

Interreg



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Programme & Project Implementation Manual / **Section C: Project Implementation**

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SECTION C: PROJECT IMPLEMENTATION

The Project Implementation guidelines serve as an essential reference document for all bodies interested in implementing a project that has been selected for funding. This manual, together with the Programme's website www.greece-italy.eu and all annexes, provides practical information and assistance to the PPs, when implementing a project under the Programme.

It includes information on:

- Contracting procedures
- Reporting procedures
- How to fill in the Progress Report (drafting in progress)
- Payments /cash flows
- Project modifications
- Management Verifications
- De-Commitment of funds on project level

Contracting procedures

On the basis of the Monitoring Committee's decision on the selected project proposals, the Managing Authority shall sign a Subsidy Contract with the Lead beneficiaries of the approved projects. The Subsidy Contract shall determine the rights and responsibilities of the aforementioned parties and shall describe the scope of activities to be carried out, the terms of funding, the requirements for reporting and financial controls, etc.

The Managing Authority will use a standard template for the Subsidy Contract approved by the MC drafted in compliance with the Programme's applicable rules and in accordance with the Greek law. The Subsidy Contract is addressed to the Lead Beneficiary, appointed by the partnership, in accordance to Article 22(6) of the Regulation (EU) No 1059/2021. It is signed, (either physical or digital signatures accepted)¹, by the legal representative or the delegated person of the Lead Beneficiary and by the Managing Authority. The signature of the Partnership Agreement is a prerequisite for the signing of the Subsidy Contract.

The Partnership Agreement will be signed between the Lead beneficiary and the project beneficiaries. The Partnership Agreement could be signed using physical or digital signature. This Agreement shall define the rules and procedure guiding the partnership defining the work to be carried out for the implementation of the specific project activities and the beneficiaries' duties and obligations within the partnership.

i. Preparation of the Subsidy Contract

After the approval for funding of the project, the JS/MA informs officially the Lead Beneficiary on the result of the evaluation and the following steps of the contracting procedure. The Lead beneficiary in cooperation with the project beneficiaries should proceed with the adjustments of the Application form and prepare all the necessary documentation required by the Call for proposals for the signature of the Subsidy Contract.

¹ The signing method should be the same for both parties– either digitally or handwritten signing

More specifically, as regards the Application form, the Lead beneficiary needs to:

1. Comply with the evaluation indications or funding conditions regarding the activities, the work breakdown structure, the budget (if applicable), etc.
2. Adjust the project work plan and timetable according to the actual needs, as there may be changes required compared to the initially submitted project proposal

As the approved Application form, annexed to the Subsidy Contract, is the reference document for all project modifications to follow (if necessary), special emphasis needs to be placed by the project beneficiaries to consolidate an effective and realistic work plan. The final Application form and supporting documents will have to be agreed with the JS/MA before the signature of the Subsidy Contract.

The process of consolidating the Application form and preparing all supporting documents must not exceed the period of **two months** after the notification of the Lead Beneficiary about the approved funding. The JS/MA reserves the right to extend this period for exceptional justified cases.

ii. Setting Start-up milestones

In order to ensure that the project has a successful start-up, during the process before the signature of the Subsidy Contract, along with the other official documents, the Lead beneficiary will submit to the JS/MA a specific time plan focusing on the first 9 months of the project implementation, setting the milestones to be achieved for this period.

The specific 9-months' time plan should provide information on activities and costs that will be incurred amounting at a minimum of 10% of the total project budget. This specific time plan should be reviewed, approved and monitored during the implementation of the project by the JS/MA and the respective Project officer.

At the end of the start-up period, or earlier if necessary according to the progress made, the project shall undergo an internal review with the responsibility of the Lead beneficiary assessing whether the set milestones have been achieved by all beneficiaries. The results of this internal review shall be brought forward to the JS/MA and it shall be assessed whether corrective or any other actions are necessary. In case of major delays and non-achievement of the milestones leading to possible failure of the project scope, the JS/MA reserves the right to propose reduction of the activities and/or reduction of the project budget so that the project remains operational.

iii. Subsidy Contract signature and the accompanying documents

For the closure of the contracting procedure, the following documents should be agreed with the JS/MA.

The JS/MA will provide the template of the **Subsidy Contract** that should be completed by the LB and reviewed by the JS Project Officer before signing or digitally signing by the Lead Beneficiary.

The Partnership Agreement template should be as well filled in by the Lead Beneficiary and reviewed by the JS Project Officer before signing by the partnership.

Moreover, the digital version of the following documents has to be uploaded to the MIS (section 2) of the Programme by the Lead beneficiary:

The Partnership Agreement (template provided by the JS/MA).

The pdf scanned copy of the PA **signed (also electronic signature)** by all the participating beneficiaries.

The Justification of the Budget document (JoB). This must be the final version of the excel template agreed between the JS and the Lead Beneficiary, accompanying the AF in force.

The Start-up Time Plan and Procurement Plan in final version, as agreed with the JS/MA which should be sent along with the signed Subsidy Contract in the provided excel template.

The Decision of the designated bodies of each project beneficiary, (e.g. Board of Directors, Municipal Board, Director, Service Manager, etc.) accepting to implement the project as it was approved by MC and authorizing a representative to sign any required document and **the compliance of the beneficiary with Article 65 of the Regulation (EU) 1060/2021 in cases of infrastructure and investment operations**.

In case of special requirements regarding the content of the decisions, guidelines will be provided by the JS. Scanned versions of the decisions are accepted. The Lead Beneficiary should keep in the project folder all beneficiaries' decisions.

Any other supporting documents requested by the JS/MA. According to the project characteristics, the JS reserves the right to ask for supplementary documents, in order to proceed with the signature of the Subsidy Contract. For instance, documents for issues related to infrastructure projects, financial capacity of beneficiaries, requests of administrative changes, etc., can be requested and should be submitted officially.

In a case a partnership modification occurs due to reasons of legal succession (i.e., a beneficiary absorbed by another entity), only the following documents will be requested:

- Amendment to Subsidy Contract and the Partnership Agreement;
- The Decision of the designated body of the new Project beneficiary.

Once the documents received and processed by the JS and Managing Authority, one original copy of the Subsidy Contract is sent to the Lead Beneficiary via official correspondence, signed and stamped or digitally signed by the Managing Authority.

A pdf scanned copy of the Subsidy Contract will be filed in the MIS project folder (section 2.5) by the JS Project Officer. The LB should send the copy of the signed SC to all the project beneficiaries.

The Partnership Agreement document should explicitly define the internal rules and procedure of the projects. It is recommended that the members of the Project Management Team (PMT) of the project and the internal project teams of the beneficiaries are designated at this stage of the project preparation. **In any case,**

the PMT and the project teams of the beneficiaries should be established within the first month following the signature of the Subsidy Contract.

Finally, if the Subsidy Contract and/or the Partnership Agreement need a modification for any reason, an Amendment to the originally signed versions will be made. Any signed Amendments by all the involved parties will be subsequently uploaded to the MIS.

The JS keeps files of the originals of the signed Subsidy Contract and any Amendment(s) to the Subsidy Contract, as well as of the scanned versions of the Partnership Agreement and any Amendment(s) made to it.

Reporting procedures

General

The Lead Beneficiary of the project, in accordance to Article 26 of Regulation (EU) 1059/2021, is responsible for the submission of the Progress Reports on the implementation of project, according to the timetable referred to in the approved Application Form and the Project Implementation Manual as in force.

i. Process for submitting the Progress Report and deadlines

The Lead Beneficiary will use the MIS for the submission of the Progress Reports.

All Reports must be submitted in English, which is the official language of the Cooperation Programme. The JS processes and approves Progress Reports through the MIS.

Submission deadlines

The Lead Beneficiary will submit a Progress Report to the JS **every six months**, in accordance to the following schedule:

January- June	31 st of July of the respective year
July – December	31 st of January of the following year

As indicated in the above table, the deadline for the submission of the Progress Report is one month after the end of the reporting period. Beneficiaries could send their expenditure for verification to the designated controller more than once during the reporting period.

Interim Progress Reports may be requested by the Joint Secretariat/Managing Authority of the Programme for financial management reasons at any stage.

Specific instructions or clarifications concerning the electronic submission of the Progress Report will be upload into the official website of the programme www.greece.italy.eu.

ii. Submission of expenditures for verification

The Managing Authority has the overall responsibility for verifying the regularity of expenditure. Each country designates the controller/s responsible for verifying the legality and regularity of the expenditure declared by the project beneficiaries established on its territory. Consequently, each application for verification of expenditure submitted to the competent body (e.g. NA or FLC) by the beneficiaries participating in a project has to be verified and confirmed by the controller according to the Management Verifications System established in the respective country.

The main aim of the control systems is to provide a guarantee for the Managing Authority, the Certifying and Verifying Authority and to the project itself that costs

are reported and claimed in accordance with the legal and financial provisions of the Programme rules, as well as the Community Regulations and national rules, following the provisions of Art. 48 of the Regulation (EU) 1059/2021.

Additionally, to the Management Verifications, expenditure incurred and paid out by each beneficiary are subject to controls and audits by other Authorities.

Project Modifications

During the lifetime of a project, internal or external causes may bring changes to the activities and budget of the approved projects. Nevertheless, to secure successful implementation, the project beneficiaries need to follow a structured form with a precise timetable and well- defined actions and results.

The Application Form describes each project in detail, providing specific information such as timetable of activities, financial information, budget forecasts etc. The Application Form together with the Subsidy Contract and the Partnership Agreement provide the basis for the projects' implementation.

The Programme's Monitoring Committee approves projects based on the information provided in the project proposal comprising the Application Form and annexed documents. Therefore, the Lead Beneficiary and the project beneficiaries have the flexibility to develop the projects but should follow the rules set in the Call for proposals. Changes occurring during the lifetime of a project in general should not affect this basis.

The main objective of this chapter is to describe the procedures for the different types of modifications related to project changes. It is important to note that approval of project changes should not be considered as an automatic procedure. To ensure timely implementation, any request for modification of the project will be pre-assessed regarding the need by **the JS/MA who reserve the right to accept project modifications strictly no more than once per semester**, except for modifications approved by the JS. An extension to the project duration can be requested during the project's lifetime, and it should not exceed the **50% of the project's initial duration**. Nonetheless, there may be exceptional cases leading to a bigger project extension. For example, circumstances of force majeure constitute exceptional cases leading to suspension or extension of deadlines. It is pointed out that cases of force majeure are restrictively listed and strictly assessed by the national and EU jurisprudence. Some cases of an additional partner joining the approved project and additional project budget might be examined and could potentially lead to bigger project extension.

The Call for proposals' thresholds shall be respected in all modification requests. Any deviation at project closure must be justified, must serve strategic purposes of the Programme and have the approval of the Managing Authority.

Projects should be aware that a formal request for modification can only be launched during the lifetime of the project. It is not possible to launch a formal request for modification after the end date of the project (as indicated in the Application Form).

There are three types of modifications, considering the effect on the project structure and the body that will provide the decision. These three types are the following:

1. Modifications approved by the JS

The beneficiaries during the implementation of the project can proceed to the following adjustments:

- **Administrative Information in the Application Form** such as change of legal representatives, contact details, addresses, other data of minor significance and erroneous insertion of data.
- **Modification of bank accounts**
- **Adjustments in the Justification of Budget** that do not affect the scope of the project nor any information in the approved Application Form (e.g. a) minor technical modifications for which the beneficiary is responsible and which clearly

permit to achieve the target of an action and the project objective b)change in the location of a planned activity within the eligible Programme area c)conversion of an activity planned in physical mode to hybrid mode, etc.).

- **Adjustments in the workplan, like change in the start and end dates of activities/ work packages** and of their respective deliverables, without affecting the overall end date of the project.
- **Reallocation** between the respective budget categories and/or work packages for amounts up to 20% of the total budget of the project, not affecting the total beneficiary's budget, the project scope and results and the approved by MA Procurement Plan. The percentage of the requested for reallocation amounts will be calculated compared to the total project budget in the approved Application Form annexed to the Subsidy Contract in force. The percentage will be monitored in a cumulative way, considering the already approved reallocations prior to the request². This procedure will be applied only in cases where there is no change of the scope and the results of the project.

Adjustments that fall under this type of modification, should be requested by the LB at project level (including adjustments for all PBs). The MA should be informed on the approved reallocations of the projects.

2. Modifications approved by the MA

These changes do not have a substantial impact on the overall project goals, results and project scope and in most cases do not require the signing of an Amendment to the Subsidy Contract. These modifications include:

- **Changes in the work plan without an impact on the approved total project budget** - A project may change its approach towards the achievements of the objectives and the expected results. In principle, it is not allowed to change the content of the project, especially the objectives and the expected results. However, in some cases, modification of the approved project activities might be necessary which do not impact the project scope and results. These changes must be well justified and described as soon as they become evident. (e.g. modification of the type but not the total number of the items or services for purchase (modification of equipment type in the JoB) without changing the result or the purpose of the activity b) changing methodology and type of procurement plan due to budget category changes c) increasing the approved number or type of equipment/services is going to be purchased due to a lower price or using discounts, without changing the result or the purpose of the activity, etc.) Approval of activities and travels outside the Programme area that are not initially planned in the approved Application Form but occur during project implementation.
- In duly justified cases amounts from **discounts/savings/unspent** can be re-used and/or re-allocated in the project **without affecting the approved total project budget, the project scope, impact and results.**
- **Extension** of the project's end date not affecting the achievement of the target set by the n+3 rule. The extension of the project duration can be requested during the project's lifetime, and it should not exceed the **50% of the project's initial duration**³.

² It should be noted that accumulation could bring to a change of the modification procedure.

³ With the exception of force majeure and certain cases of additional budget and/or additional partner joining the approved project

- **Reallocation** between the respective budget lines and/or between work packages greater than 20% of the total project budget that is not affecting the total beneficiary's budget. The percentage of the requested for reallocation amounts will be calculated compared to the total project budget in the approved Application Form annexed to the Subsidy Contract in force. The percentage will be monitored in a cumulative way, considering the already approved reallocations prior to the request.
- **Reallocation** of resources between beneficiaries from the **same country**. Reallocation of funds between beneficiaries may be accepted only if it does not involve: (i) a modification of the total project's budget and (ii) a change in the total budget distribution per country. For this kind of reallocation an Amendment to the Subsidy Contract is required to be signed.

3. Modifications approved by the MC

These changes have substantial impact on the overall project goals, scope and results and require an Amendment to the Subsidy Contract/Partnership Agreement to be signed.

These modifications include:

- **Reallocation** of resources between beneficiaries from **different countries**: In duly justified cases stemming from certain beneficiaries' incapability to meet the undertaken responsibilities related to the implementation of project activities, reallocation of activities and corresponding funds might be approved among beneficiaries even from different participating country. Such a transfer of activities and accompanying budgets could be accommodated only within the framework of already approved project budget. The proposed changes must not affect the nature, the deliverables and the results of the project as approved by the Monitoring Committee of the Programme.
- **Changes in the work plan with an impact on the approved total project budget/ Addition of new activities that will bring added value to the project**. In case a project under implementation requires additional activities the MA/JS will first review these new activities/deliverables before submitting them to the MC for final approval. The increase of the budget may be acceptable only if these new activities/deliverables aim also to the enhancement of the successful implementation of the entire Programme, its expected achievements, and the capitalization of its outcomes.
- **Modification of the composition of the partnership with replacement of withdrawing beneficiary**: In duly justified cases stemming from beneficiary's incapability or failure to meet the undertaken responsibilities to implement the project's activities, a modification of the partnership's composition may be approved. To replace a beneficiary from the already established project partnership, by adding a new beneficiary, an important precondition is the agreement of all remaining beneficiaries. The new proposed beneficiary should carry out at least the same expertise and preferably be active in the same field of work as the one withdrawing, proving its competency to implement the allocated project activities without changing their nature, nor affecting the described deliverables and results, included in the approved Application Form.
- **Modification of the composition of the partnership without replacement of withdrawing beneficiary**: In case of withdrawal of a project beneficiary without being replaced by a new one, the remaining project beneficiaries can undertake, according to their field of expertise, the project activities of the beneficiary that withdrew along with the respective budget, only in case these activities are core activities of the project and are essential for the successful implementation and the achievement of the project/Programme's targets. See

also section “Reallocation of resources between beneficiaries from **different** participating countries”.

- **Addition of new beneficiaries leading to the increase of the output, results and budget of the project:** in case a project under implementation requires additional activities/budget/output/results that will bring added value to the project and the territories but will lead to the increase of the number of the beneficiaries and the budget of the project, the MA/JS will first review these additions before submitting them to the MC for final approval. The increase of the beneficiaries and the budget may be acceptable only if these new activities/deliverables/output/results aim also to the enhancement of the successful implementation of the entire Programme, its expected achievements and the capitalization of its outcomes and creation of a strong network between the countries.

All modifications impacting the approved total project budget or modification of the partnership of the project should be approved by the Monitoring Committee of the Programme.

It should be noted that for all the modifications requiring approval by the Monitoring Committee, these shall be pre-assessed by the JS/MA. The modification proposals that will be proceeded to the MC for approval will be accompanied by the proposal of the JS/MA on the proposed changes.

Other modifications:

a) Modifications following legal succession

In a case a partnership modification occurs due to reasons of legal succession (i.e., a beneficiary absorbed by another entity), the Lead Beneficiary should send to the JS the request accompanied by the relevant legislation that imposes this modification. No further supplementary evaluation by the JS is required in this case.

b) Modifications related to special cases of take over

In cases of operations for which the project beneficiary makes a justified request for another body to take over partly or completely responsibility for the implementation of the operation from the project beneficiary, always in accordance with the national institutional framework of the participating countries as in force, the Managing Authority evaluates the request and issues a decision approving or rejecting the request.

As provided for in the agreement between the two parties, the body which assumes responsibility for implementing the operation may be designated as the beneficiary of the operation under the Programme and shall assume all the responsibilities and obligations arising therefrom. Expenditure paid for the operation by the initial project beneficiary and/or by the body taking responsibility for implementing the operation shall be eligible, in accordance with the provisions of the agreement between the parties, always taking into account the national institutional framework and the provisions laid down in the Programme documents. If necessary, the partnership may launch a partnership modification procedure and should follow the applicable to the specific case procedures as described in this Manual.

c) Modifications related to public contracts

For any modifications related to infrastructure works or other public contracts, the national legislation applies to all cases (such as in cases of substitution tables) and the responsibility for approval remains to the legal bodies concerned and appointed by the legislation and not to the MA/JS. However, the MA/JS shall be informed **before the initiation of the national legislation procedure** about the necessary changes that need to be applied, in order to assess whether there is a modification to the scope and content of the project. In case of objection, the aforementioned respective legal bodies will be informed.

For Greek beneficiaries, there is an obligation to submit to the MA, before their approval by competent bodies, the Summary Tables of Works (Ανακεφαλαιωτικοί Πίνακες Εργασιών) drawn up in accordance to the relevant legislation. The MA examines and issues a favorable (or unfavorable) opinion on the substitution tables of works. The opinion is a prerequisite for their approval.

d) Modifications requiring Subsidy Contract and Partnership Agreement Amendment

The Subsidy Contract and Partnership Agreement are amended only when a specific article of the one in force is modified.

Indicatively, these cases are the following:

- Article concerning the partnership composition;
- Article concerning the beneficiaries' budget when modifications leading to a beneficiary's overall budget increase or decrease are approved.

No amendment of these documents is required for internal budget modifications, given that none of the articles are modified.

Procedures for approval of project modifications

1. The procedure for modifications approved by the JS, modifications approved by the MA and modifications approved by the MC (except for change in the partnership with replacement of a beneficiary and/or addition of new beneficiary) is as follows:

In order to proceed with the adjustment, the LB should get the consent of the Joint Project Management Team (JPMT), consisting of at least one representative of each beneficiary. This consent can be in the form of meeting minutes, written communication (emails), etc. The Application Form of the project in MIS should be adjusted with the proposed changes and submitted along with all the supporting documents listed below in attachment to it.

The LB must submit the following documents as attachments to the updated/new version of the AF in MIS (where applicable) or as attachment to the Application Form in force in MIS (in case the requested changes do not impact the AF information):

- Request for project modification (Standard form – word document)
- Budget modification sheet (Standard form – excel format) (in case the adjustment concerns budget modification)
- In case of administrative changes, the LB also submits an updated "Partner Details Form" (Section C of the Application Form on MIS). In case of change of the legal representative, the specific Act (i.e. Government Gazette, Decision of the Board of Members etc.) should also be attached.
- JPMT consent on the proposed changes

- Modified Justification of Budget (JoB)
- Any other supporting document applicable to the requested change

The JS will send the approval of the request via electronic correspondence through MIS to the LB.

All the approved adjustments will be integrated in the Application Form in the MIS.

In case of reallocation of budget, the Lead Beneficiary should submit an official request for project modification to the JS via MIS, stating and justifying the proposed adjustments **prior** to the request for verification of expenditures

The approved reallocations of this type should be then stated in the next Progress Report.

As regards to bank accounts, the JS/MA reserves the right to object the choice of the type of account opened by the Beneficiary. Bank account data of **the interest-free account dedicated to the project and in Euro currency** of the Lead Beneficiary must be submitted to the JS as soon as it becomes available and in any case before the first Payment Claim.

2. The procedure for change in the partnership with replacement of a beneficiary and/or addition of new beneficiary, approved by the MC, is as follows:

For a modification that falls under the category modification to the composition of the partnership, the Lead Beneficiary should inform first the JS in writing, by submitting a request for modification in the partnership, providing a sound justification on the need of replacement of the beneficiary in question and/or addition of new beneficiary.

In order to proceed with the adjustment, the LB should get the consent of the partnership, represented by the Joint Project Management Team (JPMT). This consent can be in the form of meeting minutes, written communication (emails), etc.

After the JPMT's consent, the official request for project modification along with all the supporting documents justifying the change, should be submitted via email to the JS by the Lead Beneficiary. In any case the submission of the request should be **prior** to the request for verification of expenditures.

The following documents should form part of the submission to the JS via email:

- Request for project modification (Standard form – word document) with sound justification on the need for change in the partnership composition with replacement of a beneficiary or addition of new beneficiary
- Budget modification sheet (Standard form – excel format)
- JPMT consent on the proposed changes for replacement of a beneficiary & addition of new beneficiary
- Modified Justification of Budget (JoB)
- Supporting documents applicable to the requested change (replacement of a beneficiary/ addition of new beneficiary) including all necessary documents foreseen for each beneficiary by the Call for proposal

The JS will assess the new proposed beneficiary, taking into account the implementation of the project and the evaluation criteria set in the Call of the proposals.

The complete request will be forwarded according to the internal rules of procedures to the Managing Authority of the Programme. The Managing Authority taking into consideration the information provided by the Joint Secretariat, will present its proposal for approval/rejection of the requested change to the Monitoring Committee, which decides on the approval/rejection of the request.

Following the decision of the Monitoring Committee, the LB is subsequently informed by the JS. The Application form in the MIS is then updated with the approved changes in the partnership with replacement of a beneficiary and/or addition of new beneficiary.

TYPE OF MODIFICATION			FREQUENCY	FOLLOW UP
MODIFICATIONS APPROVED BY THE JS				
Administrative				
	- Contact persons and data		If required during the project's lifetime	Should be integrated in the AF in the MIS before the payment claim.
	- Change of the legal representative - Following legal succession	with attachment of official Act		
	- Bank account	Interest free bank account for the project, in Euro currency		
Justification of Budget - specification				
	NOT affecting the scope of the project <u>nor</u> any information provided in the Application Form in force		If required during the project's lifetime	JoB should be uploaded to the MIS before the verification of the respective costs.
Duration of activities / work packages / deliverables				
	- Start and end dates of activities/work packages/deliverables	NOT affecting the overall end date of the project NOT affecting the approved by MA Procurement Plan NOT affecting the project scope and results	If required during the project's lifetime	Should be integrated in the AF in the MIS before the verification of respective costs.
Financial				
	- ≤ 20% reallocation between the respective	- for amounts up to 20% of the total budget of the project not affecting	If required during the project's lifetime	Should be integrated in the AF in the MIS before

	budget categories and/or work packages	the total beneficiary's budget (cumulatively calculated) - NOT changing the scope and the results of the project		the verification of respective costs.
MODIFICATIONS APPROVED BY THE MA				
Work Plan				
	- Adjustments in the work plan of activities without an impact on the approved total project budget	- NOT affecting the project's strategic approach, scope and results - NOT affecting the approved total project budget	Once per semester (maximum)	Should be integrated in the AF in the MIS before the verification of respective costs.
Financial				
	- ≥ 20% reallocation between the respective budget categories and/or work packages	- for amounts greater than 20% of the total budget of the project not affecting the total beneficiary's budget (cumulatively calculated) - NOT changing the scope and the results of the project - NOT affecting the approved total project budget	Once per semester (maximum)	Should be integrated in the AF in MIS before the verification of respective costs.
	- discounts/savings/unspent without an impact on the approved total project budget	- amounts from discounts/savings/unspent to re-use in the project - NOT changing the scope and the results of the project - NOT affecting the approved total project budget	In duly justified cases	Should be integrated in the AF in MIS before the verification of respective costs.

	- reallocation of resources between beneficiaries from the same participating country	- NOT affecting the project’s total budget - NOT changing the total budget distribution per Member state	If required during the project’s lifetime	- Should be integrated in the AF in MIS before the verification of respective costs. - Amendment to the Subsidy Contract to be signed
Extension				
	- Project duration	- up to 50% of the initially approved duration of the project ⁴ - NOT affecting the achievement of the target set by the n+3 rule	If required during the project’s lifetime	Should be integrated in the AF in the MIS before the verification of respective costs.
Other modifications				
	- Activities and travels outside the Programme area occurring during project implementation and not specifically mentioned in the approved AF -Modifications related to special cases of take over -Modifications related to public contracts	- NOT affecting the project’s strategic approach, scope and results - NOT affecting the approved total project budget	In duly justified cases	Procedures to be followed according to the case of the modification required

⁴ With the exception of force majeure, certain cases of additional budget and/or additional partner joining the approved project

MODIFICATIONS APPROVED BY THE MC				
Partnership				
	- Replacement of a project beneficiary	New beneficiary: same expertise; preferably active in the same field as the one withdrawing, competent to implement the allocated project activities without changing their nature, nor affecting the deliverables and results of the approved AF	If required during the project's lifetime	<ul style="list-style-type: none"> - Should be integrated in the AF in MIS before the verification of respective costs. - Amendment to the SC to be signed
	- Withdrawal of a project beneficiary without replacement	<p>Only core activities, essential for the successful implementation of the project and the achievement of the project/Programme targets, may be transferred, along with the respective budget, to the remaining PBs.</p> <p>See also "Reallocation of resources between beneficiaries from different Member States"</p>	If required during the project's lifetime	<ul style="list-style-type: none"> - Should be integrated in the AF in MIS before the verification of respective costs. - Amendment to the SC to be signed
	- Addition of new beneficiaries	<ul style="list-style-type: none"> - additional activities/budget/deliverables/output/results - bringing added value to the project and the Programme 	In duly justified cases	<ul style="list-style-type: none"> - Should be integrated in the AF in MIS before the verification of respective costs. - Amendment to the SC to be signed
Work Plan and Financial				

	- Adjustments in the work plan of activities with an impact on the approved total project budget / Addition of new activities	- Changes in the work plan of activities with an impact on the approved total project budget / addition of new activities - Should bring added value to the project/Programme	If required during the project lifetime	- Should be integrated in the AF in MIS before the verification of respective costs. - Amendment to the SC to be signed
Financial				
	- Reallocation of resources between beneficiaries from different participating countries	see also "Withdrawal of a Project Beneficiary with no replacement"	If required during the project's lifetime	- Should be integrated in the AF in MIS before the verification of respective costs. - Amendment to the SC to be signed

Management Verifications

In line with the EU guidelines for the 2021-2027 programming period, management verifications (administrative verifications of expenditure and on-the-spot verifications of operations) are not universal, but focus on risk elements. Based on this new approach, the relevant methodology for carrying out management verifications on operations on the basis of risk assessment is developed by the MA.

In this context and as regards the performance of administrative verifications: beneficiaries will submit via MIS the request for verification with the required supporting documents, and those requests for verification identified for administrative verification will be subject to administrative verification based on the rules and criteria set out in the methodology.

Management verifications concerning the Greek beneficiaries will be carried out by Unit C Management Verifications of the MA INTERREG 2021-2027 (centralized management verifications' system).

Management verifications of the Italian beneficiaries will be carried out by decentralized system by FLC, according the Italian legal framework.

Further information regarding the management verifications' procedures is available in the Guidance on Management Verifications (drafting in progress).

Communication Strategy

The implementation of the Communication Strategy should start as soon as the project is approved. The project's requirements for communication activities are indicated in detail in the approved Programme (chapter 5) and the Regulatory Framework: Regulation (EU) 2021/1060, Article 50, Annex IX (Technical characteristics) and Regulation (EU) 2021/1059 as well as in the "Communication Guide for Project Beneficiaries".

In particular, the "Communication Guide for Project Beneficiaries", which is provided upon the approval of the projects is created in order to help the beneficiaries, who are responsible for the management of the projects funded under the Cooperation Programme Greece-Italy 2021-2027 to comply with EU Regulations and Guidelines and stay aligned with their responsibilities concerning communication measures.

The LB undertakes the obligation to send a copy of any communication material produced to the MA/JS in digital, paper and/or other formats, according to the specific deliverables upon request. All the responsibilities related to communication deriving from Regulation (EU) 2021/1059 and Regulation (EU) 2021/1060 should be kept, as well copies of materials should be available as stipulated in Article 82 Regulation (EU) 2021/1060.

Any reference, statement or publication made in the context of the project, in whatever form and on/ by whatever media, including the Internet, should be in accordance with the aforementioned Regulations and there should be a statement that it reflects the author's views and that the MA bears no responsibility for any use of the information contained therein. Any information, Media appearance, or other communication activity in the context of the communication of the project shall be communicated to the MA/JS and should be in accordance with the Regulatory framework.

Payments/cash flows

ERDF

The Certifying and Verifying Authority receives ERDF contribution payments from the European Commission. The Certifying and Verifying Authority will transfer the European Union's contribution of the certified amounts of all beneficiaries other than Greek, to an interest-free bank account indicated by the Lead Beneficiary in the Application Form. Payments from the Certifying and Verifying Authority to the Lead Beneficiary will be made in Euro (€). The Lead Beneficiary shall further transfer the respective European Union's contribution to the Project beneficiaries **within thirty (30) calendar days of its receipt**. The amounts will be paid according to the flow of funds from the European Commission. The European Union's contribution of the certified amounts of Greek beneficiaries, will be transferred by the Certifying and Verifying Authority to the revenues of the Public Investment Programme.

To provide a sound financial management, all Project beneficiaries must have a dedicated **interest-free bank account** for the purpose of their project implementation and the authorization and capacity to provide transnational banking transactions.

In case that the ERDF annual contribution (as stated in the Cooperation Programme) is automatically de-committed by the European Commission, in accordance with the EC Regulation 1060/2021, the Managing Authority reserves the right to consider the possibility of reducing the approved ERDF budget of the project with respect to expenditure not carried out in accordance with the stipulated timetable.

In both cases the Monitoring Committee, after the proposal of the Managing Authority, may decide to reduce the budget of the project. If the reduction of the project budget is decided, the Subsidy Contract and respective Annexes will be modified accordingly.

Eligibility of expenditures is subject to Commission Regulation (EU) No 1059/2021 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes.

National Contribution

For Greek beneficiaries the national contribution (25%) will be granted through the Public Investments Programme. As far as the Italian co-financing is concerned, the latter is granted according to the resolution CIPE 78/2021 and in compliance with the national mechanisms and procedures.

The transfer of the National Contribution (as advance payment in the beginning of the project and as a remaining sum, if necessary, at the end of the project) is among the responsibilities of the Lead Beneficiary. The Lead Beneficiary shall transfer the respective National Contribution funds to the Project beneficiaries **within thirty (30) calendar days of its receipt**.

De-commitment of funds on project beneficiary level

Following the de-commitment of ERDF funds on a Programme level, the MA/JS is faced with the task of imposing this reduction on the project beneficiary level.

In this sense, both qualitative and quantitative criteria will be used in order to identify which project beneficiaries will be affected. Therefore, the JS/MA should take into consideration the following data for the project beneficiaries:

Qualitative and quantitative criteria

- a) The rate of implementation;
- b) The level of implementation;
- c) Problems encountered;
- d) Non-achievement of the milestones.

These criteria are examined comparing the AF information and data and the actual implementation. In cases of significant delays in the implementation and serious deviation of the beneficiaries from the payments' and verifications' plan, the Managing Authority reserves the right to reduce the funds of the beneficiaries concerned upon MC decision.