



**CIRCULAR
ON
THE DETAILED DESCRIPTION
OF THE OPERATOR'S
ORGANIZATION AND
PROCEDURES REGARDING
THE EEA FM 2009-2014
PROGRAMME entitled:
"Integrated Marine & Inland
Water Management", GR02**

1st Amendment

Athens, February 2016



Hellenic Republic

**Ministry of Reconstruction of Production
Environment & Energy**

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CIRCULAR (1st Amendment)

ON

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PROCEDURES REGARDING THE EEA FM 2009-2014 PROGRAMME

"Integrated Marine & Inland Water Management", GR02

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1. INTRODUCTION

This document constitutes a detailed description of the Management and Control System of the European Economic Area (EEA) Financial Mechanism 2009-2014 programme entitled: "Integrated Marine & Inland Water Management", being implemented in the context of the programming unit: "Integrated Marine & Inland Water Management" by the Operator of the Programme "Executive Authority NSRF / Ministry of Reconstruction of Production, Environment and Energy" of the Ministry of Reconstruction of Production, Environment and Energy (ex Special Service for the Coordination of Environmental Activities). The document specifies the organization and the Programme Operator's procedures, in the framework of the joint Management and Control System, further to article 4.8, para. 2, of the Regulation on the implementation of the EEA Financial Mechanism 2009-2014.

The institutional framework governing the Management and Control System operation, as applying on this document's publication date, includes (as modified and applying):

1. The Protocol 38b to the EEA Agreement establishing the EEA Financial Mechanism 2009-2014; through this mechanism donor states shall contribute to reducing economic and social disparities within the European Economic Area,
2. The Memorandum of Understanding dated 7.11.2011 for the implementation of the EEA Financial Mechanism for the period 2009-2014 between the Republic of Island, the Principality of Lichtenstein, the Kingdom of Norway and the Hellenic Republic,
3. The "Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism 2009-2014" dated 13.01.2011, as adopted by the Financial Mechanism Committee, pursuant to article 8.8 of Protocol 38b to the EEA Agreement, as modified and applying from then on,
4. The remaining guidelines issued and approved by the EEA FM Committee for the period 2009-2014 (Guidelines of the EEA FM Committee),
5. The Presidential Decree 4/2002 (Government Gazette 3/Issue A/14.01.2002) "Technical Assistance-Support acts and management of the respective resources",
6. The circular with reference number 60630/Special Coordination Agency 5671/16.09.2003 specifying the Presidential Decree enforcement 4/2002 "Technical Assistance-Support acts and management of the respective resources",
7. The Joint Ministerial Decision on the Management and Control System for the European Economic Area Financial Mechanism 2009-2014 implementation (Government Gazette 781/B/28.03.2014) (Management and Control System),
8. The Ministerial Decision no. 37193:/Special Coordination Agency & River basin district 679/2014 by the Minister of Development and Competitiveness "Co-financing of the Special Service for the Coordination of Environmental Activities (ex SACEP) of the Ministry of Reconstruction of Production, Environment and Energy, as Operator of the Programme entitled: "Integrated Marine & Inland Water Management", in the context of the programming unit: "Integrated Marine & Inland Water Management" being implemented by funds from the European Economic Area (EEA) Financial Mechanism (FM) for the period 2009-2014 and the Public Investment Programme" (Government Gazette 2072/B/29.07.2014),

9. The L. 4270/2014 "Principles of financial management and supervision (transposition of the Directive 2011/85 / EU) – public accounting and other provisions" (Government Gazette 143/A/28.06.2014) and in particular article 123 thereof.
10. The L. 3614/2007 "Management, Control and Implementation of Development Interventions for the programming period 2007-2013" (Government Gazette 267/A/3.12.2007), as modified and applying.

2. INSTITUTIONAL FRAMEWORK GOVERNING THE PROGRAMME OPERATOR'S ESTABLISHMENT, ORGANIZATION AND OPERATION/RESPONSIBILITIES

The Programme Operator of the Programme entitled: "Integrated Marine & Inland Water Management" - GR.02, in the context of the programming unit: "Integrated Marine & Inland Water Management", being implemented by the funds of the European Economic Area (EEA) Financial Mechanism (FM) 2009-2014 and the Public Investment Programme is **the Executive Authority NSRF /Ministry of Reconstruction of Production, Environment and Energy (ex SACEP)**.

The Programme Operator was set up as the Special Authority for the Coordination of Environmental Activities (SACEP) of the Ministry of Reconstruction of Production, Environment and Energy by virtue of article 5c, Law 3614/2007 "Management, control and implementation of development interventions for the programming period 2007-2013" (Government Gazette 267/A'/03.12.2007); its structure is outlined in the Joint Ministerial Decision 19883/2008 (Government Gazette 1957/B'/23.09.2008), as modified by the Joint Ministerial Decision (JMD) 15078/2012 (Government Gazette 980/B'/29.03.2012). JMD 23813/2009 (Government Gazette 1170/B'/17.06.2009) also includes all formal and substantial qualifications required for its personnel.

Based on the aforementioned legislation, initially, the "Legal Representative" of the Programme Operator was the Secretary General of the Ministry of Environment, Energy and Climate Change, who was then substituted (following an amendment of the JMD for the setting up of the Service, in 2012) by the Special Secretary for Water of the Ministry of Reconstruction of Production, Environment and Energy.

On the basis of article 18, "*Inclusion of Ministries' Special Services in the Executive Units*", Law 4314/2014 "A) on the management, control and implementation of development interventions for the programming period 2014–2020, B) Transposition of the European Parliament and Council Directive 2012/17 dated June, 13th 2012 (EE L 156/16.6.2012) into Greek law, modification of L. 3419/2005 (A 297) and other provisions", Government Gazette 265/A'/2014, SACEP merged with the Special Agency for the Coordination and Implementation of Actions in the Sectors of Energy, Natural Wealth and Climate Change of the Ministry of Environment, Energy and Climate Change and a new Special Service was set up with the trade name "**Executive Authority NSRF / Ministry of Reconstruction of Production, Environment and Energy**".

The new service encompasses all the competences of the two merging services and in addition the competences described in article 17, Law for the new National Strategic Reference Framework (NSRF) 2014-2020 and **falls under the jurisdiction of the Minister of Reconstruction of Production, Environment and Energy**.

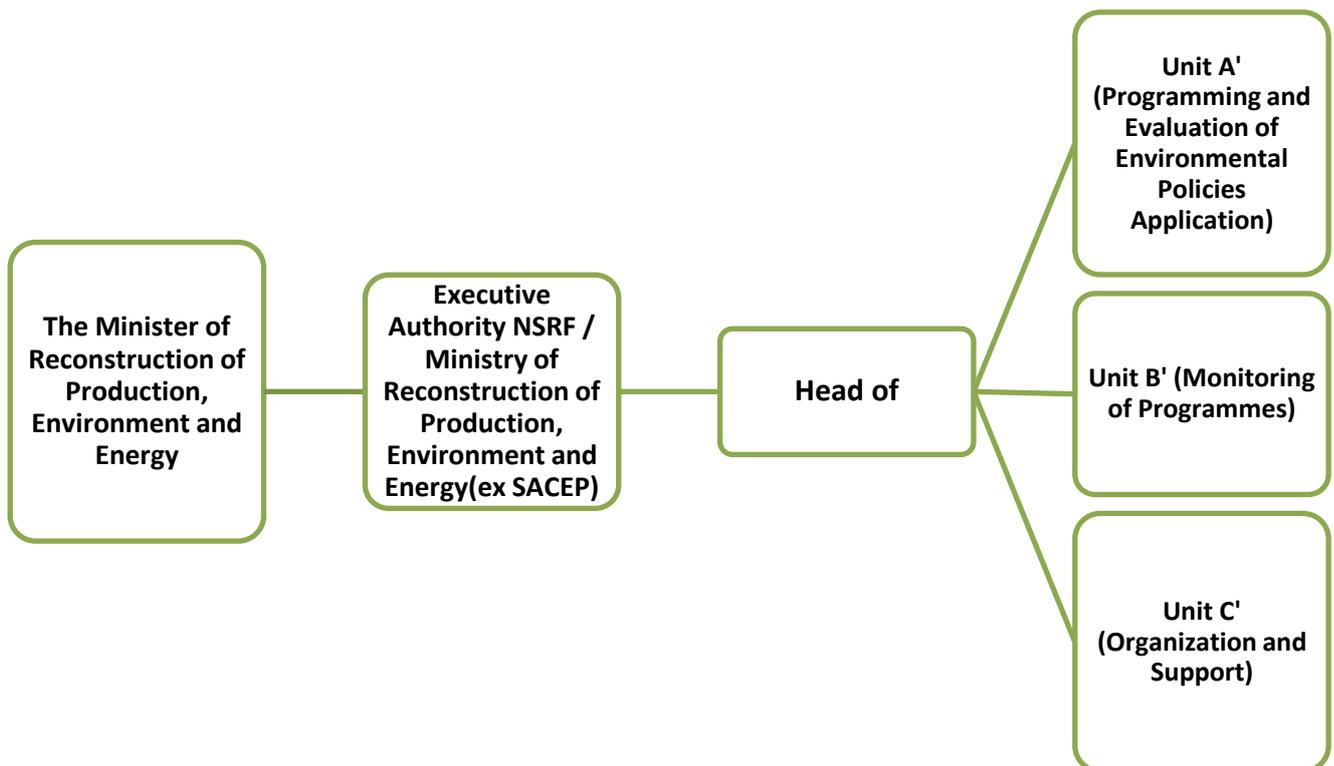
Law 4314/2014 (and in particular article 59, para. 16 thereof) explicitly stipulates the following: "Wherever a law, decree or ministerial decision makes reference to Special Services being renamed or merged, it shall refer, once this document takes effect, to the Special Service being renamed or being set up accordingly".

Therefore, the Executive Authority NSRF / Ministry of Reconstruction of Production, Environment and Energy (ex SACEP) exercises all the duties of the Programme Operator

GR.02, as such are described in the related institutional texts and distributed amongst the Service's Units, in accordance with the JMD 15078/2012 (Government Gazette 980/B'/29.03.2012)

The Programme Operator's organization chart and duties are outlined, per Service Unit, as laid down in the JMD 15078/2012 (Government Gazette 980/B'/29.03.2012).

PROGRAMME OPERATOR ORGANIZATION CHART



PROGRAMME OPERATOR RESPONSIBILITIES

Unit A'

1. It cooperates with the competent agency from the Ministry of Economy, Infrastructure, Shipping and Tourism-National Focal Point - NFP, in the context of the Memorandum of Understanding (MoU) deliberation and its Annexes.
2. It draws up and submits to the Financial Mechanism Committee, through the National Focal Point, an official Programme proposal, on the basis of the relevant approved Memorandum of Understanding (MoU).
3. It shall operate on the basis of the "Management and Control System" which is submitted by the National Focal Point (NFP) to EEA Financial Mechanism Committee.
4. It is responsible to prepare and implement the Programme, adhering to the principles of economy, effectiveness and efficacy.

5. It ensures that the Programme shall contribute to the general objectives of the EEA FM for the period 2009-2014. The Programme's results and objectives shall comply with the Regulation, the Programme Agreement (article 5.7 of the Regulation) and the national and EU enforcement legislation in all stages of implementation.
6. It prepares and submits economic reports (both interim and final) and other reports in accordance with articles 8.3, 8.4 and 8.7 of the Regulation to the Certifying Authority .
7. It submits to the Certifying Authority a forecast of likely payment applications, which are necessary to carry out the respective bookings, in accordance with Article 8.5 of the Regulation.
8. It prepares and submits the annual and final programme reports through the Payment Authority to the EEA Financial Mechanism Committee and the National Focal Point, pursuant to articles 5.11 and 5.12 respectively of the Regulation.
9. It complies with the obligations set out in the Programme Agreement (article 5.7 of the Regulation).
10. It complies with the Programme's Information and Publicity Requirements (Annex 4 of the Regulation), providing information on the Programme, its objectives and implementation as well as the requirements for Bilateral relations with Donor States (Chapter 3 of the Regulation).
11. It describes and justifies every suggested modification (Article 5.9 of the Regulation) which is deemed necessary in the framework of the Programme; it also justifies the modification's impact on economic data, the "risk assessment" and the Programme's results.
12. It is responsible for the preparation of calls for proposals for projects to be included, the project selection and the inclusion procedures in the Programme
13. It is in charge of handling the irregularities observed in the Programme.

Unit B'

1. Unit B' verifies the results, the quality of included projects' implementation and progress with regard to the anticipated results of the EEA FM approved Programme.
2. It monitors the implementation of the Projects that have been included in the Programme and assumes the responsibility to collect, verify and store each Project's data (hard copy and electronic form).
3. It ensures transparency and availability of documents, according to the requirements set forth in article 8.8 of the Regulation.
4. It ensures that the Certifying Authority, aiming at certification, receives all the information required for the procedures and the expenditure-related verifications carried out.
5. It verifies the eligibility of declared expenditures according with the Regulation (article 7), of the Programme Agreement and the national and EU law.
6. It is responsible for the approval of subprojects' administrative stages of implementation.
7. It organizes and carries out administrative and on-the-spot verifications of Projects.

Unit C'

1. Unit C' supports Unit A' in the implementation of information and publicity measures.

2. It supports Unit A' in implementing a plan for bilateral relations.
3. It exercises the financial management of expenses of the Programme Operator (administrative expenses, bilateral relations and complementary actions).
4. It is in charge of website operation and management.

SMALL GRANT SCHEMES

Paragraphs 4 and 5 of the Ministerial Decision to finance the programme (Government Gazette 2072/B'/2014) stipulates the following:

- In line with the Programme Agreement and in particular annex II thereof, para. 3,2 and 5.4, the State Scholarships Foundation (IKY) is appointed as the "Small grant scheme operator" entitled "Scholarships to tertiary education graduates in universities and organizations of donor states, in the sector of marine and inland water resources management" and
- In line with the Programme Agreement and in particular annex II thereof, para. 3,2 and 5.4, the Ministry of Education is appointed as the "Small grant scheme operator" entitled "Environmental educational programmes in primary and secondary education in the sector of water resources".

In addition, paragraph 15 of the same Ministerial Decision (Government Gazette 2072/B'/2014) describes all the responsibilities of the State Scholarships Foundation and the Ministry of Education exercised by these bodies as "operators" of the corresponding small grant schemes; one of these responsibilities was the care to draft and submit the interim financial statements, the annual report and the final report being incorporated in the reports submitted by the Programme Operator (Executive Authority NSRF / Ministry of Reconstruction of Production, Environment and Energy-ex SACEP).

This responsibility is in line with the provision of article 14 (small grant schemes), para. 6, Decision No. 12104/Special Coordination Agency & River basin district 275/2014, to determine the control and management system for the implementation of the EEA FM 2009-2014, where it is also included that "The provisions of this Regulation applicable to the Programme Operator shall be applicable mutatis mutandis to the small grant scheme operator, with the exception that reports of the latter shall be incorporated into the reporting structures of the Programme Operator".

In any case, the detailed description of the organization and procedures of small grant schemes' operators, in the context of the common Management and Control System, is effectuated following the procedures foreseen in the systems of individual bodies.

It is hereby attached, constituting an integral part thereof, a concise reference to the "implementation procedures of the small grant scheme II by the Programme Operator", as drawn up by the State Scholarships Foundation (IKY).

3. DETAILED DESCRIPTION OF MANAGEMENT AND CONTROL SYSTEM

1. SELECTION AND APPROVAL OF OPERATIONS

Procedure 1.1: Call for proposals (notice of invitation to tender) to submit financing applications

Purpose

The purpose of the procedure is to optimize the information offered to potential Project Promoters with regard to opportunities of financing through a joint contribution by the EEA Financial Mechanism 2009-2014 and the country in the framework of the respective programme (EEA Reg. 2009-2014, article 6, para.1).

Scope

This procedure is put in place for the publication of an open call for tenders for proposals' submission by potential project promoters. The selection process described below does not apply for pre-defined projects being specified in the Memorandum of Understanding (MoU) or/and the Programme Agreement.

Procedure Description

Preparation and Notification of call for proposals

Prior to publishing a call for proposals for the submission of applications for grants in specific categories of projects in the context of the programme, the Programme Operator (Unit A') follows the procedures foreseen in article 22 of the Joint Ministerial Decision on the Management and Control System for the EEA FM 2009-2014 (Government Gazette 781/B'/2014)

The call's content is prepared by the Programme Operator and includes all the necessary information on the potential project promoters and their partners, with regard to the possibilities and the terms of project financing in the framework of the specific call; it also includes the rights and obligations of beneficiaries.

The call for proposals is accompanied by the all the necessary documents, on a case by case basis, being at least the following:

- Template of Grant Application (Technical Bulletin of Project) and Instructions on how to fill it out
- Project Financial Analysis Form
- Licenses and Approvals Table, for the entire Project, per Subproject
- Examination form of applications' admissibility (Evaluation-Stage A')
- Applications' evaluation form on the selection criteria and their scoring by experts (Evaluation-Stage B').

The Programme Operator publishes the call, as appropriate, on its website (in English and in Greek) and in newspapers of national or regional circulation in order to make sure that all potential Project Promoters become promptly informed about its existence and its content. In addition, the Programme Operator sends the call to the National Focal Point; the latter subsequently publishes the call on its website and forwards it to the EEA FM Committee.

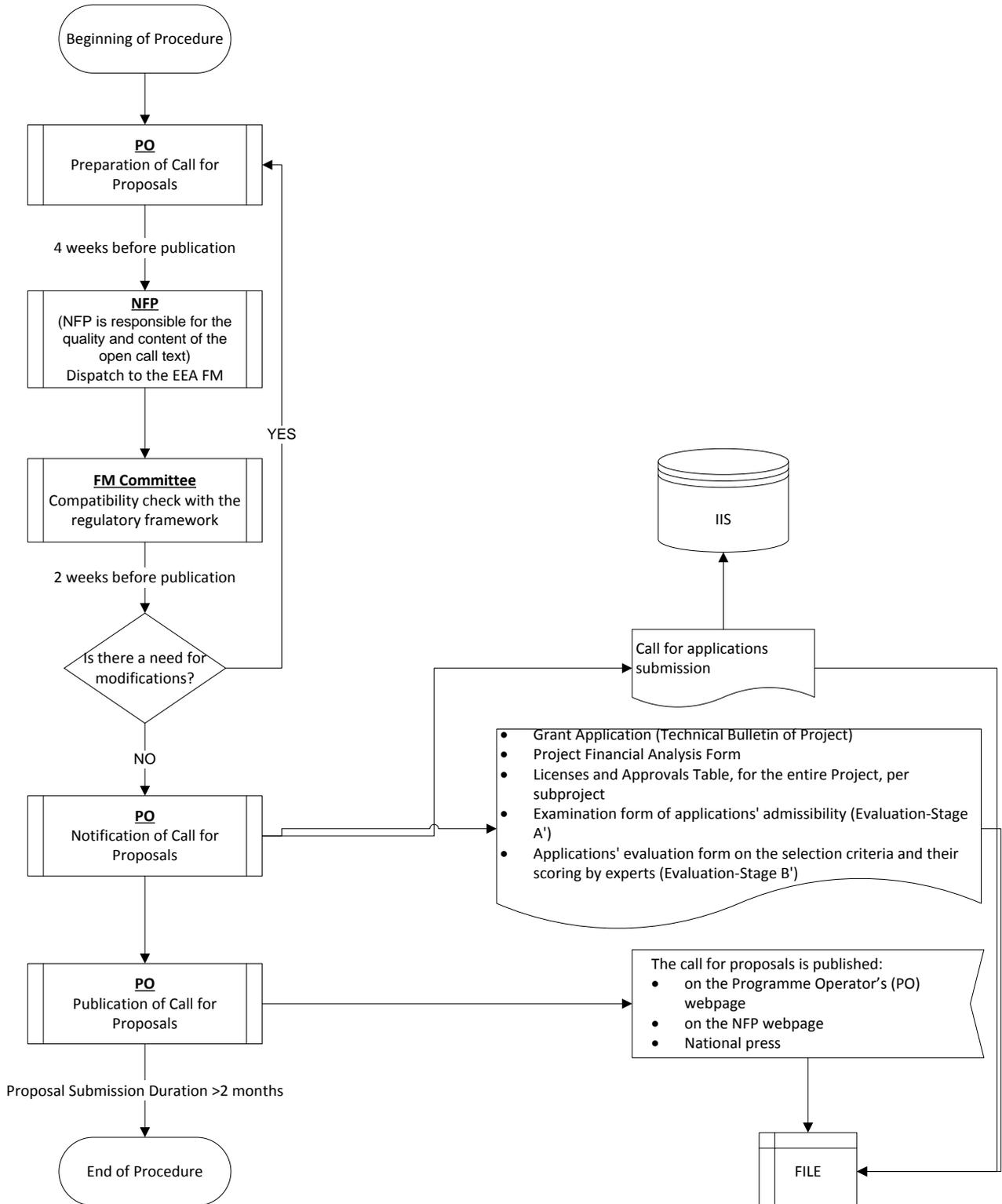
Files

The Programme Operator keeps an electronic and hard copy file with all the print-outs of calls, at least up until 31/12/2020; (the entry of the relevant print-outs in the EEA Integrated Information System shall take place after it is set in operation).

Related Forms

- Grant Application (Technical Bulletin of Project) and Instructions on how to fill it out
- Project Financial Analysis Form
- Licenses and Approvals Table, for the entire Project
- Examination form of applications' admissibility (Evaluation-Stage A')
- Applications' evaluation form on the selection criteria and their scoring by experts (Evaluation-Stage B').

FLOW CHART 1.1 Notification of call for proposals



Procedure 1.2: Selection and approval of projects

Purpose

The procedure aims at ensuring transparency and equal treatment in the selection for co-financing of projects, according to the Programme Operator.

Scope

This procedure is applied:

- in the evaluation and inclusion in the programme of predetermined projects, as set forth in the Memorandum of Understanding (MoU) or/and in the Programme Agreement; the procedure is also applied
- in the evaluation of grant applications, having been submitted in the context of an open call (Procedure 1.1) and in the inclusion of projects in the programme.

Procedure Description

a) Inclusion of predefined projects

The Programme Operator (Unit A'), prior to including a predetermined project in a programme, is sending the Grant Application of the Project Promoter to the Special Secretariat of Water, in the Ministry of Reconstruction of Production, Environment and Energy (including the documentation and the attached documents) and the evaluation criteria of a predetermined project, in order to evaluate it and check the quality and its contribution to the programme's objectives; the project's compliance with the EU and national legislation is also audited.

The evaluation results of predetermined projects are notified to the National Focal Point and to the EEA Financial Mechanism.

b) Selection and inclusion of projects in the context of open call publication

Receipt of co-financing applications-Evaluation stages

All co-financing applications, with the documentation attached, upon receipt by the Programme Operator (Unit C') are given a reference number and are kept in a file.

The evaluation of co-financing applications is completed in two successive and distinct stages:

- Stage A': Administrative and eligibility control (examination of applications' admissibility), by the Programme Operator (Unit A').
- Stage B': Evaluation of proposals (evaluation of applications with regard to the selection criteria and their scoring), by external/independent evaluators.

The results of each evaluation stage are recorded in the corresponding Evaluation Forms of Stage A' and B'.

Set up and incorporation of the Selection Committee and Experts Groups

Projects for co-financing are selected by a Selection Committee which is set up and incorporated by the Programme Operator's Legal Representative, in accordance with article 23 of the JMD of the Management and Control System for the EEA FM 2009-2014 (Government Gazette 781/B'/2014).

For the examination of applications, with regard to selection criteria and their scoring by experts (Evaluation-Stage B'), the Programme Operator invites, through an open call for expression of interest, scientists/researchers who are qualified for that purpose both formally and substantially.

The Programme Operator shall make sure that the Experts are unbiased and with no direct or indirect connection whatsoever with the Programme Operator, the Selection Committee, any potential Project Promoter or related advisor during the preparation of proposals to be submitted to the Programme. This is why any Expert shall be liable to submit a solemn declaration regarding the principles of impartiality, independence and confidentiality that need to be adhered to, upon studying and evaluating the submitted proposals.

The interested parties should at least fulfill the following prerequisites:

- A higher education degree from a Greek educational institute (A.E.I.-T.E.I) or an equivalent title from a Faculty of a foreign University School, legally recognized by the competent body, as laid down by law,
- Experience in evaluations of European and international programmes, or experience resulting from their participation in the planning or the preparation of relevant projects/or the compilation of similar studies in the thematic sectors described in the Call for Proposals.

The expenditure related to experts' remuneration shall be borne by the programme operator's management cost and is fixed at 150 €/application examined/expert, plus VAT.

This price results from the following:

1. The MINISTERIAL DECISION no. ΔΜΕΟ/α/ο/2229/06 (Government Gazette 900 B/12-7-2006), where it is mentioned that "The pre-estimated remuneration in Euro for the provision of independent services by engineers or other scientists not regarding the elaboration of a study, being paid on the basis of specific provisions herein shall be calculated depending on the time of employment per day or fraction of day, as follows:
 - a) For a scientist with working experience up to 10 years: $300 \cdot \tau_k$
 - b) For a scientist with working experience from 10 to 20 years: $450 \cdot \tau_k$
 - c) For a scientist with more than 20 years working experience: $600 \cdot \tau_k$ ",where τ_k refers to the co-efficient being adjusted and determined annually.
2. The fact that the required experience involves evaluations of European and international programmes, participation in the planning or the preparation of relevant

projects/or the compilation of similar studies in the thematic sectors described in the Calls for Proposals.

3. The fact also that evaluations shall take place at the Programme Operators offices (no "indirect" or other expenditure shall result for the selected experts; therefore, a rate of circa 40% is calculated on the resulting remuneration).
4. The estimate that an evaluator shall need approximately 8 hours (a working day) to complete the evaluation of an application and
5. The co-efficient's value readjustment (τ_k) of the Regulation on Pre-estimated Remuneration for Studies and Services for the year 2015; according to Ref. No. ΔΝΣα/οικ.15864/ΦΝ 439.6, Circular 5, Ministry of Economy, Infrastructure, Shipping and Tourism, this value shall be fixed at 1,205

Based on the above, the cost for every application examined and per expert derives from the mathematical process $300 * 1,205 * 0,40$, plus VAT.

Should the experts resulting from the above process do not suffice for a prompt and effective proposals' evaluation completion of Stage B', it shall be possible to seek support from the Management Organisation Unit of Development Programmes (MOUSA), the Technical Chamber of Greece (TEE), the Geotechnical Chamber of Greece (GEOTEE) and other related bodies.

Completeness-admissibility check of grant applications

The Programme Operator (Unit A') checks the proposals for their compliance with the administrative and eligibility criteria and fills out the "Evaluation Form of Stage A" for every grant application

If any supporting documents are missing upon checking the proposal's file, the Programme Operator shall request them (by sending an e-mail) and the candidate shall be bound to submit them within a reasonable period of time since the date the e-mail was sent.

The scoring of evaluation's Stage A' shall take the form of a YES/NO answer. For a proposal to be considered as being positively evaluated in Stage A', it should score YES in all criteria.

Any proposal not complying with all administrative and eligibility criteria shall be dismissed.

Candidates whose proposals are dismissed in this stage shall be informed accordingly by a letter sent by the Programme Operator; said candidates are entitled to raise objection within five (5) working days upon receipt of the dismissal letter (which can be sent by fax or e-mail).

Grant applications evaluation

The Evaluation Stage B' begins upon completion of Evaluation Stage A' and covers only the proposals fulfilling the administrative and eligibility criteria.

During this stage, the proposals are evaluated with regard to the selection criteria and are graded based on article 24 of the Joint Ministerial Decision on the Management and Control System for the EEA FM 2009-2014 (Government Gazette 781/B'/2014) and the selection criteria as defined in the respective call for proposals; for each grant application, the "Evaluation Form of Stage B" is also filled out.

The evaluators (independent experts) are commissioned by electronic lot to check the proposals to be evaluated. If it is not possible to carry out an electronic lot, the Programme Operator shall be responsible to organize the lot.

Opinions

Upon completion of the objections procedure, the final list with the necessary documentation material shall be forwarded to the Special State Aid Agency; this Agency belongs to the General Secretariat of Public Investment-NSRF of the Ministry of Economy, Infrastructure, Shipping and Tourism. Within twenty days, the Special State Aid Agency delivers an opinion on whether the financing of suggested projects constitutes a State Aid.

Subsequently, the Programme Operator, having taken into consideration the Special State Aid Agency's remarks, proceeds to a draft Final List which is translated in English and is notified to the EEA FM Committee, through the FM Office, and to the NFP.

Should a proposal be dismissed during this procedure, the candidate Project Promoter shall be informed by means of a proposal dismissal letter which shall explicitly document the reasons for dismissal.

Certification of selection procedure admissibility

Prior to finalizing the proposals' list and prior to issuing the decision to finance the approved projects, the Programme Operator proceeds to certification of the entire selection procedure admissibility.

Certification shall be carried out either by the Programme Operator's Unit A' executive or by an independent expert. The person in charge for certification shall be appointed by the Programme Operator, taking into account article 25 of the Ministerial Decision on the Management and Control System regarding Conflict of Interest. The person in charge for certification shall not take part in any stage of evaluation procedure.

Following the corresponding check, the certification officer shall confirm that the procedures foreseen and described in the JMD on the Management and Control System for the EEA FM 2009-2014 (Government Gazette 781/B'/2014) and in the detailed description of the Management and Control System herein shall be adhered to.

Based on the final list of proposals, the Programme Operator issues a decision which is signed by its legal representative whereby stating the proposals that will be co-

financed. The decision is communicated to all applicants within a reasonable period of time.

c) Project Contract for financing

The project contract consists of a project Inclusion Decision in the Programme; the project's grant application constitutes an integral part of this decision (Technical Bulletin of the Project); this decision is issued by the Programme Operator along with the terms acceptance agreement for a project co-financing, which is signed by the Project Promoter.

For every project selected for financing, before the signing of the Inclusion Decision, the Programme Operator shall inform the Project Promoter in writing on its intention to finance the latter's proposals. A draft of the Inclusion Decision is sent along with the Terms Acceptance Agreement; the Project Promoter shall return the latter, duly signed by its legal representative, to the Programme Operator, within five (5) working days.

Upon delivery of the signed Terms Acceptance Agreement and on the basis of the finalized evaluation result, the Programme Operator (Unit A') issues a decision on project inclusion. This decision is signed by its legal representative.

The Inclusion Decision is published in the relevant Programme Operator's webpage and is communicated to the Project Promoter and the competent Directorate for the Public Investment Programme of the Ministry of Economy, Infrastructure, Shipping and Tourism, in order to register the project into a Collective Decision.

Files

The Programme Operator keeps a protocol register, an electronic file with the concise data of each proposal (List of Submitted Proposals) and a record with copies of grant applications having been registered in the protocol book at least until 31/12/2020.

Moreover, the Programme Operator keeps a file, in hard copy and electronic form with candidate evaluators data and information on their evaluation procedure. The file includes the supporting documents for participation, the evaluation decision and any correspondence with interested parties. The file is kept at least until 31-12-2020.

Finally, the Programme Operator keeps a file on the evaluation and all procedural documents at least until 31/12/2020.

The relevant print-outs shall be registered in the EEA Integrated Information System once it is set in operation.

Related Forms

- Project Inclusion Decision
- Terms Acceptance Agreement

2. IMPLEMENTATION MONITORING

Procedure 2.1: Pre-approval of tendering

Purpose

The procedure aims to ensure prompt detection of failures as regards compliance with EU and national rules and with the rules foreseen in the context of the EEA FM 2009-2014, during the tendering procedure of subprojects in each co-financed project; the ultimate purpose is adherence to the principles of equal treatment, non discrimination, transparency and competition.

Scope

The procedure is applied before carrying out tendering of subprojects, in all Projects being implemented, by concluding public contracts (public works, procurement and services).

Procedure Description

Project Promoter's File submission

Prior to tendering, the Project Promoter submits a file to the Programme Operator with all the documents required to examine the tendering procedure legitimacy.

File review

The Programme Operator (Unit B') examines the file with the documents required for the subproject's tendering, on the basis of the applicable regulatory framework of project production and the eligibility rules. The outcome of this examination is illustrated in the "Tendering Stage Checklist"; subsequently, the "Tendering Pre-approval" is being drafted stating the Programme Operator's opinion which may be a consent, or a consent on certain terms or a negative opinion; the Project Promoter is notified.

The subproject's financing is conditional upon the Programme Operator's consent. In the case of consent on specific terms, the project promoter makes the relevant corrections in the tender documentation before it is published. In case of negative opinion, the project promoter is informed about the actions that have to be taken in order for a consent to be given.

For public contracts that have already been concluded during the project inclusion stage or for which a notice of invitation to tender has been issued, the review is carried out before the project inclusion decision has been issued.

Files

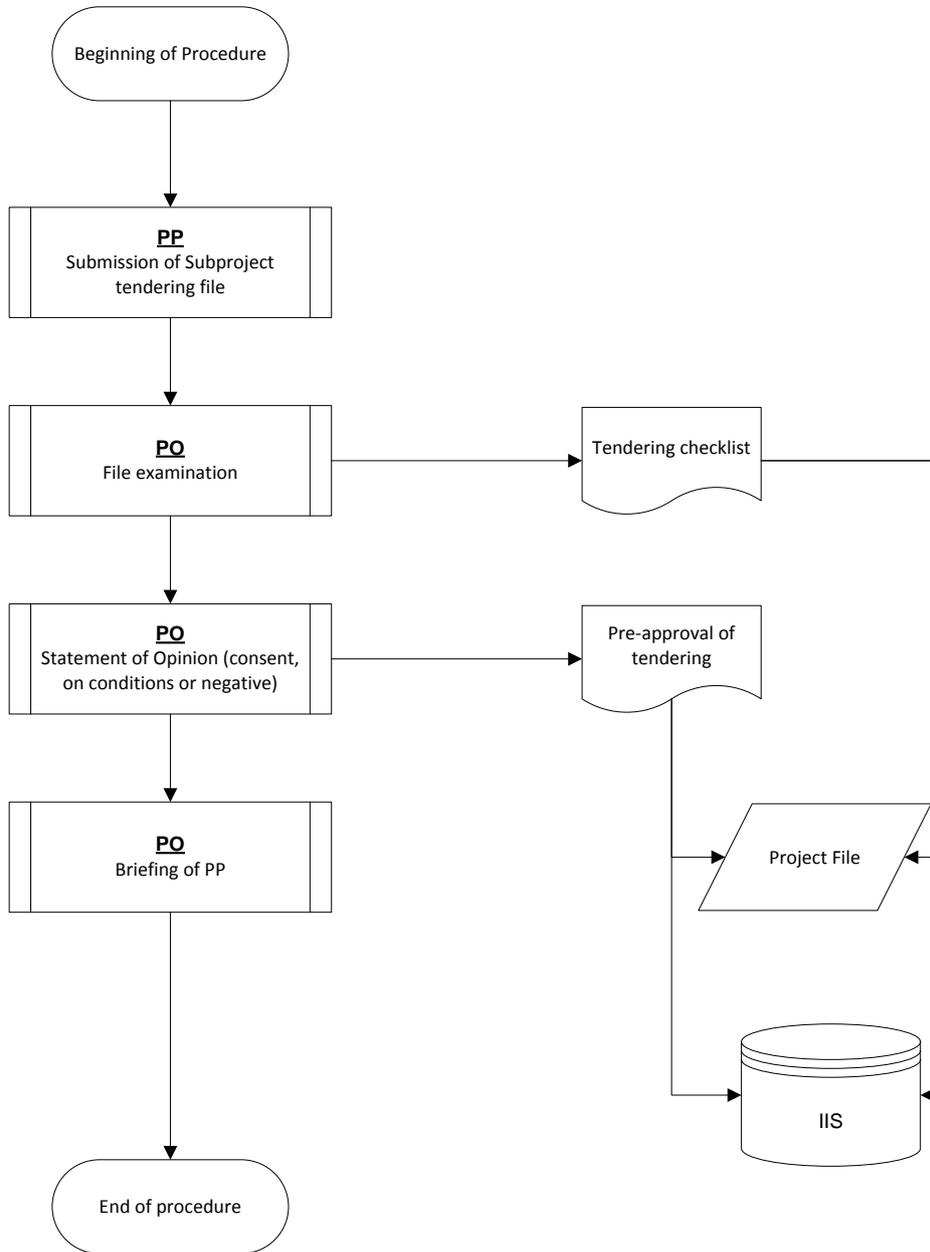
The procedural documents and the pre-approval file of tender documentation are filed in the Project File which is kept by the Programme Operator at least until 31/12/2020 (the registration of printed forms in the EEA IIS will take place once the system is set in operation).

Related Forms

- Checklist of Projects' Tendering Stage
- Checklist of Procurement and Services Tendering Stage

- Checklist of Works, Procurement, Services Tendering Stage, budgeted below the limits
- Pre-approval of Tendering

FLOW CHART 2.1 Pre-approval of tendering



Procedure 2.2: Pre-approval of contract signing and its modification

Purpose

The procedure aims to ensure prompt detection of failures as regards compliance with EU and national rules and with the rules foreseen in the context of the EEA FM 2009-2014, during the stage of public contract for subprojects in each co-financed project; the ultimate purpose is to ensure adherence to the principles of equal treatment, non discrimination, transparency and competition.

Scope

The procedure is applied in all contracts (works, procurement and services). This procedure is also applied accordingly in cases of works being executed with own supervision, since the Project Implementation Decision by own means takes the place of a contract.

Procedure Description

File submission by the Project Promoter-File Review

Prior to signing the subproject's awarding contract, the Project Promoter submits a file to the Programme Operator with all the documents required to check the contract awarding procedure's legitimacy.

The Project Promoter submits the draft contract and the other contractual documents to the Programme Operator in order to get approval to sign the agreement with the contractor, as foreseen by the applicable legislative framework for works, procurement and service rendering and by the notice of invitation to tender. If a project is implemented by own means, the Project Promoter submits a draft decision on the project implementation by own means.

The Programme Operator (Unit B') reviews the file for the subproject's awarding procedure for any contract falling under the scope of EU Directives on the award of public contracts. In case of a public contract having been already concluded upon the inclusion of a project and in cases of public contracts not falling under the scope of EU Directives on public contracts, the awarding procedure review is carried out before the expenditure is incurred.

The project award procedure review is undertaken by the Programme Operator, based on the file's data, the applicable institutional and regulatory framework for projects and the eligibility rules. The review outcome is displayed in the "Checklist for Draft Contract " or in the "Checklist for Project Implementation Decision by Own Means".

In case the signed contract is modified or if the project implementation decision by own means is modified, the Project Promoter, before the modification, informs the Programme Operator by submitting the necessary information so that the latter reviews the modification and gives a consent thereto.

It should be underscored that the expenditure of public contracts for works, procurement and services, regardless of the budget, related to works resulting from substantial modification of the terms of the initial contract, as laid down by law, shall not be eligible.

Draft Contract pre-approval

Based on the completed Checklist for Draft Contract, for all contracts falling under the scope of EU Directives on public contracts, the Programme Operator gives a consent or a consent on terms that the Project Promoter should adhere to, or a negative opinion on the submitted data; the negative opinion is communicated to the Project Promoter.

The Programme Operator delivers an opinion within the exclusive deadline of fifteen (15) days upon receipt of the relevant data. If the above deadline lapses, it shall be considered that the Programme Operator has given consent and undertakes the responsibility for this consent.

The Programme Operator's consent or the above inferred consent is a condition for the subproject financing and is depicted in the "Draft Contract Pre-approval". In case of negative opinion, the project promoter is informed about the actions to be taken for a consent to be given.

In case of pre-approval for contract modification and if any part of the inclusion decision is modified, the Project's "Inclusion Decision" is modified, in accordance with the applicable procedures. Similarly, the Subproject's Technical Bulletin is modified accordingly.

Contract delivery/File Updating

The Project Promoter signs the draft contract, as approved by the Programme Operator, and draws up the Subproject's Technical Bulletin. A copy of the signed contract and of all contractual documents, in hard copy and electronic form and the Subproject's Technical Bulletin are sent by the Project Promoter, within ten working days from the contract signing to the Programme Operator; the latter checks the signed contract against the draft contract having been pre-approved, and the Subproject's Technical Bulletin against the thoroughness and correctness of the necessary data.

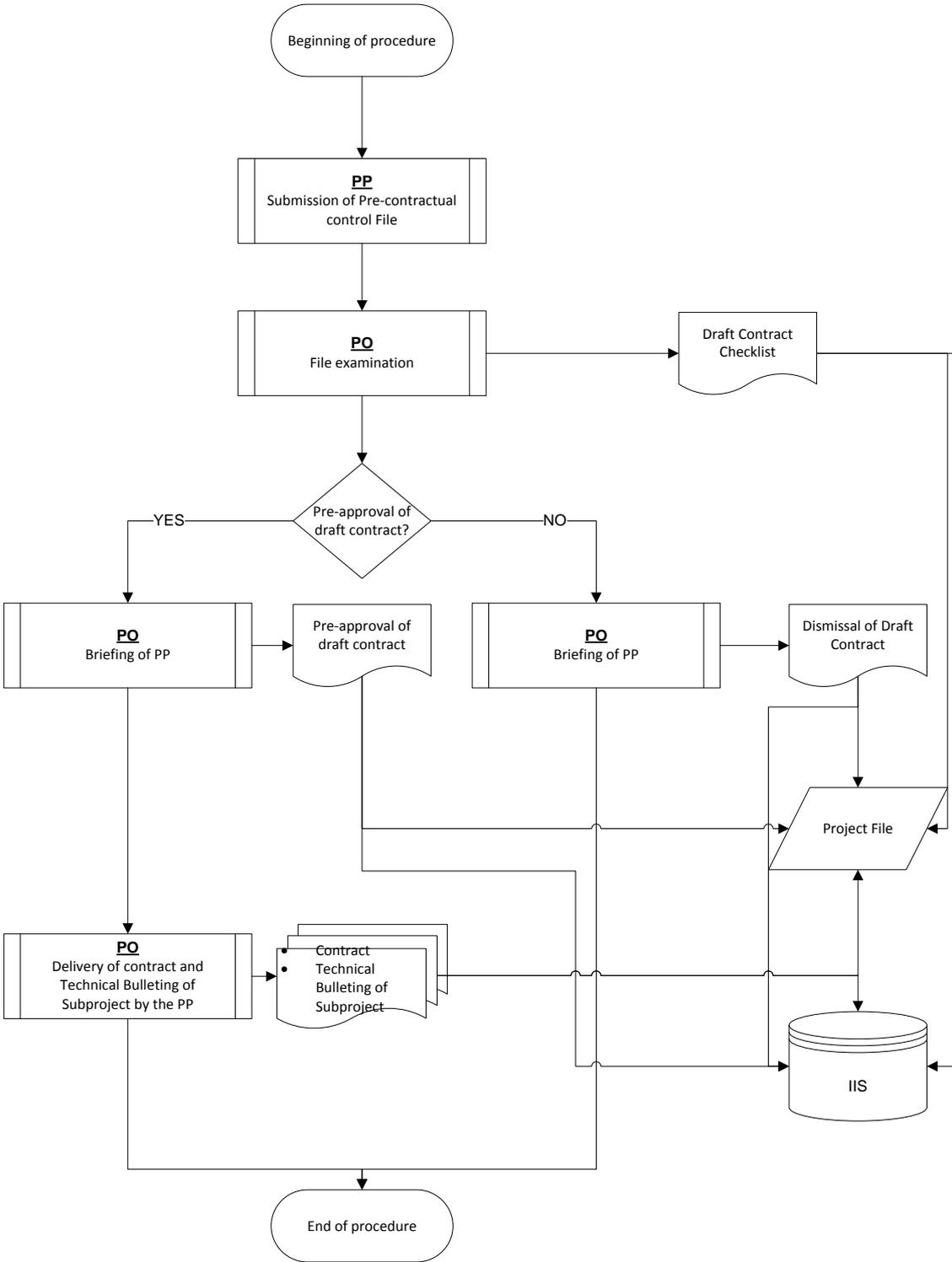
Files

The print-outs for the Contract Pre-approval, and the Contract Modification, the pre-approval file for contract awarding procedure or the pre-approval file for awarding procedure by own means and the pre-approval file for contract modification procedure are filed in the Project File which is kept by the Programme Operator at least until 31/12/2020 (the relevant print-outs shall be registered in the EEA Integrated Information System once it is set in operation).

Related Forms

- Checklist of Draft Project Contracts
- Checklist of Draft Procurement and Services Contract
- Checklist of Draft Projects, Procurement, Services Contract, budgeted below the limits
- Checklist of Draft Project Implementation Decision by Own Means
- Draft Contract Pre-approval
- Subproject's Technical Bulletin

FLOW CHART 2.2: Pre-approval of contract signing



Procedure 2.3: Inclusion Decision Modification

Purpose

This procedure involves handling any change in the project, as determined in the Inclusion Decision; these changes arise during the decision's implementation, provided that they do not constitute a significant project modification, i.e without undermining the objectives, its economic and technical sustainability and without risking the Programme's smooth implementation. In addition, such changes shall not affect the physical quantities or the deliverables based on which the initial project selection was substantiated.

Scope

This procedure is applied when the Project Promoter identifies, during project implementation, a necessity to change some project elements, as determined in the Inclusion Decision.

This procedure is not applied in case of updating project elements that are not included in the Inclusion Decision.

Procedure Description

Ascertaining the necessity to modify the project

The need to modify the project may be ascertained:

- by the Project Promoter, upon submission of the relevant project modification request to the Programme Operator. The request should report all points of modification and provide sufficient evidence on the reasons to modify elements of the project. All documents and supporting documents substantiating the modification necessity shall be attached to the request.
- During the monitoring and regular evaluation procedure of the Project's implementation progress. In case changes are identified affecting the criteria based on which the project had been evaluated and therefore bringing about changes in the "Inclusion Decision". In this case, the Procedure "Modification//Inclusion Decision Revocation" shall be applied.

Review on the Project modification feasibility

If a request is submitted by the Project Promoter, the Programme Operator (Unit B') reviews the Project Promoter's modification points and the corresponding documentation. If the suggested modifications are deemed appropriate and the documentation sufficient, the Programme Operator re-evaluates the project. In the opposite case, the Programme Operator is drafting a letter addressed to the Project Promoter outlining the reasons of dismissal.

Project Re-evaluation

In case the inclusion decision is being changed regarding elements such as:

- the implementation duration of the natural object,
- the project's natural object,
- the project's total public expenditure,
- or other elements considered material, in the Programme Operator's judgement,

the project re-evaluation is carried out (by the competent Unit A') based on the inclusion criteria, as set forth in the Procedure "Selection and approval of projects".

Due to the project selection through a comparative evaluation, for a modification to be accepted, the new evaluation result should not change the project's ranking in relation to the dismissed proposals or should continue having a total score higher than the threshold fixed in the first evaluation stage.

The Project modification may be accepted if the Project is positively re-evaluated.

Issuing a Project modification decision

The Project Promoter updates the "Project Technical Bulletin", on the basis of the positive re-evaluation, submits it to the Programme Operator who prepares and issues the modified "Project Inclusion Decision".

The modified "Inclusion Decision" is published and communicated similarly as the initial "Inclusion Decision", according to the "Project Inclusion" procedure.

In case the Project modification request is dismissed, the Programme Operator informs the Project Promoter in writing substantiating the reasons for dismissal.

The Project Promoter is bound to implement the Project, in line with the initial "Inclusion Decision".

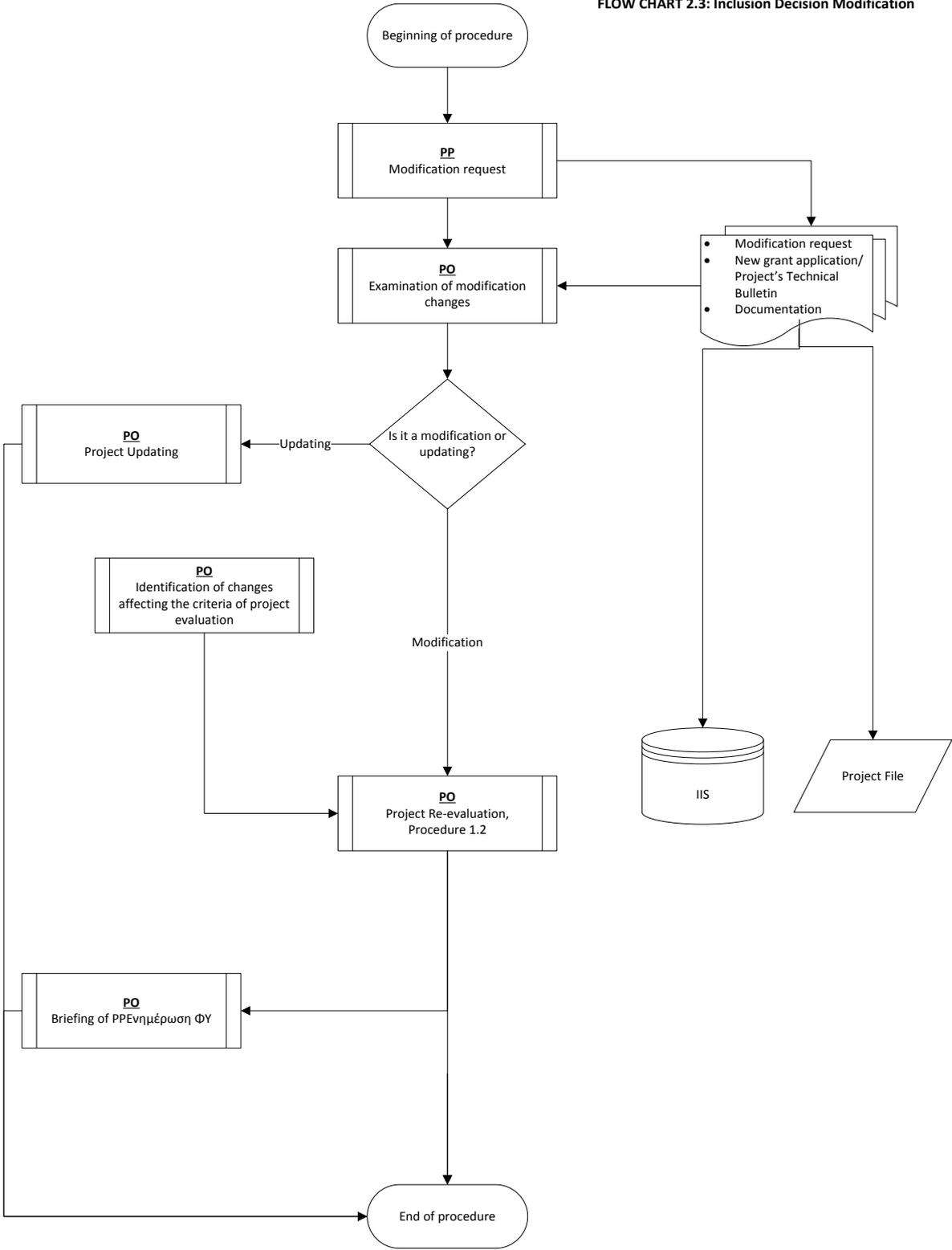
Project Inclusion Decision Updating

If the project's evaluation criteria are not affected and, therefore, the "Inclusion Decision" substantial elements are not modified, then the project is not re-evaluated. The Programme Operator is drawing up the modification of the "Inclusion Decision" without filling out the "Project Evaluation Form" and informs the Project Promoter.

Files

The Programme Operator is responsible to include the modification request in the Project File along with all documentation data received by the Beneficiary. Moreover, the Operator shall include in the Evaluation File all the relevant re-evaluation procedure print-outs. The file shall be kept at least until 31/12/2020 (the relevant print-outs shall be registered in the EEA Integrated Information System once it is set in operation).

FLOW CHART 2.3: Inclusion Decision Modification



Procedure 2.4: Inclusion Decision Revocation

Purpose

The procedure intends to lift the project financing by the Programme on grounds of documented weaknesses in its implementation, according to the terms of the inclusion decision.

Scope

The procedure is applied to projects for which:

unjustified deviations are either documented in relation to the scheduled progress, or severe deviations from the inclusion decision terms are documented, as described in the Project Contract.

Procedure Description

Identifying the necessity to revoke the project inclusion decision

The need to revoke a project inclusion decision may arise before or after the undertaking of legal commitments:

- Upon submission of a request by the Project Promoter analyzing the reasons for the weakness to implement the project, in accordance with the terms of the inclusion decision.
- During the monitoring and regular evaluation procedure of the project implementation progress, in case unjustified deviations are ascertained from the scheduled progress, beyond six months, or if severe entanglements are observed in undertaking legal commitments and therefore delays in project implementation, according to the terms of the inclusion decision.
- During the project implementation progress monitoring, in cases where severe delays and problems are ascertained during the project implementation or if the Project Promoter does not comply with the project terms, as laid out in the signed Terms Acceptance Agreement".

Dispatching of pre-notification letter

The Project Promoter is being sent a pre-notification letter, if the inclusion decision revocation necessity is ascertained by the Programme Operator (Unit B'), within the framework of project monitoring.

The letter identifies the deviations found in the Project Promoter's obligations; should it be possible, the corrective actions to be carried out and the time frame for their completion are also mentioned.

Reviewing the necessity to revoke the inclusion decision

The Programme Operator reviews all the corrective measures taken by the Project Promoter, the actions having been promoted etc. If non compliance on behalf of the Project Promoter with its obligations is observed or a weakness to continue with the project financing by the Programme because severe risks arise for the Programme's financial

progress or for the encumbrance of national resources etc, it is decided to revoke the project inclusion decision.

Project Inclusion Decision Revocation

The Programme Operator drafts the "Project Inclusion Decision Revocation", mentioning the reasons substantiating its necessity. Thru a decision of the competent legal representative supervising the Programme Operator, the inclusion decision is revoked. The revocation is notified in writing to the Project Promoter and is published on the Programme Operator's webpage. It is possible to revoke the inclusion decision without a pre-notification letter to the Project Promoter, for reasons of effective Programme management.

The inclusion decision revocation is sent by the Programme Operator:

- to the body implementing the payments (Project Promoter or a body exercising the treasury management of funds on its behalf),
- to the funding body
- to the Public Investment Directorate of the Ministry of Economy, Infrastructure, Shipping and Tourism,
- to the Certifying Authority,
- to the National Focal Point (NFP).

The project inclusion decision revocation is kept in the Project File, held by the Programme Operator.

Waiver on Project financing

Based on inclusion decision revocation, the competent agency suggests the corresponding adjustments to Collective Decisions.

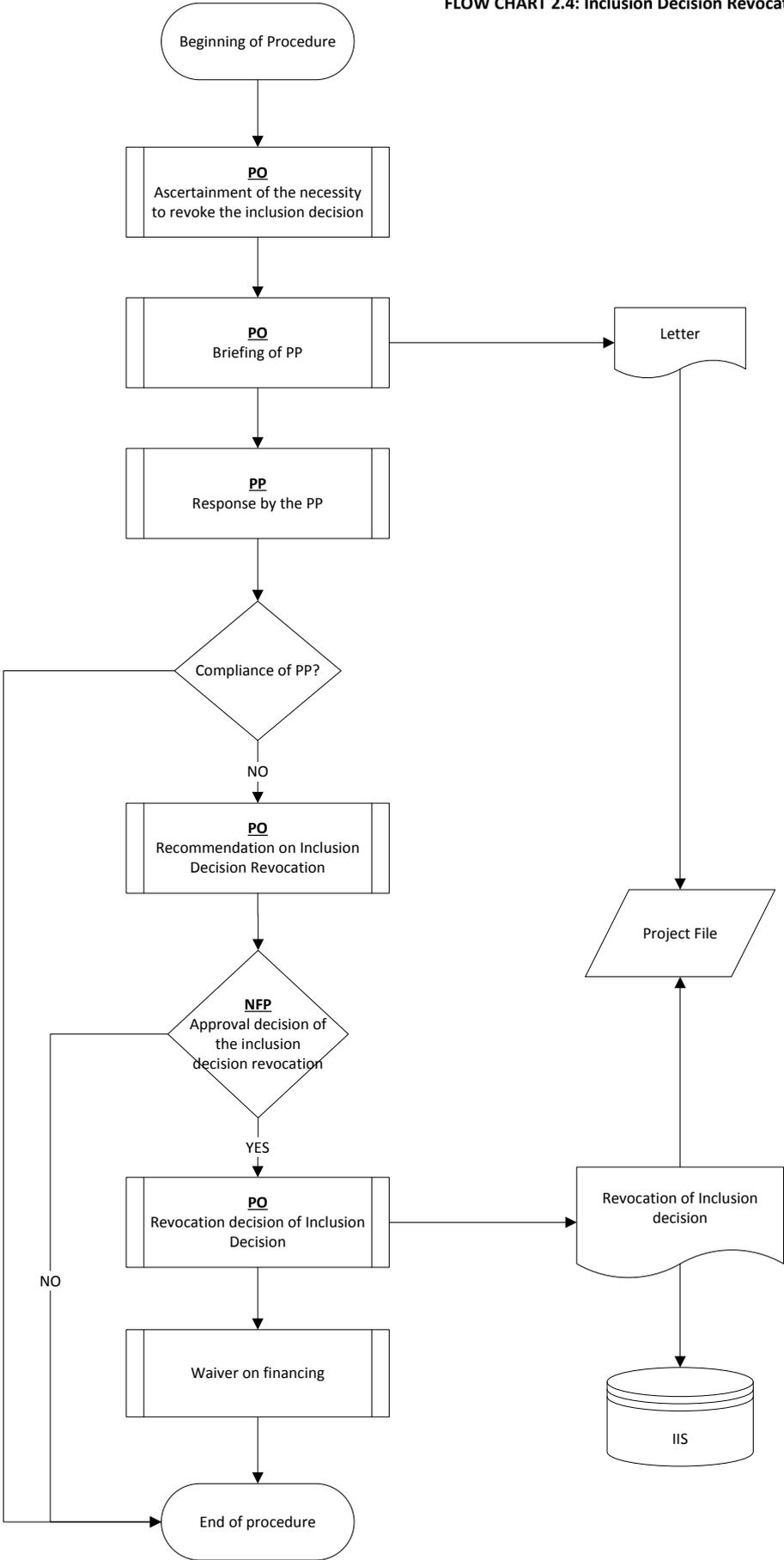
Files

The "Project Inclusion Decision Revocation", the request and any letters sent are kept by the Programme operator in the Project File. The file shall be kept at least until 31/12/202 (the relevant print-outs shall be registered in the EEA Integrated Information System once it is set in operation).

Related Forms

- Project Inclusion Decision Revocation

FLOW CHART 2.4: Inclusion Decision Revocation



Procedure 2.5: Project Monitoring/Completion

Purpose

The Purpose of the Completion Procedure is the confirmation by the Programme Operator of the the project's completion and submission of the required deliverables, in accordance with the approved inclusion decision and the respective legal commitments. This procedure also aims to confirm the correctness, the regularity and eligibility of expenditure statements.

Scope

The procedure is applied in all co-financed projects in the Programme.

Procedure Description

Submission of project completion report by the Project Promoter

Upon completion of the project's physical and economic object, the Project Promoter submits a Project Completion Report to the Programme Operator, accompanied by the necessary documentation. This Report describes the implemented physical object and the respective deliverables, the incurred expenditures, the achieved outcome vis-a-vis the approved and operational project result, the indicators that were satisfied and anything else required for the Programme Operator to finalize the co-financed physical and economic object and to confirm compliance with all obligations undertaken by the Project Promoter through the Project Contract (Project Inclusion Decision and the respective Terms Acceptance Agreement)

Overall project review

The Programme Operator (Unit B') proceeds to reviewing all elements submitted with the Project Completion Report by the Project Promoter. The Operator also reviews any information kept in the project file in order to verify:

- the project deliverables (physical object) and the satisfaction with its operational result,
- the economic object data,
- the Project Promoter's compliance with any recommendations of previous audits/verifications carried out by auditing bodies (Programme Operator, Financial Audit Committee, etc).

In case additional information needs to be submitted by the Project Promoter, the Programme Operator requests it in writing, in order to draw conclusions with regard to the points that need to be confirmed.

If the administrative verification detects problems in the project's implementation or, if, based on available data (recent on-the-spot verifications, audit reports, reports by experts submitted to the Programme Operator etc), the project's physical object and its operational result cannot be verified administratively, an on-the-spot verification is scheduled, according to the "On-the-spot Verification" Procedure.

Issuing a project completion decision

Once the administrative or/and on-the-spot verification is over, the Programme Operator issues a Project Completion Decision.

The Project Promoter is notified of the Decision, in order to keep it in the Project File. The project file and all supporting documents related to expenditures and the accounting audits regarding the project are kept for a period of three (3) years upon approval by the EEA FM Committee of the final Programme report, in accordance with article 56 of the Ministerial Decision on the Management System regarding the Joint Management and Control System.

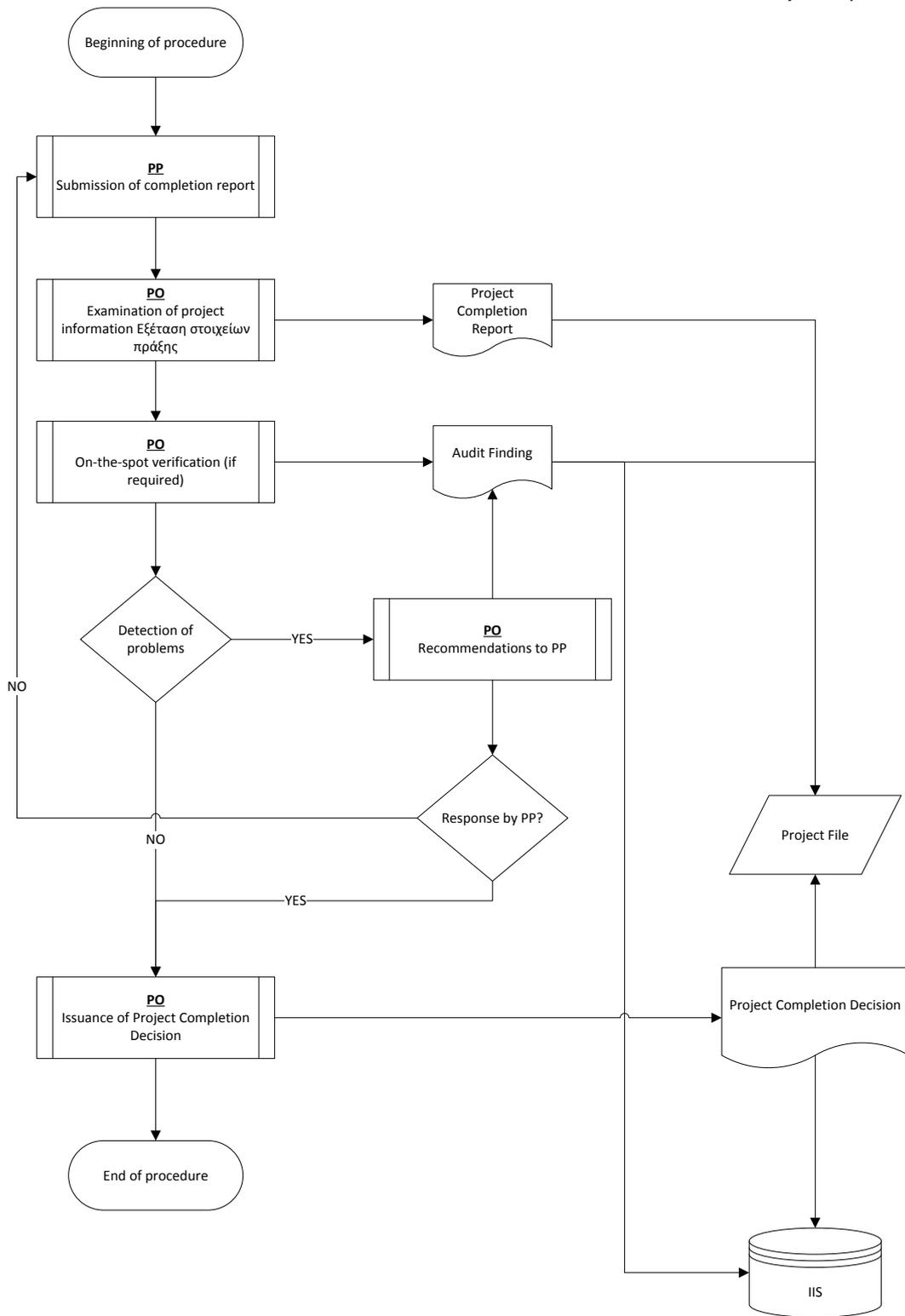
The project Completion Report and all attached documents and data verifying the project's operational result are kept in the project file.

The relevant print-outs shall be registered in the EEA Integrated Information System once it is set in operation.

Related Forms

- Project Completion Report
- Project Completion Decision

FLOW CHART 2.5: Project Completion



3. VERIFICATION OF PROJECTS

Procedure 3.1: Project Implementation Progress Monitoring

Purpose

The purpose of the procedure is to monitor the course of the project implementation in order to ensure the quality of the programme implementation, the verification of the projects' progress, vis-à-vis the anticipated results. The procedure's purpose also involves taking the required measures and actions for the projects' implementation, based on the inclusion decision and the undertaken legal commitments.

Scope

The procedure is put in place for any project included in the programme covering the entire duration of its implementation.

Procedure Description

Regular contact with the Project Promoter - monitoring of project progress

The Programme Operator (Unit B') is regularly monitoring the course of project implementation, as follows:

- a) Upon receipt of a Project Progress Monitoring Bulletin from the Project Promoter every four months

Following the notification of the Decision for the Project Inclusion and the Terms Acceptance Agreement, the Project Promoter is required to provide information on the progress of the project implementation through periodical reports, according to the Terms Acceptance Agreement. The reports are submitted with the use of the standardized form of the Project Progress Report every four months.

- b) Thru regular contact with the Project Promoter

The Programme Operator shall regularly communicate with the Project Promoter in order to form an opinion on the project's implementation progress. In this context, the Programme Operator shall be informed about:

- the progress of the physical and economic object of the project,
- any changes in the implementation time schedule,
- the actions by the Project Promoter for the project implementation
- any problems identified by the Project Promoter during project implementation,
- any necessary change in the physical and economic object.

- c) By on-the-spot verifications at the headquarters of the Project Promoter or / and the project's site.

The Programme Operator, in order to form a substantiated opinion concerning the project's progress, carries out on-the-spot verifications or assigns them to other entities. Each project of the programme should be verified at least once during the Programme.

Data examination by the Programme Operator

The project implementation progress is evaluated based on:

- the content of the Project Technical Bulletin, the Subprojects's Technical Bulletins and the corresponding legal commitments,
- the expenses declared to the Programme Operator / Certifying Authority,
- the content of the Progress Monitoring Bulletin every four months
- the data obtained after communication with the Project Promoter
- the data available from on-the-spot verifications of the project and from any inspections and audits by other authorities,
- the minutes of a joint monitoring committee, if any.

Following the evaluation, in case further information or clarifications regarding the project implementation are needed, the Programme Operator may ask the Project Promoter to submit additional clarifications and deliverables.

The aforementioned data is made available to the Monitoring Committee, if any, and constitute essential decision-making tool.

Review of the ProgressReport every four months

The Programme Operator, based on the data available concerning the course of the project implementation:

- examines the progress in undertaking legal commitments and the progress of the annual quantitative and qualitative objectives that have been set, based on the initially undertaken legal commitments of subprojects,
- identifies and evaluates any deviations from the planned activities of subprojects' evolution,
- proposes corrective actions that should be adopted in cases of deviations,
- assesses the feasibility of progress forecasts in the natural and economic object.

The review results are depicted in the respective fields of the Project Progress Report every four months, which is kept in the project file.

Undertaking corrective actions

In case deviations from the terms of the inclusion decision are identified during the project progress evaluation, the Programme Operator may proceed with a revocation of the inclusion decision of the project without prior agreement with the Project Promoter, as specified in the Procedure 2.5: Inclusion Decision Revocation.

If deviations or delays are deemed justified, the Programme Operator shall propose corrective actions and support the Project Promoter in their implementation.

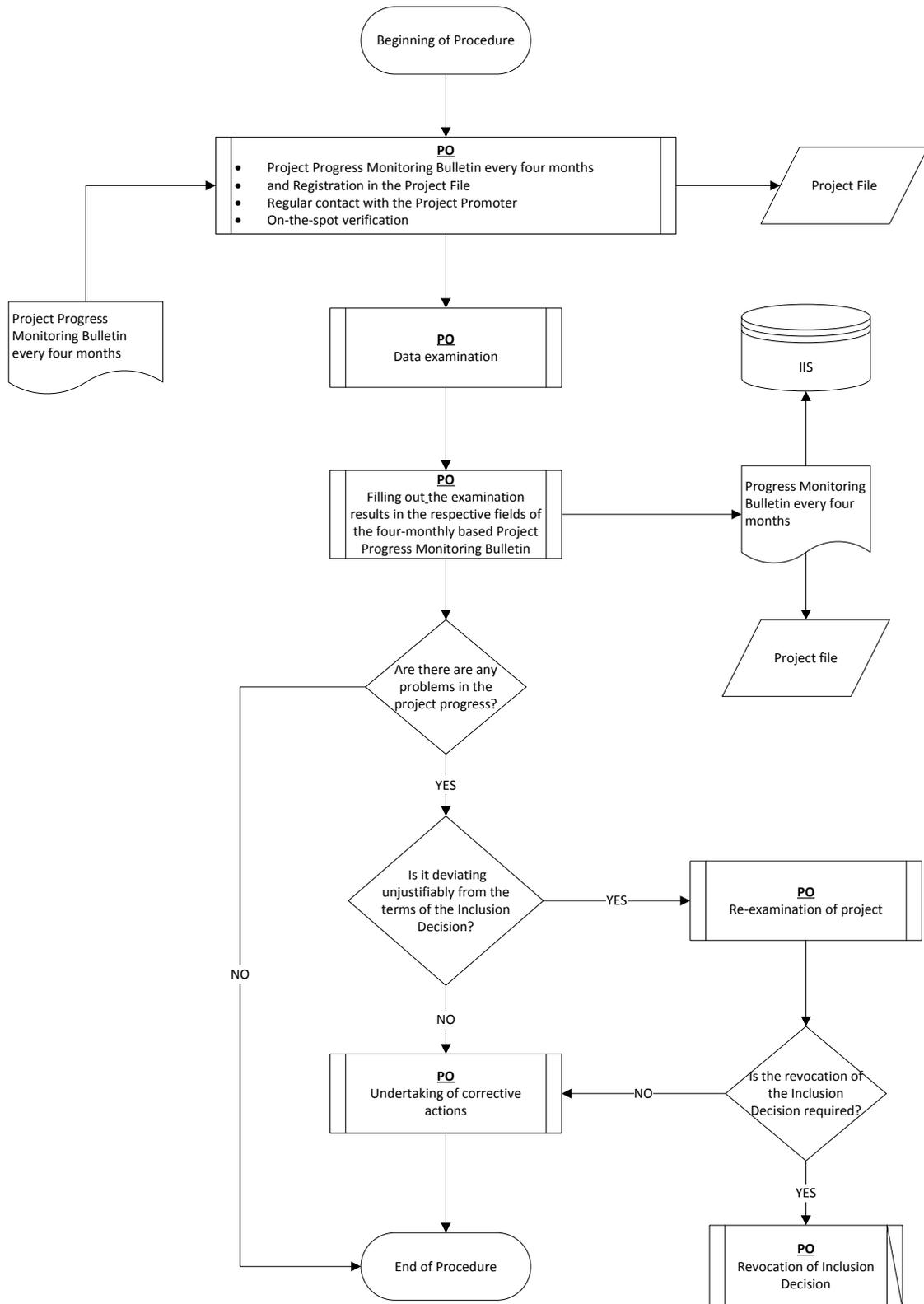
In case of partnership for the implementation of a project, the Project Promoter is responsible for organizing and coordinating the project implementation, for monitoring the general and special terms of implementation for the approved project, for communicating with the Programme Operator, for keeping a complete project file, for providing clarifications required by the competent authorities, etc.

The Project Promoter shall be bound to constantly inform the Programme Operator on the status of pending administrative acts and authorizations that are necessary for the unimpeded implementation of the project (e.g.: land commitment and expropriations, recruitment of staff on behalf of the Project Promoter or the partners, court proceedings etc.).

Related Forms

- Progress Monitoring Bulletin every four months

FLOW DIAGRAMM 3.1: Project Implementation Progress Monitoring



Procedure 3.2: Administrative Verification of Expenditure

Purpose

The purpose of the procedure is to verify the expenditure declared for co-financing and to deliver the project's natural object, in accordance with the obligations undertaken by the Project Promoter for the implementation of the project, as defined in the Inclusion Decision and the attached legal commitments.

Scope

The procedure applies to each statement of expenditure of a listed project.

Procedure Description

Submission of expenditure statement

For the co-financing of a project by the corresponding programme, the Project Promoter shall submit a statement of the incurred expenditure to the Programme Operator using the "Statement of Expenditure" standardized form at the level of subproject. All expenses by the Operators, the Project Promoters and the projects partners shall be evidenced on the basis of paid invoices or, alternatively, by accounting documents of equivalent probative value. "An accounting document of equivalent probative value" is any document submitted by the Project Promoter which proves that the accounting entry gives a true and fair view of the work carried out, in accordance with the accepted accounting practices.

In case the actions are implemented under open tendering procedures, payments by the Programme Operators, the Project Promoters and the partners of the projects should be accompanied by paid invoices, according to the signed contracts (if required by the existing legislation). In all other cases, expenditures must be evidenced by paid up supporting documents proving that they had been actually paid by the interested bodies and are related to the project implementation.

As sufficient evidence of expenditure by the project promoter or the project partner domiciled in the country or in the donor country shall be considered, without prejudice to the next paragraph, the report by an independent and certified accountant who certifies that the expenditure declared complies with the document herein, the national law and the accounting practices existing in the country of the project promoter or project partner.

The complete Statement of Expenditure is submitted by the Project Promoter and is kept in the project file.

Administrative Verification by the Programme Operator

The Programme Operator (Unit B') examines the content of the Statement of Expenditure based on the "List of Expenditures' Administrative Verification" and the attached documentation and data provided by the Project Promoter in order to verify that:

- the data declared in the Statement of Expenditure correspond to the copies of the accompanying supporting documents,
- the expenditure is related to eligible expenditures of the programme and has been incurred during the eligible period,

- the expenditure concerns the approved project and the corresponding legal commitments and there is full compliance with public procurement, state aid, environmental law, principles of equal opportunities and non-discrimination,
- the corresponding products or services have been delivered and received, according to the inclusion decision and the attached supporting documents.

The Programme Operator will be conducting 100% verification of payment claims under outcomes 1 and 2 (pre-defined project and open calls (1) to (3)). For projects under outcome 3 (small grant schemes) the Programme Operator will carry out verification on a sample of 30% of invoices. In addition, on-the-spot verifications will be carried out as needed. As a general rule, costs incurred by the Project Promoters shall be supported by receipted invoices. Where this cannot be done, costs shall be supported by accounting documents of equivalent probative value.

In case of verification of expenditures incurred by a donor project partner, a report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and accounting practices of the donor project partner's country, shall be seen as sufficient proof of costs incurred.

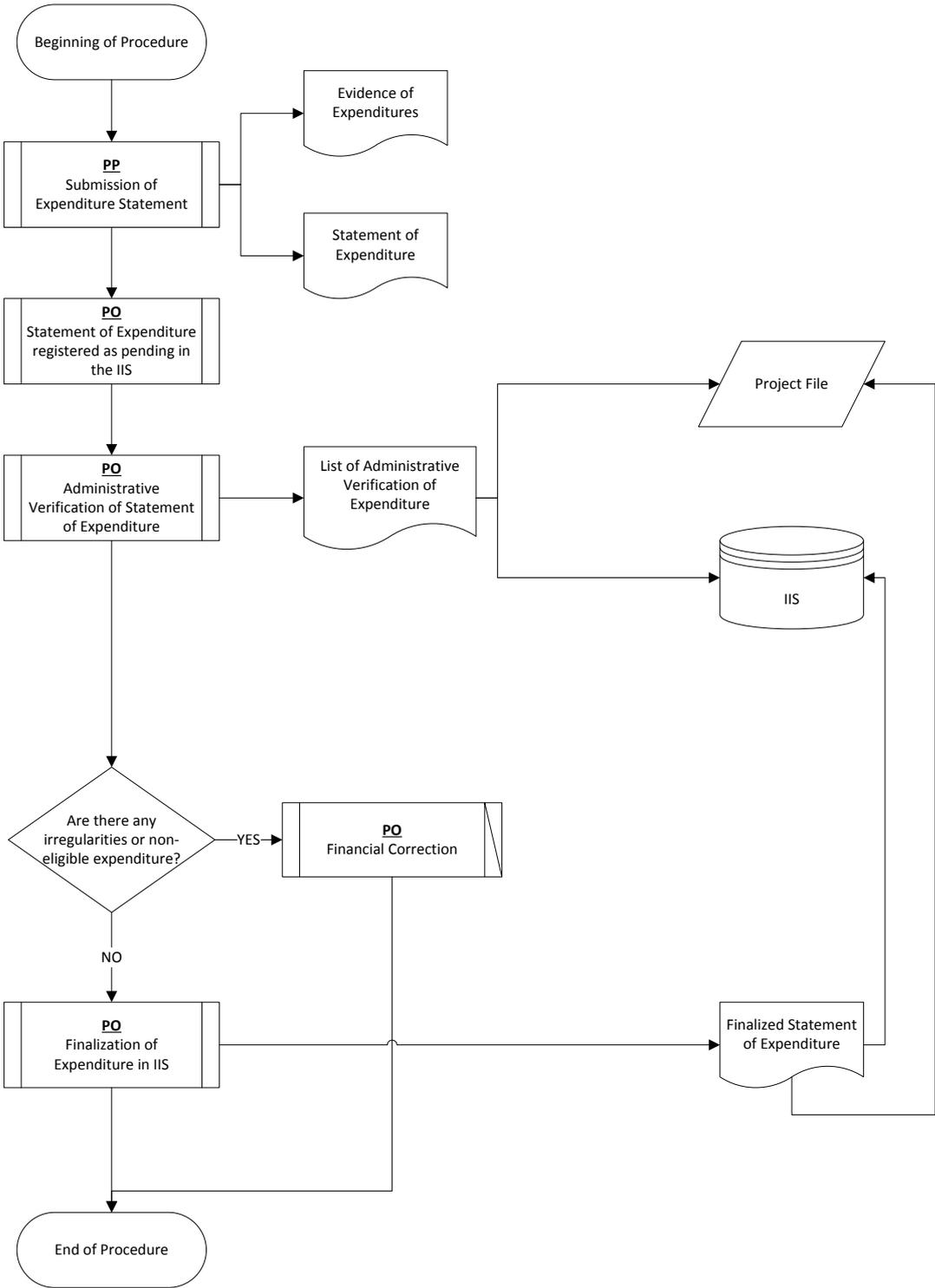
The administrative verification results along with the relevant documentation are recorded in the List of Expenditures' Administrative Verification.

In case of discrepancy between the amounts declared by the Project Promoter and those resulting from the administrative verification, due to irregular or non-eligible expenditure, the Project Promoter will be informed in writing. The procedure 6.1: Financial Corrections is followed for non-verified expenditures.

Related Forms

- Statement of Expenditure
- List of Expenditures' Administrative Verification

FLOW DIAGRAM 3.2: Administrative Verification of Expenditure



Procedure 3.3: On-the-spot Verifications Planning

Purpose

The procedure aims to optimally plan the annual on-the-spot verifications programme so that the Programme Operator can ensure the legality and regularity of declared expenditures and a more accurate distribution of on-the-spot verifications, during the programming period, as well as an optimal utilization of human resources.

Scope

For the preparation of the annual programme, all projects in progress are taken into consideration.

Procedure Description

Determining the amount of projects/sub-projects undergoing on-the-spot verification

The Programme Operator (Unit B'), in order to proceed with the preparation of the annual verification programme, identifies the total amount of projects / sub-projects being managed, with the following characteristics:

- They have incurred expenditures
- The implementation of the physical object is in progress
- A completion decision has not been issued

Out of the projects / subprojects of the previous paragraph, the Programme Operator shall select the projects that must be verified (due to complaints, identified implementation problems, etc.) and the amount of projects / sub-projects that will be verified by sampling.

Preparation of the annual programme of on-the-spot verifications

The Programme Operator, in cooperation with the NFP, shall prepare the on-the-spot verifications programme, which is presented in the standardized form (On-the-spot Verifications Programme). This programme specifies:

- the projects / subprojects which must be verified (e.g. projects presenting problems and / or complaints requiring on-the-spot verification),
- the sample of projects / subprojects selected to be verified using the sampling method.

The Programme Operator shall keep records that describe and justify the project selection method and identify the projects or subprojects selected for verification.

Approval-Notification of the annual verifications programme

The On-the-spot Verifications Programme is approved by the Programme Operator's legal representative and is communicated to the National Focal Point.

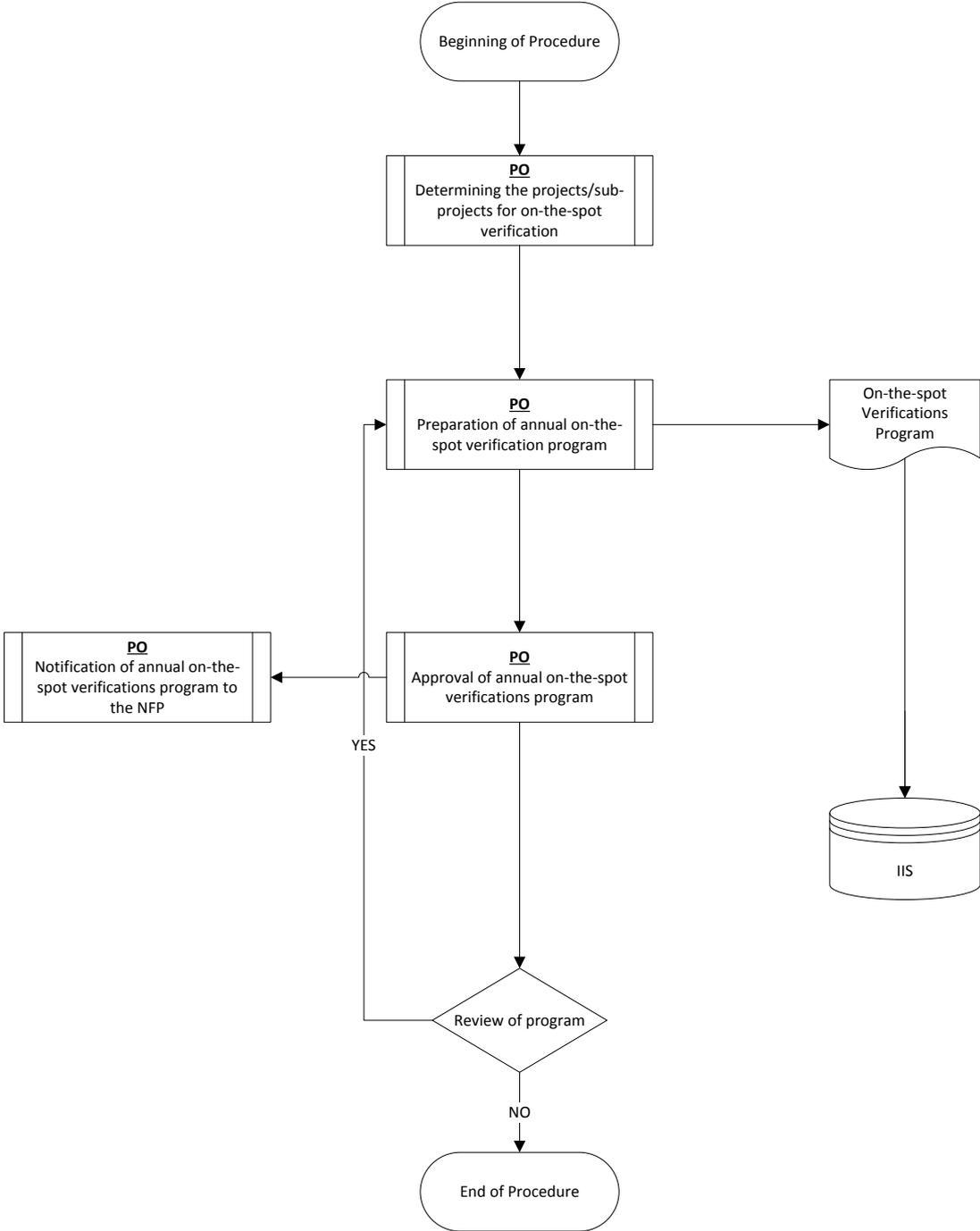
If necessary, the programme is reviewed upon approval by the Programme Operator's legal representative, at the end of the first quarter or semester, based on any new data concerning the implementation of the projects such as:

- the audit findings by other audit bodies
- the need for additional or exceptional verifications, resulting from the findings of verifications, the monitoring of projects' implementation or complaints etc.

Related Forms

- On-the-spot Verifications Programme

FLOW DIAGRAM 3.3: On-the-spot Verifications Planning



Procedure 3.4: On-the-spot Verification

Purpose

On-the-spot verification refers to the Programme Operator's visit to the location where the project is implemented and/or the headquarters of the Project Promoter or the partners. The purpose of the on-the-spot verification is to ensure that the project is implemented in compliance with national and European legislation, to detect any problems, to enable taking corrective measures by the Project Promoter, its partners and the Programme Operator. In addition, it presents an opportunity to take early intervention measures, in case problems or delays are verified during the project implementation.

Scope

The procedure applies to both regular (scheduled verifications) and unscheduled verifications carried out during the implementation of projects and after their completion.

Procedure Description

Appointment of a Verification Body

The Programme Operator (Unit B'), based on the approved on-the-spot verification programme or after verifying the need to carry out an unscheduled on-the-spot verification, based on grounds of indication of breaches of national or European law, recommends the establishment of a Verification Body.

The Project Operator may also assign the on-the-spot verification to another public entity or an individual or a legal Entity of Private Law.

The Verification Body is appointed by decision of the Programme Operator's legal representative. Such appointment decision may coincide with the decision or mandate concerning the transfer of the Program Operator's executive / executives for conducting the on-the-spot verification. The above mentioned decision outlines the following:

- the person or persons involved in the on-the-spot verification
- the verification's object (the project and the sub-projects that will be verified),
- the verification timetable

Preparation for project verification

The preparation for verification consists of collecting all data related to the project and its subprojects that have to be verified, from the Programme Operator's project file.

Moreover, the preparation stage determines the data that has to be locally verified, the confirmation of which is not possible through administrative control. The data to be verified (checkpoints) are noted in the "On-the-spot Verification List", which is adjusted to each type of project.

Informing the Project Promoter on the on-the-spot verification

The Programme Operator shall inform the Project Promoter in writing for the upcoming verification, as well as all for the data and personnel that must be made available to the verification body during on-the-spot verification.

In case the Programme Operator decides that the on-the-spot verification should be conducted without prior notice (e.g. because of a complaint), it does not inform the Project Promoter.

On the spot verification

The on-the-spot verification is carried out at the Project Promoter's headquarters or / and at the project's implementation location, if its physical object cannot be verified at the Project Promoter's headquarters.

Every project should be verified at least once during the Programme.

The on-the-spot verifications performed shall cover administrative, financial, technical and physical aspects of projects that cannot be administratively verified. In particular, on-the-spot verification should ensure that:

- the expenditure declared is real and that an adequate audit trail is documented,
- the projects are actually executed and that the delivered products and / or the provided services comply with the terms of the corresponding legal commitment or the aid granting decision,
- the information provided by the Project Promoter, regarding physical and financial project progress, is accurate,
- there is compliance with national and European regulation including publicity regulations.

The on-the-spot verification is carried out based on the on-the-spot verification list, which presents the data to be verified, the evidence (documents, etc.) based on which the verification as well as the documentation of any deviations is carried out. The On-the-Spot Verification list is completed by the verification body by recording the specific data that were verified. The list is kept in the project file. During the verification all the necessary evidence is collected in order to enable its evidence-based substantiation.

In case the on-the-spot verification takes place after the submission of the "Project Completion Report", the Verification Body confirms the project's operating result.

Drafting / approval of on-the-spot verification report

Based on the completed On-the-Spot Verification list and other evidence collected during the verification, the verification body shall draw an "On-the-spot Verification Report", using a standardized form. If deemed appropriate, during the report preparation, the body having carried out the verification may request additional information which the Project Promoter must provide.

In case significant problems are detected, the NFP is informed and a brief interim report is directly compiled. In serious cases, the NFP may request an exceptional on-the-spot verification that it can attend.

In a separate part of the report the following are outlined:

- the details of the on-the-spot verification and their findings,
- the proposed measures (recommendations) to address any problem identified as well as the deadline and means to verify compliance by the project promoter,
- the proposals concerning imposition of sanctions (financial corrections, recovery of amounts unduly or unlawfully paid, revocation of inclusion decision, suspension of funding) in case of irregularity.

Briefing of Project Promoter

The on-the-spot verification report shall be communicated in writing to each auditee within ten (10) calendar days from its preparation in order for the Project Promoter to submit any objections. The Project Promoter, within 15 days upon receipt of the on-the-spot verification report, may submit objections to the verification's findings.

In case the on-the-spot verification report does not include findings leading to sanctions or recommendations addressed to the Project Promoter, it is kept in the file and the NFP is accordingly informed.

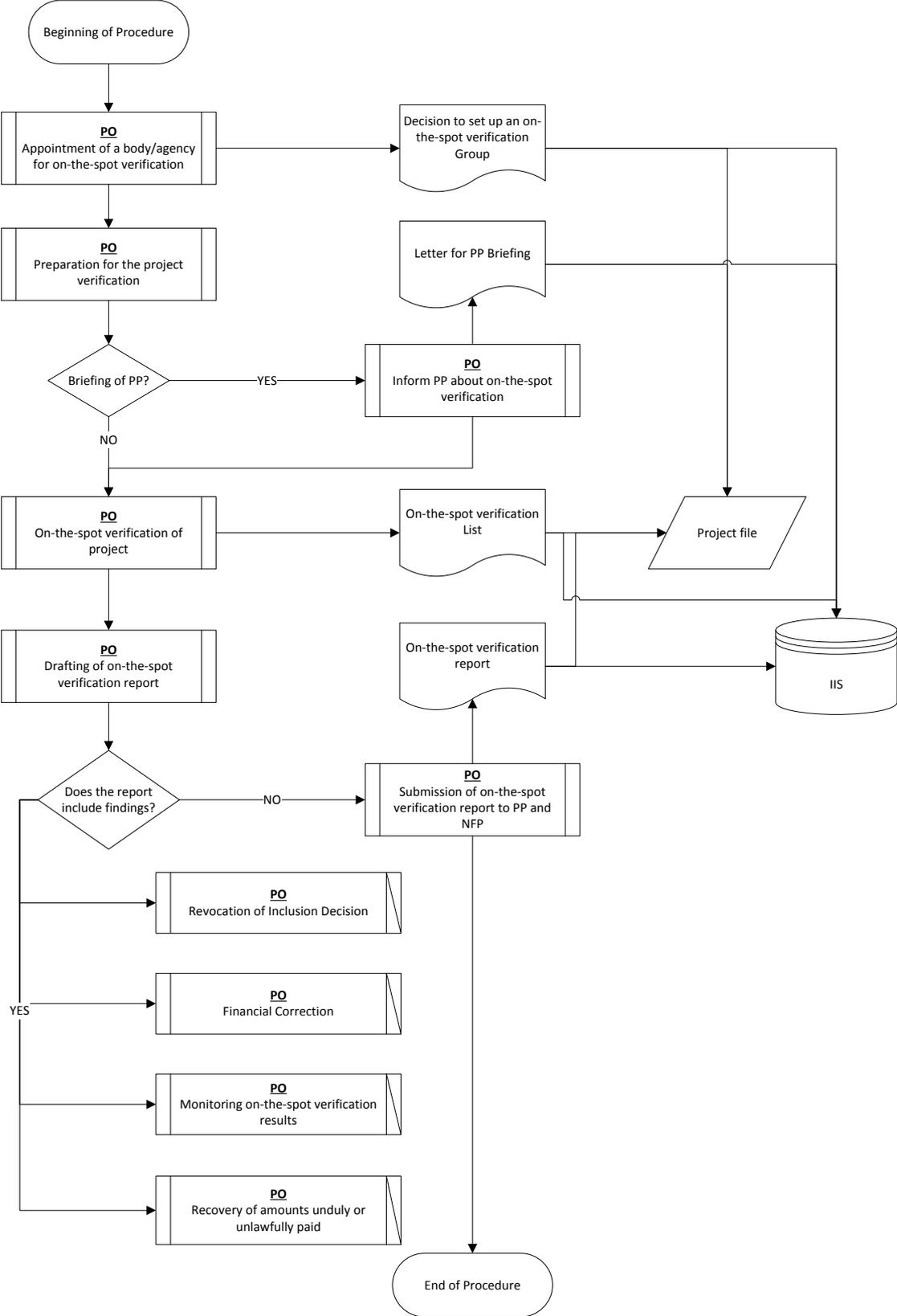
The on-the-spot verification report, the on-the-spot verification list, the accompanying supporting evidence, the evidence of the report's disclosure to the Project Promoter etc. are kept in the Project file kept by the Programme Operator.

The registration of the relevant documents in the IIS of EEA will take place once it is put in operation.

Related Forms

- Verification Body Incorporation Decision
- On-the-Spot Verification Report
- List of projects' On-the-Spot Verification
- List of On-the-Spot Verification for procurement-services

FLOW DIAGRAMM 3.4: On-the-spot Verification



Procedure 3.5: Monitoring verification and audit results

Purpose

The procedure aims at the verification by the Programme Operator, of the Project Promoter's compliance with the recommendations made, in the context of a verification or an audit, in order to ensure the legality, regularity and eligibility of the implemented co-financed projects.

Scope

The procedure involves recommendations proposed to the Project Promoter based on evidence collected during the on-the-spot or administrative verifications conducted by the Programme Operator or from audits by the competent auditing institutions.

Procedure Description

Recommendations Recording

Following the verification performed and if the need for recommendations to the Project Promoter has emerged, the Programme Operator (Unit B') shall record these recommendations in the specific form "Recommendations Monitoring Table", which will facilitate recommendations monitoring.

The recommendations resulting from audits by other national or EU auditing institutions are also recorded in the same form.

Review of evidence regarding the Project Promoter's compliance with the recommendations

The verification of the Project Promoter's compliance with the recommendations by the Programme Operator concerning co-financed projects is carried out administratively, with the submission by the Project Promoter of relevant compliance evidence or with a new on-the-spot verification, depending on the nature of recommendations.

The Programme Operator monitors the timetable given to the Project Promoter in order to comply with the recommendations. Depending on the nature of recommendations, the Programme Operator shall either administratively evaluate the compliance evidence submitted by the Project Promoter, or, if confirmation of compliance cannot be carried out administratively, the Programme Operator proceeds with an on-the-spot verification, based on the relevant procedure.

Case Closure (compliance with recommendations) – imposition of sanctions

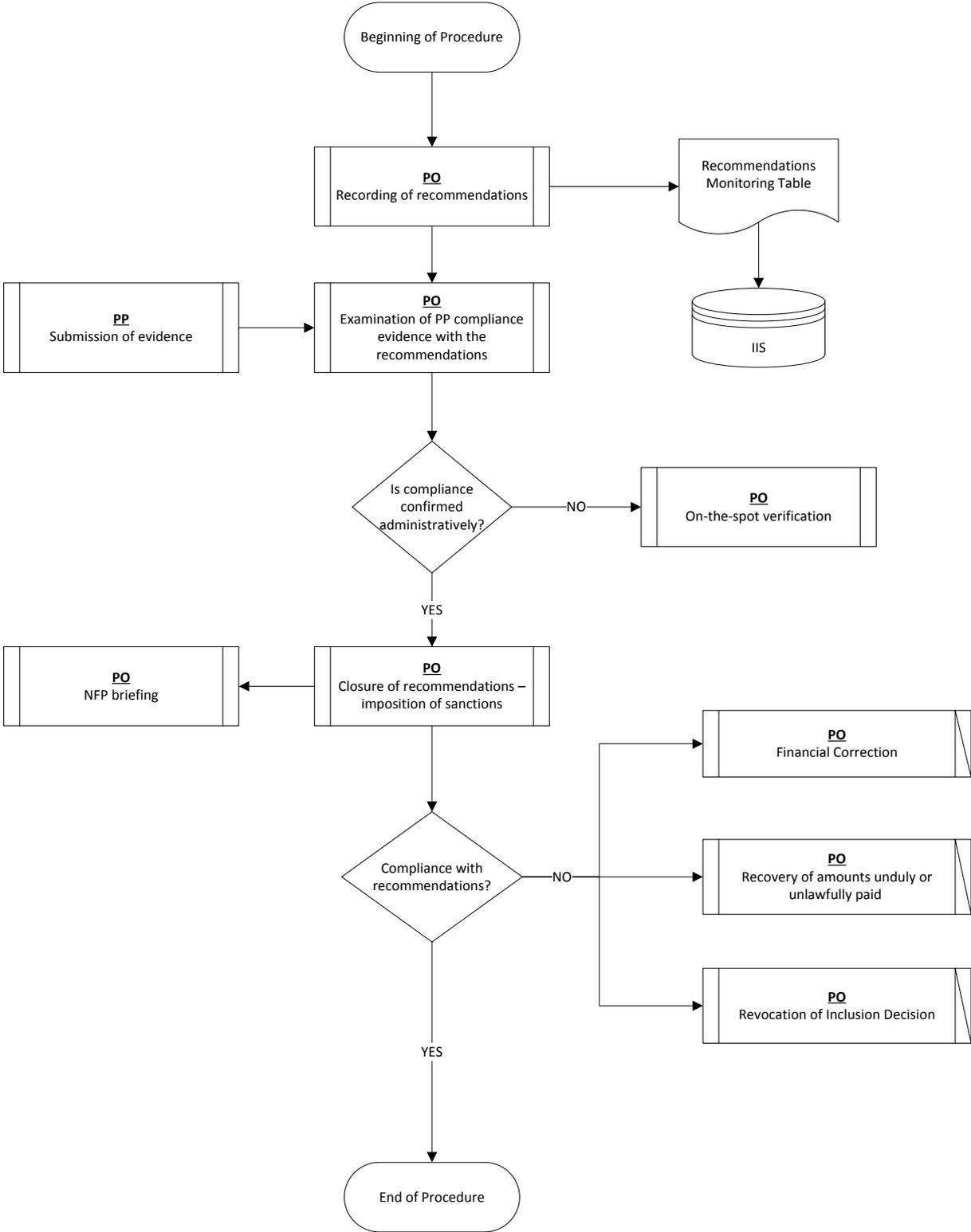
In case of compliance, the Programme Operator shall close the case, by updating the NFP accordingly.

In case the Project Promoter does not meet the requirement to provide evidence of compliance or if, from the submitted evidence, non-compliance with the recommendations is ascertained, the Programme Operator, depending on the seriousness of the findings which have prompted the recommendations, may propose the imposition of a financial correction, the suspension of project financing or the revocation of the inclusion decision.

Related Forms

- Recommendations Monitoring Table

FLOW DIAGRAM 3.5: Monitoring verification and audit results



4. FINANCING OF PROJECTS

Procedure 4.1: Payment to beneficiaries

Purpose

The purpose of the procedure is the budgetary booking of each listed project, co-financed by the Programme, through its registration in the Public Investment Programme, the allocation of the required appropriations to the Project Promoters for the implementation of the co-financed projects and the monitoring of project financing progress.

Scope

The procedure applies for all projects listed in the Programme.

Procedure Description

Project registration in PIP

For the first registration of the project in the Public Investment Programme (PIP), the Project Operator shall send to the Directorate of Public Investment of the Ministry of Economy, Infrastructure, Shipping and Tourism, and notify to the Project Promoter, the Project Inclusion Decision, which constitutes an ex officio registration proposal in the PIP. A Collective Decision, being duly notified (Funding Body, Project Promoter, Programme Operator, etc.), is subsequently issued.

Each Listed Project receives a unique registered number that corresponds to a Bank account.

Planning and allocation of funds

For each listed project, the Programme Operator, in cooperation with the Project Promoters, shall record the total appropriations and the appropriations considered necessary, every four months per year. The Programme Operator shall then examine the above, taking into consideration the Programme objectives that must be met, the possible legal commitments of the Project Promoters and any problems that may arise with each project and, in collaboration with the National Focal Point shall decide of the final approval of proposals.

The funding allocation procedure and the printed forms used for the above described procedures are derived from the relevant funding process through the PIP (Public Investment Programme).

Money will be transferred to a separate, dedicated to the Project, Bank account of the Project Promoter after the request of the Project Promoter and the approval of the Programme Operator.

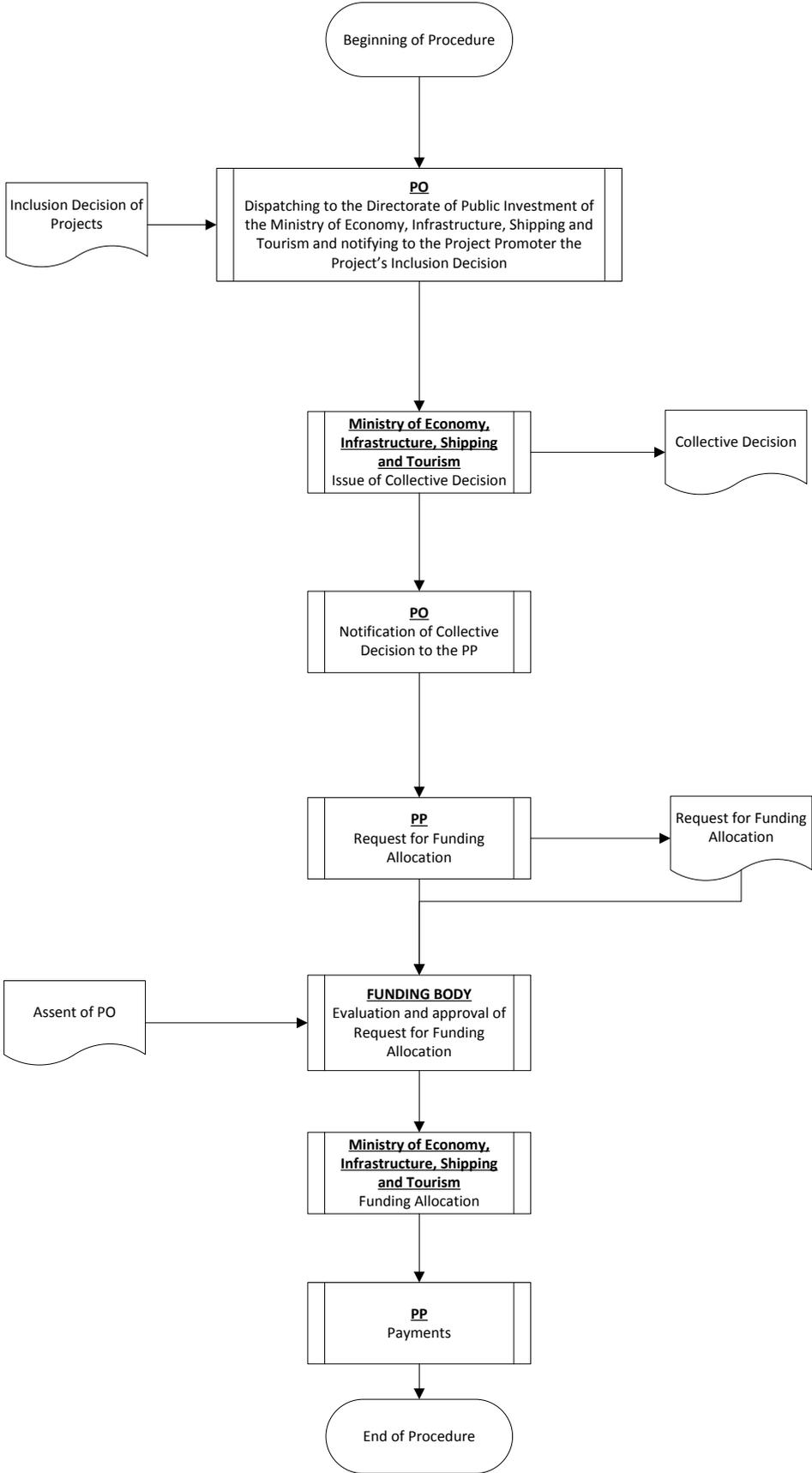
Project completion

Upon completion of the Programme and the projects, the account balances of the numbered projects return to the account of unallocated balances of past financial years, kept in the Bank of Greece, given that these amounts may not be allocated for purpose other than the one for which they were approved.

Files

The documents being notified to the Programme Operator, as well as the related correspondence, are registered in the Project File. The file is kept at least until 31/12/2020.

FLOW DIAGRAM 4.1: Payment to Beneficiaries



5. FINANCIAL CORRECTIONS, IRREGULARITIES AND RECOVERIES

Procedure 5.1: Financial Corrections

Purpose

The procedure aims to cancel all or part of the programme's co-financing of a project, due to irregularities.

Scope

The procedure applies in case of suspected or actual irregularities detected by the Programme Operator through administrative or on-the-spot verifications.

Procedure Description

Detection of irregularity

(a) Detection of irregularity during administrative verification

In case an irregularity is detected during an administrative verification of the statement of expenditures submitted by the Project Promoter, the amounts that correspond to those irregularities are deducted from of the co-financed programme amounts that are being recorded in the file.

The Project Promoter is informed, through an administrative verification report, on the amount and the reason of curtailment and is invited to submit any objections in writing within twenty (20) days.

(b) Detection of irregularity during the on-the-spot verification / inspection

In case an irregularity is detected, during the on-the-spot verification / inspection, it is mentioned in the on-site verification / Inspection report, accompanied by adequate documentation and reference to the provisions that were breached. A financial correction and on a case by case basis, recovery of unduly or unlawfully paid amounts to physical or legal entities is suggested.

The financial correction amount is recorded in the file and respectively reduces the co-financed amounts already registered.

The conclusions and recommendations of the on-the-spot verification shall be notified in writing to each auditee, under the provisions of the Administrative Procedure Code, by the Programme Operator, for submitting any objections.

(c) Objections procedure and finalization of verification / inspection finding

In case the Project Promoter submits objections, they are examined by the Programme Operator within fifteen (15) calendar days from their submission. The Programme Operator shall issue a relevant decision on the objections.

Following the examination of objections or upon expiration of the submission deadline, the findings of the On-the-Spot Verification / Inspection are finalized with the issuing of a decision (Financial Correction Decision); according to this decision, the financial correction is finalized in so far as the objections are considered groundless. Then, the Program Operator

shall draw up a Registered Payments Correction Report, which is recorded in the file, removing unjustified payments.

In so far as objections are considered reasonable, the related costs are recorded in the file by the Programme Operator.

(d) Detection of irregularity by other bodies

In cases of detection of irregularities based on findings from inspections of the EEA FM Committee or the EEA FM Office auditing bodies, which are accepted by the Greek authorities, or based on approved findings by the Audit Authority, the Programme Operator shall prepare a Registered Payments Correction Report, which is recorded in the file, removing unjustified payments.

The flat-rate corrections concerning more than one project, fall under the responsibility of the Certifying Authority, which shall inform the Programme Operator.

(e) Financial Correction

Irregularities related to public procurement processes will be handled according to the Management and Control System for the EEA FM 2009-2014 (Government Gazette 781/B'/2014), article 65 "Financial correction imposed by supervisory bodies of the beneficiary state and content - types of correction"

Notification of Financial Correction Decision

If the finalized verification findings and the financial correction decision include a recommendation concerning the recovery of unduly or unlawfully paid amounts, the financial correction decision constitutes a proposition of recovery decision, addressed to the expenditure authorizing officer.

If the expenditure's authorizing officer is the same as the approving body of the on-the-spot verification report, the procedure "Recovery of unduly or unlawfully paid amounts" applies.

Related Forms

- Objections Examination Decision
- Financial Correction Decision
- Declaratory Act

Procedure 5.2: Recovery of unduly or unlawfully paid amounts

Purpose

The procedure aims to the recovery of any expenditure which does not correspond to a delivered product, work or service of equivalent value, in accordance with the terms of the relevant contract or decision according to which the obligation of expenditure was undertaken.

Scope

The procedure applies in every case a decision is issued concerning the recovery of amounts unduly or unlawfully paid by the authorizing officer of the respective expenditure.

Procedure Description

Timely payment of amount

The recovery of amounts for which a recovery decision of unduly or unlawfully paid amounts has been issued is carried out through the payment of the amount, by the Project Promoter, in any Public Financial Service (DOY) within ten (10) days from the date when the financial correction decision is served to the Project Promoter.

The Public Financial Service shall inform the Programme Operator having issued the decision concerning the payment of the amount, by sending a Deposit Note, where the recovery of the unduly paid amount is evidenced; this Note shall be also communicated to the Certifying Authority.

Creating a tax file

In the case of non-timely payment of the amount (lapse of 10 calendar days without updating by the Public Financial Service or the PP), the debt assessment procedure will be completed creation of the tax file by the Programme Operator having issued the decision to recover unduly or unlawfully paid amounts. This tax file is sent to the liable person's Public Financial Service being responsible for taxation, so that the latter may proceed with the treasury debt assessment.

Amounts unduly or unlawfully paid are assessed and recovered as revenue of the state budget and are introduced in the category of special revenues, in a specific Revenue Code Number (RCN) "Revenues from charges to bodies implementing EEA FM 2004-2009 programmes".

Procedure 5.3: Statement of irregularities in EEA FM

The procedure aims to notify the irregularities to the EEA FM Committee, on a regular or extraordinary basis, in accordance with the provisions of Articles 11.1., 11.2, 11.3, 11.4, 11.5, 11.6 and 11.7 of the EEA Regulation or Article 60 of the EEA Management and Control System (MCS).

On a quarterly basis, the Programme Operator shall submit to the National Focal Point all detected cases of irregularities (both actual and suspected cases of irregularities), the respective search and any corrective measures taken. Similarly, the other institutions of the joint MCS, namely the Certifying Authority (CA) and the Audit Authority (AA) shall inform the NFP on the irregularities (both actual and suspected cases of irregularities) during the quarterly reference period as a result of their own audits. In this context, the Programme Operator, the Certifying Authority and the Audit Authority shall closely cooperate with the National Focal Point to ensure fast, accurate and complete disclosure of both actual and suspected cases of irregularities to the EEA FM Committee.

Such disclosure is carried out by submitting the relevant forms of Annex 5 of EEA FM regulation: "Report on new irregularities", in accordance with Article 11.3 of the EEA FM 2009-2014 Regulation.

Files

The documents being notified to the Programme Operator, as well as the related correspondence, are registered in the Project File. The file is kept at least until 31/12/2020.

Attached:

Small grant scheme II implementation procedures by the Programme Operator

**The Minister of
Reconstruction of Production, Environment and Energy**

Panagiotis Lafazanis

Implementation procedures of the small grant scheme II by the Programme Operator

A. Preparation and Publication of Call for Scholarships

1. Preparation of the Programme's Regulatory provisions Draft, taking into consideration the management and implementation regulations of the European Economic Area (EEA) Financial Mechanism (FM) for the period 2009-2014, based on the Government Gazette 2072/B/29/07/2014.
2. Approval of regulatory provisions by the Board of Directors of the State Scholarships Foundation (IKY).
3. Dispatch of regulatory provisions of call for proposals (notice of invitation to tender) for the issuing of a Ministerial Decision and publication in the Government Gazette and Diavgeia.
4. Uploading of the call for expression of interest on the website (IKY webpage), in the Higher Educational Institutes (AEI) Liaison Offices, in the Media (electronic and printed press-radio), in day conferences, in social media etc

Along with the call for proposals, an Application-Solemn declaration is uploaded on IKY webpage that the interested parties should fill out and send to IKY.

B. Delivery, audit and evaluation of applications-Selection of Scholars

1. Receipt of applications of candidates

Candidates are informed electronically by e-mail regarding receipt of their application and their protocol number.

The applicant-related information from the submitted applications is registered in the Integrated Information System (IIS) of IKY.

2. Eligibility audit of applications

A formal eligibility audit on applications is carried out, on the basis of criteria set forth in the Programme's call for proposal; this audit regards the due submission of application, the correct filling out of the application and the thoroughness of supporting documents. In cases of overdue application submission or in case the candidate does not fulfill some of the prerequisites set out in the call, the applications are dismissed.

A re-check of applications is performed, comparing and contrasting and examining anew the applications in relation to the initial typical eligibility control.

Two tables are drawn up including the Valid and Dismissed applications.

3. Applications evaluation procedure

The evaluation of the eligible applications is carried out by the teaching and scientific personnel members of all ranks, in Higher Educational Institutes in Greece. The evaluators committee consists of two members. In case of scoring deviation higher than 30% between the two evaluations, the application is also given a score by a third evaluator. In such a case, the final score derives from the average of the two closest scores. The evaluators come from IKY evaluators registry, based on objective and qualitative criteria, and following a relative invitation by IKY to AEI (Higher Educational Institutes)/ TEI (Technological Educational

Institutes) in the country. The evaluation committees' members are appointed by the BoD of IKY.

Evaluators examine/award credits to the applications by candidates, in accordance with the selection criteria and the score rankings fixed in the respective invitation.

4. Selection of Scholars

After the evaluation, the scorings of applications are registered in the Information System of IKY and nominal tables are drawn up with selected candidate scholars on a descending ranking order.

The tables with selected candidates are approved by the Selection Committee, are ratified by the Board of Directors of IKY and are uploaded on IKY's official webpage to impart further information to interested parties. The tables with the dismissed candidates are ratified by IKY's Board of Directors.

Objections against the procedure may be submitted up to three working days after the publication of results, in writing and exclusively by registered letter to IKY's address.

5. Announcement of results

The successful candidates and the dismissed ones are informed, either by e-mail or by letter, about the evaluation's results. The dismissed candidates receive an additional report on the reasons of dismissal.

C. Follow-up of scholars.

1. Scholar's File. After informing the candidates on their being granted the scholarship, a scholar's file is created for the selected individuals
2. Contract between I.K.Y and candidate scholars. Contract forms are forwarded to each candidate scholar, in three copies, that should be signed and returned to I.K.Y. The signed contracts by the candidate scholar are signed also by I.K.Y's Representative and subsequently, one of the signed contract forms is re-sent to the scholar, while the other copies are kept at the Service, in the scholar's individual file and in the Scholars' Contracts Archive of the Programme.
3. Scholar's File. The State Scholarships Foundation keeps a scholar's file with all the relevant scholarship documents (application, table of selected scholars, contract, correspondence with the scholar/educational institutes-professors, copies of relevant decisions, documents of studies attendance related to the progress of studies etc)
4. Submission of the necessary documents by the scholar to begin with the scholarship, in case it is deemed necessary by the Service: a) certificate (document or e-mail) by the supervisor professor in the host Foundation with the exact commencement date of studies/research and b) details of a personal bank account
5. Decision to begin and pay the scholarship of I.K.Y
6. Submission of semester progress reports by the scholar, signed by the supervisor professor in the host Foundation; these reports present the course of the scholar's

studies. In case of granting a scholarship for a shorter period than six months, a final report shall be submitted upon completion of scholarship.

7. Upon expiry of scholarship, the scholar should submit to I.K.Y:
 - i. A certificate by the host AEI mentioning in detail the arrival and departure of the scholar and the name of department/laboratory to which services had been offered,
 - ii. A detailed activities report signed by the supervisor of the doctoral thesis or post-doctoral research department in the host Higher Educational Institute (AEI) and
 - iii. A review publication or original research in a journal involving judges in a related field as the scholarship's cognitive field.

D. Economic follow-up of scholars.

1. E-banking payment. Payments shall be deposited in a bank account declared by the beneficiary. The scholar should be the sole beneficiary or the first co-beneficiary of the bank account. (Procedural issues: It is decided the scholarship to be paid by the employee who monitors the scholar's studies progress who subsequently sends it to the accounting office to issue a payment order; after it is audited by the Commissioner, the payment order returns to the accounting office to execute the payment.)
2. The extraits of Banks through which payments shall be realized shall serve as payment receipts. The accounting department shall provide any economic-statistical data possibly required during the Programme implementation from the relevant lists, the files of scholars and the scholarship monitoring programme.
3. The payments are carried out regularly (e.g every quarter or differently), provided that:
 - i. the corresponding appropriations have been made available by the Ministry of Environment, Energy and Climate Change in I.K.Y account (in the respective Collective Decision for Projects),
 - ii. the scholar is consistent with his/her obligations and registers satisfactory progress.

E. Prevention, mitigation, detection, reporting and rehabilitation of irregularities.

1. The I.K.Y monitors scholars' progress through semester reports. The Board of Directors reserves the right to decide on the scholarship's revocation or definite discontinuation, if sufficient reasons are in place justifying such act (with regard to performance, ethics).
2. In case of non completion of the initially declared studies programme (e.g unjustified withdrawal from the host institute, deviation from the studies/research, non adherence to the obligations of studies, non submission of the required aforementioned documents related to the studies progress),-excluding the cases of force majeure; such cases shall be examined on a case by case basis by the Board of Directors of I.K.Y; in such cases, the scholarship amount shall be claimed by I.K.Y and the former scholar shall be bound to return it, pursuant to the provisions governing the public revenue collection.