

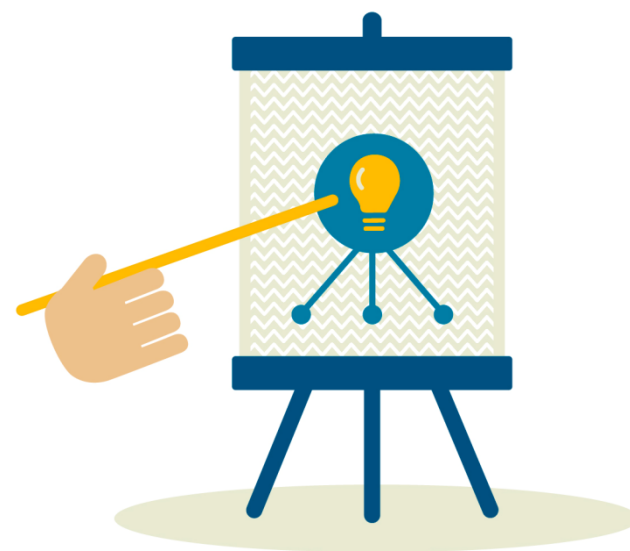
# Project implementation challenges

---

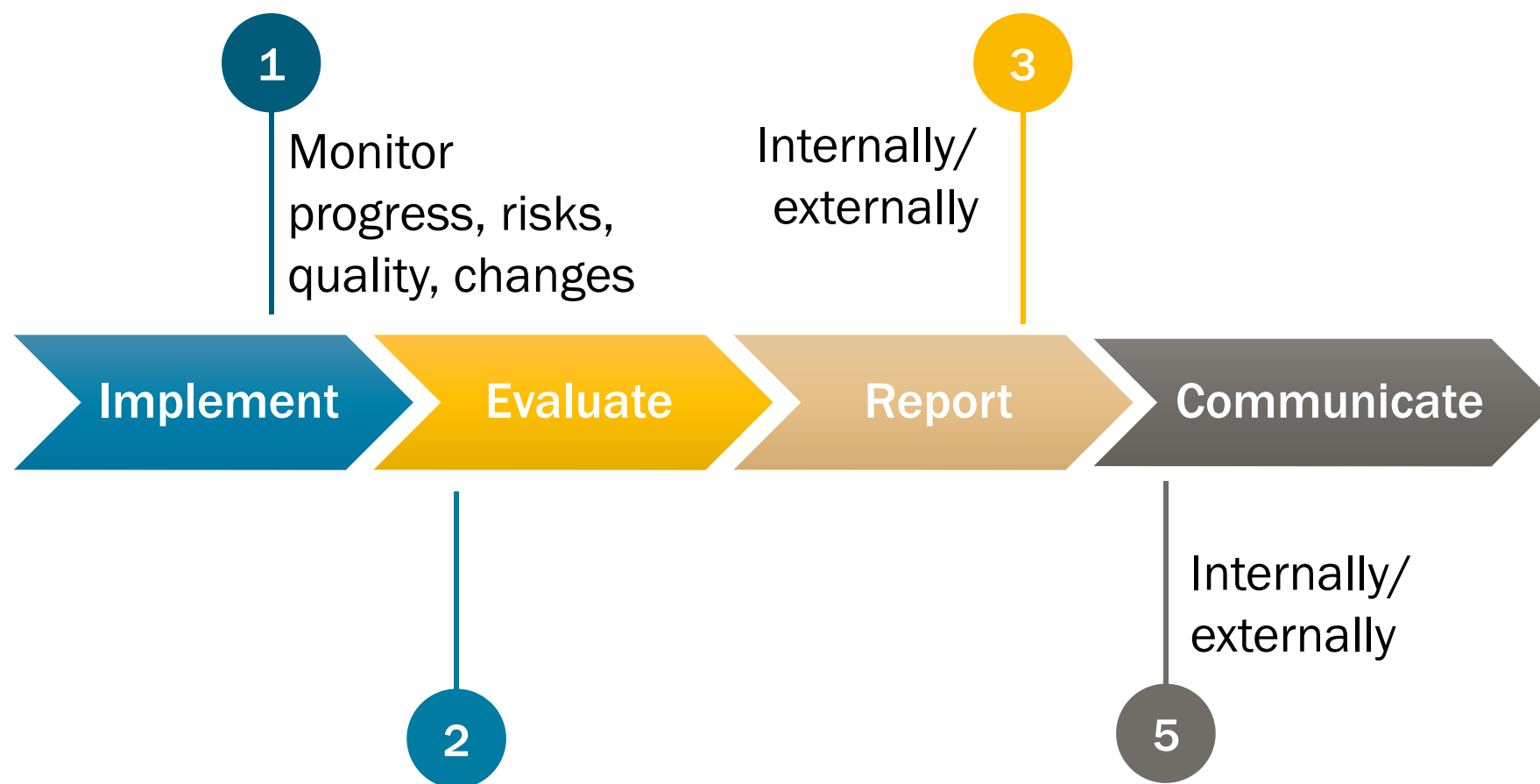
Interreg Programme Management for  
Beginners

24 - 25 April 2018 | Budapest, Hungary

**Iuliia Kauk, Interact Programme**



# Project implementation tasks



# Programme's role during project implementation

- Monitoring of project implementation: assuring that project inputs (budget and activities) and outputs are in line with the original plan
  - ongoing task



WHY to monitor?

- Keeps track of all major variables – cost, time, scope ,and quality of deliverables;
- Allows problem identification;
- Verifies and provides transparency on the spending of public funds.

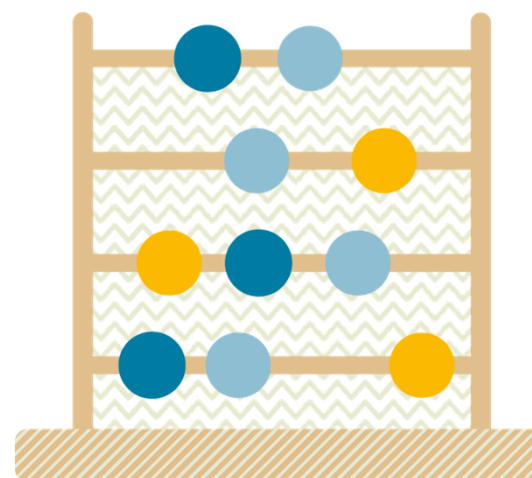
# Project reporting

All programmes require:

- Financial content of reports:
  - List of eligible expenditures
  - Expenditures attributed to budget lines and work packages
  - Certificate; claim of total ERDF in EUR
- Activity report
- E-cohesion from 2015

Differs from programme to programme:

- Frequency
- Deadlines
- Content
- Attachments



# Project reporting

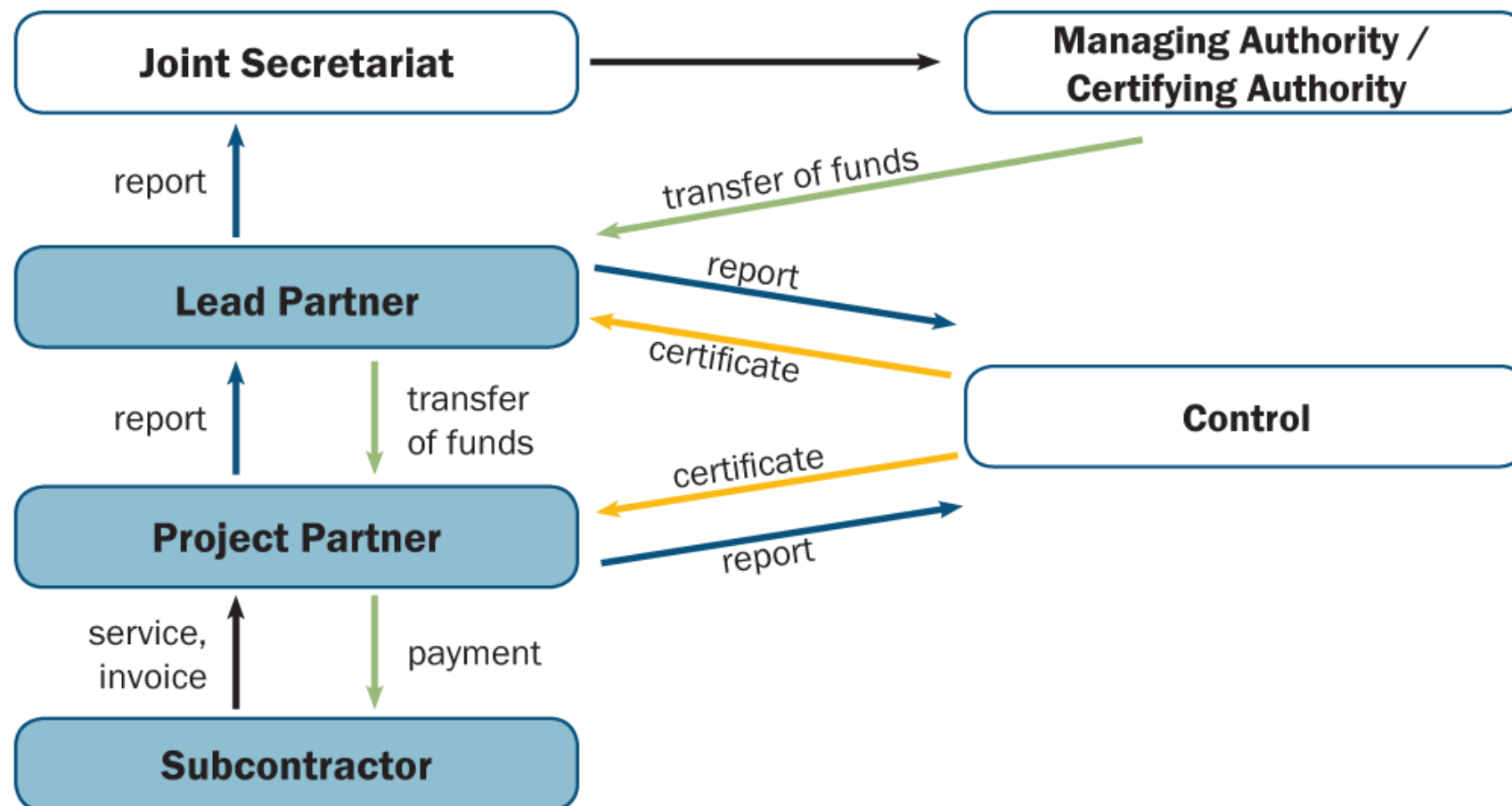
## LP is responsible for:

- checking if deliverables comply with content and quality requirements;
- cost as budgeted;
- making sure that all information available on programme reporting rules is passed on to the PPs;
- providing clarifications related to the requirements;
- producing own partner report;
- compiling project progress report.

## PP is responsible for:

- reviewing progress of tasks on partner level;
- reporting to the LP/ informing about the progress;
- informing of potential risks and problems associated with risks;
- informing about information needs;
- regularly exchanging of status information;
- preparing partner reports.

# Reporting process and cash flows



# Reporting – what can get wrong?

- Queuing for reports verification
- Discrepancies in interpretations
- E-cohesion/ e-monitoring system
- Financial errors/ irregularities
- Liquidity at programme level
- Delays in implementation
- Partners not following rules/ procedures
- Bad or lack of communication



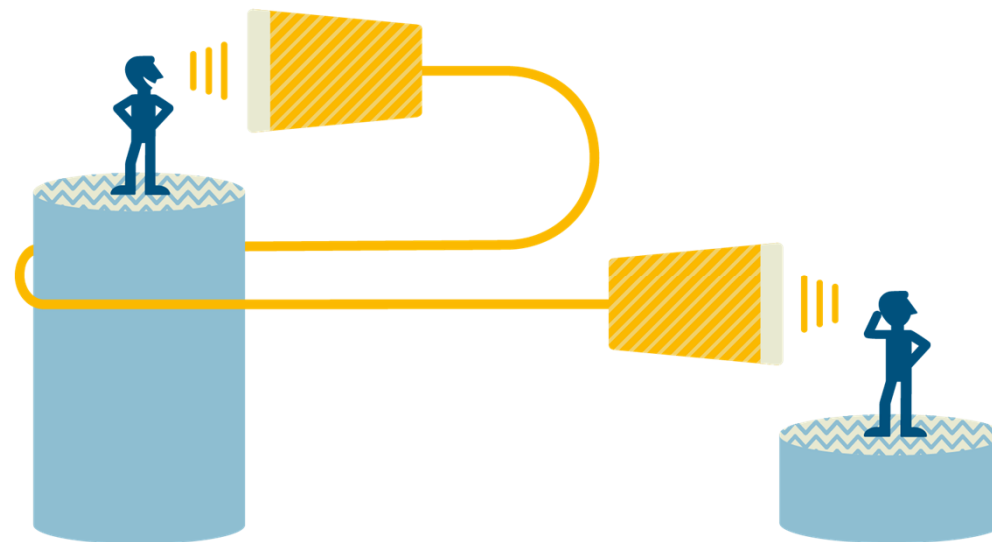
# Project financial implementation warning signs

- No proper monitoring  
*(where is the invoice for these constructions works?)*
- No clear leadership  
*(should we buy it now or next year?)*
- Inexperienced project management  
*(I am not into finance – consult your accountant)*
- Little communication at every level  
*(I did not know it is important)*
- Competing priorities  
*(I am told to help my boss with other duties)*

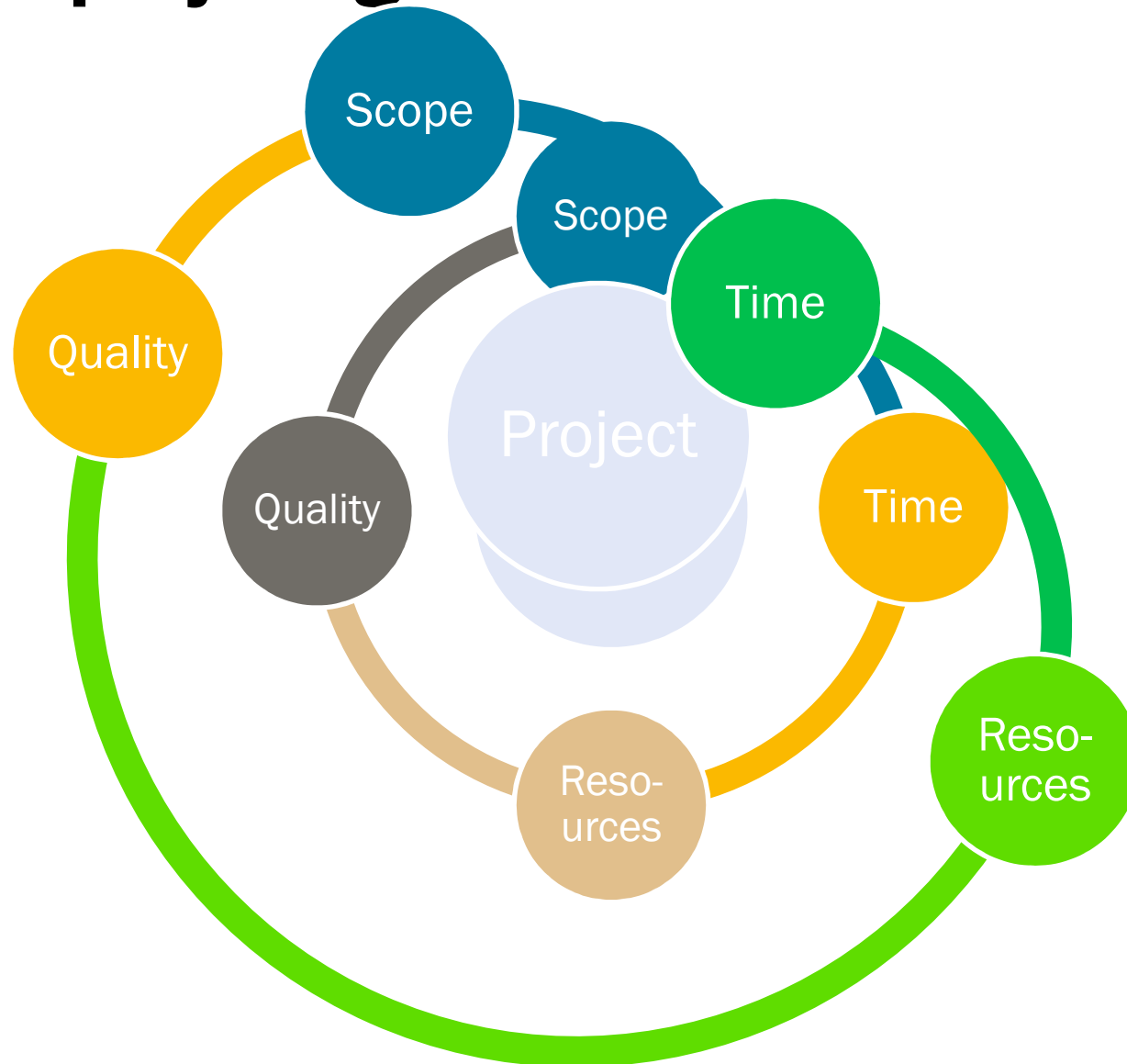




# Project modifications



# Why a project goes off the rails...



# Finding a root cause of the problem

Source: brandconstructors.com



“What if we don’t change at all ...  
and something magical just happens?”



“It’s important to note we really are trying hard.”  
Source: recruiter.com



“We need someone with an overview of the situation.”

www.shutterstock.com · 518041327

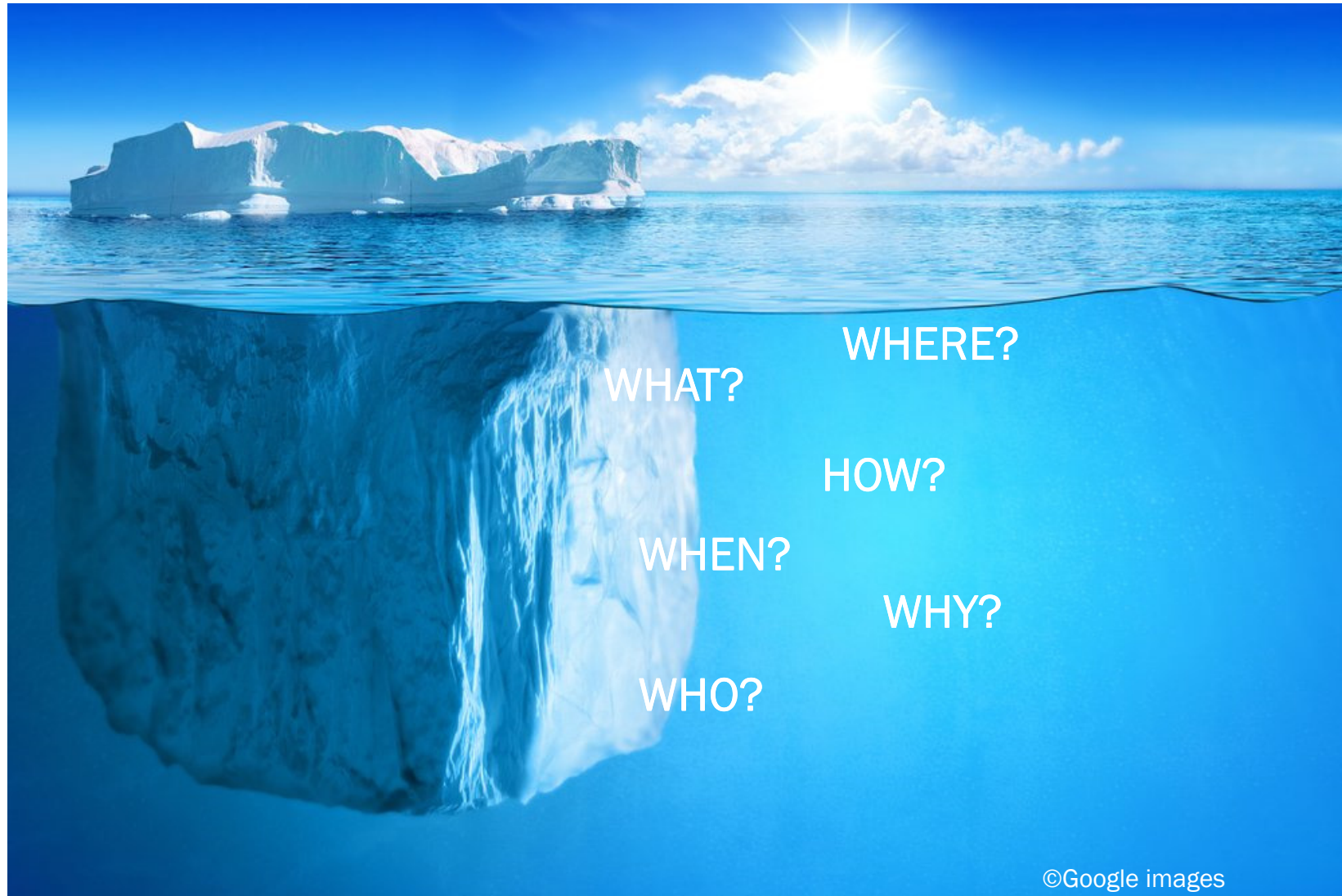
© MARK ANDERSON

WWW.ANDERSTOONS.COM



“Oh, that? We don’t know what that is. The plan is  
to just ignore it and hope it goes away.”

# Finding a root cause of the problem

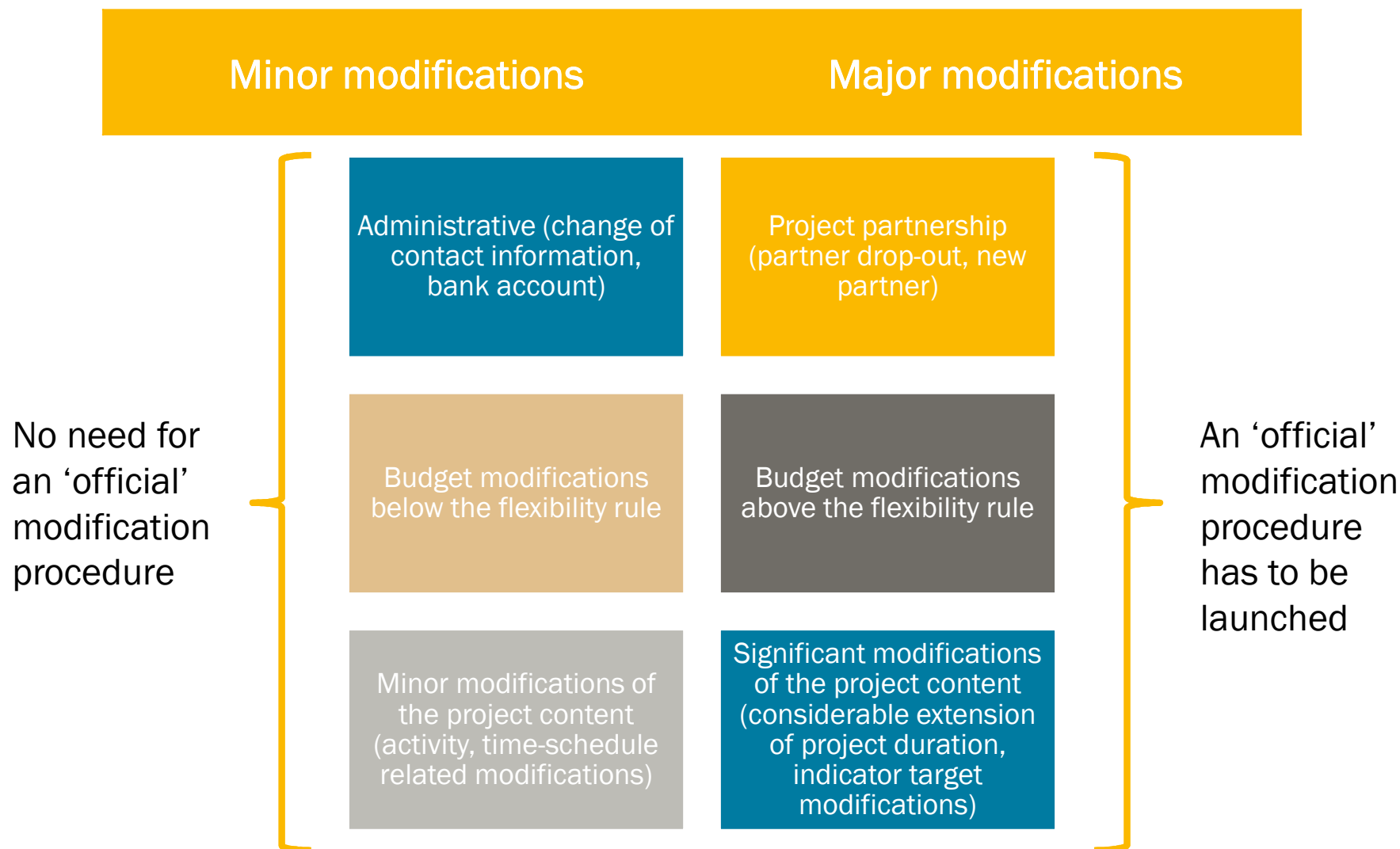


# Investigating the need of the modification

- Is it really necessary to implement this modification?
- What should be done in order to avoid it?
- The nature of modification (activity, partnership)?
- Who does it affect (1 partner, whole partnership)?
- Does it affect project budget?
- Does it affect project timeline?
- Is it dangerous for delivery of outputs or results?



# Types of project modifications

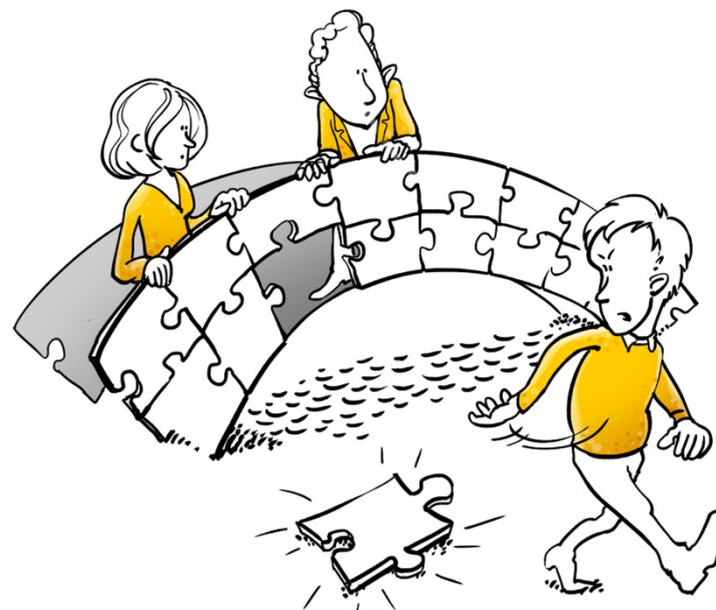


# Project modifications and programme reactions

Modification	Programme reaction
Activity	Accepted, budget implications considered
Roles	Join implementation is not threatened
Partnership	Serious change
Outputs and results	Questioned
Time plan	Accepted, decommitment considered
Budget	Flexibility of 10 – 20 %

# Budget modifications

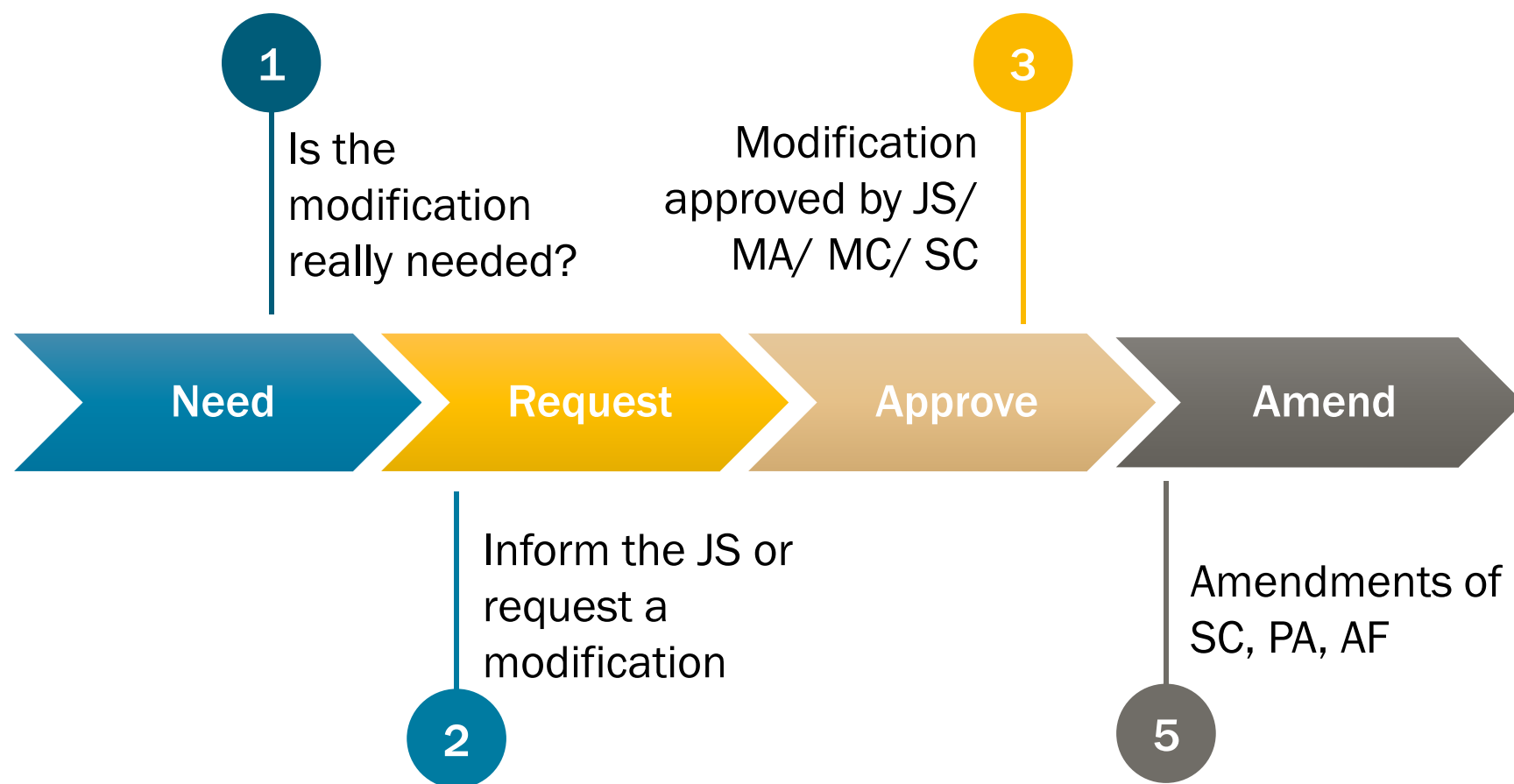
- Budget line – Budget line
- Work package – Work package
- Partner – Partner
- Mixture of all above



**Budget flexibility rule – reallocation of a certain budget amount between BLs, WPs and sometimes PPs without having a request for a change.**



# Project modification procedure



# How to avoid modifications ?

- Define the responsibilities and procedures for day-to-day management and coordination
- Involve partner finance managers from the start
- Make sure reporting procedures are clear to all partners
- Have in place risk and quality management
- Make sure communication within partnership is smooth, open and honest



## Unavoidable

Fire in the office, flooded investment, erupting volcano

# Financial errors

Ineligible expenditure that is NOT deemed an irregularity:

- corrected before the submission MA/JS;
- deducted by the MA/JS;
- addressed by the CA.

Errors do not decrease the project budget.



# Irregularities

An ineligible amount that was **already included** in the claim to the European Commission is considered an irregularity.

- One-off or systematic
- Require programme level corrections in the form of withdrawals or recoveries.
- Can affect the project implementation:
  - further checks and/or
  - repayment of funds.

Irregularities decrease project budget.



# Main causes of irregularities

- Non-compliance with public procurement rules;
- Calculation errors, wrong accounting, wrong budget line;
- Infringement of “value for money” principle;
- Not planned activities with no relevance to project;
- Infringement of eligibility rules;
- Weak audit trail.



# Irregularities – high risk partners

- Large budget
- Inexperienced partners
- Partners in many projects
- High investment costs
- Private partners
- NGOs

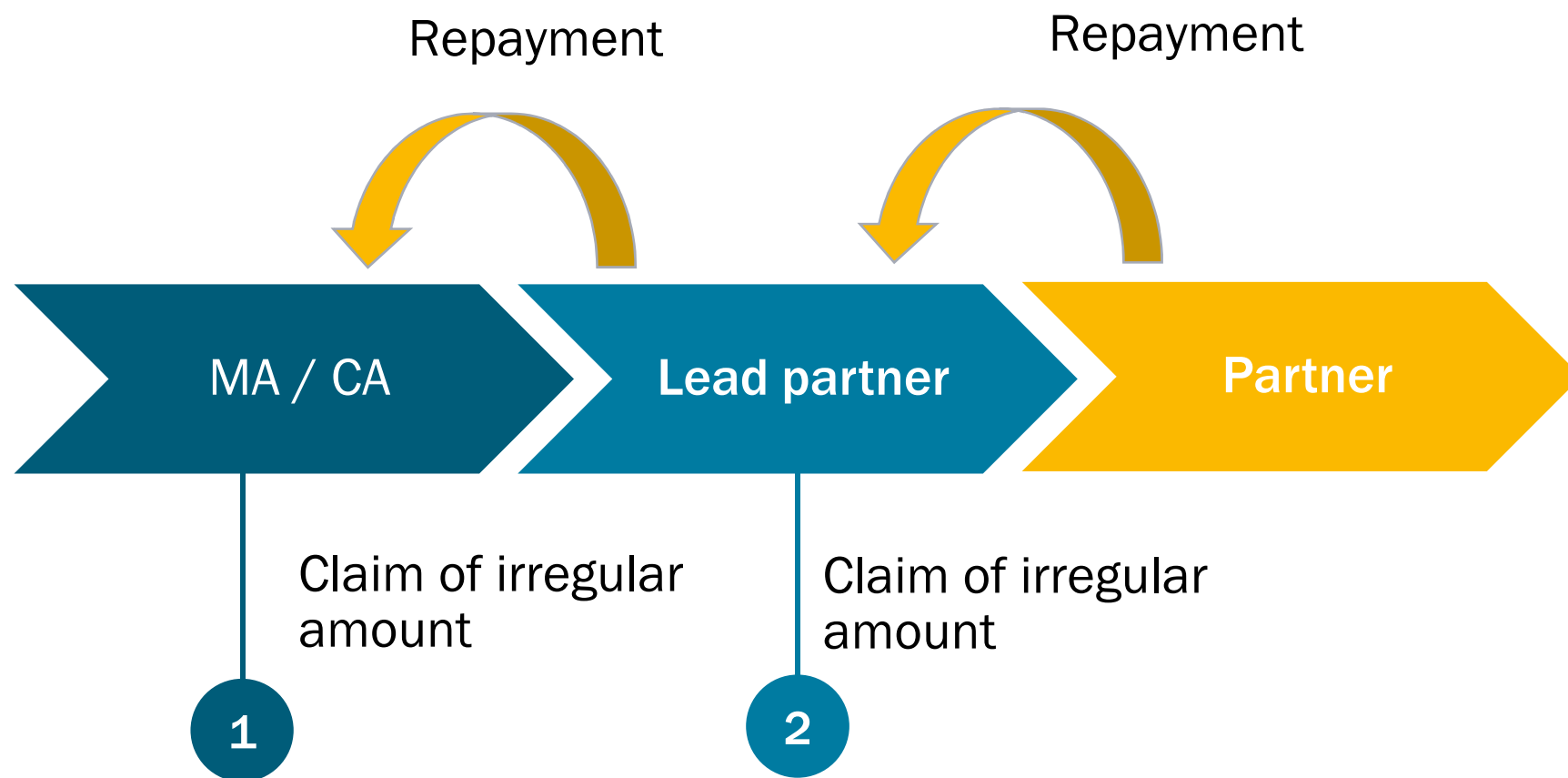


# How to avoid irregularities

- Prevention – trainings, seminars
- Network of controllers
- Detailed guidelines
- Lead partners / controllers of LP to check quality of the project report



# Recoveries





# Cooperation works

---

All materials will be available on:

**[www.interact-eu.net](http://www.interact-eu.net)**