

Instruction for the Beneficiaries
of the Interreg IPA Romania -Serbia

Ref: Reduction of the budget for the beneficiaries that requested to the first level control amounts lower than the ones forecasted for the half of the implementation period, according to the provisions of the subsidy/co-financing contracts concluded in the framework of the Interreg IPA România-Serbia Programme

Considering that, according to relevant provisions of the subsidy contract and art. 6, para. 3) of the co-financing contract, the Managing Authority may decide, after an analysis performed together with the National Authority, to reduce project funds by reducing the original project budget and the corresponding IPA contribution, in case the amount foreseen for the half of the implementation period has not been achieved,

Taking into account the provisions of art. 7, A, para. 4), letter j) of the subsidy contract, establishing the deadline for presenting the expenditures to the controllers for verification via electronic system (*„in maximum 15 working days after the end of the reporting period. This deadline is needed in order to allow for maximum 60 calendar days for verification of the expenditure before the deadline for submitting the project report (payment claim in accordance with art. 74 of Regulation 1060/2021).”*),

Having in view the necessity of corroborating all the relevant contract provisions in the process of systematical interpretation, especially when deciding on their enforcement related to the projects in cases having financial impact on the implementation,

The present **INSTRUCTION** has been adopted in accordance with the art. 7, B, para. 17) of the subsidy contract, in order to clarify the application of art. 6, relevant provisions of the subsidy contract, respectively art. 6, para) 3 of the co-financing contract:

- The budgets will be reduced for all partners **that did not spent, by the half of the implementation period, the amounts forecasted; the reduction will also be applied if the expenditure are not included in a first level control request submitted as mentioned by art. 7, A, para. 4), letter j) („in maximum 15 working days after the end of the reporting period. This deadline is needed in order to allow for maximum 60 calendar days for verification of the expenditure before the deadline for submitting the project report (payment claim in accordance with art. 74 of Regulation 1060/2021).”**,

- The half of implementation period is calculated taking into account the day after the date when the contract becomes effective and the duration of the implementation period;
- In 15 days from the half implementation period, the JS will make the analysis for each project partner, taking into account the amounts requested at FLC base on the information available in the e-MS at the moment of performing the said analysis¹. Based on the analysis, JS will recommend the level of financial corrections to MA.
- The reduction will not be made for those projects proving a „force majeure” situation for not reaching the assumed financial targets/not observing the deadline for submitting the first level control request, in accordance with art. 15 of the subsidy and co-financing contract;
- For the projects/ partners to be decommitted, the JS will request and the beneficiaries will provide the revised and assumed Budget, observing the deadlines indicated by the subsidy contract (two weeks following the MA’ notification, as specified by art. 6, para. 12).

The present **INSTRUCTION** comes into effect starting from the day of its signing by the Head of the MA.

¹ Consequently, in order to be considered for analysis, the funds have to be spent and included in a first level control request, made in due time, in accordance with the contractual provisions (see art. 7, A, para. 4), letter j).