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# IMPLEMENTATION GUIDELINES

FOR END BENEFICIARY / LEAD INSTITUTION

# GRANTS CONTRACTS



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# FOREWORD

This Guidelines has been prepared as a tool to be used by the End Beneficiaries and Lead Institution during implementation and monitoring of Grant Contracts. Practical Guide to Contract Procedures for EU External Actions (PRAG) and other relevant monitoring manual and documents of the European Commission have been taken into consideration during its preparation, as well as relevant Cooperation Agreements, Protocols and CFCU's Manuals of Procedures.

The purpose of this document is not to replace the provisions of the Grant Contract, the applicable EU regulations and national laws, which are legally binding, but to strengthen the processes and capacities of the Lead Institutions and End Beneficiaries when practicing their roles.

# Abbreviations

<b>CFCU</b>	Central Finance and Contracts Unit
<b>CIR</b>	Common Implementing Regulation
<b>EB</b>	End Beneficiary
<b>EU</b>	European Union
<b>EUD</b>	Delegation of the European Union to Türkiye
<b>IPA</b>	Instrument for Pre-Accession Assistance
<b>LI</b>	Lead Institution
<b>Log-frame</b>	Logical Framework Matrix
<b>MIS</b>	Monitoring Information System
<b>NAO</b>	National Authorising Officer
<b>NIPAC</b>	National IPA Coordinator
<b>PMU</b>	Project Management Unit
<b>PRAG</b>	Procurement and Grants for European Union external actions A Practical Guide
<b>TAT</b>	Technical Assistance Team



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# CHAPTER 1

## DEFINITIONS

### A - Instrument for Pre-Accession Assistance II – IPA II

**Instrument for Pre-Accession Assistance II (IPA II)** is an instrument of the European Union aimed for providing financial assistance to the candidate and potential candidate countries for EU membership, for the period 2014-2020. It replaced the previous Instrument for Pre-Accession Assistance (IPA I) for the financial years 2007-2013.

The IPA II was established with Regulation No. 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II) (**IPA II Regulation**). In addition to this, two more Regulations were adopted governing the IPA II: Regulation No. 236/2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action (**Common Implementing Regulation – CIR**) and Commission Implementing Regulation No. 447/2014 on the specific rules for implementing IPA II Regulation (**IPA II Implementing Regulation**), setting out the applicable management and control provisions.

The IPA II replaced the previous “project” based approach under IPA I with the “sector” based approach for the period 2014-2020.

In this context, the funds provided to Türkiye under IPA II, as specified in the table below, are used for nine priority sectors under five priority areas, implemented through Annual or Multi-Annual Programmes:



## IPA- II POLICY AREAS AND SECTORS<sup>1</sup>

POLICY AREA	SECTOR / SUB-SECTOR	LEAD INSTITUTION
<b>1</b> PREPARATORY REFORMS FOR MEMBERSHIP TO THE UNION	1 Democracy and Governance 1.1 Civil Society  2 Rule of Law and Fundamental Rights 2.1 Judiciary 2.2 Fundamental Rights 2.3 Home Affairs	Ministry of Foreign Affairs  Ministry of Foreign Affairs Ministry of Justice Ministry of Interior Affairs
<b>2</b> SOCIO-ECONOMIC AND REGIONAL DEVELOPMENT	3 Environment and Climate Program  4 Transport  5 Energy  6 Competitiveness and Innovation	Ministry of Environment, Urbanization and Climate Change  Ministry of Infrastructure and Transportation  Ministry of Energy and Natural Resources  Ministry of Industry and Technology
<b>3</b> EMPLOYMENT, SOCIAL POLICIES, EDUCATION, PROMOTING GENDER EQUALITY AND HUMAN DEV. OF RESOURCES	7 Education, Employment, and Social Policies	Ministry of Family, Employment and Social Services
<b>4</b> AGRICULTURE AND RURAL DEVELOPMENT	8 Agriculture and Rural Development 8.1 Rural Development Program 8.2 Agriculture Program	Ministry of Agriculture and Forestry IPARD Agency
<b>5</b> REGIONAL AND CROSS- BORDER COOPERATION	9 Regional and Cross-Border Cooperation	Ministry of Foreign Affairs

### B - Practical Guide (PRAG)

Procurement and Grants for European Union external actions - A Practical Guide (PRAG) provides explanations and information in compliance with the rules and regulations in force, with practical assistance in preparing and implementing procurement and grant contracts in the field of EU external action.

!!! PRAG is not a fixed document, it can be updated by EC without prior notice. For the Grant Contracts signed, the applicable version of PRAG, to be used during implementation, is the one in force at the time of publication of the Call for Proposals.

This Guideline is prepared based on the PRAG Version 2020.0 - 1 August 2020

<sup>1</sup> Presidential Circular numbered 2019/20 regulating the distribution of roles and responsibilities of the relevant institutions in Türkiye entered into force on 4 October 2019.





## **C - National IPA Coordinator**

The Director for EU Affairs (Ministry of Foreign Affairs, Directorate for EU Affairs) is appointed as the National IPA Coordinator (NIPAC) in order to identify the priorities of the Programme and Strategy Paper for Turkey and ensure that they complement each other; and also ensure the coordination of the work with stakeholders and the consistency between the programme practices and Indicative Strategy Paper for Turkey; to ensure overall coordination of programming; monitoring, evaluation and reporting of the implementation. The secretariat services of National Pre-Accession Assistance Coordinator are provided by the Ministry of Foreign Affairs, Directorate for EU Affairs<sup>2</sup>.

## **D - National Authorising Officer<sup>3</sup>**

The Deputy Minister of Treasury and Finance is appointed as the National Authorizing Officer (NAO). The NAO bears overall responsibility for the financial management of the funds under IPA II and for ensuring the legality and regularity of the procedures.

The secretariat services of the National Authorizing Officer shall be provided by the Management Structure composed of the National Fund (NF) and Support Offices for the NAO, established within the Ministry of Treasury and Finance.

## **E - Contracting Authority (Central Finance and Contracts Unit = CFCU)**

The CFCU, as part of the Operating Structure under each IPA II Annual Programme, is designated as Contracting Authority responsible for the administrative and financial implementation of the Programme. The CFCU is responsible for the tendering, contracting, payments to the Grant Beneficiaries and as such has the ultimate responsibility of the correct utilization of the EU funds.

## **F - Lead Institution (LI)**

Lead Institution, as part of the Operating Structure under the IPA II Annual Programme, is the Ministry in charge of the relevant sector/sub-sector. Lead Institution, in the context of the Grant Contracts, is responsible for the overall coordination and monitoring of the projects.

## **G - End Beneficiary (EB)**

End Beneficiary (EB) it is the institution that is the end user of the values, outcomes and results to be delivered. End Beneficiary of the IPA Programme, is in charge of technical implementation, management and sustainability of the projects and monitoring of the grants awarded under the overall supervision of the CFCU.

## **H - Project Management Unit (PMU)**

PMU is a body formed within the End Beneficiary responsible for the implementation of the Programme on a daily basis, provision of coordination with Grant Beneficiaries, information dissemination and publicity of the Programme, monitoring of the projects and making on-the-spot checks in collaboration with the Technical Assistance Team (if any). PMU acts as the principal contact point for the Grant Beneficiaries during the implementation of their contracts and has responsibility on reviewing the possible contractual modifications, reporting obligations, following contract indicators and other related areas about grant contract implementation.

<sup>2</sup> Presidential Circular numbered 2019/20 regulating the distribution of roles and responsibilities of the relevant institutions in Türkiye entered into force on 4 October 2019.

<sup>3</sup> Presidential Circular numbered 2019/20 regulating the distribution of roles and responsibilities of the relevant institutions in Türkiye entered into force on 4 October 2019.



## I • Technical Assistance Team (TAT)

End Beneficiary can decide on engaging a team of experts under a technical assistance contract (service contract), which exercises an advisory role, directs or supervises grant projects, provides support services under the coordination of the PMU for all aspects of the respective grant scheme. This team is referred to as Technical Assistance Team (TAT). TAT also supports the Grant Beneficiaries with training and advising activities under the coordination of PMU. If there is no TAT for the respective grant scheme, End Beneficiary shall cover the responsibilities of TAT.

## J • Delegation of the European Union to Türkiye (EUD)

The Delegation of the European Union (EUD) represents the European Commission in Turkey. EUD oversees the implementation of the grant contracts. Moreover, EUD executes ex-ante approval function in accordance with the PRAG, which includes approval and endorsement of the Addendum to the grant contract (if any).

## K • Coordinator

Coordinator is the entity with whom the Contracting Authority signed a Grant Contract. The Coordinator is the main contact point, represents and acts on behalf of the co-beneficiaries (if any) during the implementation of the contract and coordinates the design and implementation of the action.

## L • Co-beneficiaries

Co-beneficiary(ies) participate in designing and in the technical implementation of the action, and the costs they incur are eligible in the same way as those incurred by the coordinator.

Both Coordinator and Co-beneficiaries (if any) are responsible for technical implementation of the contract and own the results of the action.

**Note:** In the Grant Contract the term Beneficiary refers collectively to all beneficiaries identified in the Special Conditions of the Grant Contract signed, including the coordinator and co-beneficiary(ies) of the action. When there is only one beneficiary of the action, the terms beneficiary and coordinator should both be understood as referring to the only beneficiary of the action. Throughout this Guidelines the term Grant Beneficiary, instead of beneficiary, is used referring collectively to both Coordinator and Co-beneficiaries, in order not to be confused with End Beneficiary.

## M • Affiliated Entities

The Grant Beneficiary in the implementation of the action may act together with entities called "affiliated entity(ies)". Only entities having a structural link with the beneficiaries, in particular a legal or capital link, may be considered as affiliated entities to the coordinator and/or to co-beneficiary(ies). These affiliated entities are neither beneficiaries of the action nor parties to the contract, but they can participate in the technical implementation of the contract and the costs incurred by their side may be eligible under the grant contract in line with the provisions of the General Conditions of the Grant Contract.

## N • Associates

Other organisations or individuals may be involved in the implementation of the grant contract, identified as associates. Such associates play a real role in the action but may not receive funding from the grant, with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria applicable to the beneficiaries and to the affiliated entities, as specified in the Guidelines for Applicants.



## O - Contractors

If the implementation of the action requires the Grant Beneficiary to procure goods, works or services, the Grant Beneficiaries and their affiliated entities are permitted to award contracts. Those entities which were awarded an implementation contracts for routine services and/or necessary goods and equipment as part of the grant project management are considered as Contractors. The procurement rules for awarding implementation contracts must follow the instructions set out in Annex IV to the Grant Contract and its award is subject of reporting and its approval by the Contracting Authority. Associates or affiliated entities cannot be also contractors in the project.

Grant Beneficiary may also subcontract tasks forming part of the action. These entities shall be identified by the Grant Beneficiary in the Annex I - Description of the Action when submitting the grant application. If not, this shall be communicated by the Grant Beneficiary and prior approval is needed from the Contracting Authority. Also, subcontracting shall not cover core tasks of the action; also, the recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation; and the estimated costs of the subcontracting are clearly identifiable in the Annex III - Budget of the action. The procurement rules for subcontracting must follow the same instructions set out in Annex IV to the Grant Contract.

## P - Target Groups

Target groups are the groups/entities that will be directly positively affected by the project at the project level<sup>4</sup>.

## Q - Final Beneficiaries

Target groups are the groups/entities that will be directly positively affected by the project at the project level<sup>5</sup>.

4 PRAG 2020, Annex A1a - Glossary of terms (<https://ec.europa.eu/europeaid/prag/annexes.do?chapterTitleCode=A>)

5 PRAG 2020, Annex A1a - Glossary of terms (<https://ec.europa.eu/europeaid/prag/annexes.do?chapterTitleCode=A>)



# Contract

This Agreement is made by and  
facts:

The Agent is currently  
capacity. The Agent

When the Agent  
service, the Corporation

1. The Corporation will  
becomes legally obligated  
of duty, including any actual  
or her capacity as a(n) (Direct  
which the Corporation will be  
investigation (excluding salaries  
appeals therefrom, and costs of  
other obligations or fees imposed  
claim under this Agreement is not  
corporation, the claimant may  
in whole or in part, the cla  
of payment under this Ag  
ent, who shall execut



## CHAPTER 2

# GRANT CONTRACT

**Grant Contract** (hereinafter referred to as Contract) is a legally binding agreement between the Contracting Authority and Coordinator, signed following the decision to award a grant, in order to finance an action intended to help achieve an objective forming part of a European Union policy.

The Grant Beneficiary (coordinator and co-beneficiaries) shall implement the Action under its own responsibility and in accordance with the “Description of the Action” (Annex I of the Grant Contract) with a view for achieving the objectives laid down therein. The Grant Beneficiary shall implement the Action with the requisite care, efficiency, transparency and diligence in line with best practice in the field concerned and in compliance with the Contract<sup>6</sup>.

The Grant Beneficiary and the Contracting Authority are the only parties to the Contract. The Grant Beneficiary has the sole responsibility of actions arising from the implementation of their project and it is the owner of the results. The Lead Institution and the End Beneficiary (through PMU/TAT) shall provide all necessary support during the implementation and monitor the implementation.

### A - Parts of the Contract/Contract Annexes

The Grant Contract signed under PRAG rules consists of Grant Contract **Special Conditions** and Annexes to the Grant Contract, as follows:

Annex I	Description of the action (including the logical framework of the project and the concept note)
Annex II	General Conditions
Annex III	Budget for the Action
Annex IV	Procurement Rules for Beneficiary(ies)
Annex V	Standard Request for Payment and Financial Identification Form
Annex VI	Model narrative and financial report
Annex VII	N/A
Annex VIII	N/A
Annex IX	Standard Template for Transfer of Asset Ownership
Annex X	Taxes and Customs Arrangements

The Special and General Conditions, together with the other annexes to the Grant Contract, are the legally binding documents that govern the parties’ rights and obligations under the contract.

**Special Conditions** specifies the main information about the Contracts, such as the parties signing the Contract, the title of the Action, the duration of the implementation period, the start date, the maximum amount, total eligible costs and percentage of the EU co-financing, the reporting requirements, the contact information and they also include any necessary supplementing clauses or derogations to the General Conditions, taking into account the specific circumstances of the action to which the contract refers.

**General Conditions** contain the general contractual provisions setting out the administrative, financial, legal and technical clauses governing the execution of the Grant Contract.<sup>7</sup> They are complemented and may be subject to modification by the Special Conditions that are part of the Grant Contract, as explained above.

6 PRAG 2020 - Annex G - Annex II - General conditions for Grant Contract

7 PRAG 2020, Annex A1a - Glossary of terms (<https://ec.europa.eu/europeaid/prag/annexes.do?chapterTitleCode=A>)



## The Special Conditions prevail over the General Conditions.

More information on the parts of the standard Grant Contract per PRAG are presented in the table below:

DOCUMENT	DESCRIPTION
<b>Special Conditions</b>	Determines the basic rules of the Grant Contract, and supplemented with the annexes, represents the legal basis for contractual relation between the Grant Beneficiary and the CFCU
<b>Description of the Action</b>	Annex I to the Grant Contract provides a detailed description of the proposed action and its relevance submitted by the Grant Beneficiary in the application phase, including: the overall objective and specific objective(s), the expected results (i.e. impact, outcome(s) and outputs)
<b>General Conditions</b>	Annex II contains the general and administrative provisions of contract implementation, covering all the implementing rules and aspects. During implementation phase, this document must be consulted in each formal step
<b>Budget of the Action</b>	Annex III of the contract presents the detailed financial structure of the project as proposed by the Grant Beneficiary in the application phase and agreed with CFCU during the budget clarification process
<b>Procurement Rules for Beneficiary(ies)</b>	Annex IV contains the rules for procurements of services, supply and works to be used by the Grant Beneficiaries
<b>Request for Payment</b>	Annex V standard template which shall be used by the Grant Beneficiary when requesting the interim/final payment from CFCU
<b>Model of Narrative and Financial Report</b>	Annex VI standard template which shall be used for reporting the project progress, including financing aspects
<b>Transfer of Ownership of Assets</b>	Annex IX template to be used in case of transfer of ownership of an equipment/supply from Grant Beneficiary to Final Beneficiaries/municipality/ other entity
<b>Taxes and Customs Arrangements</b>	Annex IX template to be used in case of transfer of ownership of an equipment/supply from Grant Beneficiary to Final Beneficiaries/municipality/ other entity

## B - Contractual Terms and Conditions

The contractual terms and conditions are the provisions stipulated in the Contract, that regulate the rights and obligations of the parties.

The Contract specifies, among other, the parties of the Contract, the date of signature, the start date, implementation period, execution period, financing of the action, reporting requirements, etc.

**Contract signature date** refers to the signature date on which the last signature on the contract was made.

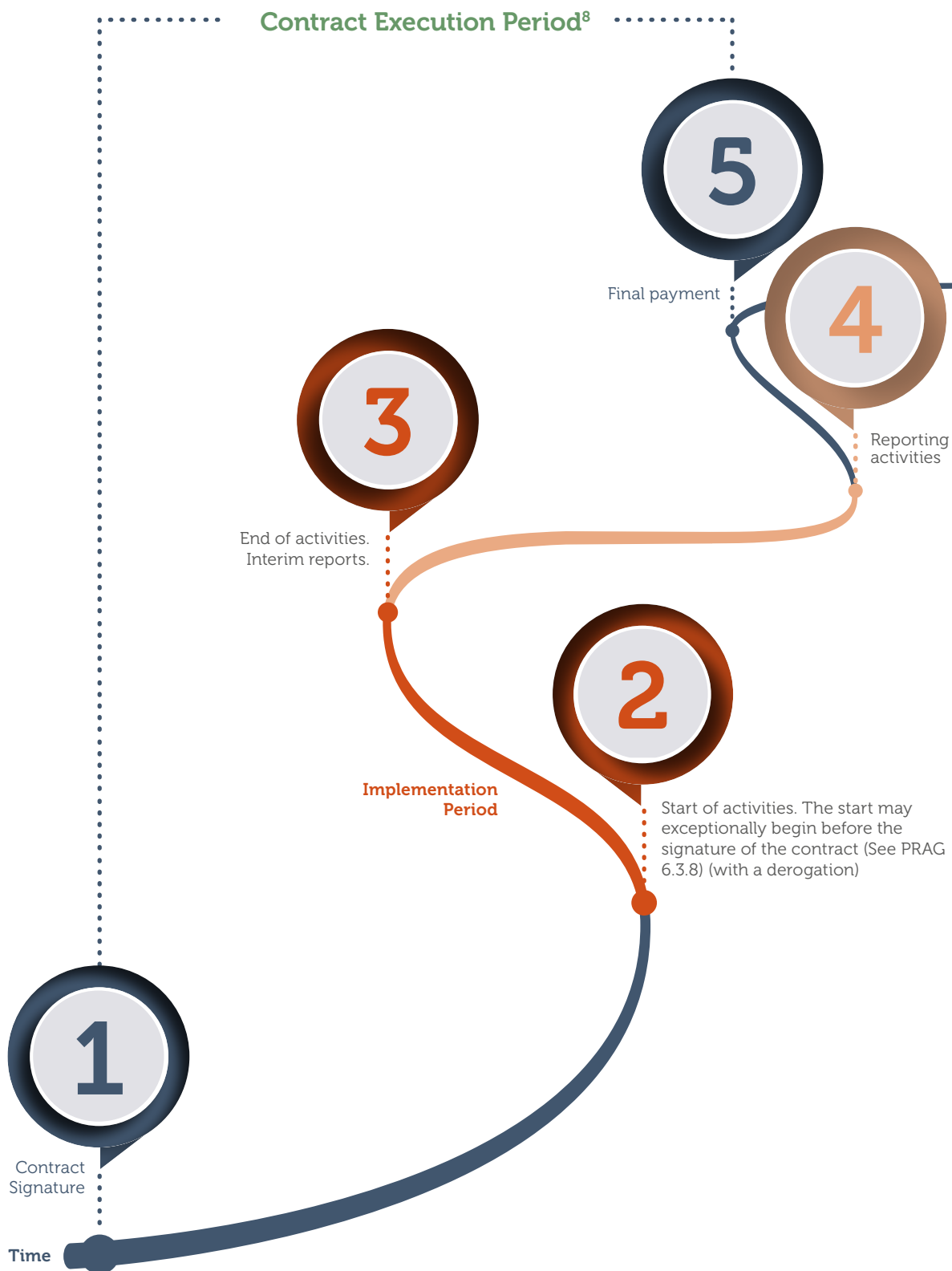
**Start date** of the Contract is the date when the Contract enters into force. It can sometimes coincide with the signature date, or be one day after the signature date or be exact date specified in the Special Conditions (after the contract signature date, or before in exceptional cases).





**Implementation period** is the period from the start date until all project activities have to be carried out.

**Execution period** is the period from contract signature until final payment and in no event can this period last longer than 18 months after the end of the implementation period.



8 Table based on PRAG Version 2020.0 - 1 August 2020



**Financing the action** – The Budget includes all eligible project costs, which includes EU contribution and Grant Beneficiary co-financing. The EU contribution is the Contracting Authority's contribution in a form of certain percentage (%) of the total eligible costs. A grant beneficiary generally contributes to the financing of the action (Grant Beneficiary co-financing).

Costs are eligible only after-Action start date.<sup>9</sup>

Also, costs are eligible only during implementation period except costs relating to final reports, including audit and final (evaluation of the Action), which may be incurred after the implementation period of the Action.

Payments related to these expenses must be executed before the submission of the Final Report to the CFCU, but if the Grant Beneficiary cannot execute payments due to financial or institutional issues payments must be done after CFCU's evaluation and final payment process. All remaining payments must be executed by the Grant Beneficiary no later than 30 days after the final payment transferred by the CFCU to the project bank account.

And as a general rule, grants must not have the purpose or effect of producing a profit within the framework of the action.



<sup>9</sup> This is the rule of non-retroactivity of the grants. Exceptionally, a grant may be awarded for an action that has already started before the contract is signed, however this requires derogation. No grant may be awarded retroactively for actions already completed.





In addition to the above, implementation of each contract shall take into account the deadlines of the operational implementation period and execution period stipulated in the relevant Financing Agreement for the respective IPA II Programme. The **operational implementation period** of the IPA II Programme is the period in which all operational activities covered by procurement, grant contracts and delegation agreements shall be completed. The **execution period** is the period during which the IPA II Programme is implemented and includes the operational implementation period as well as a closure phase.<sup>10</sup>

This especially is relevant when Addendum to the contract for extension of the implementation period is to be prepared, as this period shall not go beyond the operational implementation period of the respective IPA II Programme under which the contract is financed.





## CHAPTER 3

# ROLES AND RESPONSIBILITIES

The roles and responsibilities and the framework of cooperation between the bodies within the Operating Structure under each IPA II Programme are determined in the **Cooperation Agreement** signed between CFCU and Lead Institution.

Furthermore, within the frame of provisions of this Cooperation Agreement, on behalf of Operating Structures, the Lead Institution signs a **Protocols (Operational Agreements)** with the End Beneficiary in order to designate their role and responsibilities.

In relation to the Grant Contracts, in order to ensure the smooth technical implementation of the contracts and maximise the use of EU fund, each of these institutions has the following main functions:

### A - CFCU's Role

CFCU acts as a Contracting Authority in the implementation of the Grant Contracts. CFCU's responsibilities during grant contracts implementation include, inter alia, the following:

- ▶ Signing the Grant Contracts with the Grant Beneficiaries
- ▶ Submission of copies of the Contracts to the Lead Institutions and the End Beneficiaries
- ▶ Formal approval of the interim and Final narrative and financial reports in line with the contract provisions
- ▶ Making payments to the Grant Beneficiaries in line with the EU procedures and according to contractual provisions
- ▶ Carrying out verification to ensure that expenditures have actually been incurred in accordance with the approvals and the payment requests (and any other documents related with the payment) submitted by the Grant Beneficiaries are admissible
- ▶ Conducting monitoring visits/on-the-spot checks
- ▶ Participates in meetings regarding the implementation of the contract
- ▶ Manages contract changes (minor changes/ addendum)
- ▶ Requests recovery amounts from or finalizes payments to the Grant Beneficiaries after the financial checks/evaluation of payment requests and related documents
- ▶ Terminating the contract, or imposes administrative/financial penalties (when applicable).



## B - Lead Institution's Role

Lead Institution is in charge of the overall coordination and monitoring of all contacts under a respective IPA Programme, including the grant contracts. As such, its responsibilities include, but not limited to, the following:

- ▶ Ensuring that End Beneficiary fulfilled all the requirements and conditionality stated in the IPA Programme documents and that all the conditions necessary for implementation of the contracts are met
- ▶ Preparing the monitoring plan and carries out or participates in the monitoring visits/on-the-spot checks
- ▶ Supervising the End Beneficiary in controlling and approving of the Interim and Final reports submitted by the Grant Beneficiaries in terms of compatibility of the implemented activities to the description of actions
- ▶ Monitoring of the grant contracts execution through the programme priorities
- ▶ Notifying the CFCU/EB about the possible needs for changes in the contracts or deficiencies in the contracts' implementation and/or reviews and provides comments/ agreement/ approval to the changes/ requests/ reports etc., where relevant, related to the contracts requested by other parties
- ▶ Participating in meetings regarding the implementation of the contracts
- ▶ Notifying the CFCU for non-performance of the Grant Beneficiaries during contract implementation
- ▶ Reporting irregularities and following-up the reported irregularities including those reported by the End Beneficiary
- ▶ Monitoring the action's outputs in order to ensure the sustainability of the action/programme.

## C - End Beneficiary's Role

End Beneficiary as an institution in charge of technical implementation, management and sustainability of the projects and monitoring of the grants, executes its responsibilities related to the grant contracts through the PMU. In addition, the PMU may be assisted by TAT. However, the End Beneficiary is finally responsible for the tasks delegated to it, which include, among other, the following:

- ▶ Ensuring the national contribution funds for the respective grant contracts are transferred to the National Fund
- ▶ Fulfilling any requirement/conditionality stated in the programme documents and prepares necessary conditions for the Grant Contractor stated in the Contract in a timely manner
- ▶ Carrying-out of monitoring visits and reporting on the conducted monitoring visits to CFCU
- ▶ Providing support to the Grant Beneficiaries during contract implementation
- ▶ Controlling and approving the Interim and Final Reports submitted by the Grant Beneficiaries in terms of compatibility of the implemented activities to the description of actions



- ▶ Notifying the CFCU/LI about the possible needs for change or deficiencies of the grant contracts
- ▶ Reviewing and providing comments/approval to the contract amendments requests by the Grant Beneficiary
- ▶ Notifying the CFCU/LI for non-performance during contract implementation
- ▶ Participating or organising meetings regarding the implementation of the contracts
- ▶ Reporting on irregularities and following-up on the reported irregularities including those reported by the LI/CFCU
- ▶ Monitoring and reporting on the sustainability of the projects during and after contract completion
- ▶ Setting-up procedures and fulfilling the archiving requirements in compliance with EU regulations.





## CHAPTER 4

# MONITORING AND SUPPORT ACTIVITIES

Monitoring can be defined as collection, analysis and use of information for the purpose of management and decision-making systematically, which:

- ▶ compares the actual performance and situation with the planned or expected ones according to pre-determined targets,
- ▶ identifies the strengths and weaknesses in project implementation, thus enabling managers recognise the problems, find solutions and adapt to changing circumstances, in order to improve the projects performance,
- ▶ provides an “early warning system”, which allows for timely and appropriate intervention if a project is not adhering to the implementation plan.

Monitoring is a tool to verify that funds are used for their stated purpose in the Grant Contract and also to ensure that the projects are implemented in compliance with the applicable rules and procedures.

Management of grants schemes is a complex task; especially when a large number of grant beneficiaries are involved. Often grants beneficiaries are less experienced in administrative matters, which puts the contract successful implementation at risk. Therefore, monitoring of grants is very crucial and has to be more vigorous than other types of contracts.

In order to optimise the benefit from a grant scheme, programmes and projects should be monitored and supported in a way that all the implementation will comply with PRAG and national rules.

Therefore, Monitoring System to be set shall not only control the implementation, but also support the Grant Beneficiaries in order to keep their projects on the track.

The Monitoring System refers to all actors, tools and procedures involved in the monitoring activities.

Taking into account that this Guideline is intended to be used by the End Beneficiaries (PMU/TAT) and Lead Institutions, their tasks related to the monitoring of the grant contracts and support to be provided to the Grant Beneficiaries, will be elaborated step-by-step under this chapter. Moreover, this is due to the fact that the first level of monitoring and support of the Grant Beneficiaries is to be provided by the PMU and TAT, working under responsibility and on behalf of the End Beneficiary.



## A - Information and Training Session

After the signature of the Grant contracts, the CFCD will transfer copies of the Contracts to the End Beneficiary.

Preferably, not later than a week after the Contracts signature, at the start of project implementation the PMU, with assistance of TAT (if any) shall organise the Information event with all Grant Beneficiaries to confirm requirements for project implementation, discuss/answer any questions about any unclear matters and distribute the **Manual for implementation of the respective grant scheme**, with all the templates.

This Manual shall be prepared in advance by the TAT (or if there is no any TAT, by the PMU itself), based on the CFCU's Common Grant Implementation Manual and its content shall be agreed with CFCU staff.

The Information event shall be organised in close coordination with CFCU and Lead Institution and they might participate on the same.

The aim of the event should be, amongst other issues, to make:

- ▶ Presentation of **institutional set-up** for Grant Scheme implementation;
- ▶ Presentation of basic objectives of the monitoring process, together with operational aspects, methods and instruments for monitoring;
- ▶ Presentation of **Grants Contract terms and conditions**: basic principles, general and administrative provisions, financial provisions, eligibility rules (eligibility of costs), Contract amendments and termination;
- ▶ Presentation of **reporting requirements**, detailed presentation of Interim and Final Reports (narrative and financial part), requirements on supporting technical and financial documentation;
- ▶ Presentation of provisions for **financial management** of the Contract, incl. recording, accounting system, financial reporting;
- ▶ General recommendations on **project managements** in particular on timely implementation of tasks, identification and recording of results and indicators;
- ▶ Recommendation related to management of partnership, internal communication and management of **internal monitoring system** by the Grant Beneficiaries;
- ▶ Presentation of **visibility guidelines** in line with EU requirements;
- ▶ Presentation of requirements and foreseen checks related **to secondary procurement** (services, supply and works);
- ▶ Transfer of ownership, delivery of outputs;
- ▶ Irregularities;
- ▶ Filing and record keeping, etc.

Prior the event the PMU/TAT shall prepare the **Agenda** and invite representatives of Grant Beneficiaries, CFCU and Lead Institution staff for participation.

After the Information event **Minutes** from the meeting shall be prepared by PMU/TAT not later than 3 days after the meeting. Following the CFCU and Lead Beneficiary approval of the Minutes, the PMU/TAT shall circulate via mail the Minutes, together with the Manuals and templates and clarification to questions to all meeting attendees/Grant Beneficiaries.

## B - Grant Scheme Monitoring Plan

To ensure effective monitoring of the Grant Contracts (considered in general as high-risk contracts) a separate Grants Monitoring Plan is to be prepared for each Grant Scheme,





elaborating on, types of reports to be submitted/checked, monitoring visits/on-the-spot checks to be organised, etc.

The Monitoring Plan shall be based on the on the assessed risks at contract level.

Although, the Monitoring Plan per IPA Programme is responsibility of the Lead Institution, in case of grant schemes it is of crucial importance the PMU, with support of TAT (if any), to prepare separate Monitoring Plan for the grant scheme in question. This is due to the high number of contracts signed at the same time and their specificities. This Monitoring Plan shall be shared with Lead Institution, CFCU, and NAO, together with the risk assessment conducted.

Comments might be provided from both Lead Institution and CFCU, upon which PMU/TAT shall update the Monitoring Plan and re-submit it within 10 working days.

Also, the Monitoring Plan shall be updated following the detailed information obtained upon first monitoring visits and will be re-submitted to Lead Institution and CFCU within 10 working days.

#### **The Monitoring Plan shall include:**

- ▶ Contract risk level;
- ▶ Recommended number of On-the-Spot Visits/ Checks;
- ▶ Recommended timing and place of On-the-Spot Visits/Check and their purpose;
- ▶ Recommendation on the type of the Monitoring visit: with or without prior notification;
- ▶ Deadlines for submission of reports;
- ▶ Project meetings: types, regularity, indicative schedule;
- ▶ Responsible person from PMU, etc.

All contracts are to be visited at least three times during the implementation or/and after completion.

The Lead Institution shall take into account the PMU Monitoring Plan when preparing its Monitoring Plan per IPA Programme. It can participate on the monitoring visits/ on-the-spot check/ meetings together with PMU/TAT staff, where also CFCU staff can participate too. But also, Lead Institution might plan additional individual visits/on-the-spot checks based on its own assessment.

## **C - Risk Assessment of Grant Contract<sup>11</sup>**

The assessment is made on the basis of a detailed examination of each Grant Contract by the PMU/TAT. The risk assessment aims to identify issues and problems threatening effective implementation of the grant contract and mitigate negative impact of potential risk or prevent potential risks before problems arise, and thus to ensure due measures are taken.

There are two types of "risk assessments":

- 1. Quantitative Risk Assessment:** It is conducted in the **first month** of implementation period with the aim of identifying risk levels of grant contracts and developing a monitoring plan. First quantitative risk assessment in these programmes will be conducted within 10 working days upon delivery of contract documents to PMU/TAT. The given assessment will be based upon this information and will be submitted to CFCU together with Monitoring Plan. The given quantitative assessment will be updated in

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the light of detailed information obtained upon first monitoring visits and will be re-submitted to CFCU within 10 working days.

- 2. Qualitative Risk Assessment:** It is conducted to trace project progress and risk level during the whole implementation period.

For all Grant Schemes, quantitative risk assessment is conducted following the signature of contract; a qualitative risk assessment is conducted following each monitoring activity. Besides, if CFCU notices an incident or a critical situation that may negatively affect PMU/TAT grant project, it may carry out a particular risk assessment for this project at any level of project implementation.

### Quantitative Risk Assessment

Quantitative risk assessment is conducted based on the quantitative data obtained from the Grant Contract itself.

Quantitative risk assessment shall be conducted based on the variables resented in the Table below, which displays risk characteristics, sub-categories, general risk weights and relative risk weights.

N	Variables	General	Sub-categories	A
1	Total Budget	14	€250.001- €300.000	4
			€300.001- €400.000	7
			€400.001-€500.000	11
			> €500.000	14
2	Co-financing ratio	8	10	8
3	Number of main activities	13	1-3	3
			4-5	6
			6-7	9
			7-8	12
4	Institutional experience in relevant areas	14	9+	13
			7+ years	1
			5-7 years	5
			1-3 years	9
5	EU Project implementation experience in relevant projects	9	0	14
			2+	1
			1-2	5
			0	9
6	Number of co-beneficiaries	13	1-2	1
			3-4	6
			5-7	11
			8-10	13
7	Any in-house accountant?	8	Yes	0
			No	8
8	Number of procurements above €20,000	15	0	0
			1	6
			2	12
			3+	15
9	Perceived risk	6	Score of 1-6 based on assessment of beneficiary institution (1 low-risk, 6 high-risk)	
<b>RISK SCORE</b>				<b>/100</b>

\* This table may require modification (addition/extraction/revision of variable, change in scoring) based on special requirements and/or limits of each Grant Scheme.



**Total Budget:** Budget is one of the most crucial dimensions of risk. Amount of budget of a project may be an indicator for risk level.

**Co-financing ratio:** If amount of co-financing of a Coordinator Beneficiary is high, the risk will also be high. Risk of a project with a low amount of co-financing is expected to be low at the inception phase of the project.

**Number of Main Activities:** Projects with a high number of activities are more complex and compared to projects with a low number of activities, they are more difficult to be managed. Therefore, the higher the number of activities is the higher the expect risk is (Action plan will be the basis while determining the number of activities).

**Institutional experience in relevant areas:** Lack of experience in project fields poses a higher risk when compared to high experience. If Grant Beneficiary has worked in a similar field for 10 years or more, risk ratio will be at the lowest level (based on Annex 1 - Description of Action 2.2 "Lead applicant's experience" and 3.1 "Identity").

**EU project implementation experience in relevant areas:** Since EU project implementation experience will raise awareness on EU rules, it is very clear that it will minimise the risk to a certain degree (based on Annex 1 - Description of Action 2.2 "Lead applicant's experience" and 3.1 "Identity").

**Number of co-beneficiaries:** The more the number of co-beneficiaries participating to the project is, the more problems may arise.

**Number of procurements above € 20,000:** A tender process must be followed for procurements above € 20,000 (it may vary from simplified procedure to international open tender procedure). Tender process is difficult for Grant Beneficiaries; this difficulty increases the risk compared to projects with no procurement (Budget will be the basis for the number of tenders and type of tenders).

**Perceived Risk:** This risk score will be determined by Lead Institution/ End Beneficiary (project ownership and awareness, sending required information on time, relations with co-beneficiaries, etc.).

The above factors will be taken into consideration for initial quantitative risk assessment and while determining risk level, the following threshold values might be taken into consideration, but may require modification based on special requirements and/or limits of each Grant Scheme:

Quantitive risk score	Level of risk
76-100	highly risky
51-75	risky
26-50	moderately risky
0-25	low risky

PMU/TAT shall monitor all projects, but particular attention shall be given to risky and high risky ones.

Additional variables/parameters that might be taken into account when assessing the risk level (depending on the nature of the Grant Scheme) are: Internal control systems of the Grant Beneficiary, experience of the key staff (project manager) of the Grant Beneficiary, novelty of activities for the Grant Beneficiary or in the country, specificity of the target groups, creation of a new structure/entity, previous cooperation between the co-beneficiaries, etc.

On the basis of the risk assessment the PMU/TAT prepare recommendations on Contract monitoring and identify areas of the Contract (activities, partnership, and expenditure) that has to be subject to a detailed check/monitored closely.



## Qualitative Risk Assessment

Since some risks cannot completely be defined and rationalised by quantitative data, they require qualitative assessment. Therefore, by carrying out a risk assessment for projects based on likelihood/impact method, potential risks of current situation, realisation likelihood and potential impact on the project in particular and on Grant Scheme in general is assessed.

Therefore, in order to trace progress of the project and risk level during the whole project period, qualitative risk assessment is conducted. Aim of qualitative risk assessment is to ensure proper use of funds and to systematically monitor Grant Beneficiaries to minimise irregularities. This assessment, meanwhile, has the aim of guiding Grant Beneficiaries.

Qualitative risk assessment is conducted by relevant and reliable information collected during monitoring activities of PMU/TAT and monitoring reports, as well as subjective perception of monitoring team members during both execution of monitoring visits/ on-the-spot checks.

Upon contract signature, within 90 days, at the first monitoring visit to be conducted by PMU/TAT, the following factors must be evaluated in this context:

- ▶ Grant Beneficiary's project goals, outcomes and information about co-funding amount,
- ▶ Building up project team as undertaken in project proposal, existence of sources such as equipment, personnel and infrastructure,
- ▶ Action Plan and establishing project office undertaken in budget,
- ▶ Relationship between Coordinator and Co-beneficiaries,
- ▶ Relationship between Grant Beneficiary and CFCU/LI/PMU/TAT.

This assessment will help understand fund utilisation capacity of Grant Beneficiaries in particular and whether they are willing to do this, and whether due preparations are made to ensure implementation of the project as undertaken in the Contract.

Each criterion will equally be scored with 20 points out of 100 and while determining risk level, the following threshold values might be taken into consideration, but may require modification based on special requirements and/or limits of each Grant Scheme:

Qualitative risk score	Level of risk
76-100	highly risky
51-75	risky
26-50	moderately risky
0-25	low risky

If on the basis of the qualitative risk assessment corrective/preventive measures are needed PMU/TAT (in coordination with CFCU) inform the Grant Beneficiaries who have been found out to be risky or highly risky, and they are asked to minimise their risk levels in a certain period of time (2 months at most). If risky situation continues, Grant Contract might be terminated by the CFCU as per Article 12 of General Conditions of the Contract.

## D - Monitoring Visits

As one of the main monitoring tools for following the project's progress are the monitoring visits.

Monitoring visits shall be conducted by PMU/TAT. In addition to this, Lead Institution, CFCU and EUD may also conduct monitoring visits on their own or participate to the monitoring visits conducted by PMU/TAT.



On the monitoring visits the PMU/TAT shall try to identify and discuss problems, or assess the need of additional information/clarifications on Contract procedures. Aim of the monitoring visits is to examine project implementation and give recommendations on preparation of amendment requests, reports and documents and financial matters.

These visits have to combine monitoring of the progress and check of the compliance with the Contract rules and requirements. This will be based on interviews with project manager/coordinator and team members, review of project work plan, project documents, and assessment of level of satisfaction of target groups.

**Visits are divided into:**

<b>Regular monitoring visits</b>	visits which are planned in advance and included in the Monitoring Plan
<b>Ad hoc monitoring visits</b>	problem related monitoring visits, which are conducted if a serious problem in project implementation occurred or is likely to occur and/or to follow up implementation of recommendations. Ad-hoc visits may have as an objective physical check or monitoring of the progress

The Monitoring Visit can be also referred to as on-the- spot check as they are implemented to the place of Operation (training facilities, works site, place where equipment is installed, etc.) or both to the place of Operation and to the Project Office, when the purpose is to review documentation.

**Regular Monitoring Visit**

Regular monitoring visits are those planned in advance with the Monitoring Plan. The number of visits for grant contracts depends on the specifics of the activities and the risk assessment of the contract. The timing of the visit will be based on the analysis of the nature of project and the objective of the visit.

Regular monitoring visits function as a control and support mechanism for projects. These visits can be used as a correction tool before problems become unresolvable.

The Table below summarizes the minimum requirements for the number and timing of the monitoring visits/checks.

Number of Visits	Timing	Additional Requirements
<b>At least 3 visits for each Grant Contract</b>	<ul style="list-style-type: none"> <li>• <b>First visit:</b> latest 3 months following the commencement of the project</li> <li>• <b>Second visit:</b> just before or just after the completion of the first half of the contract implementation</li> <li>• <b>Third visit:</b> before the submission of Final Report</li> </ul>	Training courses, delivery of services to vulnerable groups to be checked during the implementation if related costs account for a significant share of the budget; All supplies or executed works to be checked after delivery/ completion of works;

**First monitoring visit** is one of the most important activities for the proper implementation of the project.

Monitoring team will conduct the first monitoring visit within the first 90 days following the commencement of the project. The first monitoring visit has the following purposes:

- ▶ Checking the accuracy of contract data related to the project,
- ▶ Evaluating management and implementation capacity of Grant Beneficiary,



- ▶ Giving recommendation to Grant Beneficiary about procurement activities, administrative issues and reporting obligations,
- ▶ Discussing procurement plan and the project action plan determining important milestones of the project including procurements and, if necessary, to help update it,
- ▶ Providing support for defining or updating performance indicators of the project,
- ▶ Identifying project implementation needs,
- ▶ Providing consultancy and support for content and implementation of project activities,
- ▶ Deciding on monitoring visit schedule for regular visits with Grant Beneficiary.

The most important aim of these visits is to agree on all issues discussed with Grant Beneficiary and to raise awareness of Grant Beneficiary on their contractual obligations. These visits are important in the sense that they demonstrate Coordinator Beneficiary that all activities and expenditures in their projects are closely monitored and they can receive support, if required.

**Follow-up monitoring visits** conducted by PMU/TAT intend to determine the actual performance of the projects on site by assessing progress in activities, budget, performance indicators and needs of Grant Beneficiary, such as:

- ▶ Performing general checks on:
  - Any change in the legal status of Coordinator Beneficiary,
  - Consistency between implemented and planned activities and expenditures,
  - Physical existence of purchased equipment,
  - Products and performance of sub-contracted services,
  - Compliance with procurement plan and procedures,
  - Compliance with visibility and publicity rules,
  - Existence of a regular documentation and archiving system.
- ▶ Controlling of the up-to-date of project budget in cumulative expenditures,
- ▶ Analysing whether the project needs addendum/notification based on the progress,
- ▶ Assessing progress on performance indicators,
- ▶ Providing consultancy and support for content and implementation of project activities,
- ▶ Determining difficulties/bottlenecks encountered by the project,
- ▶ Giving recommendation on corrective actions, if necessary,
- ▶ Checking implementation of corrective actions, if any,
- ▶ Informing Grant Beneficiary about planned training meetings and encouraging its participation.

### ***Ad hoc Monitoring Visit***

In some particular cases, if a serious problem in Contract implementation occurs (especially when an irregularity is suspected) and based on the risk level of the Contract, the PMU could initiate Ad-hoc Visits/Checks, beside those foreseen in the Monitoring Plan, without prior notification to the Grant Beneficiary. In these particular cases joint visits may be organised by representative of the PMU/TAT and CFCU.

Activities during these visits show similarities with regular monitoring visits.



## Monitoring Visit Preparation

What should be done before monitoring visits and the points that should be taken into consideration are given in the table below.

### THINGS TO DO BEFORE MONITORING VISIT

1. Collects and reviews information relating to the Grant Contract (i.e. Contract and its annexes/ Contract amendments (if any), Interim Reports, Risk assessments, Minutes of meetings (if any), correspondence, previous Monitoring Visit Reports (if any), etc.
2. Conducts an analysis of the available data
3. Identifies visit objectives, issues to be discussed, items need to be reviewed, checks to be executed – documentation/ expenditures, physical checks that need to be carried and any suspicious situations
4. Identifies activities to be checked in detail, other parties (except Grant Beneficiary staff and partners) to be met (such as: municipality, employment office, target groups)
5. Clarifies methods to collect information – interview, group discussion, documentary check, etc.
6. Receive a confirmation from Grant Beneficiary about project office's address
7. Inform Grant Beneficiary that all project team, including accountant, and authorised person, if possible, should participate to the monitoring
8. Remind Grant Beneficiary that a copy of all financial and technical documents about the project, written and visual records of activities, equipment/supply procured from project budget, visibility elements of printed documents should be available during the monitoring

### DOCUMENTS TAT/PMU EXPERTS SHOULD MAKE AVAILABLE DURING MONITORING

- Project's Concept Note and Full Application Form
- Project Budget and Justification of Costs
- Logical Framework Table
- Contact information of Project's contact persons
- Visibility kit
- Previous monitoring visit reports, if any (if it is 2nd or 3rd visit)
- **Checklist for Monitoring Visit (Annex 1)**
- **Checklist for equipment physical check (Annex 2)**
- **Monitoring Visit Report template (Annex 3)**
- Risk assessment report (for first monitoring visit)
- Manual for implementation of the respective grant scheme and its Annexes (for first monitoring visit)
- List of participants on the monitoring visit

## Monitoring Visit Implementation

What should be done during monitoring visits and the points that should be taken into consideration are given in the tables below.

### FIRST MONITORING VISIT STEPS

- Meet project team
- Explain objectives and general structure of the Grant Scheme
- Obtain information from Grant Beneficiary about their project (evaluating their information level about their project)
- Provide information about the support to be provided to the Grant Beneficiary during implementation (TAT, if any; MIS, if any), other monitoring visits, PMU/TAT staff responsible for the project
- Compare office facilities and human resources declared in project document to current situation
- Remind that full-time employees of the project must reside at the location where the project is implemented
- Review the whole budget, explaining how budget items will be spent, making procurement plan
- Review Activity Plan
- Shortly notify how to file and store documents
- Inform Grant Beneficiary how notification or addendum should be arranged
- Determine performance indicators with Grant Beneficiary
- Inform about visibility rules
- Inform Grant Beneficiary about value added tax exemption application
- Inform about budget transfer between Coordinator and Co-beneficiaries if some items in the project budget will be realised by co-beneficiaries
- Carry out qualitative risk analysis, filling in analysis table
- Take photographs during monitoring visit
- Getting List of participants signed
- Fill in the **Checklist for Monitoring Visit (Annex 1)**





## FOLLOW-UP MONITORING VISIT STEPS

- Execute visit, planned meetings and checks
- Checks progress in implementation of activities – compliance with the contract, the agreed work plan, rate of delivery
- Check the adequacy of record – keeping mechanisms
- Check the compliance with visibility and publicity rules
- Check the compliance with procurement plan and procedures
- Checks mobilisation of project resources
- Collects information on the project implementation, through individual interviews or group discussion with: Project Manager, Financial expert (accountant), other members of the project team, representatives of the co-beneficiaries,
- If necessary or appropriate, collect information from target groups (trainees, clients, etc.), and assess the level of satisfaction of provided services; whether the stated daily allowance, transport, food, etc have been provided (if planned); what is the direct impact for the target groups; if there were any problems
- (to be met outside the project office and in the absence of a representative of the Project team of the Grant Beneficiary)
- Physical existence of purchased equipment
- Reason for any delays in implementation (if any)
- Reason for any variation between forecast/ actual outputs (if any)
- Any possible risks for implementation of contractual obligations
- Possible needs for contract amendment (through notification or addenda)
- Collects supporting documents/ take photographs
- Fill in the **Checklist for Monitoring Visit (Annex 1)** and **Checklist for equipment physical check (Annex 2)** (if applicable)
- Getting List of participants signed

In case of variations between the forecast and actual outputs or any other minor problems related to effectiveness of the project or project documentation, corrective actions will be identified and agreed with Grant Beneficiaries during the Monitoring Visit.

Where documentation is not available at the time of the visit, but it is considered it could be made available, the Grant Beneficiary is given a deadline for their submission (up to 5 working days/10 working days in case of international partners). If the Contractor/Grant Beneficiary fails to submit the requested documentation, the PMU/TAT prepares the Monitoring Report based on available documents.

If during the visit the PMU/TAT identifies a major error or problems, an **Early Warning Report (Annex 4)** is prepared and submitted to CFCU within 5 working days upon their detection.

If irregularities are detected the PMU/TAT shall collect all documents that signal an irregularity and finalises the Monitoring meeting, not trying to discuss further the issue with the Grant Beneficiary. **Irregularity Report (Annex 5)** is prepared and submitted to CFCU within 3 working days upon their detection.

Following the conducted Monitoring visit, within 10 working days, the PMU/TAT prepares **Monitoring Visit Report (Annex 3)**. Annex to this Report are the Checklist filled in during the visit, Early Warning Report (Annex 4) (if any), Irregularity Report (Annex 5) (if any) and other supporting documents/photos, Attendance Sheets, etc. **The Monitoring Visit Report shall be submitted to CFCU (copy to Lead Institution) within 15 working following completion of the Monitoring Visit.**

## E - Check and Approval of Interim/Final Reports

The reporting requirements for Grant contracts are set in: General Conditions (Article 2, 15.1 and 15.2) and Special conditions (Article 4). Depending on Contract duration/size, the Contract may stipulate for submission of:

- ▶ **Interim Reports** and
- ▶ **Final Report.**





These Reports consisting of narrative section and financial section, including supporting documents to be provided by the Grant Beneficiary, as required by the Contracting Authority.

The format of the reports should be based upon the templates provided in the Annex VI to the Grant Contract. They shall cover the activities implemented, for the period covered (for the Final Report – the period following the last Interim Report).

As annex to the reports, the Grant Beneficiary is required to provide outputs produced and supporting documentation, particularly in evidencing the expenditures (a list detailing each item of expenditure incurred in the period covered by the Report indicating for each its title, amount, relevant heading in the Budget of the Action and the reference of the justifying document, is annexed to it) proof of origin for equipment and vehicles if the amount of the supplies is above EUR 100 000 per purchase; and transfer of ownership of supplies purchased within the grant financed action (with the Final Report). In addition, a Request for Payment shall be submitted to the Contracting Authority.

The Reports must be drafted in the language of the Contract.

In case of delay of the submission of Interim or Final Reports, the Grant Beneficiaries should send a written explanation to the PMU/TAT and CFCU.

The PMU/TAT is responsible for sending the reminding letters to the Grant Beneficiaries if the Interim or the Final Report is delayed more than 10 days.

**The PMU/TAT shall provide assistance to the Grant Beneficiary for preparation of their reports before final versions are sent to the CFCU.**



### *Interim Report*

#### Reporting Requirements

- To be submitted for Grant Contracts with duration longer than 12 months and amount above 100.000 EUR
- Covering a reporting period of 12 months (if the next reporting period is less than 18 months no Interim Report shall be submitted, but the whole remaining period shall be covered by the Final Report)
- In order to request interim payment, 70% of the last pre-financing payment should have been used (General Conditions 15.1)<sup>12</sup>

#### Content

- Narrative and Financial Report (in both hard copy and electronic copy (CD)), accompanied by:
- Supporting documents, and
  - Request for payment

This Report is a document used to inform the Contracting Authority about the project progress and fulfilment of contractual obligations. Based on this Report, CFCU shall examine the request for payment and determine the further pre-financing, based on the assessed eligible costs of the project (reported under the Financial section). An important function of the assessment of the Interim Report is to identify Contract implementation problems and to make timely recommendations on corrective actions.

Narrative section of the Report provides information about implementation of project activities, achievement of results (against Log-frame), project management, and participation of co-beneficiaries, relations with key stakeholders (local state authorities), visibility, and progress on performance indicators, general assessment of the project and notifications

<sup>12</sup> If at the end of the reporting period the eligible costs incurred are less than 70% of the last payment, the interim payment may be accordingly reduced by the CFCU. Alternatively, the Grant Beneficiary may present a summary of the progress of the action, and present a payment request later when the 70% threshold is reached. The narrative and financial report have then to cover the elapsed period since the last payment request, while the new reporting period starts from the end date of the period covered by the payment request.



about minor Contract amendments/ addendums, where applicable. It may also list activities in the forthcoming period. Each narrative report has to include an updated Logical framework matrix.

All outputs and other documents for the reported period have to be attached to the Report:

- ▶ Copies of outputs - training materials, studies, analysis, etc.;
- ▶ Participant/attendance lists for trainings/seminars/conferences, etc.;
- ▶ Secondary procurement documentation;
- ▶ Visibility materials, etc.

The Interim Financial Report includes, in addition to the request for payment, a list detailing each item of expenditure incurred during the period covered by the Report as per Contract template. Depending on the nature of the Grant Contract, the supporting documents could include various documents:

- ▶ Copies of various invoices and similar documents proving eligibility of costs;
- ▶ Timesheets and salary list of Grant Beneficiary's staff;
- ▶ Travel orders, logbooks and receipts;
- ▶ Provisional and final acceptance certificates (in case of secondary procurement of works and supplies);
- ▶ Proofs of origin for supplies with amount of above EUR 100 000 per purchase;
- ▶ Bank statement for interest accrued on pre-financing, etc.

Steps to be followed by the Grant Beneficiary and PMU/TAT for approval and submission of the Interim Reports:

Step	Activity	Responsible	Duration
1	Submit the draft Interim Report with supporting documents to PMU/TAT	Grant Beneficiary	10 days following the cut-off date of the reporting period
2	Give recommendations to Grant Beneficiary about draft Interim Report or reject it	PMU and TAT	Within 15 days following the submission of draft Interim Report
3	Revise the Interim Report and/or provides requested supporting documents and submits the final version in 2 copies to PMU	Grant Beneficiary	Within 10 days following receipt of PMU and TAT's opinions
4	Examines the Interim Report using the Checklist for Interim Report Assessment (Annex 6) and submits one original copy of the Report together with a cover letter declaring the approval and the Checklist to CFCU	PMU	At the latest 60 days following the cut-off date of the relevant reporting period



## Final Report

Reporting Requirements	Content
<ul style="list-style-type: none"> <li>To be submitted for each Grant Contract following the completion of project activities</li> </ul>	Narrative and Financial Report (in both hard copy and electronic copy (CD)), accompanied by: <ul style="list-style-type: none"> <li>Supporting documents, and</li> <li>Request for payment</li> </ul>

The Narrative Section of Final Report shall include information on achievement of objectives, delivery of results, based on indicators of achievement specified in the project proposal. The Report shall include information on the project's management, participation of the co-beneficiaries, relations with stakeholders, visibility, procurement and progress based on the performance indicators, and a general evaluation of the project.

All project outputs should be attached to the Final Report. Depending on the nature of the Grant Contract, the requested annexes and supporting documents could vary.

The Final Financial Report shall include:

- ▶ A comparison of the budgeted costs with actual costs of the project (part of the standard template)
- ▶ A list detailing each item of expenditure incurred in the period covered by the Report
- ▶ Certificates of origin for supplies with amount of above EUR 100 000 per purchase;
- ▶ Transfer of ownership certificate for equipment purchased under the project.

The procedure on the submission of Final Report and steps to be followed by the Grant Beneficiary and PMU/TAT:

Step	Activity	Responsible	Duration
1	Submit the draft Final Report with supporting documents to PMU/TAT	Grant Beneficiary	Within 1 month following completion of the project activities
2	Give recommendations to Grant Beneficiary about draft Final Report or reject it	PMU and TAT	Within 15 days following the submission of draft Final Report
3	Revise the Final Report and/or provides requested supporting documents and submits the final version in 2 copies to PMU	Grant Beneficiary	Within 10 days following receipt of PMU and TAT's opinions
4	Examines the Final Report using the Checklist for Final Report Assessment (Annex 7) and submits one original copy of the Report together with a cover letter declaring the approval and the Checklist to CFCU	PMU	At the latest 3 months <sup>13</sup> following the completion of the project

## F - Check of Procurement Activities

In awarding any contracts required for the purposes of the Action, the Grant Beneficiary must comply with the rules set out in Annex IV to the Grant Contract (Procurement rules for beneficiary(ies)).

<sup>13</sup> Duration is 6 months for coordinator beneficiaries which do not have headquarter offices where the project is implemented



If requested, support can be provided to the Grant Beneficiary by the PMU/TAT, which shall not be interpreted as ex-ante approval of the procurements. The Grant Beneficiary remains responsible for conducting the procurement procedures in line with the rules.

If the Grant Beneficiary is not experienced enough, it shall be recommended by PMU/TAT to request ex-ante consent of the tender documents and the tendering procedure conducted from the CFCU, in order not to undertake activities which will result in ineligible cost.

If the procurement procedure has not been ex-ante approved by CFCU, the PMU/TAT shall conduct check on the procurement activities as part of the approval of the Interim/Final Report or during monitoring visits performed. This shall be done using the **Procurement Procedure Checklist (Annex 8)**, including both check on the Tender Dossier and the Evaluation Report. This Checklist shall be submitted to CFCU by PMU/TAT together with the Interim/Final Report or the Monitoring Visit Report, as applicable.

Procurement activities control when CFCU ex-ante consent is requested:

Step	Activity	Responsible
1	Requests guidance from PMU/TAT related to secondary procurement	Grant Beneficiary
2	Provides support and guidance to Grant Beneficiary	PMU/TAT
3	Prepares the tender dossier in accordance with Annex IV to the Grant Contract	Grant Beneficiary
4	Submits the draft tender documents to PMU/TAT for informal opinion and comments	Grant Beneficiary
5	Provide comments to the tender documents, if any	PMU/TAT
6	Revises the tender documents in line with the comments received from PMU/TAT (if any, and submits the draft tender documents to CFCU for ex-ante consent	Grant Beneficiary
7	Gives recommendations/comments to Grant Beneficiary about draft tender documents or approves them	CFCU
8	Revise the tender document (if comments were provided) and resubmits them to CFCU for ex-ante consent, or If approved, conducts the procurement procedure	Grant Beneficiary
9	Representatives may participate as observer during evaluation procedure	PMU/TAT and or CFCU
10	Prepares the Evaluation Report and draft Contract and submits it to CFCU for ex-ante consent	Grant Beneficiary
11	Controls the Evaluation Report and draft Contract and provides ex-ante consent if it is in line with Annex IV of the Grant Contract	CFCU
12	Signs the Contract with the selected contractor	Grant Beneficiary



Procurement activities control when CFCU ex-ante consent is not requested:

Step	Activity	Responsible
1	Requests guidance from PMU/TAT related to secondary procurement (optional)	Grant Beneficiary
2	Provides support and guidance to Grant Beneficiary, if requested	PMU/TAT
3	Prepares the tender dossier in accordance with Annex IV to the Grant Contract	Grant Beneficiary
4	Conducts the procurement procedure	Grant Beneficiary
5	Representatives may participate as observer during evaluation procedure	PMU/TAT and or CFCU
6	Prepares the Evaluation Report and draft Contract	Grant Beneficiary
7	Signs the Contract with the selected contractor	Grant Beneficiary
8	Checks the Tender Dossier and the Evaluation Report using the Procurement Procedure Checklist (Annex 8), as part of the approval of the Interim/Final Report or during monitoring visits and submits the Checklist with its opinion to CFCU	PMU/TAT

## G - Visibility Activities Approval

In accordance with the Grant Contract Article 6, the Grant Beneficiary shall take all necessary steps to publicise the fact that the European Union has financed or co-financed the action. Such measures shall comply with the EU's Communication & Visibility Manual. This refers to all project's activities such as seminars, conferences, trainings, opening/final events etc. or visibility actions (leaflets, posters, brochures, banners, etc.). Also, all materials published and/or used during the meetings, presentations etc. should respect the visibility rules.

The EU's Communication & Visibility Manual is complemented by the visibility guidelines of the Delegation of the European Union to Turkey.

Based on these documents and the additional instructions to be received by CFCU the PMU/TAT shall develop a **Communication and Visibility Kit** for the respective Grant Scheme which shall be shared with the Coordinator.

All designs of printed materials must comply with the visibility rules defined in the above-mentioned Manuals/Guidelines. Therefore, the Grant Beneficiaries are strongly recommended that final designs, before the materials are printed, are shared with the PMU/TAT to receive feedback and informal approval.

Formal approval shall be afterwards requested and received from CFCU. Printing costs of incorrect designs which do not comply with the visibility rules may be assessed as "ineligible".



## H - Support Activities

In order to ensure efficient implementation of the Contracts, in addition to the monitoring activities, effective support activities shall be provided to the Grant Beneficiaries. Therefore, all actors within the system are responsible for giving advice to Grant Beneficiaries about efficient and effective project implementations, and a system should be set up to this end.

Main responsibility for providing first level support and advice to Grant Beneficiaries are PMU and TAT. These activities include, among other, the following:

- ▶ Establishing a help desk, functional telephone line and e-mail
- ▶ Establishing a website for the respective Grant Scheme
- ▶ Establishing Management Information System (MIS)
- ▶ Development of the Manual for implementation of the respective grant scheme
- ▶ Organising trainings for the Grant Beneficiaries on different aspects of the Grant Contract implementation, such as: visibility rules , preparation of reports, eligible costs, procurement procedures, contract amendments, accounting, archiving and record keeping, etc.

Grant Beneficiaries may ask questions about projects to PMU and TAT through e-mail, MIS or request a meeting.

### ***Monitoring Information System (MIS)***

It is highly recommended for each Grant Scheme where there is TAT, Monitoring Information System (MIS) to be developed by TAT. MIS is a tool that facilitates grant management by periodically collecting up-to-date data from various data sources.

It shall be web-based application and thus accessible for all actors including, Grant Beneficiary, End Beneficiary (PMU/TAT), Lead Institution and CFCU, with each user able to access certain level of information, based on their status.

In case MIS is established for the respective Grant scheme, all the communication, sharing of information and templates shall be done through MIS.

However, in both cases when there is or there is no MIS established, the communication related to contract addenda, submission and approval of reports, Irregularity and Early Warning Reports, etc. must follow the formal channels of communication with submission of documents in hard copy.











## CHAPTER 5

# AMENDMENTS TO THE CONTRACT

Grant Beneficiaries should make an effort to implement the project as originally planned. Nevertheless, situations may arise where there is a need to make some changes in the activities or budget or replace some experts. In such situations, the Grant Beneficiaries will have to apply for an amendment/ modification to the Contract. The amendments of the Grant Contract shall be done in accordance with Article 9 of the General Conditions of the Grant Contract.

The procedures for amendment of the grant contract can be categorized in two groups depending on the type of change that should be made:

- ▶ **Minor amendments** to the contract may be implemented through written notifications without receiving a prior approval of the CFCU or requiring prior approval by CFCU, and should be notified **without any delay**.
- ▶ **Major amendments** of the contract require an **Addendum** to the contract to be signed by all parties before implementing the change. Major modifications to the contract, requires prior approval of the CFCU and endorsement of the EUD.

### A - Important Principles Related to Contract Amendments

- ▶ Requests for contract amendment **must be sent in writing** and signed by the authorised person(s) of the Coordinator Beneficiary.
- ▶ Contracts cannot be amended after the end of the **execution period**. Note that the execution period of the contract is longer than the implementation period.
- ▶ The amendment may not have the purpose or the effect of making changes to the contract that would call into question the **grant award decision** or be contrary to the **equal treatment** of applicants.
- ▶ **Maximum amount** of the grant stated in the Special Conditions cannot be changed. Simplified costs may not be subject to any change.



- ▶ Grant Beneficiary must duly **justify and substantiate** its request for amendment. In particular, must include all information necessary for the Contracting Authority to take an informed decision on the matter including (but not limited to): the reasons behind the amendment, and, the impact of the amendment on the implementation of the action (i.e. on the activities and on the budget of the action). Requests with insufficient or no justification can be rejected.
- ▶ An amendment must be requested **at least 30 days** before it occurs. However, it may take longer for all the involved parties to assess the amendment, thus it is recommended to send a request for amendment, as early as possible. Late submission of information/request for modification can result in its rejection.
- ▶ Any amendment for the extension of the contract shall consider the implementation to be completed before the **execution deadline** of the relevant Financing Agreement.
- ▶ The amendments are not acceptable if: the changes result from non-performance of the Grant Beneficiary, or are not needed for the efficient/effective implementation of contract (i.e. budgetary changes because of savings), or proposed modification threatens the successful project implementation.

It is strongly recommended that during the preparation of a request, the Grant Beneficiary is in continuous communication with the PMU/TAT at all times for swift and smooth processing.



**PMU/TAT shall provide full assistance to the Grant Beneficiaries when preparing their amendment requests and shall provide their comments and consent, before any formal action or official request is sent to CFCU by the Grant Beneficiary (in both cases, minor modifications or addendum to the contract).**

## B - Minor Amendments

### Minor Amendments Requiring a Written Notification to the CFCU

**1. Amendment to the budget does not affect the expected results of the action (i.e. impact, outcomes, outputs), where:**

- The financial impact is limited to a transfer between items within the same main budget heading including cancellation or introduction of a new item, or
- Transfer between main budget headings involving a variation of 25% or less of the amount under each relevant heading

**NOTE:** Not applicable to indirect costs, for the contingency reserve, for in-kind contributions or the amounts or rates of simplified cost options

**2. Minor changes to the Description of the Action and the Logical Framework that do not affect the expected results (impact, outcomes, outputs)**

**3. Other changes:**

- Changes of address or phone/fax number
- Change of the bank account
- Change of the authorised person(s)
- Change of key staff

### Minor Amendments Requiring Prior Approval from CFCU

**1. Changes in Description of the Action and the Logical Framework that affect the expected results (impact, outcomes, outputs)**



Although these minor modifications are allowed, the Contracting Authority might refuse the changes, if it finds that the conditions listed in the General Conditions of the Contract have not been respected. In such cases the proposed amendment must have no effect and any cost relating to this amendment must be considered as ineligible.

It is, therefore, in the interest of the Grant Beneficiary, who bears the financial responsibility for the action, to inform the PMU/TAT and the Contracting Authority as soon as the need for amendment is identified and if possible, prior to any intended changes taking effect to avoid incurring ineligible costs.

### **Minor Budget Modifications**

The budget annexed to the Grant Contract signed must be respected. However, certain flexibility within the budget is acceptable during contract implementation, as long as the 'expected results of the action' are not affected and the change does not call into question the initial award of the grant or the equal treatment of applicants.

In case of doubt, it is strongly recommended to check beforehand with the PMU/TAT and/or CFCU that the proposed modifications do not impact the expected results of the action.

As long as the expected results of the action is not affected, Grant Beneficiaries can:

- ▶ Transfers amounts between items or cancel items or introduce new items within the same main budget heading. The term 'main budget heading' refers to the numbered budget headings, i.e. No. 1 - Human Resources, No. 2 - Travel, No. 3 - Equipment and supplies, No. 4 - Local offices, No. 5 - Other costs, services, No.6 – Others.
- ▶ Transfer amounts between two main budget headings (from 1 to 3 for instance) as long as this transfer does not imply a variation of more than 25% of both headings concerned by the transfer. (NOTE: The 25% variation is calculated on both the original (or amended by an addendum) value of the heading where the funds are taken from and the original value of the heading where the funds are to be added. Also, these modifications of the budget must be taken into account in a cumulative way. This means for instance that, if a budget heading was already increased with an unilateral modification by 15% of its initial value (as set out in the original budget of the action or as modified by an addendum), that heading can be further increased by no more than 10% of its initial value (thus reaching in total the limit of 25% of its initial value). Otherwise, if increase of more than 25% is needed, addendum shall be approved and signed or the costs would be ineligible.

### **Changes in the Description of the Action**

Although, changes in the Description of the action and the Logical framework that do not affect the expected results and do not call into question the initial award of the grant or the equal treatment of applicants, are allowed only with notification to the CFCU, this should be carefully taken into consideration.

Namely, any modification of the target groups, of the location, of the activities' timelines or of the Action's sustainability is likely to affect the basic purpose of the Action and hence, better not to rely on one's own interpretation of these effects, but to pursue more conservative approach. Since in the cases where the **changes in Description of the Action and the Logical Framework affect the expected results (impact, outcomes, outputs), although no addendum is needed, prior approval from CFCU shall be received in writing before the modification takes place.** Approved changes must be explained in the next report. Not respecting this provision may lead to termination of the Grant Contract by the Contracting Authority in line with General Conditions.



### Steps to be followed in case of minor amendments/modifications

Step	Activity	Responsible	Duration
1	Prepare draft notification request with supporting documents and submit it to PMU/TAT	Grant Beneficiary	Preferably 20 days before the date of applying the modification or earlier
2	Give recommendations to Grant Beneficiary about draft amendment request or reject it	PMU and TAT	Within 3 days following the delivery of amendment request
3	Revise the notification request and together with the supporting documents re-submit it to PMU/TAT	Grant Beneficiary	Within 5 days following receipt of PMU and TAT's opinions
4	Send notification request together with Checklist for Notification (Annex 9) and Letter for sending notification / Addendum (Annex II) to CFCU	PMU	As soon as possible
5	Checks the request and notifies the Grant Beneficiary about the approval or rejection	CFCU	Preferably within 10 days following the delivery of request

## C - Major Amendments - Addendum to the Contract

Grant Beneficiaries are strongly advised to avoid making changes to the Grant Contract that would require an Addendum. The addendum procedure can be long and complicated and should be initiated only if absolutely necessary.

### Major Amendments Requiring Addendum

- Amendment to the budget that affect the expected results of the action (i.e. impact, outcomes, outputs), and/or:**
  - The transfer between two main budget headings involving a variation of more than 25% of the amount under at least one of the relevant heading
  - An amendment of the headings for indirect costs, for the contingency reserve, for in-kind contributions or the amounts or rates of simplified cost options
- Significant changes in activities that effect the basic purpose of the project**
- Change of provisions stipulated in SC of the Grant Contract**
  - Extension of the duration of the action
  - Change of the legal status and/or the name of the Grant Beneficiary (coordinator/ co-beneficiary)
  - Addition or replacement of co-beneficiary
  - Changes in affiliated entities (name/ legal status/ addition/ replacement)

The Grant Beneficiary bears the financial risk of any costs incurred before the addendum has been issued, because the Contracting Authority has the right to refuse to sign the addendum. Only once the addendum enters into force the Grant Beneficiary can claim payments for the costs.

**The addendum takes effect on the date of the last signature. The Grant Beneficiary cannot implement the change before the signature of the Addendum.**

The role of the PMU/TAT in the procedure of preparing addendum to the contract is of crucial importance. Taking into account that the process is time-consuming, as there are many actors involved (Grant Beneficiary, PMU/TAT, CFCU, EUD), well prepared request for addendum can significantly facilitate and accelerate the whole procedure.



Thus, the TAT and PMU are the first filter for the eligibility of the requests for addendum from the Grant Beneficiaries. The TAT shall provide its opinion; however, it is the PMU/ End Beneficiary which bears the responsibility towards the CFCU for approving the requested addendum. Therefore, the comments provided from PMU/TAT to the Grant Beneficiary, in the early stage of preparation of the request, can only contribute to better preparation and justification of the request and subsequently to its approval.

### Steps to be followed in case of Addendum

Step	Activity	Responsible	Duration
1	Prepare draft request for addendum with supporting documents and submit to PMU/TAT	Grant Beneficiary	At least 50 days before the amendment or before project completion
2	Give recommendations to Grant Beneficiary about draft addendum request (or if no comments proceed to Step 4)	PMU and TAT	Within 5 days following the delivery of addendum request
3	Revise the addendum request and/or supporting documents and resubmit to PMU/TAT	Grant Beneficiary	Within 5 days at most upon receiving PMU and TAT's opinions
4	Approve addendum requests	PMU	Within 5 days upon the delivery of request
5	Prepare addendum with its annexes in hard copy (in 3 originals) and send it to PMU	Grant Beneficiary	As soon as possible
6	Send addendum request together with Checklist for Addendum (Annex 10) and Letter for sending notification/ Addendum (Annex 11) to CFCU	PMU	As soon as possible
7	Assess addendum request, and: 1. Provides comments to Grant Beneficiary (procedure to be restarted from step 3), or 2. If approved submit it to the EUD for endorsement	CFCU	Preferably within 30 days upon receiving the request
8	3. Reject the request, or; 4. Provide comments (procedure to be restarted from step 3), or; 5. if acceptable, provides endorsement to the addendum	EUD	
9	If endorsed, CFCU sends the addendum (3 originals) to the Grant Beneficiary for the last signature	CFCU	As soon as possible
10	Keep one copy of the signed addendum and sends the other two copies and its annexes back to the CFCU	Grant Beneficiary	As soon as possible
11	Send copy of the signed Addendum to End Beneficiary/ PMU	CFCU	As soon as possible
12	Implement project according to the final decision (approval/rejection) about addendum	Grant Beneficiary	As soon as possible



### Examples of supporting documents to be attached to the Addendum requests

Major Change	Supporting Documents
Contract Extension	Revised Activity plan and Description of the Action
Modifications in Budget	A "modification budget" showing how the budget breakdown of the initial contract, and any previous changes, if any, and Justification of Costs.
Change of Co-beneficiary*	<ul style="list-style-type: none"> <li>• Decision of the Board of Directors/ Rector appointment/ Assembly Decision,</li> <li>• Appointment of the authorized representative of the new co-applicant,</li> <li>• Notarized sample of signatures of the new co-applicant's representative,</li> <li>• Withdrawal letter of the former co-applicant indicating the reason of withdrawal.</li> <li>• Mandate for co-applicant,</li> <li>• Experience of the new co-applicant (Use Part 2.3 of the Grant Application Form)</li> <li>• Filled PADOR Document (for administrative and financial capacity of the new co-beneficiary)</li> <li>• Statute/establishment Law of the new co-applicant (should be in line with the project, if the statute is not explicit, new co-applicant's relevant activities should be stated).</li> <li>• Official document related to fulfilling the liabilities for social security contributions.</li> <li>• Official document from related tax office on fulfilling the liabilities for tax payments.</li> </ul>
Description of the Action	Revised Activity Plan and Description of the Action

\* Regarding the co-beneficiary changes: the new co-beneficiary institution must fulfil the eligibility criteria defined in the Guidelines for Applicants for the respective Grant Scheme, but also should have at least the same experience and capacity of the previous one . The new co-beneficiary institution should be able to assume all the responsibilities attributed to it in the project. Also, attention shall be given if there was affiliated entity to the former co-beneficiary. In that case the replacement of the co-beneficiary also means an exclusion of the respective entity affiliated to that co-beneficiary. The responsibilities of that affiliated entity in the contract implementation, shall be duly addressed in the Addendum, either by inclusion of new affiliated entity or they will be handled by the other actors involved in the implementation of the contract.











# CHAPTER 6

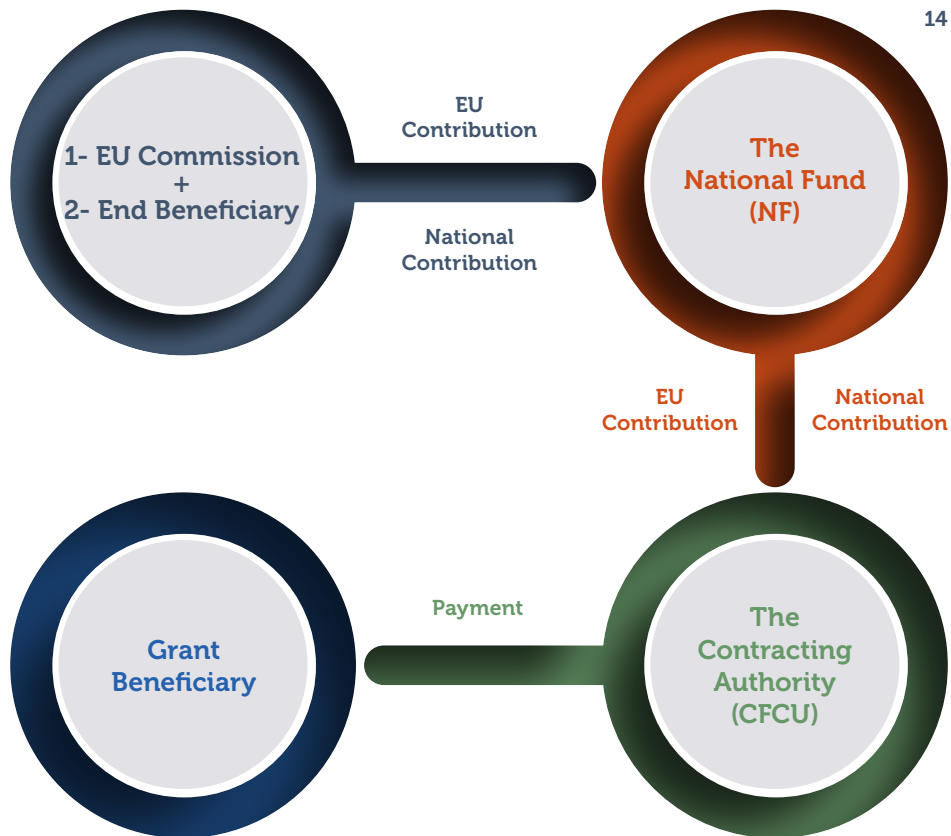
## NATIONAL CONTRIBUTION

### A • Transferring National Contributions to the National Fund

The End Beneficiary is responsible for providing the necessary national contribution for the projects/actions within its portfolio.

The summary of the process of the national contributions to the National Fund is as follows:

National Fund requests national contributions of the End Beneficiaries with an official letter then End Beneficiaries transmit their contribution to the National Fund. Following that, the National Fund transmits the national contribution amount to the CFCU after the CFCU's fund requests. Consequently, the CFCU makes payments to the Grant Beneficiaries according to general and special conditions of the contract, PRAG Rules and related Financing Agreement.





It is highly important that, the End Beneficiaries should take into consideration the project amount and possible payments in the related year while preparing their annual budget. They can easily ask the CFCU about the payment forecasting of their project for the related year and can make a planning regarding the budgeting. Thereby, when the National Fund requests the national contribution, they can smoothly transmit the required amount of fund to the National Fund.

National Fund may request the national contributions from the End Beneficiaries one or two quarter before payment forecast. Therefore, the End Beneficiaries should be financially sufficient for transmitting their national contribution to the National Fund. If they cannot transmit the national contribution amount to the National Fund because of the budgeting problems, this may cause a major slowdown in the payment process. Therefore, the process of transmitting national contributions to the National Fund when requested is an essential subject for the payment procedure of the CFCU.





## B - Possible Further National Contribution

Lead Institution/End Beneficiary may allocate additional necessary resources in order to achieve the project objectives effectively and efficiently provided that is eligible under national legislation and applicable procedures. However, although it is not included in the project contract budget, the amounts required for the project to reach its purpose and not exceeding 15 percent of the contract budget can be met with the request of the project beneficiary and the approval of the contracting authority. In this case, these requested amounts are covered by the amounts that the authorization officer will transfer to the National Fund for this purpose. In addition, the same process is applied for the additional funding needed for the completion of contracts if the EU Commission stops, withdraws, or projects fall outside the eligible period of execution.

# BUSINESS PLAN



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## CHAPTER 7

# SUSTAINABILITY OF PROJECTS

The importance of the **sustainability issue** of the EU assistance under IPA II has been emphasized and underlined.

Namely, the Common Implementing Regulation stipulates the following: *“The longer-term outcomes and impacts and the sustainability of effects of the Instruments shall be evaluated in accordance with the monitoring, evaluation and reporting rules and procedures applicable at that time”.*

In addition to this, the IPA II Implementing Regulation states: *“The sectoral monitoring committee shall report to the IPA monitoring committee and may make proposals on any corrective action to ensure the achievement of the objectives of the actions and enhance the efficiency, effectiveness, impact, and sustainability of the assistance provided”.*

With respect to the Grant projects the issue of sustainability is even more significant. The sustainability of the Grant Contract shall be in details elaborated in Annex I - Description of the Action and it was a basis for selection of the action during evaluation phase, as it is one of the award criteria.

The use of the term sustainability is broad and it is difficult to be defined precisely. **Sustainability is the ability to exist constantly.** Sustainability relates to whether the positive impact of the project at purpose level is likely to continue after external funding ends.

**Sustainability of a project implies the continuation of project activities and sustenance of project outcomes after the contract finalization.**



The monitoring of the sustainability is launched with the completion of the contract and following the approval of the Final Report.

The responsibilities related to monitoring for ensuring sustainability are as follows:

1. NIPAC has an overall responsibility to monitor and ensure the sustainability of the projects/actions financed under the IPA framework.
2. Lead Institution has a responsibility to monitor and ensure the sustainability of the project/actions within the relevant IPA programmes under its responsibility and acts as a liaison between NIPAC office and End Beneficiary.
3. End Beneficiary has the final responsibility to ensure and maintain the sustainability of the completed projects.



## Responsibilities related to sustainability relate to grants

LEAD INSTITUTION	END BENEFICIARY
Prepares and submits the evaluation plan to the NIPAC (copy to CFCU) in compliance with Framework Agreement by 15 November each year	Helps the LI on preparation of the evaluation plan to be submitted to the NIPAC in compliance with Framework Agreement
Asks and supervises the EB, particularly for the monitoring of sustainability of the projects	Ensures sustainability of project results to be used in scope of the contracts and in line with the action objectives
Monitors the action's outputs in order to ensure the sustainability of the action/programme	Helps LI for monitoring the action's outputs in order to ensure the sustainability of the action/ programme

### *The monitoring of the grants in relation to sustainability should provide answers to the following questions:*

- ▶ Where the achieved results sustainable?
- ▶ Were the identified impacts sustainable?
- ▶ Are the outputs/results of the project still visible/ in use/ likely to last?
- ▶ Are the equipment/works constructed under the project still maintained and in use
- ▶ Can you describe sustainability at the policy, institutional, financial levels and if applicable at the level of environment?
- ▶ Are there sufficient resources to ensure the sustainability of project's outputs/results?
- ▶ Are there any follow-up projects or activities?
- ▶ Is the cooperation between partners likely to continue in the long run?



Upon project completion the Report on Sustainability shall be submitted by the End Beneficiary to the Lead Institution, following the monitoring visit for verification of sustainability performed, at least once a year (at latest one month before the Sectoral Monitoring Committee), until the final closure of the relevant IPA Programme.

The Lead Institution can also perform monitoring visits for verification of sustainability (on its own or together with the End Beneficiary). Lead Institution shall report to NIPAC on sustainability of all the projects within the relevant IPA Programme under its responsibility on consolidate basis before each Sectoral Monitoring Committee.



FEBRUARY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

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## CHAPTER 8

# OTHER ISSUES

### A - Early Warning Reporting

As already explained above, the End Beneficiary/PMU shall prepare Early Warning Report (**Annex 4**) when high risk of non-fulfilment of any contractual obligations are detected, in order to tackle problems before they get too complicated and to and to take due measures. This Report is not only prepared following a conducted monitoring visit, but shall be prepared each time an issue that has been discovered, for example during approval of Interim/Final Reports, or ad-hock meeting with the Grant Beneficiary, etc.

The Early Warning Reports are sent to CFCU by PMU staff **within 5 working days** upon the detection of the high risks reported on.

The Early Warning Report and corrective action proposals shall be used by CFCU in order to decide on the future of the project. Based on the decision of CFCU, the project shall either be carried out in accordance with corrective actions, or be suspended or terminated.

### B - Irregularity Reporting

Also, as mentioned above, the End Beneficiary/PMU shall prepare Irregularity Report (**Annex 5**), when an irregularity of fraud has been detected, not only after conducted monitoring visit, but also when approving Interim/Final Reports or day-to day communication with the Grant Beneficiary.

According to EU regulations, an irregularity is any infringement of a provision of EU law resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the European Union or budgets administered by the EU by charging an unjustified item of expenditure, reducing or losing revenue collected on behalf of the EU from national sources.

The Irregularity Report shall be prepared in case of suspicion of the existence or in case of detection of situations that may harm funds of EU and Republic of Turkey.

CFCU should be notified about irregularities within 3 working days upon suspicion or detection by using the template in **Annex 5**.

### C - Audit Trail

The End Beneficiary/PMU shall ensure at all times a sufficiently detailed audit trail. In order to create adequate audit trails and in order to facilitate the retrieval of documents at any given point of time by any authorised person a proper filing and archiving system shall be established and maintained.



The End Beneficiary/PMU will ensure that:

- ▶ For each Grant Contract a file is opened and the respective documents are archived in it
- ▶ Keep the following record in an accurate and reliable manner:
  - Copy of the Grant Contract and all amendments (Addendums and Notification Letters),
  - Draft and final copies of Coordinator Beneficiaries' Interim and Final Reports,
  - Copies of Monitoring Visit Reports,
  - Checklists of report, tender file and amendment request,
  - Early Warning Report and correspondence with CFCU on corrective measures
  - Irregularity Reports
  - All correspondence related to the respective Grant Contract.

In accordance with the Framework Agreement, the documents must be kept **for at least six (6) years** after the closure of the respective IPA programme under which the contracts have been financed.





# Annexes

**Annex 1: Checklist for Monitoring Visit**

**Annex 2: Checklist for Equipment Physical Check**

**Annex 3: Monitoring Visit Report and Monitoring Visit Report Guide**

**Annex 4: Early Warning Report**

**Annex 5: Irregularity Report**

**Annex 6: Interim Report Assessment Checklist**

**Annex 7: Final Report Assessment Checklist**

**Annex 8: Procurement Procedure Checklist**

**Annex 9: Notification Letter Checklist**

**Annex 10: Addendum Checklist**

**Annex 11: Cover Letter Template for sending Addendum/Notification to the CFCU**



## Annex 1: Checklist for Monitoring Visit

<b>Contract Number</b>	
<b>Contract Title</b>	

#	Items to be checked	Yes	No	NA
<b>General</b>				
01	End beneficiary was present during the monitoring visit.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
02	Necessary information was gathered about the project and could be prepared for the monitoring visit.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
03	Appropriate issues regarding the implementation of the project were raised.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
04	Coordinator/Co beneficiary(ies)'s questions were responded.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Operational issues</b>				
05	Key players in the management of the project were present in the meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
06	There is no change in the project location.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
07	The project team is still in place as in the description of action.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
08	There is no qualitative or quantitative change in the target groups and final beneficiaries as stipulated in the description of action.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
09	There are no delays in the implementation schedule.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Activities and results so far are in line with the description of action.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Internal monitoring and evaluation procedures are applied consistently.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	There are no changes in the role(s) of the partner(s) or associate(s) (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	The direct beneficiaries are satisfied with the project and are aware of the objectives of the project.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	The project sufficiently considers gender equality during implementation (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15	The project takes into account environmental aspects sufficiently (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16	Visibility rules are respected in the project.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17	The project has created multiplier effects (e.g. new ideas or projects for future, replication of project outcomes, indirect beneficiaries).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18	The project team is taking specific steps to ensure the sustainability of the project.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19	Actions points agreed in the previous monitoring visits are executed or in progress (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20	There are no potential problems that may arise in the future to CM's knowledge.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Financial issues</b>				
21	There are no deviations or overruns in the contract budget.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22	VAT exemption is obtained and is in use properly (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23	All financial and commercial transactions are made with invoices (see a sample of invoices).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24	Regarding tender procedures, if applicable, tender dossiers, all procurement related files are available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25	Rule of origin is respected in equipment purchases and certificate of origin is obtained (contracts above €100.000).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26	The purchased equipment/supplies physically exist and are used in line with the project purposes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27	There are no changes in the project that would require an addendum to the contract since the last monitoring visit.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>OTHER ISSUES</b>				
28	Serial manufacture numbers and guarantee certificates are available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29	Logos are durable for the life of the equipment (logos are made of metal, iron etc).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30	Vehicles are used for the project purpose and visibility rules are applied on vehicles.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31	Licence/registration of vehicles are checked.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32	Supervisor of works contract is present (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33	Supervision reports for works contract are checked (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34	Photos taken during the visit attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35	There are other issues detailed in the monitoring report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



### Annex 3: Monitoring Visit Report and Monitoring Visit Report Guide

<b>Grant Contract Number</b>	TR2009/0136.01/02/XXX
<b>Title of the Grant Contract</b>	
<b>Name of the Grant Beneficiary</b>	
<b>Province</b>	

<b>Visit Number</b>		<b>Date of Visit</b>	dd.mm.202X
<b>Names and Positions of Person(s) Met</b>		<b>Place of Visit</b>	Project Office/Ankara

<b>1. Adequacy of documentation and record keeping</b>	<b>Yes</b>	<b>N/A</b>	<b>No</b>
Documents are kept in orderly manner.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Action Plan needs to be revised.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Expert/staff related documents exist and show their inputs (contract, time-sheets, activity reports, etc.).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
All financial transactions are made with invoices and bank transfers. Rules for cash payments have been respected.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal documents/records on project activities provide sufficient details to prove the implementation of activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
There is a correspondence between activities and project expenditures.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Activity related materials exist (training documents, presentations, attendance sheets, etc.).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Printed or electronic copies of visual material (pictures, video recordings etc.) reflecting the implemented activities exist adequately.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
All procurement related files (tender dossiers, offers, etc.) are available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Visibility rules have been respected.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments:</b>			

<b>2. Adequacy of resources and project management</b>	<b>Yes</b>	<b>N/A</b>	<b>No</b>
Knowledge about the project at the institutional level is satisfactory; institutional ownership exist.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project staff has been recruited and/or assigned as envisaged in the project and staff level is not excessive.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project team has adequate qualification and professional experience.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communications with co-beneficiary(ies)/affiliated entity(ies)/associate(s) have been regular and effective.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Physical resources (e.g. offices, equipment) are adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall project management has been adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal and external monitoring of the project as described in the DoA has been done.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corrective actions has been taken for the findings established in the previous monitoring visits (by PMU/TAT and/or CFCU).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments:</b>			

<b>3. Effectiveness of actions</b>	<b>Yes</b>	<b>N/A</b>	<b>No</b>
Project objectives and planned results have been achieved with the related activities to date of monitoring visit.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Target group has not been changed in terms of composition and quantity in negative way.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Equipment, purchased under the project, has been used for the purposes stated in the DoA.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specific steps have been taken to ensure sustainability of the project. (If yes, please specify in the comments part below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specific steps have been taken to create multiplier effects. (If yes, please specify in the comments part below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments:</b>			



4. Activities and outputs	Yes	N/A	No
State of affairs of activities is satisfactory according to the Action Plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Activities stated as in the DoA have been implemented in line with the Action Plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stated outputs have been delivered.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indicators for outputs and results have been followed and were/are/will be reached (see Logical Framework and DoA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments:</b>			
<b>Description of all modifications of activities since project start:</b>			
1. Modifications made with notification:			
2. Modifications made with addendum:			
<b>Description of planned modifications of activities for the rest of the project duration:</b>			
1. Modifications made with notification:			
2. Modifications made with addendum:			

5. Change of status of the Grant Beneficiary and its partners	Yes	No
Are there any current or expected changes of the legal status of the Grant Beneficiary or its partner(s) (e.g. change of legal status, merge or acquisition, procedure for liquidation)?	<input type="checkbox"/>	<input type="checkbox"/>
Are there any current or expected changes of the financial status of the Grant Beneficiary? (e.g. bankruptcy, default on)	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments:</b>		

7. Overall assessment of project performance (select one of the below given options)	Yes	No
Implementation is in compliance with contract requirements and is effective in meeting targets according to the action plan	<input type="checkbox"/>	
Grant Beneficiary is having minor problems in meeting targets and follow up of the action plan or problems that could delay were observed.	<input type="checkbox"/>	
Grant Beneficiary is having major difficulties in meeting targets and follow up of the action plan.	<input type="checkbox"/>	Prepare an Early Warning Report
Major problems exist, which jeopardize meeting the contract objectives and/or realisation of the activities within the available budget and project duration.	<input type="checkbox"/>	
<b>Comments:</b>		

8. PMU support	Yes	No
Have any additional support been requested by the Grant Beneficiary from PMU	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments:</b>		

9. Recommendations to the Grant Beneficiary	Yes	No
<b>Corrective actions recommended/support given:</b>		
1.	<input type="checkbox"/>	<input type="checkbox"/>

<b>Name of the Monitoring Expert:</b>	Date: dd.mm.202X	Signature
<b>Name of the Grant Expert:</b>	Date: dd.mm.202X	Signature

**List of supporting documents attached to the Monitoring Visit Report:**

- Attendance sheet,
- Photos from the monitoring visit,
- Checklist for Equipment Physical Check,
- Early Warning Report/Irregularity Report.

## Annex 4: Early Warning Report

<b>Grant Contract Number</b>	TR2009/0136.01/02/XXX
<b>Name of the Coordinator Beneficiary</b>	
<b>Title of the Contract</b>	
<b>Report number</b>	TR2009/0136.01/02/XXX

<b>Project duration</b>	... months	<b>Contract start date</b>	dd/mm/202X	<b>Contract end date</b>	dd/mm/202X
-------------------------	------------	----------------------------	------------	--------------------------	------------

Type of Problem(s):		
<b>1</b>	Serious difficulties have arisen in the project implementation – modification of activities, delays, quality of delivery, etc.	<input type="checkbox"/>
<b>2</b>	Major modifications in the project purpose, activities or target group have been made without approval.	<input type="checkbox"/>
<b>3</b>	Risk of non-completion of project activities within the contract duration exists.	<input type="checkbox"/>
<b>4</b>	Quality and adequacy of the project documentation is low.	<input type="checkbox"/>
<b>5</b>	Serious problems exist in the Coordinator Beneficiary's relations with project partner(s) and/or project staff.	<input type="checkbox"/>
<b>6</b>	Irregularity (intentional/unintentional) is suspected.	<input type="checkbox"/>
<b>7</b>	Lack of track exists between the expenditures and project activities.	<input type="checkbox"/>
<b>8</b>	Conflict of interest has been established especially in the procurements.	<input type="checkbox"/>
<b>9</b>	Risk of changing the eligibility status of Coordinator Beneficiary/partner exists.	<input type="checkbox"/>
<b>10</b>	Other (Please specify)	<input type="checkbox"/>

Detailed description of the problem(s):

Corrective actions recommended/support given by the PMU/TAT:

<b>Report prepared by:</b>	XXX Monitoring Expert	Date: dd.mm.202X	Signature
<b>Report reviewed by TA expert:</b>	XXX Grant Expert	Date: dd.mm.202X	Signature

## Annex 5: Irregularity Report

<b>Grant Contract Number</b>	TR2016/DG/XX/XX-XX/XXX
<b>Name of the Beneficiary</b>	
<b>Title of the Contract</b>	
<b>Report number</b>	TR2016/DG/XX/XX-XX/XXX

<b>Project duration</b>	... months	<b>Contract start date</b>	dd/mm/202X	<b>Contract end date</b>	dd/mm/202X
-------------------------	------------	----------------------------	------------	--------------------------	------------

Type of Problem(s):		
<b>1</b>	Costs that were not incurred have been recorded/claimed.	<input type="checkbox"/>
<b>2</b>	Over invoicing of services and supplies exists.	<input type="checkbox"/>
<b>3</b>	Invalid invoices / financial documents exist.	<input type="checkbox"/>
<b>4</b>	Purchased equipment or supplies do not correspond to the technical specifications given in the tender documents and/or Description of the Action.	<input type="checkbox"/>
<b>5</b>	Purchased equipment or supplies are not found in the specified location.	<input type="checkbox"/>
<b>6</b>	Project staff and other participants/service-supply providers are not paid regularly or paid less than reported figures.	<input type="checkbox"/>
<b>7</b>	False or incorrect data included in the Technical and/or Financial Reports (e.g. not realised activities reported as realised; less number of final beneficiaries/target group reached than the reported).	<input type="checkbox"/>
<b>8</b>	All other attempts of fraud.	<input type="checkbox"/>

Detailed description of the problem(s):	
<b>Financial Consequences</b>	
<b>Total Amount to be Recovered</b>	... EUR

Corrective actions recommended/support given by the PMU/TAT:

<b>Report prepared by:</b>	XXX Monitoring Expert	Date: dd.mm.202X	Signature
<b>Report reviewed by TA expert:</b>	XXX Grant Expert	Date: dd.mm.202X	Signature

## Annex 6: Interim Report Assessment Checklist

General Information	
Contract Number	TR2009/0136.01/02/XXX
Contract Title	
Name of the Coordinator Beneficiary	
Place of Implementation	TR2009/0136.01/02/XXX

Contract Start Date	dd.mm.202X
Contract End Date	dd.mm.202X
Reporting Period	dd.mm.202X - dd.mm.202X
Date of Interim Report	dd.mm.202X
Number of Dossiers	
Report Receipt Date by the PMU/TAT	dd.mm.202X

Coordinator Beneficiary Contact Information	
Name of Authorized Person(s)	
Name of the Contact Person(s)	
Latest Contact Address	
Latest Phone Number(s)	+90.xxx.
Latest Fax Number(s)	+90.xxx.
Latest e-mail Address(es)	

AMENDMENTS TO THE CONTRACT		
Addenda		
No	Last Signing Date	Explanation

Notification Letters			
No	Request Date	Recording date by the CFCU	Explanation

INTERIM REPORT			
General	Yes	No	N/A
E-copy is attached (including all documents).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
There is a notification submitted with the Interim Report (if any, please indicate in comments).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments (if any):</b>			

A- Narrative Report	Yes	No	N/A
Standard template is followed and all questions are answered.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Activities and outputs foreseen in the contract have been delivered without significant modifications / the modifications are notified and do not change project purpose.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Copies of publications, studies, training materials, etc. are attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Samples of visibility materials are available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attendance sheets are included.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fulfilled Procurement Information Form is attached (Annex_2o).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments (if any):</b>			

<b>Tender No:XX (indicate name of the tender)</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
<b>Tender documents for the procurement of supplies, services and works whose unit cost is above €20.000</b>			
Tender dossier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Invitation letter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TS or ToR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tender submission form (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Technical offer (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal entity file (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tender opening and administrative compliance grid (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evaluation grids for tender (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Draft contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial identification form (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evaluation report (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Letter to successful tenderer (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Letter to unsuccessful tenderers (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Establishment of the evaluation committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tender evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offers of each tenderer (technical offer, financial offer, tender submission form, tenderer's declaration, statement(s) of exclusivity and availability (if there is any key expert), legal entity file)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"Declaration of impartiality and confidentiality" for each member of the evaluation committee and observers (if any)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tender opening and administrative compliance grid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Technical evaluation grids fulfilled by each evaluation committee member separately.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tender guarantee (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Observer Report (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Letter to successful tenderer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regret Letter(s) to Unsuccessful Tenderer(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contract with the Successful Tenderer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CFCU approval letters/e-mails for TD and Tender Evaluation Reports.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tender documents (TD and Tender Evaluation Report with all annexes) are same as those approved by the CFCU	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments (if any):</b>			

<b>B- Financial Report</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Standard format is respected.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supporting documents are attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Beneficiary's bank account statement (bank approved) is attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank declaration regarding whether any interest is applied to the account (bank approved).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CFCU approval letter for use of Contingency Reserve (if any) is attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CVs, contracts and appointment letters (if relevant) for each project staff are attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Timesheets for all project staff are available and signed by authorised person.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Copies of invoices and accounting documents are attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supply/Service/Works contracts are available (signed according to tender results,if any).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Request for Payment (Annex V) is attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Availability of Accounts Ledger and Additional Tables	Yes	No	N/A
Accounts Ledger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Summary of project expenditures (in EN and TR)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Travel and per-diem	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Equipment and supplies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local office expenditure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other costs, services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments (if any):</b>			

C- Other Reports (to be checked from the PMU's own records)	Yes	No	N/A
Early Warning Report (if any)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Irregularity Report (if there are ineligible activities due to irregularities, please specify) (if any)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments (if any):</b>			

D- Correspondence Between Approved and Implemented Activities and Outputs	Yes	No	N/A
Publicity and visibility requirements are respected.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reported equipment items have been physically checked by the PMU.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Works (constructed through a works contract) have been physically checked by the PMU (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments (if any):</b>			

Summary and Conclusions

	Name & Position of the Expert	Date	Signature
<b>Checklist prepared by:</b>	XXX Monitoring Expert	dd.mm.202X	
<b>Checklist reviewed by TA expert:</b>	XXX Grant Expert	dd.mm.202X	

## Annex 7: Final Report Assessment Checklist

General Information	
Contract Number	
Contract Title	
Name of the Coordinator Beneficiary	
Place of Implementation	

Contract Start Date	dd.mm.202X
Contract End Date	dd.mm.202X
Reporting Period	dd.mm.202X - dd.mm.202X
Date of Final Report	dd.mm.202X
Number of Dossiers	
Report Receipt Date by the PMU/TAT	dd.mm.202X

Coordinator Beneficiary Contact Information	
Name of Authorized Person(s)	
Name of the Contact Person(s)	
Latest Contact Address	
Latest Phone Number(s)	+90.xxx.
Latest Fax Number(s)	+90.xxx.
Latest e-mail Address(es)	

AMENDMENTS TO THE CONTRACT		
Addenda		
No	Last Signing Date	Explanation

Notification Letters			
No	Request Date	Recording date by the CFCU	Explanation

FINAL REPORT			
General	Yes	No	N/A
Final report control list is enclosed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E-copy is attached (including all documents).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
There is a notification submitted with the Final Report (if any, please indicate in comments)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments (if any):</b>			

A- Narrative Report	Yes	No	N/A
Standard template is followed and all questions are answered.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Activities and outputs foreseen in the contract have been delivered without significant modifications / the modifications are notified and do not change project purpose.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Copies of publications, studies, training materials, etc. are attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Samples of visibility materials are available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attendance sheets are included.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fulfilled Procurement Information Form is attached (Annex_2o).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments (if any):</b>			



<b>Tender No:XX (indicate name of the tender)</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
<b>Tender documents for the procurement of supplies, services and works whose unit cost is above €20.000</b>			
Tender dossier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Invitation letter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TS or ToR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tender submission form (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Technical offer (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal entity file (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tender opening and administrative compliance grid (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evaluation grids for tender (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Draft contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial identification form (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evaluation report (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Letter to successful tenderer (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Letter to unsuccessful tenderers (template)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Establishment of the evaluation committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tender evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offers of each tenderer (technical offer, financial offer, tender submission form, tenderer's declaration, statement(s) of exclusivity and availability (if there is any key expert), legal entity file)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"Declaration of impartiality and confidentiality" for each member of the evaluation committee and observers (if any)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tender opening and administrative compliance grid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Technical evaluation grids fulfilled by each evaluation committee member separately.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tender guarantee (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Observer Report (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Letter to successful tenderer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regret Letter(s) to Unsuccessful Tenderer(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contract with the Successful Tenderer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CFCU approval letters/e-mails for TD and Tender Evaluation Reports.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tender documents (TD and Tender Evaluation Report with all annexes) are same as those approved by the CFCU	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments (if any):</b>			

<b>B- Financial Report</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Standard format is respected.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supporting documents are attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Beneficiary's bank account statement (bank approved) is attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank declaration regarding whether any interest is applied to the account (bank approved).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Further Advance Payment request and CFCU approval (if any) (interim payment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CFCU approval letter for use of Contingency Reserve (if any) is attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CVs, contracts and appointment letters (if relevant) for each project staff are attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Timesheets for all project staff are available and signed by authorised person.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Copies of invoices and accounting documents are attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supply/Service/Works contracts are available (signed according to tender results,if any).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Request for Payment (Annex V) is attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Availability of Accounts Ledger and Additional Tables	Yes	No	N/A
Accounts Ledger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Summary of project expenditures (in EN and TR)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Travel and per-diem	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Equipment and supplies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local office expenditure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other costs, services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments (if any):</b>			

C- Other Reports (to be checked from the PMU's own records)	Yes	No	N/A
Early Warning Report (if any)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Irregularity Report (if there are ineligible activities due to irregularities, please specify) (if any)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments (if any):</b>			

D- Correspondence Between Approved and Implemented Activities and Outputs	Yes	No	N/A
Publicity and visibility requirements are respected.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reported equipment items have been physically checked by the PMU.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transfer of ownership form is attached and signed (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Works (constructed through a works contract) have been physically checked by the PMU (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments (if any):</b>			

Summary and Conclusions

	Name & Position of the Expert	Date	Signature
<b>Checklist prepared by:</b>	XXX Monitoring Expert	dd.mm.202X	
<b>Checklist reviewed by TA expert:</b>	XXX Grant Expert	dd.mm.202X	

## Annex 8: Procurement Procedure Checklist

<b>Grant Contract Number</b>	
<b>Title of the Grant Contract</b>	
<b>Name of the Beneficiary</b>	
<b>Region</b>	

<b>Procurement Type</b> Service/Supply/Works	
<b>Procurement Procedure</b> International Open Tender / Local Open Tender / Simplified	
<b>Tender reference number</b>	
<b>Tender name</b>	
<b>Related budget lines</b>	
<b>Max. tender amount</b>	

### Tender Dossier Check

Questions	What to check	Yes	N/A	No
1. Subcontracting of these services/supplies/works was envisaged in the original contract or notified and approved.	Annex III/ GC see note 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Applied procedure is relevant to the amount subjected to relevant budget lines.	see note 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. All related budget lines are included in the tender dossier and artificial splitting is not done.	Annex III & Tender Dossier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Administrative data (contract number etc.) in the TD are correct.	Tender Dossier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Tender name and number are same throughout all documents.	Tender Dossier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The time-limits for receipt of tenders have been long enough to allow a reasonable and appropriate period to prepare and submit tenders (e.g. at least 60 days in case of open tenders).	Letter of invitation to tender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Deadline to submit offers is indicated correctly in all documents.	Letter of invitation to tender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. TS /ToR include no -discriminatory provisions - no reference to company, manufacturer or model.	Tender Dossier – time table	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. TS /ToR are sufficiently detailed - include description of technical characteristics, quality, performance, guarantee, post delivery service.	ToR, TS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Award criteria are stated in the tender dossier.	ToR, TS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. If lowest price is not used as an award criteria, the reasons are well justified (in case of "off-the-shelf" standard goods or IT equipment (computers, printers, etc.) (Always ask for justification for not using the lowest price).	Tender Dossier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Weighting of quality to price are stated in the tender dossier (for tenders that include quality and price criteria).	Tender Dossier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Administrative Grid and Technical Evaluation Grid are included.	Tender Dossier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Minimum requirements to professional, technical and economic capacity of the tenderers are not unnecessarily high (ask justification if they seem high and are likely to prevent competition) (see note 3).	Tender Dossier	<input type="checkbox"/>		<input type="checkbox"/>
15. Technical evaluation criteria are clearly described and included in the tender dossier.	Evaluation grid	<input type="checkbox"/>		<input type="checkbox"/>
16. Technical evaluation criteria are possible to measure (see note 4).	Evaluation grid	<input type="checkbox"/>		<input type="checkbox"/>
17. Relative weights are assigned to each evaluation criteria (i.e. maximum points) (in case of quality and price based contracts).	Evaluation grid	<input type="checkbox"/>		<input type="checkbox"/>
18. TD is approved.		<input type="checkbox"/>		<input type="checkbox"/>
<b>Comments:</b> <i>If TD is approved conditionally, please write the issues to be checked during the evaluation report control:</i>				

Name/Title of the Controller	Date ... / ... / 202X
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## Evaluation Report Check

Questions	What to check	Yes	N/A	No
1. There is documentary evidence that the procurement notice was published in all appropriate media (for open tenders only).	Relevant publications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. At least 3 suppliers/service providers were invited to submit tender (for negotiated procedure).	Letter of invitation to tender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The time-limits for receipt of tenders have been long enough to allow a reasonable and appropriate period to prepare and submit tenders (at least 60 days in case of open tenders).	Invitation letter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Offers were received before the submission deadline indicated in the invitation letters.	Invitation letters & evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. If early opening was done, CFCU was notified.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. If early opening was done, necessary declaration were sought from the tenderers.	Annexes of the evaluation Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The Evaluation committee has an odd number of members, at least three, with all the technical and administrative capacities necessary to give an informed opinion on the tenders.	Nomination of the evaluation committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Nomination of the evaluation committee exist.	Nomination of the evaluation committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Copies of all offers received are enclosed.	Annexes of the evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Administrative compliance grid is prepared and signed.	Evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Evaluation grid is fulfilled by each member of the evaluation committee.	Evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Decisions to accept or reject tenders are fully explained in the Evaluation report.	Evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. There is a documentary proof that selected company is not in any of the situations listed in Article 2.6.10.1 in the PRAG.	Annexes of the evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Selected company are from the eligible countries.	Administrative grid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. In case of supplies – Supplies satisfy the rule of origin. If not, derogation was sought from the CFCU before the launching of the tender.	Administrative grid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Draft letters to unsuccessful tenderers are available.	Annexes of the evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Contract is prepared and ready to be signed by all parties.	Annexes of the evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Contract amount and the financial offer of the successful tenderer are same.	Annexes of the evaluation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. The contract was awarded to the tender offering best value for money in line with the principles indicated in the Annex IV Procurement rules for the beneficiaries (If no, please mark the Q.20 as no).	Evaluation report & its Annexes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Evaluation Report is approved.	Evaluation report & its Annexes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. All necessary checks (i.e. name of the Applicant, co-applicant(s) (if any), associate(s) (if any), affiliated entity(ies) (if any) and firms) regarding the provisions of Decree Laws which were published by following the Cabinet Degree dated 21.07.2016 and numbered 1116 are done (any finding should be indicated in the comment section below).		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Comments:</b> <i>If TD is approved conditionally, please write the issues to be checked during the evaluation report control:</i>				

Name/Title of the Controller	Date ... / ... / 202X
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### Notes:

**Note 1.** Intention to sub-contract certain project activities should be stated in the original proposal. Subcontracting is allowed for costs stated in Budget headings Equipment and Supplies; Other costs, Services; Other, and in rare cases in the budget heading Local Office/ Project costs. For subcontracting which was not stated in the original proposal Grant beneficiary should provide a justification. However, there are certain project activities that are not permitted to be assigned to external organisations. The grant beneficiary cannot subcontract the general management and administration of the project to an external body, and other partners cannot subcontract the whole or a major part of the activities assigned to them. (see also Article 1.6 of the General conditions)

**Note 2.** Contract size and tender procedure

SERVICES	SUPPLIES	WORKS
$x \geq 300,000$ EUR International restricted tender	$x \geq 300,000$ EUR International open tender	$x \geq 5,000,000$ EUR International open tender
	$100,000 \text{ EUR} \leq x < 300,000 \text{ EUR}$ Local open tender	$300,000 \text{ EUR} \leq x < 5,000,000 \text{ EUR}$ Local open tender
$x < 300,000$ EUR  $x \leq 20,000$ EUR Simplified Procedure	$x < 100,000$ EUR  $x > 20,000$ EUR Simplified Procedure	$x < 300,000$ EUR  $x > 20,000$ EUR Simplified Procedure

**Note 3.** Minimum requirements to professional, technical and economic capacity of the tenderer (company) should not be unnecessary high. The requirements to the companies may include annual turnover, professional or quality certificate (i.e. ISO 9000 certified), relevant experience (i.e. at least 3 similar contracts). The objective of such criteria is to examine whether or not the candidate has sufficient capacity to implement the contract, therefore the requirements should correspond to the complexity of the contract. Excessive requirements may block or distort competition - example: at least EUR 10 million annual turnover of the supplier company in contract for delivery of computers valued EUR 5 000.

**Note 4.** An examples of non-measurable evaluation criteria is "good quality" (instead of Quality certificate issued by XXX).

## Annex 9: Notification Letter Checklist

<b>Grant Contract Number</b>	TR2009/0136.01/02/XXX
<b>Name of the Coordinator Beneficiary</b>	
<b>Title of the Contract</b>	
<b>Date and number of the notification letter</b>	xx.xx.202X (Notification No:X)

<b>1. NOTIFICATION LETTER CHECK</b>		<b>Yes</b>	<b>N/A</b>	<b>No</b>
<b>1.1. Supporting documents</b>				
Coordinator Beneficiary notification letter:				
includes correct administrative data (Name of the Coordinator Beneficiary, address, Contract title, Contract number, etc.),	<input type="checkbox"/>			<input type="checkbox"/>
is dated and numbered,	<input type="checkbox"/>			<input type="checkbox"/>
is signed by the legal representative(s) of the Coordinator Beneficiary,	<input type="checkbox"/>			<input type="checkbox"/>
includes a detailed description and sound justification of all contract amendments.	<input type="checkbox"/>			<input type="checkbox"/>
Cover letter is attached.	<input type="checkbox"/>			<input type="checkbox"/>
Standard template for notification letter is used.	<input type="checkbox"/>			<input type="checkbox"/>
Supporting documents are attached (the list of required documents is annexed to this checklist).	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
<b>1.2. Eligibility</b>				
Amendment is in line with the Description of Action and/or does not change the basic purpose of the Contract.	<input type="checkbox"/>			<input type="checkbox"/>
Changes in Description of the Action and the Logical Framework that affect the expected results (impact, outcomes, outputs) are requested before the modification takes place.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
All budget reallocations are eligible and do not require an Addendum.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Revised "Justification of Cost" worksheet is attached.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
If a new budget item is added:	<input type="checkbox"/>			<input type="checkbox"/>
Expenditure is placed under appropriate budget heading and subheading,	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Breakdown by unit, number of units and unit price is given,	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Expenditure is eligible.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Main budget headings are not increased or decreased by more than 25%. (please check all the changes made in prior notifications and addenda).	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Administrative Costs, Contingency Reserve, total budget and grant amounts are not changed.	<input type="checkbox"/>			<input type="checkbox"/>
Thresholds set in the Guidelines for Grant Applicants are respected.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Amendment does not result in excessive increase of project expenditure to project coordination, financial management and administration.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
If the amendment has already been implemented, it is notified immediately.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
No other changes requiring addendum to the Contract exist.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
<b>Comments:</b> (if "No" to any of the above, send a recommendation to the Beneficiary about the relevant field)				

**PMU/TAT in Ankara** considers that Contract Modifications related to the change of .....as requested in the Notification Letter is/are eligible, in line with the project purpose and do/does not call into question the grant award decision or contrary to the equal treatment of the applicants, and do/does not require a contract addendum.

<b>Checklist prepared by:</b>	XXX Monitoring Expert	Date: dd.mm.202X	Signature
<b>Checklist reviewed by TA expert:</b>	XXX Grant Expert	Date: dd.mm.202X	Signature

**List of Supporting Documents to be Attached to the Notification Letter:**  
 (only the documents attached should be indicated hereinafter, delete others)

Purpose of Contract Amendment	Documents to be attached
Modification of the action plan	Updated action plan
Amendments in the Budget	Revised budget for the action and its annexes.
Increase of approved salaries/fee rates	Document proving that new requested salaries does not exceed those normally borne by the Beneficiary or his partners
Increase of approved unit rates	Documents proving that the new requested rates does not exceed normal market rates
Replacement of project coordinator/ expert etc.	New CVs of the new project coordinator/expert (if the CV of previous staff does not exist, then the CV of the prev.staff should also be enclosed), new contact information
Change of address	New contact information (Address, phone, fax etc.)
Others	Please indicate
<p><b>Recommendations:</b>                      (please indicate your recommendations, if any)</p>	



## Annex 10: Addendum Checklist

<b>Grant Contract Number</b>	TR2009/0136.01/02/XXX
<b>Name of the Coordinator Beneficiary</b>	
<b>Title of the Contract</b>	
<b>Date and number of the notification letter</b>	xx.xx.202X (Addendum No:X)

<b>1. REQUEST FOR ADDENDUM CHECK</b>		<b>Yes</b>	<b>N/A</b>	<b>No</b>
<b>1.1. Supporting documents</b>				
Coordinator Beneficiary request for (or agreement for) addendum:				
includes correct administrative data (Name of the Coordinator Beneficiary, address, Contract title, Contract number, etc.),	<input type="checkbox"/>			<input type="checkbox"/>
is dated and numbered,	<input type="checkbox"/>			<input type="checkbox"/>
is signed by the legal representative(s) of the Coordinator Beneficiary,	<input type="checkbox"/>			<input type="checkbox"/>
includes a detailed description and sound justification of all contract amendments.	<input type="checkbox"/>			<input type="checkbox"/>
Cover letter is attached.	<input type="checkbox"/>			<input type="checkbox"/>
Standard template for request for addendum is used.	<input type="checkbox"/>			<input type="checkbox"/>
Supporting documents are attached (the list of required documents is annexed to this checklist).	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
<b>1.2. Eligibility</b>				
Request for addendum has been made before the end of the implementation period of the Contract and there is a sufficient time for signature of the Addendum.	<input type="checkbox"/>			<input type="checkbox"/>
Request for addendum does not include earlier activities or already implemented changes.	<input type="checkbox"/>			<input type="checkbox"/>
Addendum is in line with the Description of Action and/or does not change the basic purpose of the Contract.	<input type="checkbox"/>			<input type="checkbox"/>
In case of extension, the implementation can be completed before the execution deadline of the Financing Agreement.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
In case of co-beneficiary/affiliated entity change/addition, new co-beneficiary/affiliated entity satisfies the eligibility criteria stated in the Guidelines for Grant Applicants.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
In case of co-beneficiary/affiliated entity change, new co-beneficiary/affiliated entity has at least the same capacity of the previous one.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Administrative Costs, Contingency Reserve, total budget and grant amounts are not changed.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Addendum request is feasible and well justified.	<input type="checkbox"/>			<input type="checkbox"/>
<b>Comments:</b> (if "No" to any of the above, send a recommendation to the Beneficiary about the relevant field)				
IF addendum modifies Annex III – Budget for the Action	<input type="checkbox"/>			<input type="checkbox"/>
Standard template for addendum budget is used and it is not changed.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Addendum does not result in excessive increase of project expenditure to project coordination, financial management and administration.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Thresholds set in the Guidelines for Grant Applicants are respected.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Original budget is entered correctly.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Amendments done previously are entered correctly.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Budget changes are entered in appropriate budget headings and subheadings.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Revised "Justification of Costs" worksheet is enclosed.	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>

PMU/TAT in Ankara considers that Contract amendments related to the change of ..... as requested in the request for addendum is/ are eligible, in line with the project purpose and do/does not call into question the grant award decision or contrary to the equal treatment of the applicants.

<b>Checklist prepared by:</b>	XXX Monitoring Expert	Date: dd.mm.202X	Signature
<b>Checklist reviewed by TA expert:</b>	XXX Grant Expert	Date: dd.mm.202X	Signature

**List of supporting documents attached to the Addendum:**

(only the documents attached should be indicated hereinafter, delete others)

Purpose of Contract Amendment	Documents to be attached
Extension of the Contract	Updated action plan.
Amendments in the Budget	Revised budget for the action and its annexes.
Increase of approved salaries/fee rates	Document proving that new requested salaries does not exceed those normally borne by the Beneficiary or his co-beneficiary/affiliated entity
Increase of approved unit rates	Documents proving that the new requested rates does not exceed normal market rates
Replacement/adding of a project co-beneficiary/affiliated entity	<p>Written agreement of the project co-beneficiary/affiliated entity or prove that the project co-beneficiary/affiliated entity have been informed about the intended change</p> <p>Documents proving the eligibility of the co-beneficiary/affiliated entity (the same as the ones requested in the Guidelines for applicants) and a proof that co-beneficiary/affiliated entity have been informed about intended change</p> <p>The statutes or articles of association of each co-beneficiary and (if any) of each affiliated entity (signed by the legal representative(s) and stamped with official seal/stamp of the entity).</p> <p>Certificate of the legal registration (a document showing the activity status of the organisation) of each co-beneficiary and of each affiliated entity (if any).</p> <p>The decision of each co-beneficiary's and of each affiliated entity's (if any) managing bodies to implement the project with a nomination of the person(s) empowered to represent and sign.</p> <p>Notarized sample of signature(s) for representative(s) (nominated in the 5th article) empowered to represent and sign for the lead applicant, for each co-beneficiary and for each affiliated entity (if any).</p> <p>Evidence on the fulfilment (including restructuring etc.) of obligations related to social security contributions (obtained after the date of request) taken from the relevant social security authorities for each co-beneficiary and for each affiliated entity (if any). If the co-beneficiary(s) and/or affiliated entity(ies) (if any) are exempted from social security contributions, documentary proof regarding the status should be provided.</p> <p>Evidence on the fulfilment (including restructuring etc.) of the fiscal/tax obligations (obtained after the date of request) taken from the relevant tax authorities, for each co-beneficiary and for each affiliated entity (if any). If the co-beneficiary(s) and/or affiliated entity(ies) (if any) are tax exempted, documentary proof regarding the status should be provided.</p> <p>Authorization or other licenses necessary for the implementation of the project, if required by the Law.</p> <p>10.The co-beneficiary(ies) and affiliated entities (if any) shall fill in and sign the declaration on honour certifying that they are not in one of the exclusion situations (see Section 2.6.10.1 of the PRAG).</p>
Change of legal personality of Beneficiary/co-beneficiary/affiliated entity	Documents proving the eligibility of the co-beneficiary/affiliated entity
Other	Please indicate
<p><b>Recommendations:</b> (please indicate your recommendations, if any)</p>	

**Annex 11: Cover Letter Template for sending Addendum/Notification to the CFCU**

**KURUM ANTETİ**

**To:** **Dr. Hakan Ertürk**  
Central Finance and Contracts Unit  
T.C. Hazine ve Maliye Bakanlığı Kampüsü  
İnönü Bulvarı No:36 E Blok  
06490 Emek - ANKARA / TURKEY  
Phone : + 90.312.295 49 00  
Fax : + 90.312.286 70 72

**Subject:** Grant Contract No - Title of Project (Request for Notification / Addendum-X)

**Dear Mr. Ertürk,**

With regard to the subject Grant Contract, we would like to recommend approval of the Notification-X / Addendum-X requested by a letter of the Coordinator Beneficiary dated <date> regarding the change of project coordinator / budget amendment / extension of the contract / replacement of the project partner/etc.

The requested amendment(s) does/do not affect the basic purpose of the Action and is/are well justified.  
Yours sincerely,

*Name and position*

**Encl:**

- Original request of the Coordinator Beneficiary
- Notification / Addendum request checklist
- Draft addendum Budget for the Action (in electronic format)
- Revised Action Plan
- Supporting Documents

# References

- ▶ Procurement and Grants for European Union external actions (PRAG) Version 2020.0 - 1 August 2020
- ▶ DEVCO Companion to financial and contractual procedures (Version 11.0 – February 2021)
- ▶ Prime Ministry Circular numbered 2015/15 regulating the distribution of roles and responsibilities of the relevant institutions in Turkey entered into force on 8 December 2015
- ▶ Cooperation Agreement between the Central Finance and Contracts Unit and the Lead Institution on the functions and the responsibilities of the Operating Structure – template
- ▶ Grant Scheme Monitoring Manual for Civil Society Dialogue Between EU and Turkey - CSD V & Civil Society Support Programme-II (CSSP-II) (March 2019)
- ▶ Grant Implementation Manual for Supporting Civil Society Dialogue Between EU and Turkey Grant Scheme (CSD-V) and Civil Society Support Programme-II (CSSP-II) (March 2019)



REPUBLIC OF TÜRKİYE  
MINISTRY OF TREASURY AND FINANCE  
**CENTRAL FINANCE AND CONTRACTS UNIT**

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