

Partnership for a better future

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# LEAD BENEFICIARY PRINCIPLE

## INTERREG V-A ROMANIA-HUNGARY PROGRAMME

**Partner search Forum  
Timișoara, 10<sup>th</sup> of February 2017**





The INTERREG V-A ROMANIA-HUNGARY PROGRAMME, being a CBC programme under ETC objective, functions on the basis of the **Lead Beneficiary principle**, which means that, after shaping the partnership, one of the partners shall be designated as the lead beneficiary.

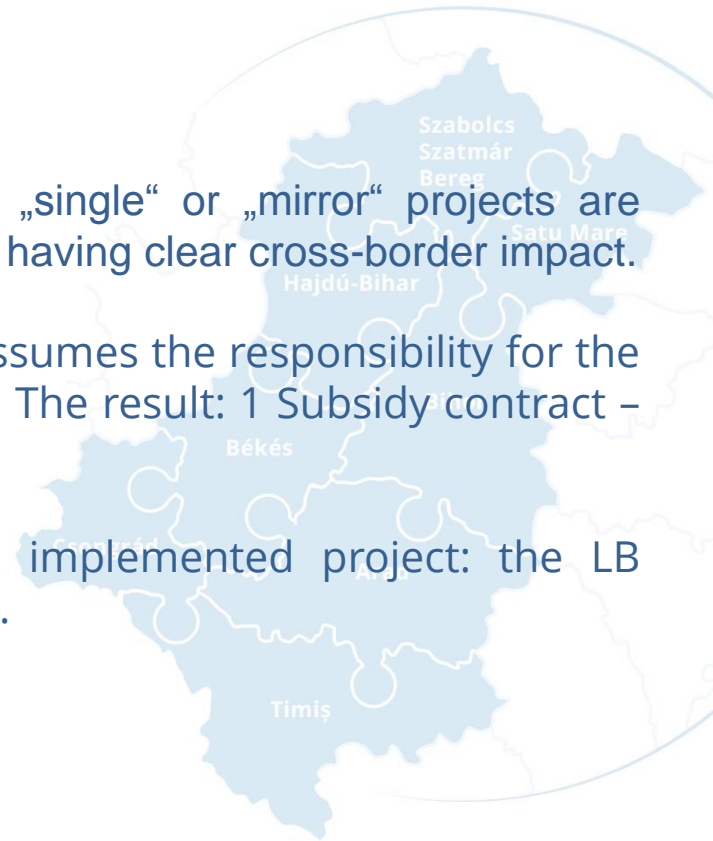
### The **principle** is

- contained in the **EC regulation** on ETC (EC 1299/2013, Art. 13),
- inherent in the **application procedure** (the Lead Beneficiary, referred to as Lead Applicant during the application process, is responsible for project proposal submission)
- finally **settled and detailed in the Subsidy Contract** (to be signed by Lead Beneficiary on behalf of all beneficiaries in the project)



## Why the **Lead Beneficiary**?

- To run the project **JOINTLY**, thus ensuring no „single“ or „mirror“ projects are implemented within the Programme, but projects having clear cross-border impact.
- To simplify the **Responsibility Chain**: the LB assumes the responsibility for the entire project towards the Managing Authority. The result: 1 Subsidy contract – 1 Payment flow – 1 Contact person.
- To enable more precise **monitoring** of the implemented project: the LB submits common Project Reports to JS, via eMS.





## Cooperation and partnership

**2 Partners from 2 countries participating in the Programme (except for EGTCs)\***

+

➤ **at least 3 of the 4 cooperation criteria:**

- ✓ **Active participation** of all partners for jointly developing the project idea and scope. Joint designation of the LB, who becomes project coordinator. (Joint development)
- ✓ All Beneficiaries contribute to achieve project objectives. Under LB's coordination, the **activities are run together** and are linked to each other. (Joint implementation)
- ✓ All Beneficiaries assume the necessary role to **coordinate and take part of the responsibility**, yet avoiding duplication of functions: for example, it is recommended to have one joint project manager. (Joint staffing)
- ✓ **1 Financing contract – 1 Budget – 1 Bank-account for the ERDF** (at the LB). All Beneficiaries **contribute financially** to the project resources – balanced repartition of budget, according to activities implemented by each partner. (Joint financing)

\*In case of EGTCs, the requirement to have a cross border partner is not mandatory



## The essence of the LB Principle

Administrative Link  
between Project and  
Programme/  
Contractual  
counterpart of the  
Programme

**Lead  
Beneficiary**

Management,  
communication,  
implementation  
and coordination  
of the activities  
among all partners

! The maximum number of project  
Beneficiaries in one project is **6 (six)**,  
**advisable 3 (three)**.

**Subsidy Contract  
(AM + LB)**

**Managing Authority  
Joint Secretariat**

**Partnership Agreement (LP+B1+B2+B3)**

**Beneficiary 2**

**Beneficiary 1**

**Beneficiary 3**

Implementation of and  
responsibility for their  
own activities

Romania  
Hungary



## ***Who CAN be Lead Beneficiary?***

***Any of the eligible beneficiaries listed in the Cooperation Programme/Guide for Applicants relevant for the specific Call.***

The Lead Beneficiary shall be established in one of the two participating countries to the programme, in the eligible area

## ***Who SHOULD be Lead Beneficiary?***

***The beneficiary within the partnership having:***

- ***appropriate administrative and financial capacity***
- ***good communication and management staff skills***
- ***experience in implementing ERDF cross-border projects***

 Due to management and financial capacity needs, one applicant will be selected as Lead Beneficiary in maximum 3 projects and in total in 6 projects, in the context of Interreg V-A Romania-Hungary Programme.



## MAIN RESPONSABILITIES & DUTIES of the LB within the project life cycle: Project generation and submission (LB = LA)

- The Lead Applicant, in cooperation with the project partners, is responsible for the drafting of the project.
  - ✓ meetings should be organized for: getting to know each other, learning about common motivation, interests, needs, shaping common ideas, creating a joint partnership structure;
  - ✓ the next step: defining joint objectives and developing concrete actions;
  - ✓ preparing the project budget with balanced allocation of financial resources.
- It is Lead Applicant's responsibility to **submit**, on behalf of the entire partnership, the project proposal, by filling-in **online** the Application Form **into eMS**.
- A printed version of the AF, **signed and stamped** and the original dossier of the Application shall be kept at the Lead Applicant premises.





## MAIN RESPONSABILITIES & DUTIES of the LB within the project life cycle: Project proposal assessment and selection (LB =LA)

- In case **clarifications** are necessary during the assessment phase, the JS shall address to the LA and it is LA's responsibility to provide the Assessment Working Group/Assessors with such clarifications, using the **email section of the eMS**.
- After the final list of project proposals, selected to be supported for financing, is approved by the Monitoring Committee, the JS **notifies**, in writing, the Lead Applicant **on the MC decision**.
- **Complaints** lodged against the decision to reject the project proposal, are to be submitted by the Lead Applicant, as the one representing the project partnership affected by the funding decision.







## MAIN RESPONSABILITIES & DUTIES of the LB within the project life cycle: Contracting the project (LA = LB)

After approval of the project proposal, the Lead Applicant, at this stage becoming the Lead Beneficiary, will sign:

- The **Partnership Agreement (PA)** for relations with other Beneficiaries in the project, stipulating the rights and duties of each partner (tasks, reporting, etc.), the sound financial management of the funds allocated to the project, the arrangements for recovering amounts unduly paid etc. A signed copy of the PA must be presented to the JS in the pre-contracting phase.
- The **Subsidy Contract (SC)** for relations with the MA. The LB bears the entire financial and juridical responsibility vis-à-vis the Managing Authority for the entire project. During the contractual phase, it is LB responsibility to ensure that all documents necessary for signing the SC are presented to the JS. It is also its responsibility to obtain the agreement of all project beneficiary in case of a decision to give up the financing.

 Indicative templates of both documents are attached to the GfA for each specific Call for project proposals



## MAIN RESPONSABILITIES & DUTIES of the LB within the project life cycle: Project Implementation (LB=LB)

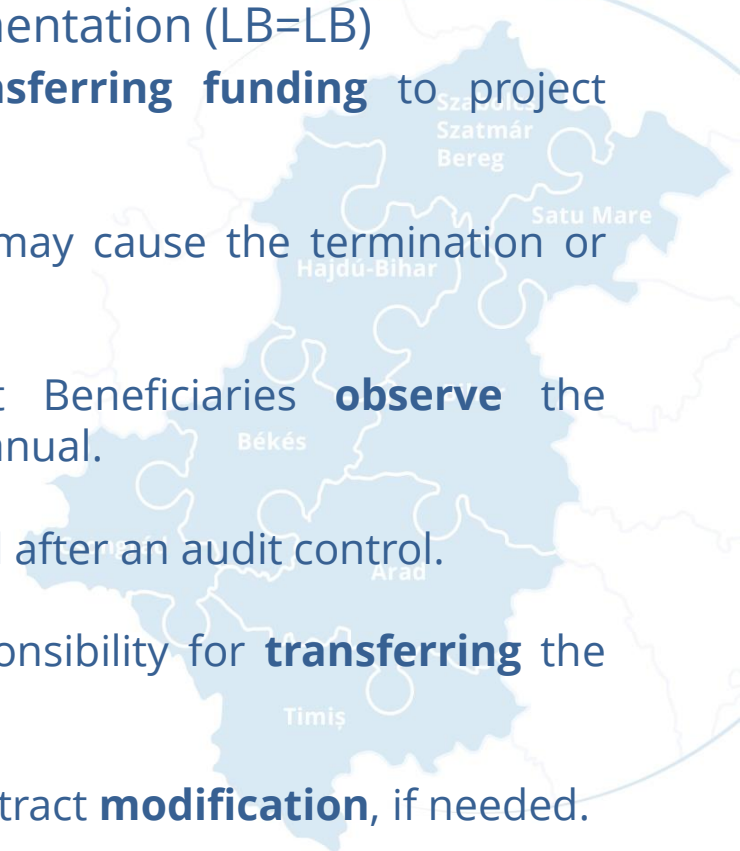
- **Representing** the project – the LB serves as a **contact point** to the MA/JS – and **ensuring** continuous **communication** between the Programme authorities and the project partnership.
- Making sure that the **planned progress** on the project **is achieved**, in particular the delivery of outputs described in the approved Application Form.
- Ensuring that **expenditures** presented by project Beneficiaries **are in line with** the project activities and have been validated by the relevant FLCU.
- **Collecting** information from all project Beneficiaries and **submitting** Project Reports and Reimbursement Claims (based on project Beneficiaries' FLC Certificates) to JS, **using the eMS**.





## MAIN RESPONSABILITIES & DUTIES of the LB within the project life cycle: Project Implementation (LB=LB)

- Upon receipt of the EU contribution, **transferring funding** to project Beneficiaries.
- **Informing** the MA about any situation that may cause the termination or delay in the execution of the Subsidy contract.
- **Observing** and **ensuring** that all project Beneficiaries **observe** the provisions of the Programme's Visual Identity Manual.
- **Implementing** the recommendations received after an audit control.
- In case of an irregularity, assuming the responsibility for **transferring** the relevant amounts **to the MA**.
- **Submitting** to the JS **requests** for Subsidy contract **modification**, if needed.





## Responsibilities after the project closure

Regarding **durability and ownership** of the project outputs:

- The ownership of the outputs (infrastructure/productive investments), must remain with the LB or B(s) for at least **5 years** after the project end date, otherwise a recovery of the funds paid might be applied.

Regarding **sustainability** of the project:

- The LB and its partners must ensure the sustainability of the project results and also the LB has the obligation to submit **annual sustainability reports**, for a period of **5 years** after the project's implementation period has ended.

Regarding **availability of documents and accounting records**.

Regarding **availability of documents and accounting records**

- All documents related to the project (e.g. progress reports etc.) shall be kept available during the entire period of project implementation, as well as for a period of **3 years** from the official closure of the Programme, or for the period provided by relevant EU/national legislation or specified in the Subsidy Contract.





## What should the LB NOT forget?



- ✓ Joint development & implementation of the project results in high quality projects
- ✓ Each of the project Beneficiaries should be interested in and motivated to implement the project
- ✓ Putting in place effective measures for project :
  - Coordination
  - Financial management
  - Communication flowis the key to a successfully implemented project
- ✓ In case of any doubt, refer to EU/national legislation and PA and SC conditions, or contact the JS/Info Points





# Thank you for your attention

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# Thank you for your attention!

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