and sends a copy of the Contract. Requests nomination of Counterpart personnel/assistance for the organization of the Kick-off meeting | Letter Copy of Contract Kick off meeting Agenda/Invitation letter | 1 WD after receiving AO from CFCD |
| End Recipient/ Final Beneficiary | Nominates Counterpart personnel, nominates members (Chairperson – if required) for the Kick-off meeting, allocates space/facilities (if needed) and informs SPO on all conditionalities related to Contract implementation. Participates in Meeting | Letter | 1 WD after receiving AO from SPO |
| SPO/ Contractor | Prepares Kick-off meeting Minutes and circulates to ER/FB | Minutes | 3 WD after the meeting |
| End Recipient/ Final Beneficiary | Comments on Minutes | Minutes | |
| SPO/Contractor | Consolidates comments/revises Minutes and sends Minutes Final Version to attendees after PAO approval | Minutes | 1 WD after receiving comments from CFCD |
| Project Steering Committee | | | |
| SPO | Sends a letter to requests nomination of Steering Committee (SC) members | Letter Draft Rules of Procedures | 3 WD after the Kick-off meeting |
| End Recipient/ Final Beneficiary | Nominates members (chairperson- if required)/comments on SC Rules of Procedures | Letter | 5 WD after receiving letter from SPO |
| SPO | Checks nominated members against ToR and requests replacements if needed, sends to CFCD for approval | Checklist Letter | 3 WD after receiving nominations from ER/FB |

| Responsible body | Activity | Document | Timing |
|-------------------------------------|---|---|---|
| SC Chair | Informs ER/FB on date of SC meeting | Letter/Invitation Agenda Supporting Document | 10 WD prior the meeting |
| SC Chair | Circulate Minutes and to ER/FB | Minutes | 3WD after the meeting |
| End Recipient/ Final Beneficiary | Comments on Minutes | Minutes | 3WD after receiving |
| SPO | Consolidates Comments revises Minutes and sends Final Version to attendees after PAO approval | Minutes | 3WD after receiving |
| Inception report (IR) | | | |
| SPO | Sends the IR to consults ER/FB on methodology, updated Work Plan, draft use of Incidentals/Inputs of experts | Inception Report | 1WD after receiving |
| End Recipient/ Final Beneficiary | Reviews IR and sends comment to SPO | Checklist IR | 5 WD after receiving |
| SPO | SPO checks IR, using Checklist and schedules a SC meeting. SPO collects comments on IR, prepares Consolidated Comments, gives visa "read and approved" and sends PAO | Checklist IR Consolidated Comments Table Invitation/Agenda for SCM | 10 WD after receiving comments from ER/FB |
| SPO | Informs ER/FB on IR approval by CFCD | Approval letter | Same day |
| SPO | Inserts data in MIS | | 1 WD after Check |
| Progress/ Final reports | | | |
| SPO | Sends the PR/FR to consults ER/FB outputs/results, updated Work Plan, use of Incidentals/Inputs of Experts | Progress/Final Report/ Timesheets / Use of Incidentals/ Reimbursables | 1 WD after receiving from CFCD |
| End Recipient/ Final Beneficiary | Reviews Outputs /Checks/countersigns Timesheets, use of incidentals, prepares comments and sends to SPO | Letter/Comments Checklist Timesheets | 5 WD after receiving |
| SPO | Checks Reports against ToR/ IR, using a Checklist, schedules SC meeting, collects comments on Report, prepares Consolidated Comments and visas "read and approved"/"certified correct" and sends to PAO | Checklist Progress/Final Report Checklist Timesheets Consolidated Comments Table Invitation/ Agenda for SCM | 10 WD after receiving comments from ER/FB |
| SPO | Informs ER/FB on Reports approval by PAO | Approval letter | Same day |
| SPO | Inserts data in MIS | | 1 WD after Check |

| Responsible body | Activity | Document | Timing |
|---|---|---|---|
| Selection of Non-key Experts | | | |
| SPO | May require from ER/FB assessment of Advertisement/ ToR/ CVs of experts and nomination of members for the Evaluation Committee | Letter Advertisement/ ToR Short-list/Comparative table/CVs List of Questions for an Interview (if relevant) | 1 WD after receiving from Contractor |
| End Recipient/ Final Beneficiary | Sends the assessment to SPO | Letter | 3WD after receiving from SPO |
| Contract Modifications | | | |
| End Recipient/ Final Beneficiary | Discuss/agree with Contractor proposal for Contract Modifications | Justification of requested Contract modification, prepared by Contractor | As needed, but not later than 1,5 months prior to intended change to take place |
| SPO | Checks proposed contract modification using a checklist and submits to PAO for approval and to EUD for information (Administrative order)/approval (Amendment) | Justification Contract Modification Checklist | 5 WD after receiving |
| SPO | Informs ER/FB on Contract modification approval by PAO/sends contract addendum | Administrative order/Addendum | 1 WD after submission by PAO |
| SPO | Inserts in MIS | - | - |
| Evaluation of Contractors | | | |
| SPO | Following Final report approval sends an e-mail/ ER/FB to request assessment of Contractors performance | Evaluation Form PRAG | 1 WD after request from CFCD |
| End Recipient/ Final Beneficiary | Fills in the Evaluation form and send to SPO | See above | 1 WD after receiving from SPO |
| SPO | Checks and sends the Evaluation form to CA | See above | 1 WD after receiving from ER/FB |
| SPO | Inserts data in MIS | - | Same day after receiving CFCD evaluation |
| SUPPLY CONTRACTS | | | |
| Kick-off meeting | | | |
| SPO | Informs ER/FB on issuing of Administrative Order/date of Kick-off meeting and sends a copy of the Contract. Requests nomination of Counterpart personnel/assistance for the | Letter Copy of Contract Kick off meeting Agenda/Invitation | 1WD after receiving from CFCD |

| Responsible body | Activity | Document | Timing |
|---|--|---|--|
| | organization of the Kick-off meeting | letter | |
| End Recipient/ Final Beneficiary | Nominates Counterpart personnel, nominates members (Chairperson – if required) for the Kick-off meeting, allocates space/facilities (if needed). Participates in Meeting | Letter | As required by SPO |
| SPO/ Contractor | Prepares Minutes and circulate to ER/FB | Minutes | 3 WD after meeting |
| End Recipient/ Final Beneficiary | Comments on Minutes | Minutes | 1 WD after receiving |
| SPO/ Contractor | Consolidates comments, revises Minutes and after CFCD approval sends Minutes to attendees | Minutes | 1WD after CFCD approval |
| SUPPLY CONTRACTS | | | |
| Provisional/Final Acceptance | | | |
| SPO | Informs ER/FB on the date of Provisional/Final Acceptance and organizes On-the-spot check | Letter | Same day after information from CFCD |
| End Recipient/ Final Beneficiary | Attends the On-the-Spot Checks. Countersigns the Provisional/Final Acceptance. Takes notes on any defaults/complaints during the warranty/trial period before Final Acceptance signature and informs SPO. Participates in trainings on equipment usage (where relevant), records assets in Inventory book of Institution. Assures visibility | Letter Report from On-the-spot /trial period Provisional/Final Acceptance | As scheduled |
| End Recipient/ Final Beneficiary | Assures the necessary staff resources for maintenance/sustainability and informs SPO on sustainability of investment (After Final Acceptance) | Letter | 5WD after contract end |
| SPO | Inserts data in MIS | - | 1 WD after Check |
| Evaluation of Contractors | | | |
| SPO | Following Request for Final Acceptance from Contractor send to SPO by Contracting Authority, the SPO sends to FB/ER Assessment Form | E-mail/Letter Contractors' Assessment Form PRAG | 1 WD after request from CFCD |
| End Recipient/ Final Beneficiary | Fills in the Contractors' Assessment Form and send to SPO | See above | 1 WD after receiving from SPO |
| SPO | Checks Contractors' Assessment Form and sends the Evaluation form to CA | See above | 1 WD after receiving from ER/FB |
| SPO | Inserts data in MIS | - | Same day after receiving CFCD evaluation |
| WORKS CONTRACTS | | | |

| Responsible body | Activity | Document | Timing |
|--|--|---|----------------------------------|
| Kick-off meeting | | | |
| SPO | Informs ER/FB on issuing of Administrative Order/date of Kick off meeting and send a copy of the Contract. Requests nomination of Counterpart personnel/assistance for the organization of the Kick off meeting | Letter Copy of Contract Kick off meeting Agenda/Invitation letter | 1WD after receiving from CFCD |
| End Recipient/ Final Beneficiary | Nominates Counterpart personnel, nominates members (Chairperson – if required) for the Kick-off meeting allocates space/facilities (if needed) and informs SPO on all conditionalities related to Contract implementation. Participates in Meeting | Letter | As required by SPO |
| SPO/Contractor | Prepares Minutes and circulate to ER/FB/ | Minutes | 3 WD after meeting |
| End Recipient/ Final Beneficiary | Comments on Minutes | Minutes | 1 WD after receiving |
| SPO/ Contractor | Consolidates comments revises Minutes and sends minutes Final Version to attendees | | 1WD after CFCD approval |
| Monthly Meetings with Engineer/Contractor | | | |
| SPO | Informs ER/FB on date/place of meeting | Letter/E-mail | Same day as informed by CFCD |
| End Recipient/ Final Beneficiary | Informs of staff to attend the meeting and attends meeting | Letter/E-mail | 1WD after SPO Letter |
| SPO | Circulates the Minutes prepared by Engineer | Minutes | Same day as received |
| End Recipient/ Final Beneficiary | Comments/agrees Minutes | Letter/comments | 1 WD after receiving from SPO |
| Quarterly Reports of Engineer | | | |
| SPO | Requires comments from ER/FB on Quarterly Report, prepared by the engineer which certifies appropriate progress or notifies discrepancies between financial and physical indicators | Quarterly report | Same day when received from CFCD |
| End Recipient/ Final Beneficiary | Comments on Quarterly Report | Table Comments on report | 10WD after receiving from SPO |
| SPO | Consolidates Comments and sends to CA visas “read and approved”/”certified correct” with the Comments to CFCD | Checklist Consolidated Comments Table | As per SPO MoP |
| SPO | Informs ER/FB on Reports approval by CA | Approval letter | Same day |
| SPO | Inserts data in MIS | | 1 WD after Check |
| Final Report of Engineer | | | |

| Responsible body | Activity | Document | Timing |
|--------------------------------------|---|--|--|
| SPO | Requests from ER/FB comments on Engineer Final report and commenting on fulfilment of the contract physical indicators | Letter Final Report | Same day when received from CFCD |
| End Recipient/ Final Beneficiary | Comments on Final Report | Table Comments on report | 10 WD after receiving from CFCD |
| SPO | Consolidates Comments and sends to CA visas read and approved/certified correct with the Comments | Checklist Consolidated Comments Table | As per SPO MoP |
| SPO | Informs ER/FB on Reports approval by CA | Approval letter | Same day |
| SPO | Inserts data in MIS | | 1 WD after Check |
| Provisional/ Final Acceptance | | | |
| SPO | Informs ER/FB on the date of Provisional Acceptance and organizes On-the-Spot check | Letter | Same day after information from CFCD |
| End Recipient/ Final Beneficiary | Attends the On-the-Spot check. Countersign the Provisional/Final Acceptance. Takes notes on any defaults/complaints during the warranty/trial period before Final Acceptance signature and informs SPO on results from On-the-Spot check. | Report from on the spot check | As scheduled |
| End Recipient/ Final Beneficiary | Assures the necessary staff resources for maintenance/sustainability of infrastructure and informs SPO (after Final Acceptance) | Letter | 5WD after contract end |
| SPO | Inserts data in MIS | | 1 WD after Check |
| Evaluation of Contractors | | | |
| SPO | Following Request for Final Acceptance from Contractor send to SPO by CA, the SPO sends to FB/ER Assessment Form | E-mail/Letter Contractors' Assessment Form PRAG | 1 WD after request from CFCD |
| End Recipient/ Final Beneficiary | Fills in the Contractors' Assessment Form and send to SPO | See above | 1 WD after receiving from SPO |
| SPO | Checks Contractors' Assessment Form and sends the Evaluation form to CA | See above | 1 WD after receiving from ER/FB |
| SPO | Inserts data in MIS | | Same day after receiving CFCD evaluation |
| TWINNING CONTRACTS | | | |
| Kick-off meeting | | | |
| SPO | Informs ER/FB on issuing of Administrative Order/date of Kick off meeting and send a copy of the Contract. Requests nomination of Counterpart personnel/assistance for the organization of the Kick off meeting | Letter Copy of Contract Kick off meeting Agenda/Invitation letter | 1 WD after receiving AO from CFCD |

| Responsible body | Activity | Document | Timing |
|---|--|---|--|
| End Recipient/ Final Beneficiary | Nominates Counterpart personnel, nominates members (Chairperson – if required) for the Kick-off meeting, allocates space/facilities (if needed) and informs SPO on all conditionalities related to Contract implementation. Participates in Meeting. | Letter | 1 WD after receiving AO from SPO |
| SPO/ Twinning Partner | Prepares Minutes and circulate to ER/FB/ | Minutes | 3 WD after the meeting |
| End Recipient/ Final Beneficiary | Comments on Minutes | Minutes | - |
| SPO/ Twinning Partner | Consolidates comments revises Minutes and sends minutes Final Version to attendees | Minutes | 1 WD after receiving comments from CFCD |
| Interim Quarterly Report/ Final Report | | | |
| End Recipient/ Final Beneficiary | Drafts with the twinning partner the Interim Quarterly and Final report and countersigns | Report | As scheduled |
| SPO | Following the submission of the QIR assess report, using a Checklist, prepares comments, , schedules SC meeting and sends Comments and visas “read and approved”/”certified correct” to PAO | Checklist/ Table Consolidated Comments | 10 WD after receiving comments from ER/FB |
| SPO | Informs ER/FB on Reports approval by CA | Approval letter | Same day |
| SPO | Inserts data in MIS | - | 1 WD after Check |
| Twinning Contract Modifications | | | |
| End Recipient/ Final Beneficiary | Discuss/agree with Twinning partner proposal for Contract Modifications | Side Letter, Justification for Contract amendment , prepared by Twinning MS partner | As needed, but not later than 1,5 months prior to Addendum to take place/ 72 hours for Side letter |
| SPO | Checks proposed contract modification using a checklist and submits to PAO for approval and to EUD for information (Administrative order)/approval (Amendment) | Justification Contract Modification Checklist | 5 WD after receiving |
| SPO | Informs ER/FB on Contract modification approval by PAO/sends contract addendum | Administrative order/Addendum | 1 WD after submission by PAO |
| SPO | Inserts in MIS | - | - |

VII. Projects Sustainability

Sustainability is defined as a likelihood that key activities and results of the project are maintained and continue to deliver benefits to the target group, structure, sector or system after the end of the EU funding. Ideally, the sustainability of a project should also generate impact, meaning direct or indirect long-term effects on actors, structures, sectors or systems beyond the original project environment.

Potential and risk for sustainability have to be monitored and reported during contract implementation.

The core indicators that contribute to sustainability vary from sector to sector. For the economic sector projects, the core indicator will be economic and financial returns, whereas, the main indicator for social sector projects will be the extent and degree to which the delivery of goods and services, have been continued and the proportion of target area population that continue to receive the benefits from project activities.

Key factors that impact on the likelihood of sustainability include:

1. Context level factors:

- Policy support/consistency;
- Institutional support;
- Legal framework
- Socio-economic support

2. Project level factors:

- Quality of project design meeting the needs of target group/s and/or sector/s
- Involvement of partners: sense of ownership and motivation
- Effective management and leadership
- Capacity for securing adequate resources for continuation
- Appropriate technology;
- Socio-cultural issues.

3. Economic and financial viability

- Especially in investment projects (special attention is paid to long-term running costs, depreciation cost of investments, etc).⁹

Sustainability is assessed at the stage of project/ programme formulation and shall be followed up by sustainability building activities during the project implementation. Thus, aspects of sustainability monitoring are to start with the commencement of

⁹ EuropeAid, "Strengthening project internal monitoring: How to enhance the role of EC task managers", June 2007

project implementation. It is the key criteria to be assessed in the results-based monitoring and evaluation.

Build on these premises the project sustainability will be assessed by contractors (with Contract Progress/Final reports) and monitored by End Recipient/Final Beneficiary. IC/SPO shall report regularly to HOS/PAO on problems with assuring project sustainability.

Finally it is NIPAC who will have to assure at policy level sustainability of intervention results. HOS/PAO with quarterly reports on implementation shall inform NIPAC on projects sustainability implications.

Following recommendations, NIPAC will inform the IC/SPOs and require a Follow-up Action Plan to be prepared by End Recipient/Final Beneficiary and reported to NIPAC with the following semi-annual report.

VIII. Transfer of Ownership of Assets

Once the contract is finished, following the approval of the Final report and the final payment made to the Contractor, the Contracting Authority has to transfer the ownership of assets, equipment, materials and intellectual property rights to the End Recipient/Final Beneficiary of assistance who should provide for sustainability of projects outputs.

The End Recipient/Final Beneficiary shall carry-out all the necessary formalities relating to payment of taxes/administrative registration and enter these to the Inventory Book of assets of the institution, following national procedures and provide a copy of the assets/equipment registration with official letter to the Contracting Authority **within 15 working days** following the date of transfer of ownership, unless otherwise provided in the national legislation.

The assets/equipment shall remain property and not be sold, or otherwise disposed of, for a period of seven years after the end date (see above) of the contract under which the assets/equipment were originally procured/build. If assets/equipment is written off during that period, the reasons for write-off must be recorded in the End Recipient/Final Beneficiary Inventory.

The assets/equipment must continue to be used for at least a period of seven years after the end date (see above) of the contract under which the assets/ equipment was originally purchased for purposes similar to those for which the assets/equipment was originally procured.

The Contracting Authority and EC reserves the rights to use freely, and as it seems appropriate, all documents deriving from the projects, whatsoever their form.