Interreg - IPA CBC Greece - Albania

EUROPEAN UNION

Lead Partner Principle
Project funding and cash-flow

The Programme is co-funded
by the European Union
and by National Funds
of Greece & Albania

INFO-DAYS ON PROJECT IMPLEMENTATION 4th CALL PROJECTS
Ioannina 18/2, Gjirokaster 25/2 & Korce 26/2/2020

Lead Partner Principal

Who is the Lead Beneficiary?

- The Lead Beneficiary is the link between the project partnership and the JS/MA

- The Lead Beneficiary is appointed by the beneficiaries of the project among themselves

(Article 40(1) of the Commission Regulation No 447/2014, Article 13(1) of Regulation (EU) No 1299/2013).

Responsibilities of LB

◦ Is responsible for the overall coordination, management and implementation of the project vis-à-vis the MA.

◦ Ensures that the expenditure by the beneficiaries has been incurred for the purpose of implementing the project as specified in the approved Application Form.

◦ Ensures that the expenditure by the beneficiaries has been verified by the controllers.

◦ Receives and transfers IPA contribution to project beneficiaries who are located in Albania. Project Beneficiaries located in Greece will receive IPA contribution from the Greek Public Investment Programme.

◦ Prepares and submits all necessary documents to the JS/MA (e.g. progress reports, modification requests)

◦ Checks the certifications of the verified expenditures of all beneficiaries and informs the JS/MA if the any of them should not be included in a Payment Claim, within one calendar day (except weekends), following the issuing of the Certificate.

Albanian Beneficiaries – Pre-Financing

According to article 4 of Bilateral Agreement signed between the Greek Ministry of Economy and Development and the Albanian Ministry for Europe and Foreign Affairs

"*the maximum amount of pre-financing that can be requested by a beneficiary amounts up to 20% of its EU contribution*"

The Ministry for Europe and Foreign Affairs is the guarantor for the pre-financing against the Managing Authority of the Programme, the Certifying Authority and the European Commission

"The guarantor indicates in writing to the MA the beneficiaries for which pre-financing is guaranteed and undertakes in writing the responsibility towards the MA/CA to reimburse any unduly paid amounts of pre-financing received by project beneficiaries located in Albania, not repaid to the MA/CA"

Albanian Beneficiaries – Pre-Financing public and governed by public law institutions

Following the guarantee given by the Ministry for Europe and Foreign Affairs, **the following steps must be followed:**

1. The beneficiary submits an official **request** to the Ministry of Finance and Economy **to create a dedicated bank account** for the project at the National Bank of Albania in EURO, attaching

- A copy of the Law or Council of Minister's Decision ratifying or approving the Financial Agreement of the Programme,
- A copy of the Financial Agreement for the Programme
- The Subsidy Contract
- The Partnership Agreement

2. The Ministry of Finance and Economy sends to the beneficiary a confirmation letter with the data related to the bank account

3.The beneficiary completes the **Financial Identification Form with the bank details provided by MFE** and sends **three original copies**, signed and stamped by the legal representative of the institution, to the Ministry of Finance and Economy

Albanian Beneficiaries – Pre-Financing public and governed by public law institutions

4. The Ministry of Finance and Economy, after processing the request, sends the FIF signed and stamped by the National Bank of Albania to the beneficiary.

5. Then the beneficiary must **submit an official written request** for pre-financing, signed by the legal representative, **to the Lead Beneficiary.**

The request should include the following:

- Beneficiary name
- Project title and acronym
- Name of the Bank
- Name of the bank account
- IBAN number
- Swift code
- EU contribution of the project
- Pre-financing amount (up to 20% of EU contribution)

One original copy of the Financial Identification Form should be attached to this request.

Albanian Beneficiaries – Pre-Financing private organizations

The beneficiary must open an interest free bank account, to a commercial bank of its choice. The bank account must be dedicated exclusively to the project. Then the beneficiary **submits an official written request** for pre-financing, signed by the legal representative, **to the Lead Beneficiary.**

The request should include the following:

- Beneficiary name
- Project title and acronym
- Name of the Bank
- Name of the bank account
- IBAN number
- Swift code
- EU contribution of the project
- Pre-financing amount (up to 20% of EU contribution)

The Financial Identification Form of the Bank account should be attached to this request.

Albanian Beneficiaries – Pre-Financing

1. The **LB submits to the JS/MA** an official **request** regarding the pre-financing of the Albanian Beneficiary, accompanied by an official bank document indicating the bank, IBAN and SWIFT code, of the account the LB has opened. At the request the following must be referred:

- ◦ Project title and acronym
- ◦ The requested amount
- ◦ The bank, IBAN & Swift Code

2. The **JS/MA submits** a **request** for the pre-financing of the Albanian Beneficiaries **to the Certifying Authority**

3. The pre-financing amount is **credited** by the General Accounting Office of the State **to LB's bank account**

4. The LB transfers the pre-financing amount to the Albanian Beneficiary's bank account, <u>**within 30 days**</u> without any deductions (National Bank of Albania for public and governed by public law institutions)

Albanian Beneficiaries – Pre-Financing

Any bank charges borne the Lead beneficiary

Bank charges are eligible, as long as they are foreseen in the approved project budget.

Albanian Beneficiaries – Pre-Financing
public and governed by public law institutions

Next steps for public and governed by public law institutions

6. Once the pre-financing is granted to the National Bank of Albania, the beneficiary sends a request to the M.F.E for the creation of a bank account at a 2nd level bank of its choice, specifying:

- The name of the Bank
- The names of the ones responsible for authorization of operations within the institution (based on Law no.10296)

Additionally, a proof of the transfer of the fund should be provided

7. The Ministry sends to the beneficiary a confirmation for the creation of the 2nd Level Bank Account

8. Finally, the beneficiary submits a request to the MFE for transferring the pre-financing from the account at the National Bank of Albania to the 2nd Level Bank Account

Albanian Beneficiaries – Pre-Financing
public and governed by public law institutions

▸ The beneficiary will **not have a direct contact** with the National Bank of Albania during the whole process. For all the procedures related to the opening of the accounts and the transfer of funds, the beneficiaries should contact only the MFE

▸ Before the beneficiaries submit the request for transferring the pre-financing, they must make sure that the exact amount to be transferred is forecasted in the institutional budget under Chapter 2 – Foreign Financing

Albanian Beneficiaries - Additional IPA Payments

1. The Albanian Beneficiary uploads its expenditures on the MIS

2. The First Level Control verifies the expenditures

3. The Certifying Authority certifies the expenditures

4. The 85% of the certified expenditures, reduced by ~ 29% (amortization percentage) is credited to LB's bank account.

5. The LB transfers the IPA contribution to the Albanian Beneficiary's bank account, within 30 days.

Issues and challenges

- Delays at the opening of bank accounts due to the procedure taken by the Ministry of Finance and Economy, resulting in overall delay on the implementation of project
- Delays on the transfer of IPA reimbursement from the Bank of Albania to the second level banks
- Be careful when filling in the FIF forms and pre-financing request form.

Pre-financing is **NOT a prerequisite** for the initiation of the projects. The time plan of the projects MUST be in line with the time plan in the approved Application Forms.

General point

- **National co-financing**: The national co-financing is ensured by each beneficiary own sources

- **VAT**: NOT eligible for all Albanian beneficiaries since it can be reimbursed

Thank you!