



Project Quality Plan (PQP)

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1. INTRODUCTION

1.1. PROJECT DETAILS

The Adriatic countries borders have been for many years deepening the national differences between those countries. However, today they represent the solid grounds for overcoming those contrasts, opening thus new opportunities of cooperation especially in the field of research, innovation and technology transfer. But those fields are facing some challenges nowadays, due to globalization process, emerging of new pervasive products and technologies and lack of financial support. From a situation like this, a conclusion emerges that research and innovation can be successful only if it occurs in large collaborative systems and networks, through interaction of various actors with different but complementary competences.

Consistent with the objective of IPA Adriatic's **Measure 1.1 Research and Innovation** to "*encourage innovation and technology transfer through the creation of networks between the business, institutional and academic community*", the project "**Collaborative platform to support research and technology transfer**" (NEXT) was designed with intention of creating collaborative platform which would work as the "aggregation element" to support innovation and technology transfer in the Countries of the Adriatic area. In order to achieve its strategic objective, the NEXT envisages four crucial steps:

- To promote, expand and consolidate, in qualitative and quantitative terms, the cooperation among Research institutes, enterprises and researchers;
- To test mechanisms to support the research and technology transfer system in the area;
- To represent a qualified interlocutor with institutional stakeholders in view of an enlarged R&I governance;
- To embody a competitive partner in research and technology transfer at the area level and internationally.

What differs the NEXT from other similar initiatives is an original and comprehensive combination of services (online platform for information sharing, access to common services, etc.) and material services/products provided directly to partners, SMEs, research and technology transfer centers, institutions.

As a result of conducted context analysis and involvement of relevant actors in the area of innovations, "NEXT open book" will be developed as a repository that will be continuously updated by public and private research and technology transfer structures. For each involved territory, a summary report ("NEXT trend") is to be produced providing the insight into technological capacity levels, research and innovation results, investment opportunities and public policies support. Both "NEXT open book" and "NEXT trend" will be excellent mechanism used to identify and promote existing capacities, as well as to facilitate interaction and linking the different research actors. By setting up the online platform, collaboration between them will be simplified which will enable establishment and strengthening of supply chains and cluster and attract investments. For promotion of investment opportunities, the project planned a series of platform-based online services ("NEXT Box"). Those services include promotion of patents and supporting actions for spin-offs and research groups for submission to potential investors, etc ("NEXT Investment booster"). The feasibility study ("NEXT Suite") will be conducted to verify the future sustainability of the initiative.

For the purpose of achievement of these objectives, the NEXT gathered eleven highly competent partners from six countries (Italy, Croatia, Albania, Bosnia and Herzegovina, Serbia and Montenegro) as well as the representatives of different interests and positions of the actors

of innovation: Universities, Regional Development Agencies, Chamber of Economy and Local Authorities.

1.2. DOCUMENT DETAILS

The intention of this Project Quality Plan is to provide that all activities necessary for achievement of set goals are realized at high quality level, taking in consideration operational, administrative and accounting aspects of their realization. Accordingly, the document is structured in such a way to cover and analyze all relevant aspects of quality control process. It is consisted of seven sections, as following:

1. Introduction – gives a preview of the NEXT project with its main and specific objectives and steps towards their achievement. It explains the main idea behind this document and objectives it should meet.

2. Quality standards – defines the policy that is to be followed by project partners in order to ensure the quality of achieved outputs and results, as well as standards to apply to deliverables and processes.

3. Project management – defines the project's organizational structures and their roles and responsibilities, decision making procedures and communication tools and resources to be used for promoting the collaboration among project partners. It also gives a detailed preview of reporting procedures for realized activities and incurred expenditure, necessary for preparation and validation of project's deliverables.

4. Project document management – offers the set of document templates to be used for project reporting and monitoring, such as working meetings proceedings and registration forms, personnel timesheet; check lists for financial reporting, organization of public events, etc. It also provide a description and the structure of the common documentation repository.

5. Quality Assurance – introduces the measures and steps that provide that project quality is met and quality expectations are achieved. It also sets the procedure to be applied in case of unsatisfactory project performance.

6. Project internal audits/evaluation procedures – identifies internal auditing and evaluation procedures that will ensure the successful project implementation and accounting.

7. Procedure for non-conformance and corrective actions – suggests corrective measures and actions to be applied in case of non-conformance with the set quality control procedures and criteria.

1.3. PURPOSE OF THE PROJECT QUALITY PLAN

1.3.1. Purpose

As an integral part of management planning, the Project Quality Plan should provide the solid ground for successful, timely and quality implementation of the project activities. It forms a common standard to be applied and followed throughout the entire project life. For that purpose, it defines the set of procedures to be followed in order to secure that:

- the IPA Subsidy Contract requirements and conditions have been fully applied and followed by all partners,
- rules and procedures of the IPA Adriatic Programme Management and Control Manual and EU/national regulations are taken into account in operational, administrative and financial management;
- all rights and obligations defined in the Partnership Agreements are fulfilled;

- all project activities are realized in accordance with the plan outlined in the Project Application.

1.3.2. Procedure Description

Ensuring compliance with all relevant rules and provisions is very complex and comprehensive task. It requires identification of all quality requirements as well as detailed and concise definition of adequate measures necessary to meet these requirements. Having this in mind, the Project Quality Plan will:

- define the quality expectations and goals;
- assign roles and responsibilities to management structures and define their participation in the quality control process;
- define project policy and standards, and define compliance criteria;
- identify a set of procedures and metrics to be used to determine performance quality levels.

Once approved by the projects Consortium, the Quality Assurance Plan will be used in daily and overall project management and quality control by all project partners, responsible for preparing and producing deliverables.

1.4. QUALITY EXPECTATIONS FOR THIS PROJECT

One of the main tasks of this Plan is to clearly define the quality expectations that are to be met within the scope of the project. These expectations are defined **at all levels** and in such a way to serve as orientation points that will channel the activities towards the successful realization of planned outcomes and results.

1.4.1. Quality of the project implementation

The main goal of the NEXT project is to create collaborative platform to support innovation and technology transfer in the Adriatic area countries, through:

- Defining the map of activities and actors of scientific research in each territory involved;
- Implementing an interactive online platform to facilitate and multiply the exchanges among the actors of innovation;
- Providing a range of services to support the relationships among the actors involved;
- Promoting investment opportunities in favor of research and technology transfer;
- To provide guidelines for the development of coordinated policies to support innovation;
- Giving visibility to excellence in the field of research and innovation;
- Capitalizing the experience and the results gained to give continuity to the collaborative platform.

For efficient achievement of planned goals, the NEXT project has defined a detailed plan of implementation and project management. This plan is presented in the Application form and is one of the main tools to monitor and evaluate the project activities' progress:

WP1 Cross-border Project Management and Coordination

WP2 Communication and Dissemination

WP3 Preparatory actions for the activation of the platform

WP4 Online Platform

WP5 Common services based on the online platform

WP6 Promotion and investment opportunities

WP7 Project capitalization: recommendations for the sustainability of the collaboration platform and policy indications

Both the workpackages and activities within each of them have to be completed as planned and before the deadline provided in this plan.

1.4.2. Quality of project deliverables

The complexity of challenges and goals set by NEXT project leads to big variety of the project deliverables. They can be generally categorized as documents and reports (Project Organizational Chart, Action Plan, Quality Plan, Monitoring and Evaluation Plan, Communication Plan, Requirements Specification document, Technical and functional specifications, NEXT trend, Next Outlook), events (kick off meeting, local/national/international events, press conferences, cross-border conferences, business speed dating events, etc.), visibility actions, services (Next Box-Basic and Next Box-Advanced services).

1.4.2.1. Quality of documents and reports

All documents and reports produced within the NEXT project are expected to satisfy the following quality criteria:

- To respond qualitatively to objectives set in the Application Form;
- To be delivered within the time frame set in the Action Plan;
- To be approved by the relevant management structure as defined in this Project Quality Plan
- To satisfy the visual identity requirements, i.e. to be presented in corresponding templates provided in this Project Quality Plan.

1.4.2.2. Quality of meetings, conferences and other events

All events planned within the project need to be professionally organized. The organizer/host institution will be responsible for providing the smooth realization of the event, which includes all necessary arrangements and coordination, preparation of invitation packages (invitation letters, agendas, etc), details on location, available accommodation and travel arrangements, etc.

The deadline for completing necessary preparation activities depends on the event itself, but it must provide enough time for participants' registration and travel preparations.

Additionally, the host institution will be responsible for provision of all materials required for the event (promotional or informative material, supporting documents, printed agendas, etc), as well as for the elaboration of reports/minutes on the held event upon its completion.

Every event planned within the NEXT project must also meet the requirements regarding the structure and the number of target audience.

1.4.2.3. Quality of promotion and dissemination tools

As an excellent promotion tool, the project planned to set up a website in order to attract large number of target groups and the broad general public. On the blog, they will be able to find

regularly updated information about the project, its progress, contact information, project achievements and results.

Apart from the website, a series of events, press conferences, cross-border conferences will be realized throughout the project life time. What seems to be of the utmost importance here is that the NEXT project is well presented to aim the carefully selected target groups and that all attended events are of high relevance for the area covered by the project.

1.4.2.4. Quality of services

Envisaged services (Next Box-Basic services, Next Box-Advanced services) should be adequately developed and designed to respond to the target end-users in accordance with the set action plan. They need to follow clearly defined methodology, address the foreseen target groups, and meet verifiable indicators within the planned time frame.

1.4.2.5. Quality of Project Management

The project management structure was planned during the preparation of the project proposal and was adopted at the kick-off meeting. The structure is composed in such a manner to ensure efficient and quality project realization. NEXT management is structured at three levels:

- **Steering Committee (SC)** responsible for the achievement of the project objectives,
- **Program Manager Office (PMO)** responsible for the activity plan management and project daily operations,
- **Partner Operations Teams (POT)** responsible for the proper implementation of project activities at local level.

The project management structures are expected to be well-organized, professionally coordinated and fully committed to the efficient realization of assigned activities, financial management and reporting.

2. QUALITY STANDARDS

2.1 Quality standards

They defines the policy that is to be followed by project partners in order to ensure the quality of achieved outputs and results, as well as standards to apply to deliverables and processes.

Policy for quality assurance of project's outputs and results

The aim of this Quality Assurance Policy is to affirm NEXT Project commitment to maintain a high standard of quality in the way we work, the services we deliver, our relationships with staff and stakeholders and ensure continuous improvement.

“Quality Assurance” is what NEXT and its stakeholders enjoy if quality control has been effectively applied in the work of the organisation. “Quality control” is the operational techniques, procedures and objectives that are used to fulfil the requirements of quality. The overall aim is to deliver the best service possible and to ensure continuous improvement.

NEXT policy is to maintain an effective and efficient quality assurance process planned and developed in conjunction with all management and staff functions and stakeholders, outlined in a series of policies and procedures (including external contracts, regulations and codes of practice) which are designed to eliminate deficiencies and inaccuracies and to ensure high quality standards

The assurance of quality is fundamental for all work undertaken by NEXT Project and should be implemented by all partners in their work. To that effect, NEXT shall:

- Maintain consistency in work method throughout in accordance with set policies, procedures, regulations and codes of practice and without significant deviation.
- Ensure that all policies, procedures, relevant regulations and codes of practice are implemented and systematically reviewed to reflect NEXT's values.
- Regularly monitor and measure the quality of its work methods, outputs and outcomes with a view to ensuring high quality standards, best value and continuous improvement.

2.1.1 Quality Assurance

The focus of quality assurance is on the processes used in the project. Quality assurance ensures that project processes are used effectively to produce quality project outputs and results. It involves following and meeting standards, continuously improving project work, and correcting project defects.

Some of the issues to be in consideration are as follow:

- The project processes subject to quality assurance.
- The quality standards and stakeholder expectations for that process.
- The quality assurance activity – e.g., quality audit or reviews, code review – that will be executed to monitor that project processes are properly followed.
- How often or when the quality assurance activity will be performed.
- The name of the person responsible for carrying out and reporting on the quality assurance activity.

2.1.2 Expected results and outputs

In line with the description provided in the project background and with the general and specific objectives, the following main results and outputs of the NEXT project have been elaborated.

Detailed results and outputs are indicated for each WP, the following are the most significant ones at project level.

Results:

- development of a collaborative platform characterized by virtual and material services that allows to integrate and convert the knowledge of Research institutes, enterprises and researchers in the Adriatic area, into organized and structured knowledge, encouraging the innovation transfer between producers and users. (Objective A)
- improvement of the positioning of local research centers on the international market, both in terms of visibility and access to knowledge and skills for the presentation and interaction with the financial community and the stakeholders. (objective B)
- acceleration of the processes of exchange and accumulation of skills and knowledge and qualification of the collaborative platform as a service and reference structure for the enlarged R&I governance in the Adriatic area. (Objective C)
- development of the competitive capacity of the actors of innovation in the Adriatic area through the participation in the platform as the central and acknowledged core of a global net of knowledge production. (Objective D)
- capacity building and enhancement of the cooperation culture of partners and dissemination of the *acquis communautaire* in the Countries of the Adriatic area.

Main outputs:

- NEXT open book: Repository of RTTCs;
- NEXT Trends: reports on local contexts;
- NEXT IS: online platform to support the relationships between the actors of innovation;
- NEXT box: basic services and advanced services to support research and technology transfer; NEXT investment booster: investment opportunities;
- NEXT suite: business plan for the sustainability of the collaborative platform;
- NEXT Evaluation: Analysis of the relations and results produced by the collaborative platform and indications for policy makers;

The **expected results** are direct and immediate advantages resulting from the NEXT's activities and from the production of the outputs, they are the effects to which the outputs lead to and tell us about the benefit of funding the outputs. Compared to outputs, results imply a qualitative value, even if they should also be measured in concrete units (below 2.3 Indicators). When planning the project results, the partnership can reach a common understanding answering the following questions:

- What kind of positive change does the project aim at?
- Where will the change happen?
- Who will be affected by the change?
- When will the change happen?
- What should be the quality of the planned result?
- What is the cross-border value of the result?

The NEXT defines also outputs, which, practically, tell us what has actually been produced with the money given to the project. The project **outputs** are tangible deliverables and visible products of the project directly resulting from the activities carried out in the project (manuals, specific centers opened, events, etc). They are typically measured in concrete units (see below the § 2.2.1 Indicators). When planning the project outputs, the partnership can reach a common understanding answering the following questions:

- What is the content of the outputs (e.g. database, action plan)?
- Who will be using the outputs (e.g. database) after the project?
- Who will be participating (e.g. in the network) after the project?
- How will the outputs (e.g. database, action plan, and network) be used after the project?

When submitting the Application Form, both the defined results and outputs should be measured by indicator targets (*target value*), which define the level of achieving to be reached respectively for results and for outputs. The realization of the defined indicators will be taken into consideration to monitor the project performance, thus projects should indicate a realistic unit for the defined results and outputs that are likely that the project can achieve.

2.1.3 Indicators

The indicator targets set by NEXT in the Application Form define its level of ambition, help to monitor progress throughout implementation and allow saying at the end of the project whether the objectives have been achieved.

All indicators under NEXT will be expressed in quantity (such as 'the number of', 'percentage of') in order to be able to measure results and outputs objectively, but they need to be completed by qualitative aspects (such as addressed target groups, in which place the change is produced).

To set a good indicator system at a project level, the indicators should also be S.M.A.R.T, which means:

- **Specific:** is it clear what exactly will be measured, in what geographical area measurements will be made, what units (number of participants, euros, kms etc.) will be used etc.?
- **Measurable:** will the project be able to collect accurate information to measure progress towards the targets set? The information required for measurements should be quite easy to collect. It should be aware that different regions and Countries collect data in different ways, thus all partners should be able to monitor and report on the indicators selected.
- **Achievable:** closely linked to identifying what changes are anticipated as a result of the project work and whether the results planned are realistic (e.g. decrease in water pollution by XX rather than no water pollution);
- **Relevant:** will the indicators measure all of the project's key activities?
- **Timed:** stating when something should happen (e.g. increase in visitor numbers by the end of the project).

The definition of the NEXT project indicator system is very important and will be cleared and estimated by the partners, which shall agree in what exactly needs to be achieved by the project since the beginning.

As well as everything else in the application, all project partners, under the coordination of the Lead Applicant, will identify indicators. All the partners should:

- discuss the choice of indicators, who among them will contribute to the different indicators,
- identify the baseline data to benchmark the progress achieved,
- consider whether other projects are working on similar issues and whether there is an opportunity to use some of their indicators and build on their work (avoid repetition).

Active involvement of all partners in the setting up of project indicators during the development stage facilitates partner performance throughout the implementation stage and outlines the division of responsibilities from a very early stage.

The project indicator system chosen by the partnership shall also be consistent with the Programme’s indicator system. The IPA Adriatic CBC Programme has a number of core indicators on Priority level distinguished by result and outputs. They will serve to assess whether Priority objectives are being met. NEXT project will demonstrate a clear contribution also to the Programme’s indicator system of the Priority which the project refers to.

Finally, in order to develop a project indicators system consistent with project objectives, activities, and outputs and with the Programme, the partnership can consider the following points as guide:

Checklist for defining indicators	
Consistent with Programme	What are the Programme's indicators specific for the related Priority? Which of these indicators will the project contribute to? Will the project make a direct contribution to the Programme/Priority indicators?
Consistent with the project objectives	Are envisaged results related to project objectives? Is there a logical flow between objectives/activities and results; Are results clearly defined, realistic (achievable) and precisely quantified according to the project objectives?
Nature of the envisaged outputs:	What should be produced by the end of the project? What type of outputs is the project going to deliver – soft (e.g. network establishment) or hard (on the ground implementation work)? Can you provide quantitative or qualitative measurements for output? If the indicators are qualitative have you secured a methodology to assess the progress made? At what level, local, regional, national, international, the outputs will be produce?
Target groups:	Do the selected indicators identify specific target groups? Are there indicators measuring involvement/degree of influence of the project?

2.1.4 Standards that apply to deliverables and processes

During the NEXT project execution, there are a number of project deliveries made. All these deliveries should adhere to certain quality standards (industry standards) as well as specific client requirements.

Therefore, each of these deliveries should be validated and verified before delivering the client. For that, there should be a quality assurance function which runs from start to the end of the project. As a principle, if the processes and activities that produce the deliverables do not

adhere to their own quality standards (process quality standards), then there is a high probability that deliverables not meeting the delivery quality standards.

To address all the quality requirements, standards, and quality assurance mechanisms in our project, a document called 'project quality plan' is developed by the project team. This plan acts as the quality bible for the project and all the stakeholders of the project should adhere to the project quality plan.

2.2 Approach

The intent is to ensure that every member of the team "does the right things, right, the first time". Without standards and procedures, the risk is that team members will complete their work with different understandings of the procedures they are required to follow and the results they are intended to produce, resulting in productivity losses, quality losses and schedule delays.

The development of standards and procedures is an iterative process. Thus the standards and procedures are never complete but can expect to evolve and be enhanced as the project proceeds. As the procedures are put in place and implemented, improvements will be identified and introduced under the control of the Quality Assurance Manager.

The standards and procedures are based on the following principles.

1. Standards and procedures will be agreed-upon in advance for all project activities.
2. The team will be involved in their development or adoption to make sure that the standards are owned by the team.
3. Every effort will be made to ensure that the quality of the standards and procedures is evident and to not impose unnecessary standards or overly elaborate procedures.
4. Once adopted, the standards will be formally documented, easily accessible and easily understandable.
5. We will be flexible in evolving the standard if someone has an improvement.

Based on the objectives, challenges and goals set by NEXT project leads to many project deliverables. They can be summarised as:

- *documents and reports* (including Project Organizational Chart, Action Plan, Quality Plan, Monitoring and Evaluation Plan, Communication Plan, Requirements Specification document, Technical and functional specifications, NEXT trend, Next Outlook),
- *events* (kick off meeting, local/national/international events, press conferences, cross-border conferences, business speed dating events, etc.),
- *visibility actions, services* (Next Box-Basic, Next Box-Advanced services).

All of the deliverables will be developed based on the standards and procedures defined in the beginning of the Project.

All documents and reports produced within the NEXT project are expected to fulfil standards and quality criteria as follow:

- To be produced based on visual identity requirements, (to be presented in corresponding templates provided in this Project Quality Plan).
- To respond qualitatively to objectives set in the Application Form;
- To be delivered within the time frame set in the Biyearly Action Plan;
- To be approved by the relevant management structure as defined in this Project Quality Plan

The deliverable reports should have a uniformed appearance, structure and referencing scheme. It is therefore necessary to use document referencing and template provided in this Project Quality Plan.

All events planned within the project need to be organised on the in compliance with their standards and procedures including all necessary arrangements and coordination, preparation of invitation packages (invitation letters, agendas, etc), details on location, available accommodation and travel arrangements, etc.

Visibility actions, services (Next Box-Basic services, Next Box-Advanced services) should be adequately developed and designed to respond to the target end-users in accordance with the set action plan. They need to follow clearly defined methodology, address the foreseen target groups, and meet verifiable indicators within the planned time frame.

In additional, the NEXT Project has a website (www.project-next.eu) in order to attract large number of target groups and the broad general public. This quality and standard tool, will serve to inform and promote NEXT project deliverables and at the same time the beneficiaries will be able to find regularly updated information about the project, its progress, contact information, project achievements and results.

3. PROJECT MANAGEMENT AND RELATED QUALITY PROCEDURES

The Project Quality Management Plan (PQMP) documents the necessary information required to effectively manage project quality from project planning to delivery. It clearly articulates the quality strategy and processes for both quality assurance and quality control. Moreover, it defines a project's quality philosophy, strategy, relevant methodologies and standards to be applied to the management of the project processes, monitoring and reporting procedures, quality policies, procedures, criteria for and areas of application, and roles, responsibilities and authorities.

In a nutshell, the purpose of this PQMP is to describe the project management quality objectives of the NEXT project, which are to enable realization of the project expected outputs in line with the partners' given quality standards, as well as to set guidelines for analyzing, assessing, reporting and improving the project management quality.

The Project Quality Management Plan is created during the Planning Phase of the project. Its intended audience is the project management organizational structure, including the Project Manager, Project Manager Office, Steering Committee, and potentially Partner Operations Teams, if necessary. Namely, this document is intended to any leader or a leading team whose support is needed to carry out the Plan.

This Plan is in line with the following main **quality objectives**:

- To ensure that the NEXT project strives to meet the I&R Unit and partners' objective of increasing regional enterprises international competitiveness by intertwining research, technological transfer, innovation and business;
- To meet the quality standards of the Project Sponsor - the European Union;
- To establish the Operative Project Schedule and the Action Plan that will assure effective collaboration among research institutes, enterprises, researchers and other potential beneficiaries, in accordance with the quality standards;
- To implement effective and efficient monitoring and evaluation system;
- To achieve smooth management and organization transition to long-term final beneficiaries;
- To deliver the Project in line with agreed cost plans;
- To deliver the Project in line with schedule commitments;
- To identify defects as early as possible in the Project lifecycle and to apply appropriate, efficient and cost-effective remediation measures;
- To assure information flow and harmonized implementation of project tasks among project partners
- To have minimal low and no critical or high severity incidents as a result of the Project implementation.

3.1 QUALITY MANAGEMENT ORGANIZATION, ROLES AND RESPONSIBILITIES

The NEXT project management methodology is a **systematic project management approach**, based on observing the project as a system of interconnected elements. In this context, it is essential for the management to put in place the structures, policies, goals and relationships that the project needs in order to result as successful. Thus, the entire system's elements need to be aligned with the goals and the purposes of the project.

Taking into consideration the project’s international character, the project management process will be carried out by three organizational structures:

Steering Committee (SC), composed of two representatives designed for each project partner and responsible for:

- approval of acts and key project documents, such as the Action Plan, Monitoring and Evaluation Plan, Communication and Dissemination Plan;
- contribution to ensure motivation and team spirit in the project;
- observance of formal procedures;
- ensuring efficiency in relation to the internal communication and decision-making process;
- ensuring uniformity of external messages and communication;
- ensuring efficacy of the dissemination and mainstreaming actions;
- ensuring coherence of the planned actions in the Project Activity Plan.

Project Manager (PM) and the **Program Manager Office (PMO)**, represented by the team of professional staff set in by each Project Partner, and responsible for:

- activity plan management and project daily operations;
- carrying out all required tasks
- resolving occurred issues or problems
- setting out the team operating rules and procedures
- performing monitoring and evaluation procedures.

Partner Operation Teams (POT), composed by professional staff provided by each partner organization, responsible for:

- proper implementation of project activities in the national context, in accordance with the Biyearly Action Plan authorized by the Steering Committee and to the Operative Procedures established by the Partner Project Manager.

Role	Quality Responsibility
Steering Committee	Checking and approving the Project outputs; assessing the PM and PMO against it.
Project Managers and Project Manager Office	Monitoring the implementation of quality management throughout the project and supporting all levels of project management; reviewing formal project deliverables and monitoring day-to-day project activities; coordinating ongoing activities and reporting on the performance of each stakeholder; resource scheduling (by the financial managers)
Partner Operations Teams	Monitoring and reporting on the proper management and implementation of project activities within the national contexts

In order to assure quality systematic project management performance, the following set of rules will be followed:

1. Implementation of Regulating Feedback Loops

Regular implementation of feedback loops will allow the system to adjust itself and result in a desired value. Namely, Feedback Loops compare and measure the difference between a certain process variable and a desired value. The output of the loop will then be used to take the appropriate and effective corrective measures. Feedback loops will be implemented to any project element perceived as essential for project success.

The loop shall continuously measure the actual team productivity and compare it with a desired level of productivity.

2. Setting out and following the rules of project implementation

Project rules will be clearly and carefully defined in order to allow achievement of the project objectives. The project management will make rules simple to understand and follow. This is particularly important considering the number of partners (and their different backgrounds) and international character of the project. Rules can take the form of incentives, penalties, constraints and procedures. Rules will be planned with the greater good of the project in subject. Project stakeholders' self-interests will be foreseen, hence, the project management will strive to see the bigger picture as well as what is good for the whole.

3. Capturing not only what is measurable, but also what is important

Project management will tend to capture those variables that are easier to measure, such as productivity, task duration, cost, number of defects, inventory levels, etc. However, there can be others, more subjective variables that can be equally important to capture and evaluate, such as team morale, motivation, stakeholder satisfaction and stress levels. These elements will likely play an active role in the Project, therefore, perceiving both objective and subjective variables will allow better understanding of the situation and higher management quality.

4. Allowing self-organization

Self-organizing structures are better than static ones. Self-organization can lead to innovative ideas and ways of thinking. In a project management context, self-organization can lead to new and more efficient ways of performing tasks or solving problems. This measure will be practiced towards Partner Operations Teams.

5. Allowing and assuring direct feedback to the decision-makers

Management responsible for decision making will assure effective channels for receiving direct and honest feedback from all project stakeholders about the results of the managing decisions. The line of feedback provision will stretch from PM and PMO to POT and final beneficiaries, organizations thus research centres, SMEs, etc.

6. Satisfying the “Orientors Star”

Project management will take into consideration six “Orientors”: adaptability, security, existence, effectiveness, freedom and regard. Namely, management should be able to adjust and protect itself and the project activities from challenges posed by the environment.

7. Knowing key performance indicators

Quality management shall capture what is changing in the system and how fast. Project managers are responsible for carefully choosing a set of key performance indicators tightly related to the project objectives.

3.2. QUALITY MANAGEMENT AND DECISION – MAKING

One of the key factors for planning, assuring and controlling quality management is the process of decision making. In simple words, each project is realized by people making and executing decisions. The effectiveness and quality of those decisions determine how successful a project management will be.

Firstly, the entire project management unit understands that decision making and problem solving are continuous processes of evaluating situations or problems, considering alternatives, making choices, and following them up with the necessary actions.

Therefore, the decision making shall be performed according to the following steps:

1. Defining the problem

Management will aim to assure accurate problem definition. For this purpose, continuous cooperation and communication between three managing organizational structures is essential. In other words, if the problem is inaccurately defined, every step in the decision-making process will be based on an incorrect starting point. Depending on where the problem has occurred, feedback and consulting will be taken from the specific national or regional context. In order to successfully define problems, management will focus on underlying causes of the problem rather than symptoms.

2. Identifying limiting factors

Management will be aware of the limiting factors in the process of decision making. Realistically, managers operate in an environment that normally doesn't provide ideal resources. For example, they may lack the proper budget or may not have the most accurate information or any extra time. Therefore, the management needs to be ready and able to make the best possible decisions in the context of the available resources (information, time, personnel, equipment, and supplies).

3. Developing potential solutions

Successful problem solving requires thorough examination of the challenge, even in the situation of time pressure. The first or the most obvious answer may not result in a permanent solution. One of the best known methods for developing alternatives is through *brainstorming*, again uniting all managing organizational structures. Other proposed methods include *Nominal group technique*, based on a highly structured meetings, completed with an agenda or *Delphi technique*, where participants never meet, but a group leader uses written questionnaires to conduct the decision making. The best proposed method for the NEXT projects refers to nominal group technique and brainstorming within smaller management units.

4. Analysing the solutions

Each solution will be attributed with its advantages and disadvantages, assessing its *feasibility*, *effectiveness* and *consequences*. The chosen method can be: determining pros and cons of each solution or even performing a cost-benefit analysis for each solution.

5. Selecting the best option

After analysing all options, management will need to decide on the best one. It should be noted that sometimes the best solution is the one that produces the most advantages and the fewest serious disadvantages. However, sometimes the optimal solution can be a combination of several options.

6. Implementing the decision

Right decision must have positive results. In order to assure this outcome, management will clearly define roles for everyone involved with the decision. Moreover, managers will have to thoughtfully develop programs, procedures, rules or policies to help participants in the problem-solving process.

7. Establishing a control and evaluation system

Finally, an evaluation system for on-going activities will be developed in order to provide feedback on how well the decision is being implemented, what the results are, and what adjustments are necessary to get the results that were intended when the solution was chosen.

If the problem has not been resolved, the management will have to figure out what went wrong. The following questions can be helpful:

- Was the wrong solution selected? / Was the correct solution selected, but implemented improperly?
- Was the original problem identified incorrectly?
- Has the implemented solution been given enough time to be successful?

3.3. QUALITY MANAGEMENT AND COMMUNICATION BETWEEN THE PROJECT PARTNERS

Having in mind the complexity of the organizational structure, and the necessity to keep communication between partners efficient and productive, which in turn will contribute to the quality of the deliverables, managing partners have worked out a periodic internal meeting and reporting procedure. Also, internal communication was organized in a way to optimize information flow between project partners. That will ensure that all project activities are handled in an efficient and time-effective manner. An e-mailing list for internal communication has been established for communication purposes during the project implementation.

Hence, as highlighted in the Project's Communication plan, the following communication methods and instruments will be used in order to ensure information flow and in accordance adequate and efficient decision making:

- Communications and information flow shall be exercised through regular management meetings, mailing lists and internet working groups;
- Every 6 months, Project Progress Reports shall be elaborated so the entire management could have an insight into the process of project implementation;
- Audit Trial System shall be implemented in order to keep track of and control the declared expenditures and relevant related documents.

3.3.1. Internal communication

As stated in the Communication Plan, the management has put up a mailing list solely accessible to project partners/managing partners for efficient communication between the geographically dispersed team members. Most of communication will happen through this platform and will thereby be recorded and accessible to all project partners. The list is here annexed.

3.3.2. Meetings

In addition to the kick-off meeting, the management partners shall meet face-to-face, within the Steering Committee, at least once in every six months to discuss the progress of the project and work out any difficulties that may arise in the course of the project.

3.3.3. Reporting

Partners will provide reports to the head project manager at regular intervals (every three months). Interim Project reports will be prepared by the Lead Partner every 6 months, preferably to be discussed at the management meetings. Otherwise, reports may be submitted and discussed via mailing lists by writing procedure.

The Partner Project Reports will be based on internal report by using the Quartely Activity Reporting Form.. Each Project Partner should include to it:

- a copy of any promotional material produced in the quarterly period;
- a copy of project outputs or contributions to project outputs produced in the quarterly period.

Project completion will be summed up by the final project report, which will serve as the official document against which project results will be assessed in comparison to the project objectives and expected deliverables.

3.4. VALIDATION OF PROJECT DELIVERABLES

In the NEXT project, two types of deliverables can be distinguished:

- Documents
- Technological output

Document deliverable refers to any type of original textual report that is produced in the context of the NEXT project and that related to deliverables defined in the project description. For example, Communication plan constitutes a document deliverable.

Technological output refers to virtual platform/services developed and provided to target beneficiaries in the context of the NEXT project. For example, all integral virtual services of the NEXT collaborative platform.

Since they are quite different in nature, a different validation procedure will be implemented for each of these deliverable types.

Each **document deliverable** will be validated by the **task assignee**, i.e. the person or a group assigned to produce the deliverable; by the **person responsible for supervising the work** of the task assignee; the **Lead Partner project manager**, responsible for the end result of the Project.

The initial document review will be performed by the author of the deliverable. He will review his own work before circulating it among the project partners. The deliverable has to be distributed to the project partners at least one month before the due date of the deliverable, so the document could go through three phases of validation on time.

After receiving the initial version of the deliverable, the partners have two weeks to give their comments to the author. The supervisor reviews the resulting version once more before handling it over to the head project manager. Finally and optionally, the Lead Partner project manager gives his comments and corrections before the deliverable is ready to be officially submitted to the Project Steering Committee for final approval. The relevant Project outputs and deliverable will be sent by the Project Lead Partner to the Programme JTS.

Surely, the document deliverable may go through various validation stages until the supervisor and the Lead Partner project manager agree that the deliverable in question is of acceptable quality.

Technological deliverable will be validated based on the document drafted to describe the features of the technological output. Based on that document, acceptance criteria will be defined and will serve as a point of reference for evaluating the technological output deliverables.

As in the case of document deliverables, the validation of technological deliverables will happen in different stages. Technology developer will be the first to assess whether the deliverable meets the acceptance criteria. Consequently, other project partners will get an access to the technology checking it against the acceptance criteria again. After the testing phase and remediation of all issues, the supervisor will notify the project manager that the technology is

ready to be delivered. The completed acceptance criteria checklists will accompany the technological delivery as a proof that the quality assurance process has taken place.

In the context of the NEXT project, quality management is fairly dependent on the efficient methods and tools of internal communication, allowing feedbacks among geographically dispersed project partners, timely effective and quality decision making, internal process of checks and balances, as well as quality validation of project deliverables. Consequently, minimal corrective measures will be necessary, implementation will follow the initial working program, and most importantly, project general and specific objectives will be realized.

4. PROJECT DOCUMENT MANAGEMENT

Project document management – offers the set of document templates to be used for project reporting and monitoring, such as working meetings proceedings and registration forms, personnel timesheet; check lists for financial reporting, organization of public events, etc. It also provide a description and the structure of the common documentation repository.

All documents and reports produced within the NEXT project are expected to satisfy the visual identity requirements, i.e. to be presented in corresponding templates provided in this Project Quality Plan.

4.1. DOCUMENT TEMPLATES

Deliverable documents to the commission, as well as all other reports, minutes, or presentations – will be based on the document templates applicable for all documents to be created within the scope of this Project. The templates for format are mandatory. Several different types of documents are in use with the following respective purposes.

In the specific section of the Programme website “**Implementation documents**”, the JTS provides all the templates that support standardization of communication and data to be reported. NEXT Project Partners (including Leader Partner) will use all the *mandatory templates* required in specific case and the *suggested templates* that can be used.

In the IPA Adriatic CBC Programme’s reporting takes place at two levels, at the partner level and at the project level. There are three types of reports to be compiled at these levels:

1. Progress Reports at Final Beneficiary’s level;
2. Project Progress Report and Final Report at project level.

For the reporting process at project level, NEXT Project Partner will use the templates provided by the Lead Partner (the quarterly activity reporting form) JTS for the Project Progress Report and for the Final Progress Report, where compulsory templates are provided by the Programme JTS.

NEXT Project Partner will use different templates in preparing project report and monitoring as well as in organizing and respecting the procedures for public events (conferences, workshops, seminars, etc) which will be at their disposal in the Project common repository.

The template of the Activity Report relates to the work performed and results achieved by the Final Beneficiary in the considered period of reporting, highlighting the state of project implementation, the description of activities carried out, and the outputs and results achieved according to the project work plan.

As per Programme Management and Control Manual (PMCM), Final Beneficiaries will use the **Activity Report template** (excel file) provided by the Programme and fill in all its parts, in conformity with the information provided in the Financial Report.

4.2. DOCUMENT CHECKLIST

NEXT project Partners will use different checklists in fulfilling and preparing project documents. In compliance with the Programme Management and Control manual for the purpose of quality financial reporting there are different checklists expected to be filled before the submission the financial reports.

Different checklists designed and used by Project Partners in previous projects in organizing their activities (public events, conferences, workshops, etc) will be adopted and used in the similar activities (attached some templates and checklist model).

4.3. STORAGE OF PROJECT DOCUMENTS AND ACCOUNTING RECORDS

All accounting and supporting documents (e.g Project Application Form, IPA Subsidy Contract, reports, service contracts, public procurement documentation, rental contracts, important communication between the project partners and with the Programme bodies as well as documents required to ensure an adequate audit trail, documents related to expenditures as e.g. original invoices and controls and audits) must be available and accessible until three years after the Programme closure, unless stricter national rules/state aid regulation do not state a later date.

Official documents related directly to the communication with the Programme authorities shall be archived by the Lead Beneficiary, whilst the reporting and supporting documents related to the Final Beneficiaries must be kept at the Final Beneficiaries' premises for an equal period of time. The documents can be kept either in the form of original copies or in a version in conformity with the original, as commonly accepted data carriers.

The procedure for the certification of the conformity of these documents held on data carriers with the original documents must be in line with the provisions set by the national authorities and shall ensure that the versions held comply with the national legal requirements and can be relied on for audit and control purposes. In case of retaining the documents electronically, internationally accepted security standards must be met.

Representatives of the Managing Authority, Joint Technical Secretariat, First Level Control Offices, Certifying Authority, Audit Authority, authorized officials of the Community and their authorized representatives, European Commission and the European Court of Auditors are entitled to examine the project, all relevant documentation and accounts of the project also after its closure.

5. QUALITY ASSURANCE

Quality assurance identifies the specific measures to be carried out in order to ensure that the project and its deliverables conform to the project quality requirements. Those responsible for quality of realized activities are identified and their role has been described in the corresponding sections of this document. The quality assurance plan presented here includes explanation showing how quality requirements for activities are to be met.

5.1. REVIEW PROCEDURE

Quality review of deliverables within the NEXT project will be realized at three levels:

Deliverable author level. The first level of quality control for the development of deliverable will be responsibility of its author. The Partner Operations Teams of responsible partner will ensure that the relevant deliverable is produced in accordance with the set goals and defined visual identity requirements. The draft version of the deliverable should be completed at least one month prior to the deadline set in the Biyearly Action Plan- Calendar outputs delivering section.

Activity level. The deliverable draft is to be distributed to reviewers from other partners involved in the same activity. Within five (5) working days from deliverable draft receipt, those reviewers should send back their review results, suggestions and recommendations for improvements using the template for the quality assurance check list (Annex). The final rating of the Deliverable draft can be marked as:

- **fully accepted** - In case the deliverable is fully accepted by all reviewers, it can be considered the final version, and/or sent to the next level of revision (if necessary).
- **revisions required** - The deliverable author has five (5) working days to include or disregard those comments and finalize the deliverable.
- **rejected** – Non-conformance plan needs to be applied, as defined in the Section 7. In case the quality of the deliverable is not satisfactory and / or it fails to conform to the quality criteria the reviewers prepare a «Non Conformance Report» (Annex).

In case profound disagreements between reviewers and author, the deliverable will have to go through the next level of control.

Steering Committee level is the third level of deliverables quality control. The SC is responsible for approval of acts and key document of the project, such as Project Biyearly Action Plan, Monitoring and Evaluation Plan, Communication and Dissemination Plan, etc. Besides, it will be responsible to resolve any disagreement that may appear at the lower control levels. The approval of all deliverables must respect the time schedule defined in the Project Biyearly Action Plan.

At this level, the same review principle will be used as at the 2nd level.

5.2. DOCUMENT AND DATA CONTROL

Each deliverable will be evaluated through the project deliverables reports. Every report should be carefully composed with rich content, a clear and unified structure and a professional presentation. In order to achieve this, the report should be based on the following criteria:

1. Content

The content of each deliverable report depends on the type of deliverable itself. It should cover all the information relevant to the activity that it results from. As a general principle,

this is the responsibility of its author(s). Nevertheless, the reports should meet a set of requirements, based on the following aspects:

- a) **Completeness.** Information provided in the deliverable report must be reliable, complete and supported by relevant references.
- b) **Accuracy.** Information presented should be focused on the key issues.
- c) **Relevance.** Presented information should be relevant for the achievement of the corresponding goals.
- d) **Language features.** Before elaboration of the final version, the report should be submitted for proof reading.

2. Appearance and structure

The deliverable reports should have a uniformed appearance, structure and referencing scheme. It is therefore necessary to use document referencing and template provided in this Project Quality Plan.

Previously defined quality assurance plan will be a foundation for the quality analysis and inspection that are to be performed throughout the project execution. At each SC meeting, the checklist (Annex) will be reviewed by the Steering Committee members to ensure that the appropriate procedures were followed, to define opportunities for improvement (if any) and to find the best solution to eliminate gaps between current and desired levels of performance. Results of such review will be an integral part of the Steering Committee Meeting minutes.

6. PROJECT INTERNAL AUDITS/EVALUATION PROCEDURES

In order to ensure efficient and successful implementation and management of the NEXT project, the necessary procedures presented in this document are set up for monitoring and evaluation. The Lead Beneficiary is responsible for follow up and assessment of achievements quality of all partners engaged in this project, related to both activities progress and financial implementation.

6.1. PROJECT IMPLEMENTATION

6.1.1. Project Start-up

The beginning of the implementation of project activities is considered to be the starting date as defined in the approved Application Form (AF). At the very beginning of the project, there are several necessary measures that have to be realized:

- project team and decision-making body have to be established;
- audit trail system must be defined;
- communication plan should be drafted (recommended)¹;
- organization of the kick-off meeting.

The responsibilities of partners for realization of these activities should be divided among them in accordance with their roles on the project.

All activities need to be clearly planned and organized, so that management structure can be effective from the early beginning.

6.1.1.1. Partnership responsibilities and decision-making structure

The Lead Beneficiary of a project is appointed by the Final Beneficiaries among themselves, firstly for submitting the project proposal and, then, for being responsible for the implementation of the entire project.

The **Lead Beneficiary** has following responsibilities:

- it shall define its relations with the Final Beneficiaries included in the project in an agreement (Partnership Agreement²) which includes, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the project, arrangements for recovering amounts unduly paid;
- it shall ensure that the project activities and entire project is implemented according to the programme documents and the pertinent EU regulations;
- it shall be responsible for transferring the Community contribution to the final Beneficiaries participating in the project;
- it shall ensure that the expenditure presented by the final Beneficiaries participating in the project has been paid for the purpose of implementing the project and corresponds to the activities agreed between the final Beneficiaries participating in the project;

¹ See chapter 2.3.2 of "Programme Management and Control Manual"

² See chapter 2.5.1 of "Programme Management and Control Manual"

- it shall verify that the expenditure presented by the final Beneficiaries participating in the project has been validated by the controllers (FLCO).

In particular, in order to ensure the implementation of the entire project, the Lead Beneficiary also has responsibility to:

- set up an efficient and reliable system for the project administrative and financial management and co-ordination, to appoint a Project Manager to act as a driving force in the partnership and to mobilize the partners to achieve the project objectives³;
- continuously monitor project progress;
- produce regular Project Progress Reports (*by 31st October and 30th April*) on the entire project⁴;
- inform MA/JTS in right time if any change occurs and submit all necessary requests for modifications⁵;
- produce a Final Project Report at the end of the project⁶.

On the other hand, every Final Beneficiary, including the Lead Beneficiary as well, has to:

- to collaborate with all project Beneficiaries which will guarantee the successful implementation of the project and its activities; each beneficiary should nominate a contact person for communicating with the other partners and with project manager;
- to carry out its own share of the work as described and defined in the Application Form, to monitor the progress of the part of the project which it is directly responsible for and to make sure that the local project implementation is carried out in accordance with the programme documents and the pertinent EU regulations;
- to agree on and to apply the requirements and obligations as defined in the Partnership Agreement;
- to maintain either a separate accounting system or an adequate accounting code for all transactions relating to the project;
- to provide regular Progress Reports on locally implemented activities and expenditure;
- to keep available all its documents related to the project for at least a period of 3 years following the closure of the IPA Adriatic CBC Programme.

As soon as the project starts, it is recommended that the partnership establish a project's decision-making body. Such Steering Committee is responsible for monitoring the implementation of the project overseeing the strategic planning, coordination, monitoring, evaluation and achievement of outputs/results⁷.

6.1.1.2. Establishing the audit trail system

The audit trail is very significant for the Beneficiaries to ensure the "self-control" since the early beginning and throughout the whole project implementation period. It allows transparent, clear and objective traceability of project's expenditures and revenues and relevant related documents. It can be in fact described as the records that show how the funding of the project has been spent. Although accounts can be kept in Euros or in the Final Beneficiary's national currency, all project reports have to be filled in and accounted in Euros only.

³ See chapter 2.3.1 of "Programme Management and Control Manual"

⁴ See chapter 6.1.3 of "Programme Management and Control Manual"

⁵ See chapter 6.1.4 of this "Quality Assurance Plan"

⁶ See chapter 8.1 of "Programme Management and Control Manual"

⁷ See chapter 6.1.3 of this "Quality Plan"

The Internal Audit Trail checklist (annexed) should be used in order to avoid any error, mistake or irregularity before the submission of the Progress Report into the Programme M.I.S. The audit trail should include the information/documents related to:

- **original invoices** (or documents of equivalent probative value) of all declared expenditures and related payment proofs;
- **administrative supporting documents** adopted for public procurement procedures: tenders, contracts, administrative procedures;
- **clear description of the accounting evidence**, related to the specific budget lines;
- **certifications related to validated expenditure** (DVEs);
- **procedures**: IPA Subsidy Contract and, Partnership Agreement (and the possible changes to them authorized by the competent bodies), Progress Reports, relevant project correspondence, etc;
- **main correspondence** on approval, implementation, modifications of the project;
- **correspondence/verification of the receipt** (and transfer for the LB) of IPA funds.

In order to efficiently monitor and manage the project expenditure and revenues, for all transactions within the project without prejudice to national accounting rules, the Lead Beneficiary and all Final Beneficiaries should:

- open a specific **bank account** in euro for project payments, if possible, or foresee a separate project code to identify project related transactions;
- maintain a separate **accounting system or** an adequate **accounting code**, in order to clearly trace project costs/revenues by budget line, activity and payment date/reporting period in the accounting system;
- indicate the project title/acronym directly on the invoices/equivalent documents and on all supporting documents.

The **bank account details** shall be sent to the Managing Authority when required, using the specific form (“Bank account Identification notice”) provided by the JTS. Any change of this information should be reported immediately and as soon as possible. This is especially important for the Lead Beneficiary, when submitting the Application for Reimbursement⁸), since the reimbursement of IPA grant will be executed only on the bank account of the LB communicated to the MA/JTS. Complete and correct bank information in fact can ensure fast transfer of the funds.

Having in mind the experience from other project, the international BIC (S.W.I.F.T. code) and the international IBAN code seem to be the major sources of errors. Therefore LB are strongly advised to make sure they are correct and do not contain any space characters. Moreover, the name, address, town and Country of the bank and the account holder should be given.

Concerning the **separate accounting system or accounting code**, it may either be an integrated part of the Final Beneficiary’s regular accounting system or additional to that system. In any case, the chosen system shall be run in accordance with the accounting and bookkeeping policies and rules that apply in the Country where the final Beneficiary is established. Hence the Beneficiaries can set up a “project accounting system” by using separate accounting system for the Project concerned or by ensuring that expenditure and revenues for the activity concerned can be easily identified and traced to and within the Final Beneficiary’s accounting and bookkeeping systems thanks to a specific and adequate accounting code.

In order to successfully implement a project, a correct audit trail must envisage:

⁸ See chapter 6.3.2 of “Programme Management and Control Manual”

- a separate archive filled in by each project partner with all original documents related to project's (financial and administrative) implementation;
- all partners shall keep the documents linked to the project until 31st December 2021 or longer if foreseen at national level or according to the *de minimis* applicable rules;
- project specific cost-accounting analytical code/s in order to clearly trace project costs, activity and payment date/reporting period in the Beneficiary's accounting system⁹;
- copy of relevant documents sent to the Lead Beneficiary.

6.1.1.3. The kick-off meeting

The first meeting of all beneficiaries on the project has been known as **kick-off meeting**. It is strongly recommended that the kick-off meeting is organized and arranged within the first starting months to ensure that all the partners share the same project vision and are ready to start the implementation of the project without delay.

All partners are expected to take part in the meeting, since some partners may meet and know for the first time. This is a phase where the management and coordination process is to be initiated, to confirm objectives and the implementation plan, to define communication strategy and agree on the composition of the team.

6.1.2. Programme Management and Information System (M.I.S.)

The Management and Information System of the IPA Adriatic CBC Programme (hereinafter referred to as MIS) is a multi-user system, developed specially for the needs of the Programme. It is a web-based tool allowing its users to access to it from wherever they are, with an Internet connection and a browser.

The M.I.S. allows the successful management of information related to:

- the Programme and its configuration;
- project's submission;
- Final Beneficiaries being members of a project;
- expenses made by Final Beneficiaries of financed projects;
- certification of expenditures (Declaration on Validation of Expenditures) and related Application for Reimbursement;
- multi-level controls of expenses;

thus allowing the recording and keeping of the accounting data as well as the financial management, control, checks, audit and evaluation of each Project approved within the framework of the Programme (Ordinary and Strategic).

The Managing Authority provides all users with an **"User Account"** (*user name and password*) to enter into the MIS¹⁰. Then, users can access to the M.I.S. through the "Reserve area" in the web site of the Programme (www.adriaticpacbc.org).

The MIS allows Final Beneficiaries to fill in Progress Reports (PR) and Application for Reimbursement (AR) and at the same time to save, store and print Progress Reports,

⁹ Final Beneficiaries may also use the "Expenditure Identification Code" (EIC) provided by the M.I.S. for each expenditure included in a Progress Report

¹⁰ Final Beneficiaries involved in more projects will be given a single "User account" through which they can access to all the different projects they are involved to

Declaration on Validation of Expenditures (DVE) and Application for Reimbursement¹¹⁾. At the same time it serves as direct communication tool within the monitoring system (FLCO, MA/JTS, AA, CA).

Besides, the M.I.S. provides information on Progress Report status (under preparation, submitted, need integrations, approved, rejected), and speeds up the payment process, since the collection of the validated expenditures that could be reimbursed into a single Application for Reimbursement can be started by Lead Beneficiary right after the online submission of the DVE.

It is also possible to monitor the financial progress of the project, see the planned amounts, the previous reported amounts, current reports as well as accumulated amounts, besides having all the information about project budget by partners and by budget lines¹²⁾.

Technical and useful information for Final Beneficiaries for using the MIS are provided in the guidelines produced by JTS: “**Guidelines for the use of the Programme Management and Information System - M.I.S. (Instruction on how to submit Progress Reports and Applications for Reimbursement)**”¹³⁾ available on the Programme website.

6.1.3. Project Monitoring

The Lead Beneficiary is responsible to ensure the successful implementation of the project and its activities by monitoring and reporting on the project’s progress. In order to ensure efficient administrative and financial management, the Lead Beneficiary will establish a procedure for monitoring the achievements of milestones and outputs as well as the project spending (a form have been provided (the quarterly activity reporting form by the Lead Partner and a calendar for outputs delivering have been included in the Biyearly Project Action Plan).

The Lead Beneficiary is supported **Steering Committee**. It is responsible for monitoring the project in order to achieve the targets/objectives set in the project application. If necessary, the Steering Committee handles with the changes of the project implementation (see following chapter 6.1.4).

The Steering Committee is composed of representatives of all project partners.

The Steering Committee bears no legal responsibility towards the IPA Adriatic CBC Programme management structure or the project partners, since the Lead Beneficiary is the only responsible and accountable structure in relation to the Managing Authority. This is due to the fact that the IPA Subsidy Contract is signed only by the Managing Authority and the Lead Beneficiary.

This being said, all projects are anyway subject to monitoring, regarding both the *progress of the project activities* and the *financial implementation*.

The main instruments for the project monitoring are the **Project Progress Reports**. Based on these reports the Joint Technical Secretariat monitors the project implementation in order to help the project to achieve the best possible output. At the same time, they are a tool for the Lead Beneficiary to follow the activities and costs occurred among the project partners. Additionally to the Project Progress report, also the **Progress Reports**, produced at partner level, allow the Lead Partner, FLCO and MA/JTS to examine the progress of the project¹⁴⁾. "It should be noted that a good report does not include only the success factors but gives a balanced view of the project. This includes, of course, reporting the success factors, but also

¹¹ For more information about PR, DVE and AR refer to chapter 6 of the “Programme Management and Control Manual”

¹² Through the “**Expenditures statistics**” section of the MIS

¹³ The JTS has even prepared a guideline for FLCOs “*Guidelines for the use of the Programme Management and Information System - M.I.S. (Instruction on how to issue a DVE)*” available on the Programme website too

¹⁴ See chapter 6.3.2 of “Programme Management and Control Manual”

the lessons learnt and what did not work, problems arisen and how they have been overcome. In this way, the reporting is useful for both the project itself and the Programme.

The project monitoring also includes the tracking the project's expenditures.

Every partner has assigned a contact person in the Joint Technical Secretariat, who is in charge to follow the project progress and also to support the Lead Partner in the project implementation. The Joint Technical Secretariat also has the right to ask for any additional information or material at any time.

6.1.4. Project Changes

The project should correspond as much as it is possible to the Application Form (AF). However, the planned project activities are based on assumptions made at the time of the AF submission and conditions may be change during the time. During implementation, sometimes it is allowed to make some project changes in order to adapt to real situation that the Project Partners have to deal with. Those changes can be:

- **changes**, which DO NOT have a relevant impact on the main results, outputs and objectives of the project; they require a detailed written request to MA/JTS justifying the changes, and the MA may approve it or not (they require more or less 10-13 days for approval by the Programme MA and could be required many times in a year);
- **substantial changes**, which HAVE a relevant impact on the main results, outputs and objectives of the project; they require a detailed written request to MA/JTS justifying the changes as well, but the approval/not approval by the Joint Monitoring Committee (JMC) is needed (they require around 60 days for approval and can be required not more than 2 times a year).

Specific obligations about project changes are established in the IPA Subsidy Contract and its General Conditions (and their amendments) and shall be respected as well.

For the submission of any project change, Lead Beneficiaries , after having collected the requirements of changes by each Project Partner by using the proper Programme template, will fill in the template available in the "Project Change Pack" in the Programme website.

6.1.4.1. Changes

As it is stated in the official IPA Adriatic documents, "the allowed changes concern budget changes (between budget lines, between Work packages (WP)) and/or activities changes, and sometimes they can be interrelated, for instance a change in activities/work plan can imply budget changes¹⁵". These kinds of changes DO NOT have a relevant impact on the main results, outputs and objectives of the project as laid down in the Application Form (AF).

Any request for these changes has to be well justified

In case changes will affect the content of the IPA Subsidy Contract and of the Partnership Agreement, Project Partners have to sign the addenda. The Lead Partner will collect the addend and send them to the JTS..

The Project Partners have to use the "expenditures statistics" section in the Management and Information System before submitting the budget change's request in order to verify if the planned changes are possible and in line with its needs. In fact this feature of the M.I.S. allows

¹⁵ It is highlighted that not only the percentage of budget changes is substantial to define if a project change is minor or substantial, but how the changes will affect the nature of the project as it was when approved. For instance, in a project, it can be requested to move budget from one budget line to another (or from one WP to another) equal to 5% of the project budget but nevertheless should it modify the results/objective of the project considerably, it would be considered as a substantial change in the content of the project. Generally speaking, it is expected anyway that budget changes exceeding the 20% of the total project budget may substantially modify the nature of the project

to have an overview of the costs already reported/validated/reimbursed and to see from which budget lines it is possible to move funds¹⁶.”

6.1.4.2. Substantial changes of the approved Application Form

In very exceptional cases, the following substantial changes can be possible:

- changes in the partnership composition;
- changes in the content of the project;
- budget shift from one Final Beneficiary to another/others on the condition that the total Programme Contribution does not change;
- budget reallocation between budget lines and/or work packages exceeding 20% of the project budget;
- extension of the project duration.

In all these cases the LB shall submit an official request to the MA/JTS giving a detailed justification. The request will be submitted to the JMC taking a decision which will only have effect after the formal notification sent by the Managing Authority to the LB. In case of approval, an amendment to the IPA Subsidy Contract and (where relevant) to the Partnership Agreement will be made. The Programme PMCM rules the procedure for requiring the substantial changes. This rules should apply here.

6.1.4.3. Administrative adjustments

Any administrative adjustment of the Project Partner organization - such as contact information, the change of the addresses - requires a written notification to the MA/JTS through LB, which can be sent also on occasion of the submission of the Progress Reports by the Project Partner; in case of changes of bank account of the Lead Partner may be also specified on the occasion of the submission of the Application for Reimbursement.

6.1.5. Specific provisions for Associates

Associate may not require directly reimbursement for their expenditures. The travel and accommodation costs, incurred for the participation in project meetings/events, shall be paid directly by the Project Partner that have invited the associated representative.

Associate cannot act as a supplier or be a (sub)contractor in the implementation of the project.

6.1.6. Programme website

In the specific section of the Programme website “**Implementation documents**”, the JTS provides all the templates that support standardization of communication and data to be reported. In this section, Beneficiaries can find all the *mandatory templates* required in specific case and also the *suggested templates* that can be used.

In addition, if there are any amendments made to the PMCM due to legislative changes or other requirements which influence implementation of already approved projects, they will be made

¹⁶ In order to better understand how this section of the MIS works, it is recommended to consult the “Guidelines for the use of the Programme Management and Information System - M.I.S. (Instruction on how to submit Progress Reports and Applications for Reimbursement)” available in the Programme website

available on the official website of the IPA Adriatic Cross-border Co-operation Programme:
www.adriaticpacbc.org

6.2. PROJECT EXPENDITURE AND APPLICABLE RULES

Note: This section deals with the expenditures made during the project implementation and rules that are applied. In order to avoid any misinterpretation of the official rules and definitions of IPA Adriatic Programme, the section is closely related to the relevant IPA official documents and uses their original statements.

6.2.1. General eligibility principles

Eligible costs are those necessary for carrying out the project activities and incurred during the eligible period of project implementation.

They may be:

- exclusively devoted to the project objectives and activities, **or**
- be allocated proportionally to the project, applying a justifiable fair and equitable method of calculation.

According to the IPA Adriatic **Programme Management and Control Manual**, in order to be eligible the expenditures have to be:

- actually paid (**principle of real cost**) by the respective Final Beneficiary;
- incurred within the period of eligibility of the project;
- reasonable, justified, and in compliance with the requirements of a sound financial management, in particular with **economy, efficiency and effectiveness principles**;
- included in the estimated total budget and closely linked to any action or output of the approved work plan and necessary for its implementation;
- identifiable and verifiable, in particular must be recorded in the accounting records of the Beneficiary and determined according to the applicable accounting standards of the Country where the Beneficiary is established and according to the usual cost-accounting practices of the Beneficiary;
- in compliance with all the relevant EU, national and Programme rules;
- in compliance with the requirements of applicable tax and social legislation;
- accompanied by the necessary documents proving that the expenditure is real and that the action has been implemented and/or the output has been delivered;
- not shared with any other project partner.

Any expenditures that steps out of these rules is considered ineligible and will not be paid by the Programme.

Definition of the general principles

The “real cost” principle means that costs declared must have been actually borne by the Beneficiary, i.e. there must be evidence of actual payment of the amounts claimed through receipted invoices or equivalent accounting documents. However, some costs may be claimed although their precise amount can only be estimated, namely depreciation and overheads (indirect costs). The estimated amounts claimed must nevertheless be justified by accounting documents having a probative value equivalent to invoices.

*The **principle of economy** requires that the resources used by the institution for the pursuit of its activities should be made available in due time, in appropriate quantity and quality and at the best price.*

*The **principle of efficiency** is concerned with the best relation between resources employed and results achieved.*

*The **principle of effectiveness** is concerned with attaining the specific objectives set and achieving the intended results.*

Programme Management and Control Manual defined the additional set of rules that must be respected so that costs are accepted as eligible:

- they belong to one of the Programme categories of expenditure (budget lines), work packages and have been incurred according to the rules established by the Programme and specified, where existing, by Guidance for First Level Controller;
- they have been incurred in compliance with the rules on the Programme eligible area and the location of activities;
- they are denominated in Euro;
- they are not financed by any other Community fund.

6.2.2. Eligibility of expenditure by budget line

Within the IPA Adriatic Programme, the cost planning is structured into nine budget lines, as follows:

- Staff costs;
- Overheads
- Travel and Accommodation
- External Expertise
- Meetings and Events
- Promotion costs
- Equipment
- Investments
- Financial charges and guarantee costs.

For reporting any eligible expenditure incurred within the above mentioned budget line, please shall refer to the Programme Management and Control Manual (PMCM) rules.

7. PROCEDURE FOR NON-CONFORMANCE AND CORRECTIVE ACTIONS

After analysis of project quality and partners' reports, the next step to be undertaken is to identify the areas of non-conformance with the procedures defined in this document. If such areas are identified, they should be documented in the appropriate form (Annex), after which necessary corrective actions will be applied.

Any partner can identify the need for corrective actions and report it to the Lead Partner informs the Steering Committee of the issue arisen. This is to be discussed by SC members either at regular SC meetings or through e-communication tools (emails, web-conferences, etc). A proposal on corrective action should be suggested and put for voting by SC members. The decision shall be documented according to the template of Annex. The Lead Partner forwards the decision to all involved parties.

The Steering Committee, as the highest ranked management structure, is responsible for realization of corrective action, in terms of implementing and recording of changes in defined procedures. Suggested corrective actions should ensure:

- Effective handling of all complaints,
- Reports of non conformities,
- Investigation of the cause of non conformities in relation to quality system,
- Recording the results of the investigation,
- Determining the corrective / preventing action needed to eliminate the cause of the non-conformity,
- Application of controls to ensure that corrective action is taken and is effective,
- Initiation of preventative action and application of controls to ensure that it is effective,
- Ensuring that relevant information on actions taken is submitted for review.

8. ANNEXES

ANNEX 1-A: STANDARDS AND PROCEDURES FOR PROJECT MEETINGS

The following sample shows what the standards and procedures documentation might look like as a paper-based manual, and is provided simply to indicate the nature and scope of the standards and procedures required.

1. INTRODUCTION

This presentation of the Standards and Procedures Manual provides project-specific instructions to maximize the effectiveness and efficiency of project meetings.

2. MEETING PROCEDURES

The procedures for project meetings are as follows.

Before the Meeting

- Appoint a chairperson to keep the meeting on track.
- Develop a clear set of relevant objectives.
- Identify specific objectives for each agenda item (for information, for discussion, for action, and allotted time).
- Plan the attendance: make sure there is a valid reason for each person required to attend.
- Be prepared: know how you plan to conduct the session and ensure that all the staff and resources required are available.
- Notify each person in advance of the particular topics they will be asked to address, as appropriate.

Starting the Meeting

- Start on time.
- Summarize why each participant has been asked to attend (i.e., his/her role).
- Review the objectives and agenda.
- Define the process you want to follow.
- Establish the ground rules regarding such things as interruptions and handling of side issues.

During the Meeting

- Keep focused on the task and topic at hand.
- Keep focused on the Agenda and the time for each item.
- Have someone maintain brief minutes, identifying all the action points.

Ending the Meeting

- Ensure that there is consensus on the results or, if agreement is not reached, that the nature and grounds of disagreement are clearly recorded.
- Summarize action items and identify who is responsible for each.

After the Meeting

- Distribute brief minutes, identifying all the action points, to those in attendance as well as to other interested parties.
- Provide a copy of the minutes to the Project Lead Partner for filing in the Project Repository for future reference.

- With regularly scheduled meetings, have participants periodically evaluate the meeting process (optional).

Follow-Up

- Track action items to closure.
- When all action items have been closed:
- notify QA,
- Update the library copy of the minutes with the closed date.

3. BOOKING MEETING ROOMS

The meeting rooms are booked through by the Partner hosting the meeting. Do not conduct a meeting in a room that has not been reserved; that room may be reserved by someone else. The hosting Partner will notify to the competent office/authority of the room number and also record it on the "Meeting Room Calendar" located on the project bulletin board.

If a meeting is cancelled, the Partner who will cancel the room booking.

4. ROLE OF THE CHAIRPERSON

The chairperson is responsible for:

- creating or reviewing the agenda,
- understanding the objective of each agenda item,
- ensuring that all participants scheduled to make a presentation are prepared prior to the start of the meeting,
- ensuring that all necessary audio-visual equipment is available (arranged through the Project Administrator) before the meeting is scheduled to start,
- starting the meeting on time and collecting any fines from late-comers
- maintaining order and ensuring progress by maintaining focus on the current agenda item,
- monitoring the time allotted to each agenda item using the agenda as a guide,
- ensuring that all decisions and agreements are recorded in the minutes; if disagreement exists, the chairperson must ensure that the nature and grounds of that disagreement are recorded,
- summarizing all action items and assigning responsibility for each,
- ensuring that the minutes are prepared by the hosting Partner, disseminated to all interested parties, and filed in the project repository,
- ensuring that the Action Item log is updated with action items identified in the meeting.

5. MEETING AGENDA

An agenda must be created in advance of each meeting. The agenda is the single most important method of minimizing time spent while maximizing benefits.

The agenda should include the following items:

- date and time of meeting,
- location of meeting,
- overall purpose of the meeting,
- a list of items to be discussed,
- the name of the presenter (or discussion leader) for each agenda item,
- the objective of each agenda item, and
- the allotted time for each agenda item.

6. MEETING MINUTES

Prepare brief, action-oriented, meeting minutes at the conclusion of each meeting, including the following items:

- location of meeting,
- list of participants (both present and absent),
- overall purpose of the meeting,
- a list of items discussed (using the same identifiers as the Agenda),
- any significant results of date and time of meeting, that item (decisions reached, major concerns, etc.),
- identification of any action items raised (if no action items resulted from the item, say so),
- for each action item raised, indicate who it is assigned to and when it is due.
- The following are some additional guidelines:
- write references to possible changes in scope or contractual requirements so that they do not imply approval of the change. Approval will be obtained at another time. For
- refer to individuals by initial and last name and the name of Project Partner represented (e.g., F. Brown, - PP01 or Apulia Region).
- if references to documents are included in the minutes, include a document name and document number, and, if appropriate, page number or section.

The minutes must be created and distributed to participants no more than three working days after the meeting.

A standard template for Meeting Minutes is below.

7. EVALUATING MEETING EFFECTIVENESS

As part of the Quality Management process, the effectiveness of project meetings will be evaluated on a sample basis, using the questionnaire on the following page. Completed forms should be returned to and tracked by the Quality Assurance Manager. Given the large number of meetings, its use is not mandatory.

ANNEX 1-B: Deliverable: Standards & procedures for Project Meetings

MEETING AGENDA		
Project Name:		
Purpose, Objectives and Elements of the Meeting:		
Expected Attendees: A. B (Chair)		Date and Time:
		Place:
Agenda Item	Person Responsible	Time
1. Introduction	A. B	2 mins
2. First Presentation	A. B	15 mins
3. Second Presentation	All	90 mins
List of Attachments: Copy of risk management standards and procedures.		

MEETING MINUTES			
Project Name:			
Purpose, Objectives and Elements of the Meeting:			
Risk Identification Workshop			
Present: A. B (Chair)		Date and Time:	
Absent: J. L (if others)		Place:	
Summary of Significant Results (by Agenda Item)			X-Ref to Action Items
1. Introduction Purpose of Workshop was explained.			None
2. Risk Management Process Reviewed the basic definition of risk and the approach to risk management established for the project.			None
3. Risk Identification Brainstorming Some discussion held on how many risk management action plans should be developed. Agreement reached that only top-seven risks (based on risk exposure) would be developed initially - rest as they filter up.			1.2.3.
Action Item	Person Responsible	Due By	Date Closed
1. Develop risk management action plans for top-7 risks resulting from item 3.	A. B		
2. Create risk log.	A. B		
3. Create risk identification sheets	A. B		
List of Attachments: (e.g., copies of presentation material)			

Approvals	
Name: A. B	Date:

CHECKLIST FOR MEETING EFFECTIVENESS	
Project Name:	
Meeting Name:	
Date and Time:	Place:
Please rate the effectiveness of the meeting by assigning a value from 0 (worst) to 5 (best) to each item. Return the completed form to the Quality Assurance Manager.	
Ground Rule	Rating
The meeting objective was clear.	
There was a published agenda with specific objectives for each item (for information, for discussion, for action), and allotted time.	
Attendance was appropriate. There was a valid reason to require each person to take time away from their other responsibilities to attend.	
I was notified in advance of the topic, my role in the meeting, and what I may be asked.	
All of the staff and resources required were available.	
There was a facilitator (chairperson) appointed to keep the meeting on track.	
The meeting started on time.	
There was a process (ground rules) defined for how the meeting was to run.	
The meeting kept to the agenda and the allotted time for each item, and the ground rules were followed.	
There was consensus achieved.	
Action items were assigned where appropriate.	
There was a person assigned to document minutes.	
Minutes were provided within a reasonable period and adequately documented the meeting.	
Comments (constructive suggestions)	
Completed By (optional):	Date

ANNEX 2: Quality Assurance Plan: Non-conformance Report

Non-conformance / Customer Complaint Report		
Originator(s):	Date:	Report Number: (Obtain From QA Manager or leave blank)
Description of Non-conformance or Customer Complaint:		
Complete If applicable -	Name or Description of non-conforming item:	Serial/ID Number:
Steps to Prevent Inadvertent Use of the Item or Process:		
Corrective/Preventive Action		
Apparent Cause:		
Planned Corrective/Preventive Action(s):		
Comments:		
No.	Corrective Action	
	DISPOSITION (if applicable): Use-as-is <input type="checkbox"/> Modify <input type="checkbox"/> Re-elaborate <input type="checkbox"/> Return to Author <input type="checkbox"/> Scrap <input type="checkbox"/> Other	

Non-conformance / Customer Complaint Report		
Person(s) Responsible for the Corrective/Preventive Action(s) and/or Disposition		Approval of Corrective/Preventive Action
No.	Name(s)	
	Due Date	_____

		<i>Responsible Manager or Designee</i>
		<i>Date</i>
Closing the Nonconformance		

Planned Corrective/Preventive Action Has Been Completed			Independent Verification Has Been Completed
No.	Name(s)	Date	

Distribution:			QA Manager or Director Date

ANNEX 3: Quality Assurance Check List for deliverables

Author(s) responsible for the Deliverable: _____

WP leader: _____

QAPT reviewer(s): _____

Assurance Point	Issues to be addressed	Assessment	Comments	Recommendations
Compliance with the objectives of NEXT	Does the deliverable comply with the overall objectives of the project?	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> PARTIALLY		
Compliance with the specific objectives of the workpackage	Does the deliverable comply with the WP Objectives as specified in the WP description?	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> PARTIALLY		
Correspondence with the description of work of the relevant activity	Does the deliverable correspond with the activity description as specified in the Application Form?	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> PARTIALLY		
Assurance Point	Issues to be addressed	Assessment	Comments	Recommendations
Compliance with the deliverables	Is the deliverable presented	<input type="checkbox"/> YES		

format	using the Project's deliverable format – Annex ?	<input type="checkbox"/> NO		
Adequacy of written language	Level of written English	<input type="checkbox"/> EXCELLENT <input type="checkbox"/> ADEQUATE <input type="checkbox"/> POOR		
Overall assessment and suggestions for improvement				
Date of Quality Assurance performed by QAPT reviewers:				
Deadline for submission of amended version of the Deliverable:				

ANNEX 4: Project organizational chart

Partner role in carrying out the Project activities

Activity	LB	PP1	PP2	PP3	PP4	PP5	PP6	PP7	PP8	PP9	PP10
List of PP	Lead Beneficiary	Puglia Region	City of Šibenik	Istrian Development Agency	Chamber of Economy of Montenegro	University of Donja Gorica	Regional Council of Shkoder	University of Mostar	REDAH Mostar	REDASP Kragujevac	Foundation “Partnership for Development”
Acronym	LB	PP1	PP2	PP3	PP4	PP5	PP6	PP7	PP8	PP9	PP10
0.1	R			R							
0.2	C	S	S	S	S	S	S	S	S	S	S
0.3	R	S	S	S	S	S	S	S	S	S	S
1.1	R	S	S	S	S	S	S	S	S	S	S
1.2	R	S	S	S	S	S	S	S	S	S	S
1.3	C	S	S	R	S	S	S	S	S	R	R
1.4	R	S	S	S	S	S	S	S	S	S	S
1.5	R	S	S	S	S	S	S	S	S	S	S
1.6	R	R	R	R	R	R	R	R	R	R	R
2.1	C	S	S	R	S	R	S	S	S	S	S
2.2	R	R	R	R	R	R	R	R	R	R	R
3.1	C	S	S	R	S	S	S	S	S	S	S
3.2	C	S	R	S	S	S	S	S	S	S	S
3.3	C	S	R	R	S	S	S	S	S	S	S
4.1	C	S	R	S	S	S	S	S	S	S	S
4.2	C	S	R	S	S	S	S	S	S	S	S

4.3	C	S	R	S	S	S	S	S	S	S	S	S
4.4	C	S	R	S	S	S	S	S	S	S	S	S
5.1	R	S	S	S	S	S	S	S	S	S	S	S
5.2	R	S	S	S	S	S	S	S	S	S	S	C
5.3	R	S	S	S	S	S	S	S	S	S	S	S
6.1	R	C	C	C	C	C	C	C	C	C	C	C
6.2	C	S	S	S	S	S	S	S	S	S	S	R
6.3	C	S	S	S	S	S	S	S	S	S	S	S
7.1	S	S	S	S	S	S	S	S	S	S	S	R
7.2	S	S	S	S	S	S	R	S	S	S	S	S

	Responsible partner
	Coordinating partner
	Supporting partner

Composition of PMO and identification of the POT

Project Acronym	Partner	Project Operation Office	Project Management Office			Partner Operational Team	Steering Committee designed members
			Partner Project Manager	Partner Financial Manager	Partner Communication Manager		

ANNEX 5: Internal Audit Control Trail – Template

Beneficiary's name:

Office responsible for internal control:

Progress Report No. concerned:

Reporting Period: from dd/mm/201... to dd/mm/201...

General remarks of the controller/s (if any):

.....

Name of the Controller/s:

CHECKS FOR FIRST/FINAL PROGRESS REPORT OR AFTER A PROJECT CHANGE					
Progr. No.	Checks	Yes	Not	Not V.	Explanation if needed
1	Application Form approved by the JMC is available in electronic form				
2	Copy of the Subsidy Contract signed by Managing Authority and Lead beneficiary is available				
3	Copy of the Partnership Agreement signed by all beneficiaries is available				
4	Declaration on the VAT status of the beneficiary is signed by the authorized person of the beneficiary's organisation and available in original				
5	Copy of addendum/approval of any modification of the Subsidy Contract is available if relevant				
6	Revised Application Form is available in case of project changes				
7	The full list of staff (<i>managers, executives, employees, temporary workers</i>) working in the project is available. The staff-list has to contain the name of the manager/executive/employee/temporary worker dedicated to the project and reported in the PR concerned, as his/her qualification and function in the project, to what extent his/her work is dedicated to the project, and his/her gross salary and any indicative costs (<i>need to be listed also people working for free for the beneficiary's organisation</i>)				
8	The method for allocating overheads is clearly stated by the beneficiary in the first Progress Report				
9	The total amount declared by the beneficiary is below or equal to the project beneficiary's budget according to the approved Application Form (<i>it applies only for final Progress Report</i>)				
10	The flat-rates, regarding overheads proportionally allocated to a project, based on average costs not exceed 25 % of direct costs of the operation do not affect the level of total amount of overheads allowed for the implementation of the project (<i>the total amount must be verified in the occasion of the final Progress Report</i>)				

GENERAL CHECKS					
Progr. No.	Checks	Yes	Not	Not V.	Explanation if needed
1	Progress report is available on the beneficiary's activities performed in the relevant reporting period, including financial report				
2	All invoices and other accounting documents of probative value are available covering the amount declared by the beneficiary				
3	Specific accounting codes or other transparent methods are used for the project in the beneficiary accounting system which allow the identification of costs allocated to the project				
4	Computerised list of project expenditure can be obtained from the beneficiary accounting system				
5	Separate bank account is opened to receive and transfer IPA contribution				
6	The expenditure declared corresponds to the accounting records and supporting documents held by the beneficiary				
7	Original invoices or other accounting documents of probative value related to the expenditure already declared are available at the premises of the beneficiary				
8	If the beneficiary reported revenues evidence exists in the accountings documents of the beneficiary on the revenues generated by the project				
9	The expenditure reported as revenues are only cash inflows directly paid by paid by users for the goods and/or services provided by the project				
10	The beneficiary does not report revenues (not foreseen in the approved application Form, and the project does not generate revenues)				
11	Calculation method is provided by the beneficiary to report the net revenues (<i>the amount to be deducted from the total eligible expenditure reported</i>)				
12	The beneficiary provided accurate information regarding the physical and financial implementation of the part of operation				
13	On the basis of the verifications performed, it can be excluded that expenditure has already been supported by any other funding (<i>double-financing of the same sum with other Community or national schemes and with other programming periods is forbidden</i>). Mechanisms are applied by the project partner to avoid double financing				
14	Evidence is provided by the beneficiary that specific compulsory requirements by Community or national legislation are fulfilled (<i>e.g., feasibility study, environmental impact</i>				

	<i>assessment, building permission, etc. are available)</i>				
15	Statement of the beneficiary is available stating the respect of all community and national laws in terms of environmental impact				
16	Statement of the beneficiary is available stating the respect of the principle of equal opportunities				
17	In the case of specific project activities, the principles of equal opportunities are ensured (<i>e.g. project events do not represent any barrier to participation</i>)				
18	The principle of the cost-efficiency is respected by the beneficiary during the selection of providers/suppliers				

CHECKS ON GENERAL ELIBILITY CRITERIA					
Progr. No.	Checks	Yes	Not	Not V.	Explanation if needed
1	All expenditure have been actually incurred and paid by the beneficiary				
2	All expenditure are directly related to the project, necessary for the development starting and/or implementation of the project, and they are planned in the approved Application Form				
3	All expenditure have been incurred and paid between the start date of the project (<i>except for preparation costs</i>) and the end date of the relevant reporting period				
4	All expenditure have been incurred at the eligible area of the IPA Adriatic CBC Programme (<i>for location rule, see the table on § 5.1.2 of PMCM vers.2</i>)				
5	The exchange rate for converting expenditure incurred in national currency into Euro has been properly applied (<i>art. 127 of the Reg. 718/2007</i>)				
6	If relevant, any net revenue has been properly deducted from the amount of eligible expenditure declared				
7	Any recoverable VAT has been deducted from the amount of eligible expenditure for all relevant items				
8	If VAT was declared as not recoverable, it was not reclaimed later by the beneficiary by any means				
9	Any ineligible expenditure has been excluded from the eligible expenditure				
10	In all project official deliverables by the beneficiary is specified the disclaimer as required on page 99 (§ 7.2.2) of PMCM vers.2 " <i>This <document/publication/etc> has been produced</i>				

	with the financial assistance of the IPA Adriatic Cross-Border Cooperation Programme. The contents of this <document/publication/etc> are the sole responsibility of <beneficiary name> and can under no circumstances be regarded as reflecting the position of the IPA Adriatic Cross-Border Cooperation Programme Authorities'				
11	In all project official communications, the EU logo, the IPA Adriatic CBC Programme logo and slogan (§ 7.2.1 of PMCM) and the name of the funds concerned are properly displayed (according to the Programme Management and Control Manual, vers.2, § 7.2.1 – page 98: “The project is co-funded by the European Union, Instrument for Pre-Accession Assistance”)				
12	The procedure applied for the procurement of services, equipment or investments is adequate according to the national and community rules [EU Treaty Principles and main rules that should be applied: Right of Establishment (art. 49), Freedom to provided services (art. 56) and goods (art. 34), Prohibition to apply unjustified restrictions for nationality (art. 49, 56, and Title V), Transparency and not discrimination (art. 106), Mutuality recognition for foreign operators and origins of goods provided (art. 19 of Reg. EC 1085/2006), Modalities of the tender publicity (art. 264 of Comm.Del.Reg. C(2012) 7507), Thresholds amounts and tender modalities (art. 265, 267, 269 of Comm.Del.Reg. C(2012) 7507), Composition of the tender documents (art. 273 of Comm.Del.Reg. C(2012) 7507), Time limits for procedures (art. 275 of Comm.Del.Reg. C(2012) 7507), Evaluation Committee: composition, tasks and assessment procedure (art. 276 of Comm.Del.Reg. C(2012) 7507), Grounds for exclusion from participation in the tender (art. 106 of Reg. (EC, Euratom) 966/2012, art. 141 and 142 of Comm.Del.Reg. C(2012) 7507), Grounds for exclusion from award of the contract (art. 94 of Reg. (EC, Euratom) 966/2012, art. 142 of Comm.Del.Reg. C(2012) 7507), Criteria to select the tender and award the contract (art. 146, 147, 148, 265, 267 and 269 of Reg. Comm.Del.Reg. C(2012) 7507), Start of the contract implementation (art. 162 of Comm.Del.Reg. C(2012) 7507)]				

CHECKS ON ALLOCATION TO WORK-PACKAGES AND BUDGET LINES					
Progr. No.	Checks	Yes	Not	Not V.	Explanation if needed
1	Expenditure have been correctly allocated to the relevant work packages				
2	Expenditure have been correctly allocated to the relevant budget lines				
3	The beneficiary's budget by work packages and by budget lines fixed in the approved				

	Application Form have been respected				
4	Written authorization - with the relative documents attached where are stressed the adjustments of the Managing Authority/JTS that have been submitted in case of budget re-allocations – is available				

CHECKS ON ELIGIBILITY OF EXPENDITURE BY BUDGET LINES					
Progr. No.	Staff costs budget line checks	Yes	Not	Not V.	Explanation if needed
1	Where the employee is a part-time worker on the project, a true copy of the original service order showing his/her tasks to perform and the indicative number of days/hours or other indication of planned involvement in the project has been annexed to the Progress Report, while the original of it will be provided at request				
2	Where the expenditure concerns staff cost and it is incurred by engaging people working as temporary workers (coordinated collaborative workers) of beneficiary's organisation for several projects purposes over this project, this expenditure have been reported in the PR under "staff" <i>(be warning: where a temporary worker - not employee - have been engaged exclusively for project purpose, the expenditure concerned should be reported under "external expertise")</i> .				
3	The changes of the full list of staff working in the project is available with the Progress Report following the first one <i>(It is suggested to alleged a copy of staff list to the Progress Report also if it has not been changed for facilitate the FLCO's eligibility checks)</i>				
4	Work contracts/Order of service for all project staff are available				
5	Work contract/ Order of service contains: - the assignment of the person for the project and its tasks within the project - start date and end date of the assignment - the person is working full time/exclusively or part time on the project - other relevant criteria, as working cost per hour/day or per year <i>(it means 220 ordinary working days)</i>				
6	Reported worker payslip is available				
7	Reported worker monthly time-sheet is available				
8	Worker time-sheet is sufficiently detailed <i>(name of the worker/employee, date, time and description of the monthly activity)</i>				
9	Worker time-sheet is signed both by the worker/employee and the employer/beneficiary's project				

	responsible				
10	The method of calculating the hourly rates and the calculation of the staff costs is correct				
11	The calculation of staff costs working as part-time workers is based on real costs (<i>real gross salary proved by payslips</i>) and real worked hours (<i>time spent on the project proved by monthly time-sheet</i>) - see, example on page 51 - § 5.3.1 of PMCM vers.2 -. The calculation sheet has been annexed to the Progress Report				
12	Any fringe benefit, rewards over the monthly salary is excluded from the hourly rate				
13	Additional charges besides the charges obligatory according to community and national rules are excluded from the hourly rate				
14	Proof of payment of payslips is available in compliance with one of example set in page 52 of PMCM vers.2 (<i>please, specify</i>)				
15	Proof of payment of the obligatory working charges according to national rules is available (<i>for instance, in Italy they regards the duties paid through the fiscal form F24 – please, refer to the Country Specific Information on Programme website. For Italian Beneficiaries, see the FACT-SHEET ITALIA STAFF COSTS</i>)				
16	Documents of expenditure are voided (<i>stamp</i>) with the words: " Expenditure incurred under IPA Adriatic Cross-border Cooperation Programme, project "NEXT", code"2° ord/023", for a sum of €, date (dd/mm/yyyy) "				

Progr. No.	Overheads budget line checks	Yes	Not	Not V.	Explanation if needed
1	The method for calculating overheads had been changed from ones stated in the first Progress Report and it is available with the follows Progress Reports.				
2	Overheads are directly allocated to the project (<i>real costs, clearly identifiable and directly linked to the project's activities, no lump sums, overall estimations or arbitrary keys</i>)				
3	Overheads are allocated proportionally to a project [<i>flat rates based on average real costs. Flat-rates not exceed 25 % of those direct costs of the operation that affect the level of overheads (the total amount must be verified with the final Progress Report). The method for allocating overhead costs to the project is available, properly documented and reviewed yearly. Costs are attributable to the implementation of the project. Negative answers to this question are acceptable during project implementation, but the answer should be YES at the moment of project closure</i>]				

4	All costs are real and directly related to the project and eligible according to the IPA Adriatic CBC Programme.				
5	Expenditure concerns general costs related only indirectly to the project (<i>they have been incurred not exclusively for the project activities</i>) which are based on area/space usage pro-rata costs, have been calculated with the apportionment method based on space or area used as described in § 5.3.2 of PMCM, vers.2 (<i>see, example on page 54</i>) and attached to the Progress Report				
6	Expenditure concerns general costs related only indirectly to the project (<i>they have been incurred not exclusively for the project activities</i>) which are based as well as on area and on time of usage, have been calculated with the apportionment method based on space or area used for a period of time as described in § 5.3.2 of PMCM (<i>see, example on page 54</i>) and attached to the Progress Report.				
7	All costs are justified by receipted invoices or accounting documents having an equivalent probative value				
8	Proportionally distributed overhead costs are attributable to the implementation of the project and eligible according to the IPA Adriatic CBC Programme				
9	The calculation method has been declared in a properly document annexed to the Progress Report				
10	Proof of payment is available in compliance with one of example set in page 56 of PMCM, vers.2 (<i>please, specify</i>)				
11	Documents of expenditure are voided (<i>stamp</i>) with the words: " Expenditure incurred under IPA Adriatic Cross-border Cooperation Programme, project "NEXT", code"2° ord/023", for a sum of €, date.....(dd/mm/yyyy) "				

Progr. No.	Travels and Accommodations budget line checks	Yes	Not	Not V.	Explanation if needed
1	Travel costs are directly related to the project				
2	Only travelling costs of the staff people [<i>they include also temporary workers (coordinating collaborative workers) working not exclusively for the project</i>] of the beneficiary have been declared (<i>be warning: where a temporary worker - not employee - have been engaged exclusively for project purpose, the expenditure concerned travels and accommodations should be reported under "external expertise"</i>)				
3	Travels are performed within the eligible area in according to the IPA Adriatic CBC Programme				

	and/or approved project application form				
4	Authorization of the mission is available (<i>if obligatory according to community/national/institutional rules</i>)				
5	Mission report signed by the travelling person is available				
6	All supporting documents are available (<i>invitation, agenda, list of participants, minutes, etc.</i>)				
7	All costs are justified by receipted invoices or accounting documents having an equivalent probative value (<i>because each original receipt for expenditure has to concern exclusively the traveling person, when a receipt regards more than one person, a declaration must be provided by the person who had incurred the expenditure stated the other people that have obtain the service too</i>).				
8	Costs are in the range of average costs (<i>for instance, it regards hotels not higher than 4 star, airplane and train trips in economy fare, rent car not higher than 3 category</i>)				
9	The most economical way of transport has been used. A declaration by the traveling person is available.				
10	Bus, metro or coach ticket, taxi receipt, train ticket, airplane ticket and boarding pass, rent car contract and invoice, declarations of use of own car and for reimbursement, restaurant bill receipt or invoice, hotel receipt bill or invoice, etc. are available				
11	In case of use of own car or company car, calculation sheet prepared according to community, national or institutional rules stating at least the distance, the unit rate and the total costs of the travel is available [<i>for instance: it is a proof of the trip distance, the print from www.viamichelin.com (expense note) -, while it is an equivalent probative of value of km fare, the statement issued by a third agency where the beneficiary organization has not own internal rules for reimbursement- for Italian beneficiaries have been accepted the unit rate issued by www.aci.it – distanze chilometriche</i>]				
12	In case of use of taxi or rent car an invoice accounted to the person authorized for the mission is available				
13	If costs are directly paid by the institution, proofs of payment are available				
14	If costs are paid by the person going on mission/an advance is paid by the institution to the person going on mission, the documents on the reimbursement of costs are available				
15	Proof of payment is available in compliance with one of example set in page 57 of PMCM, vers.2 (<i>please, specify</i>)				
16	Documents of expenditure are voided (<i>stamp</i>) with the words: " Expenditure incurred under IPA "				

	Adriatic Cross-border Cooperation Programme, project "NEXT", code"2° ord/023", for a sum of €, date.....(dd/mm/yyyy)" (for small receipts, they can be stapled together to a blank sheet and the words referred above can be written or stamped across each receipt and the supporting sheet).				
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Progr. No.	External Expertise budget line checks	Yes	Not	Not V.	Explanation if needed
1	Services provided by the external experts are directly related to the project <i>(be warning: where a temporary worker - not employee - have been engaged exclusively for project purpose, the expenditure concerned fees and travels and accommodations costs should be reported under "external expertise")</i>				
2	If relevant, travel and accommodation costs of experts are justified according to IPA Adriatic CBC Programme rules, in compliance with the terms of services/technical assistance contract				
3	Procurement dossier for the selection of the external expert is available <i>(it contains the whole documentation required by public contest/procurement according to EU and national rules)</i>				
4	The "Contract Awarding Declaration" regarding the contract of service/technical assistance is available				
5	The "Negotiation report for single tenders procedures" regarding the contract of service/technical assistance <i>(contract with threshold value from 2,500 to 20,000 EUR and for which a prior selection procedure of provider is not required by national law)</i> is available				
6	Rates charges by consultant are reasonable an in relation to level of experience and expertise/competence corresponding to EU standard and/or consultant's Country's origin rates				
7	The external expert, the provider or the sub-contractor engaged is not a project beneficiary or a controlled body of a project beneficiary <i>(it does not apply to in-house provider of beneficiary)</i>				
8	The contract laying down the service/technical assistance required is in written form and available				
9	All costs <i>(fees and any cost reimbursed)</i> are supported by invoices or accounting documents having an equivalent probative value				
10	The evidence of the work carried out by the service provider is available in compliance with the contract's terms <i>(studies, researches, analysis, etc.)</i> . In any case, a proof of contract performing is available				
11	Where relevant, the deliverables respect the information and publicity requirements of the Project				

	Communication Plan				
12	Proof of payment is available in compliance with one of example set in page 59 of PMCM, vers.2 <i>(please, specify)</i>				
13	Documents of expenditure are voided (<i>stamp</i>) with the words: " Expenditure incurred under IPA Adriatic Cross-border Cooperation Programme, project "NEXT", code"2° ord/023", for a sum of €, date.....(dd/mm/yyyy) ".				

Progr. No.	Meetings and Events budget line checks	Yes	Not	Not V.	Explanation if needed
1	Meetings and events are directly related to the project				
2	Procurement Dossier/s of the selection procedure/s of the service provider/s is available (<i>it contains the whole documentation required by public contest/procurement according to EU and national rules</i>)				
3	The contract laying down the service to be provided is in written form and available				
4	The " Contract Awarding Declaration " regarding the contract of service/technical assistance is available				
5	The " Negotiation report for single tenders procedures " regarding the contract of service/technical assistance (<i>contract with threshold value from 2,500 to 20,000 EUR and for which a prior selection procedure of provider is not required by national law</i>) is available				
6	The service provider or the sub-contractor engaged is not a project beneficiary or a controlled body of a project beneficiary (<i>it does not apply to in-house provider of beneficiary</i>)				
7	All costs (<i>fees and any cost reimbursed</i>) are supported by invoices or accounting documents having an equivalent probative value				
8	The evidence of the work carried out by the service provider is available in compliance with the contract's terms (<i>list of participants, agenda, minutes of meetings, etc.</i>). In any case, a proof of contract performing is available				
9	Where relevant, the promotional items produced in the framework of the event respect the information and publicity requirements of the Project Communication Plan				
10	Proof of payment is available in compliance with one of example set in page 61 of PMCM, vers.2 <i>(please, specify)</i>				
11	Documents of expenditure are voided (<i>stamp</i>) with the words: " Expenditure incurred under IPA Adriatic Cross-border Cooperation Programme, project "NEXT", code"2° ord/023", for a				

	sum of € , date.....(dd/mm/yyyy)".				
Progr. No.	Promotion costs budget line checks	Yes	Not	Not V.	Explanation if needed
1	Promotion costs are directly related to the project				
2	Procurement Dossier/s of the selection procedure/s of the service provider/s is available (<i>it contains the whole documentation required by public contest/procurement according to EU and national rules</i>)				
3	The contract laying down the service to be provided is in written form and available				
4	The “ Contract Awarding Declaration ” regarding the contract of service/technical assistance is available				
5	The “ Negotiation report for single tenders procedures ” regarding the contract of service/technical assistance (<i>contract with threshold value from 2,500 to 20,000 EUR and for which a prior selection procedure of provider is not required by national law</i>) is available				
6	The service provider or the sub-contractor engaged is not a project beneficiary or a controlled body of a project beneficiary (<i>it does not apply to in-house provider of beneficiary</i>)				
7	All costs (<i>fees and any cost reimbursed</i>) are supported by invoices or accounting documents having an equivalent probative value (<i>in case of deliverable items, a true copy of waybill needed as a proof of deliverable</i>)				
8	The evidence of the work carried out by the service provider is available in compliance with the contract's terms (<i>brochures, project website, etc.</i>). In any case, a proof of contract performing is available				
9	Where relevant, the promotional items produced in the framework of the contract respect the information and publicity requirements of the Project Communication Plan				
10	Proof of payment is available in compliance with one of example set in page 62 of PMCM, vers.2 (<i>please, specify</i>)				
11	Documents of expenditure are voided (<i>stamp</i>) with the words: “ Expenditure incurred under IPA Adriatic Cross-border Cooperation Programme, project “NEXT”, code"2° ord/023", for a sum of € , date.....(dd/mm/yyyy)".				

Progr. No.	Equipment budget line checks	Yes	Not	Not V.	Explanation if needed
1	The equipment (<i>for instance, IT equipment, office furniture, machineries, tools, vehicles, etc.</i>) purchased, rented or leased is necessary for the project implementation				
2	The equipment is eligible according to the specific eligibility requirements set in page 62, § 5.3.7 of the Programme Management and Control Manual, vers.2				
3	Procurement Dossier/s of the selection procedure/s of the products supplier/s is available (<i>it contains the whole documentation required by public tender/procurement according to EU and national rules</i>)				
4	The products rule of origin set in article 19 of IPA Regulation (<i>Reg. EC 1085/2006</i>) has been complied with (<i>or in case of its derogation, a previous MA's authorization have been obtain in compliance with the Programme rules</i>)				
5	The "Contract Awarding Declaration" regarding the awarding of supplying is available				
6	The "Negotiation report for single tenders procedures" regarding the awarding of supplying (<i>supplying with threshold value from 2,500 to 20,000 EUR and for which a prior selection procedure of supplier is not required by national law</i>) is available				
7	The contract laying down the supply has provided in written form and available (<i>the order, the acceptance of the order, the invoice and where required by national law the waybill, are accepted as a proof of the contract terms</i>)				
8	The evidence of the purchase, rent or leasing of equipment is available (<i>for instance, they have been registered and inventoried</i>)				
9	The price of the equipment is in line with its market average value				
10	The equipment has the technical or technological characteristics necessary and sufficient for the project purpose				
11	In case of purchase of equipment, if its economic life time is longer than the project duration, only depreciation costs are reported in compliance with the example on page 64 of PMCM, vers.2				
12	If relevant, the calculation sheet for the depreciation costs is annexed to the Progress Report and it is correct				

13	In case of equipment purchase, if the due duration of the goods purchased exceeds the project duration, the beneficiary can state in an available declaration that " <i>it undertakes to avoid any substantial change that a) influence the nature of the project or its implementing conditions or that might give an undue profit to a company or a public authority; b) come from a change of the nature of the owner during the 5 years following to the project completion</i> ". This declaration had been annexed to the Progress Report				
14	In case of equipment purchase, if it is not exclusively used for project purposes, only a share of the actual cost is be allocated pro-rata to the project. This share is calculated according to a fair, justified and equitable method. The calculation sheet has been annexed to the Progress Report				
15	In case of rented equipment, the rental is the most economic and cost-effective way of getting the equipment for the project purposes. A document stating this declaration has been annexed to the Progress Report				
16	In case of leased equipment, the total leasing fee do not exceed the cost that would have involved the rent of the same item and is related to the period of use of the same for the financed operation				
17	All costs are supported by invoices or accounting documents of equivalent probative value (<i>in case of deliverable items, a true copy of waybill needed</i>)				
18	Proof of payment is available in compliance with one of example set in page 64 of PMCM, vers.2 (<i>please, specify</i>)				
19	Documents of expenditure are voided (<i>stamp</i>) with the words: " <i>Expenditure incurred under IPA Adriatic Cross-border Cooperation Programme, project "NEXT", code"2° ord/023", for a sum of €, date.....(dd/mm/yyyy)</i> ".				

Progr. No.	Financial charges and guarantee costs budget line checks	Yes	Not	Not V.	Explanation if needed
1	All costs are real, directly related to the project and have not been declared under other budget lines				
2	Only eligible expenditure according to the Adriatic IPA CBC Programme rules set in page 68, § 5.3.9, of PMCM, vers.2, have been declared				
3	In case of bank charges regarding the opening, management and operating a separate account, this bank account is used exclusively for the project implementation. A declaration has been annexed to the Progress Report				
4	In case of bank charges regarding transnational financial transactions, they have been incurred for grant transferring by bank transfers to project partners (<i>it applies only by the Lead Beneficiary</i>) or for payments to providers/suppliers. A declaration has been annexed to the Progress Report				
5	In case of cost of guarantees provided by a bank or other financial institutions, the guarantees are required by national or Community legislation. A declaration has been annexed to the Progress Report				
6	Proof of payment is available in compliance with one of example set in page 69 of PMCM, vers.2 (<i>please, specify</i>)				
7	Documents of expenditure are voided (<i>stamp</i>) with the words: " Expenditure incurred under IPA Adriatic Cross-border Cooperation Programme, project "NEXT", code"2° ord/023", for a sum of €, date.....(dd/mm/yyyy) ".				

ANNEX 6: Quarterly activities reporting - Template

Reporting periods:

- 1st May – 31th July
- 1st August - 30th October
- 1st November – 31th January
- 1st February - 30th April

To be completed by each Project partner and sent back to the LB duly filled in all its parts at least two weeks before the deadline set above

Name and number of the Project Partner: _____

1. General organization

Main activities implemented during the current period:

a) Description of activities implemented during the period. Mention any change in dates, deviations from original plan, problems encountered during the current period, the impact of these problems and the solutions proposed:

WP 1: WP 2: WP 3: WP 4: WP 5: WP 6: WP 7:

b) Concerning finances please report any problems encountered during the current period, explain the reasons and the proposed solutions, in particular in relation to under-spending. Please mention all the expenditures incurred and/or engaged for the project purposes in the last implementation period but not yet reported and indicate the related amount in €.

WP 1: WP2: WP3: WP 4: WP 5: WP 6: WP 7:

2. Next steps to be taken in relation to the project activities (Please refers to the Biyearly Action Plan)

WP 1: WP2: WP3: WP 4: WP 5: WP 6: WP 7:

3. A description of the information, communication, publicity or capitalisation activities that took place during the reporting period

WP 1: WP2: WP3: WP 4: WP 5: WP 6: WP 7:

4. Delivering of project outputs, publishable material and eventual copyright (Please refers to the Biyearly Action Plan)

WP 1: WP2: WP3: WP 4: WP 5: WP 6: WP 7:

5. Please update the indicators for your organization

Output indicators	Current period	Comment and further description (not compulsory)
N° of Progress Reports submitted		
N° of Local /National/ International Events attended by partners' organization		
N° of Local workshop /seminars / visits / other dissemination event organized by partner for on local level for its stakeholders		
N° of articles published (press)/broadcasted (radio, television)		
N° of projects' press conferences/ exhibitions, awareness raising campaigns and/or press releases		
N° of copies of brochure printed and disseminated		
N° of copies of leaflets printed and disseminated		
N° of roll-up created		
N° of newsletters created		
N° of copies of newsletters disseminated		
N° of DVD, Cd Rom, USB, video, guides, other promotional material developed and disseminated		

N° of data bases developed		
N° of European institutions concerned by communication actions		
N° of State Administration concerned by communication actions		
N° of Local and Regional Authorities concerned by communication actions		
N° of Other public and semi-public bodies concerned by communication actions		
N° of Private sector concerned by communication actions		
N° of General Public concerned by communication actions		
N° of Number of SMEs directly involved in transnational activities		
N° of Number of SMEs indirectly involved in transnational activities		
N° of research activities supported		
N° of RTD/Innovation networks created		
N° of university/research centres involved		
N° of SMEs assisted of which:		
<i>N° of female SMEs assisted;</i>		
<i>N° of SMEs developing environmental products</i>		
N° of new companies assisted of which:		
<i>N° of female SMEs assisted;</i>		
<i>N° of SMEs developing environmental products</i>		
N° of people participating in joint education or training activities		
N° and type of facilities improved (social, health, labour)		
N° of activities strengthening institutional capacity.		
N° of new services/products/process developed with cross-border partners		

ANNEX 7: Partnership list - Template

Name	Surname	Role in project	Organisation	Address	Telephone	Fax	Mobile phone (Optional)	Skype	E-mail

ANNEX 8: Rules of Procedure of the Project Steering Committee

The Project Steering Committee (hereinafter, the PSC) of the Project NEXT (2^oord./0023) (hereinafter, the Project) financed by the Operational Programme IPA CBC Adriatic (2007CB 16 IPO 001) (hereinafter, the OP),

- in compliance with:
 - Council Regulation (EC) No 1085/2006 of 7 July 2006 establishing an Instrument for Pre-Accession assistance;
 - Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA), in particular Art.110;
 - The Operational Programme IPA CBC Adriatic (2007CB 16 IPO 001), approved by the European Commission Decision C(2008) 1073 on 25.03.2008, amended with the EC Decision C(2010) No. 3780 of 30.06.2010, EC Decision C(2011) No. 3396 of 18.05.2011 and with EC Decision C(2012) No. 4937 of 13.07.2012;
 - The Call for Proposals under which the Project Partners have submitted the Project Application Form, expired on 03.11.2011;
 - The Project Application Form, jointly submitted by the Project Partners through their Lead Partner to require the Programme contribution and its revisions to time plan and/or budget;
 - The Funding Allocation Letter issued by the Programme Managing Authority for granting the Programme contribution to the Project Partners;
 - The Partnership Agreement signed by the Project Partners on 24th October 2012;
 - The Subsidy Contract signed by the Lead Partner and the Programme Managing Authority on 25th October 2012, including its General Conditions.
 - The Programme Management and Control Manual, the Communication Manual of the OP and all application templates required by the Joint Technical Secretariat of the OP and published on Programme website for the management monitoring of the Project, for the communication activities and for the reporting of the incurred expenditures of the Project Partners.
- within the institutional, legal and financial framework of the participating countries and of the internal rules of each Project Partner institution/organisation;
- considering the decision taken by the Project Partners during the kick-off meeting on 11.12.2012 setting up the PSC of the Project on the basis of the designations made by each Project Partner (designation letters) participating in the Project;
- in agreement with the Marche Region – Innovation, Research and Competitiveness Productive Sectors Unit, as Lead Partner (hereinafter, the LP) of the Project;

ADOPTS THE FOLLOWING RULES OF PROCEDURE

Rule 1 – Definition

The PSC is the Project authority which shall ensure the quality and the effectiveness of the implementation of the Project together with the LP in accordance with the provisions of the OP and the IPA Implementing Regulation and the following rules of procedure.

Rule 2 – Composition

The PSC is composed of a balanced representation of participating Project Partners. In order to represent the whole Project Partners and to allow the PSC to function in an efficient and cost-effective manner, each Project Partner will be represented by a maximum number of members equal to No. 2.

The members of the PSC representing the Project Partners shall be appointed in written by the represented institution/organization addressed to the LP. The Project Partners have the right to substitute their representatives both by appointment of deputies or by sending substitutes to the meeting, informing the Chairman of the meeting not later than three calendar days before the meeting.

Representatives of the OP (Joint Monitoring Committee, Managing Authority and Joint Technical Secretariat) shall participate in the PSC in an advisory capacity. Also and where necessary, representatives of the First Level Control Officers and of the Audit Authority shall participate in the meetings of the PSC in an advisory capacity too.

Representatives of the associated institution/organisation to the Project may also participate, whenever appropriate, as observers in accordance with the Project foreseen objectives, results and activities.

Representatives of the Project Partners technical assistance expertise shall participate with a supporting function.

The composition of the PSC can be changed by the PSC itself.

Rule 3 – Tasks

The PSC shall satisfy itself as to the effectiveness and quality of the implementation of the Project, in accordance with the following provisions:

1. it shall consider any relevant problem incurred during the implementation of the Project and take decisions on how to solve these problems;
2. it shall consider and approve the activities project changes proposed by the Project Partners during the Project implementation period;
3. is shall fix the criteria for the Biyearly Project Action Plan and approve any revision of those criteria in accordance with the Project and OP programming needs;
4. it shall periodically review progress made towards achieving the specific targets of the Project on the basis of documents submitted by the LP or by the Project Work Plan responsible Partner;
5. it shall examine the results of implementation, particularly achievement of the targets set for each Project Work Plan and the overall Project indicators fixed in consideration of the OP targets set in for Priority Axe No. 1 “Economic, Social and Institutional Cooperation”;

6. it shall consider and approve the biyearly and final Project Progress Reports on Project implementation;
7. it shall be informed of any relevant comments made by the Programme Management Authority and/or by the Joint Technical Secretariat after examining the reports referred in the abovementioned bullet point;
8. it shall be responsible for programming the common Project events (function that may delegate to a Transnational Working Group) and implementing activities;
9. it will decide and approve its rules of procedure, which will detail: the chairman, the composition, the tasks and the meetings schedule, the Transnational Working Group/s to which the PSC will delegate the function for programming the common Project events and implementing activities in accordance with the Project Partner responsibility point out in the Project Application Form;
10. it may propose any revision or examination of the Project likely to make possible the attainment of the objectives referred to in the Project Application Form or to improve its management, including its financial management;
11. it shall consider and approve any proposal to amend the content of the Project Application Form;
12. it shall approve, on proposal of the LP, the breakdown of the expenditures for the each Project Work Plan by quarter of year and, for each of half year of implementation of the Project (Biyearly Action Plan), the detailed plan and expenditures to be incurred by each Project Partner in compliance with the maximum amount of Programme contribution granted to each Project Partner by the Programme Manager Authority;
13. it can set up working groups or subcommittees and, in case, it shall approve the terms of reference, as well as the working plan and products of those groups or subcommittees;
14. it approves the information and communication plan presented by the Project Partner/s responsible/s;
15. it approves the Project quality manual and the procedures and templates for the Project communication and monitoring activities;
16. it adopts the documents prepared by the Project Partners in compliance with the foreseen Project activities;
17. it approves major changes requested for the implementation of the Project by each Project Partner.

Rule 4– Chairpersonship and meetings

The Project Steering Committee will be chaired by a representative of the Lead Partner, and co-chaired by the representative of the Project Partner hosting the meeting.

The PSC Chairperson shall:

- convene the PSC at least twice a year, or at the initiative of the Programme Managing Authority or of the one or more of the Project Partners, on a written and substantial request;
- draw up the agenda of the meeting;

- be responsible of the proper functioning of the PSC and perform PSC Chair duties, e.g. declare the opening and closing of each meeting, direct the discussion, accord the right to speak, announce the decisions and summarize them at the end of the meeting, rule on points of order.

If the agenda makes it necessary the Chairperson of the PSC can invite, in an advisory capacity, other representatives of the Programme Authorities or of other relevant institutions, or experts. In case, the list of persons invited to the specific PSC meeting shall be communicated by the LP to the members of the PSC before the meeting itself.

The meetings will take place at the seat of the Project Partner on the base of a requests and under a rotation criterion. In special case due to substantial motivation the meeting may take place in other venue (also outside cooperation area) indicated by the Chairperson when convening the meeting.

The PSC is considered regularly convened and decisions can be taken if at least two third of the Project Partners and the LP are represented.

Rule 5 – Agenda and accompanying documents

The technical experts, on behalf of the Chairperson will convene the members of the PSC at least 20 calendar days before the date of the meeting, with a written communication, indicating the day, place and hour of the meeting and a draft agenda.

Any request to put an item on the agenda on which a decision is necessary must be communicated by the members of the PSC to the Chairperson not later than 10 calendar days before the meeting. If there is evidence of urgency the members can propose to add other items to the agenda at the meeting itself, nevertheless, no decision can be taken on financial issues.

If a request to change the draft agenda is made, the technical experts on behalf of the Chairperson communicates the definitive agenda to the members of the PSC before the scheduled meeting.

The technical experts on behalf of the Chairperson circulates the documents referring to items on the agenda to the members of the PSC at least 5 calendar days before the meeting, in urgent cases at least 2 calendar days before the meeting.

Rule 6 – Decision making

Decision making in the PSC will be by consensus among the Project Partners delegations present at the meeting (one vote per Project Partner). Votes cannot be delegated to other Project Partners.

In case of opposition by one or more delegations, that must be well motivated, the decision on the discussed matter, eventually modified (if necessary), shall be submitted again for approval by qualified majority voting system (decision is approved with the votes of at least 2/3 of the Project Partners delegations present), otherwise the proposal will be rejected.

According to Art. 5 of the Subsidy Contract, if the LP has any reservation concerning efficiency and/or correctness of management, in compliance with Community policies, will stop the decision on the concerned matter. The decision will be suspended until the concerned matter is fully clarified with the Programme Managing Authority or the irregularities removed, or ask for a new decision in case the issue cannot be clarified.

Rule 7 – Minutes

At the end of the meeting a synthesis of the decisions taken is prepared by the hosting Project Partner technical assistance, circulated and signed by the PSC voting members.

On behalf of the Chairperson the technical assistance experts shall send the minutes of the meeting, drafted in consultation with the Chairperson, to the members of the PSC for comments not later than 10 calendar days after the meeting. If no written objections are raised within 10 calendar days after the minutes were received, they are considered to be approved. If written objections are raised, the chairperson, supported by the experts, shall revise the minutes accordingly and send it to the members of the PSC. The final version is approved by the members of the PSC in the following meeting of the PSC.

A copy of the minute (final version) of the PSC will be communicated to the Programme Joint Technical Secretariat.

Rule 8 – Written consultation

The LP can initiate a written decision-making process. In this case the representative of the LP shall send the draft decision to the members entitled to vote and shall fix a deadline, giving the addressees at least 5 calendar days time for reply.

The written positions of the PSC members shall be clearly formulated, whether it expresses an objection, acceptance under detailed conditions or without conditions.

If an objection to the procedure or to the draft decision is raised, the LP can make a new proposition and if this is not accepted, a PSC meeting can be proposed or the question can be included in the agenda of the next PSC meeting. An objection can be withdrawn at any time.

If no objection to the procedure or to the draft decision has been received by the specified time the decision is deemed to be taken by the PSC.

In any case, after the time limit has expired, the Lead Partner shall immediately inform all members of PSC on whether the decision is deemed to be taken or what objections have been raised.

Written procedures cannot be launched in August, nor during main national holidays.

Rule 9 – Communication within the PSC

Communication among the members of the PSC shall generally be done by e-mail, or by an Intranet section in the website of the Project. Any document which shall be sent to the members of the PSC or the LP must be transmitted by e-mail or uploaded in the Intranet and, if this is not possible, sent by fax.

All members of the PSC shall update the LP about their e-mail and fax address and their eventual changes.

Rule 10 – Working groups

The PSC can set up working groups, in order to develop in details specific issues of the Project. The PSC has to define the composition and tasks of these working groups and their internal working method. The LP is responsible of inviting the eventual working groups and establishing the agenda of the meeting.

Rule 11 – Communication and transparency

The PSC guarantees adequate information on its work. To this scope, at the end of the PSC meetings, the Chairperson shall disseminate a press-communicate synthesizing the decisions taken by the PSC.

To give adequate publicity to the work of the PSC the minutes of the meetings, after their final approval, will be uploaded for consultation on the website of the Project, under the responsibility of the Project Partner's responsible for the Project communication.

Information on discussion within the PSC has to remain confidential.

Contacts with the press are under the responsibility of the Chairperson of the PSC (or of the LP) and should in case involve the Programme Authorities, respecting IPA Adriatic CBC Programme rules on communication and publicity.

The Project Partner's responsible for the Project communication periodically prepares a report on quality and efficiency of information and publicity activities, to be submitted to the PSC for information.

Rule 12 - Impartiality

With regard to the tasks of the PSC laid down in Rule 3 it shall be ensured that any assessment and/or decision of the PSC will be free from bias and must not be influenced by personal interest of any of the individual members of the PSC. In case of personal interests the respective member of the PSC has to inform the PSC Chairperson at the beginning of the meeting. The particular representative will be excluded from the decision making on the item concerned.

Rule 13 - Working language

Working language of the PSC shall be English. This rule also applies for the official documents of the PSC.

Rule 14 - Expenditures

The expenses to attend to the PSC meetings are held by each Project Partner and by the advisory organisation that have participated to the PSC meeting with its representatives.

The expenditure for technical assistance of experts and for the associated member participation are incurred by the Project Partner that have activated the specific resource.

All expenditure incurred by organising the PSC meetings will be covered by the Project budget resources.

Rule 15 – Adoption and revision

These rules are adopted by unanimous decision by the PSC members.

After their adoption, the Rules of Procedure of the PSC may be amended by consensus, with the same procedure followed for their adoption.

Rule 16 – General implementing rules

For what not explicitly foreseen by these rules of procedure the Council Regulation (EC) No 1085/2006 of 7 July 2006 establishing an Instrument for Pre-Accession assistance, the Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA), the Operational Programme IPA CBC Adriatic (2007CB 16 IPO 001) approved by the European Commission Decision C(2008) 1073 on 25.03.2008 will apply, and all other applicable Community rules.

Adopted in Shkoder, on October 10th, 2013

This document have been approved in the interests of each organisation represented by the following Steering Committee members:

Marche Regional Authority – Innovation, Research and Competitiveness of productive sectors Unit

LB: Puglia Region - Economic Development Department - Research and competitiveness unit

PP1: City of Šibenik

PP2: Istrian Development Agency

PP3: Chamber of Economy of Montenegro

PP4: University of Donja Gorica - Faculty of Information System and Technologies

PP5: Regional Council of Shkoder

PP6: University of Mostar - Faculty of Agriculture and Food Technology

PP7: Association for Economic Development - REDAH

PP8: Regional Economic Development Agency for Sumadija and Pomoravlje - Kragujevac

PP9: Foundation “Partnership for Development”