



Promotion of Agricultural Products

Consumers, Health, Agriculture and Food Executive Agency (CHAFAEA) Model Grant Agreement for Multi-programmes

Teresa MONGE
Ex-Ante Financial Verifying Officer

Consumers,
Health And Food
Executive Agency

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I. General Information

Multi vs Simple programmes MGA

- MGA for Simple programmes is based on the model for Multi programmes with a few differences:
 - Competent authority will be managing the Grant (not Chafea);
 - financial guarantee for pre financing will be **mandatory**;
 - funding rate starts at 70%;
 - action cannot start before the signature of the grant;
 - Financial statements in EUR and national currency;
 - It is available in **all EU official languages**;

Grant - main applicable principles:

- **Co-funding:** external co-financing from a source other than EC funds is required (own resources or project income)
- **No-profit:** the grant may not have the purpose or effect of producing a profit for the beneficiary
- **Non-retroactivity:** actions which have already been completed cannot be financed, only costs incurred after the starting date stipulated in the grant agreement can be co-funded
- **Non-cumulative:** only one grant can be awarded for a specific action carried out by a given beneficiary

Grant = direct financial contribution

- **Grants for actions** finance actions intended to help to achieve an objective that forms part of an EU policy,
- Grants are calculated on the basis of **eligible costs incurred**
- The maximum grant amount is a ceiling and is not a 'price' due to the beneficiaries
- The '**final grant amount**' depends on the actual extent to which the action is implemented in accordance with the terms and conditions of the Grant Agreement
- It cannot be exceeded or raised by the Agency

Grants for Agri Promo Programmes

- Take the form of **reimbursement of actual eligible costs incurred by the beneficiary**
- The reimbursement rate shall be of **80%** of eligible expenditure
- In specific cases, identified in the Financing Decision, some beneficiaries may receive different funding (reimbursement) rates (**85% or 90%**)
- The final grant amount will be calculated by the Agency at the end of the action (or in case of termination of the GA), in order to determine the balance to be paid.

Grants – Multi programmes (model)

- Submitted by at least 2 proposing organisations from at least 2 MS, or
- 1 or more Union organisations
- Activities should be implemented over a period of at least 1 year but no more than **3 years**
- Call for proposals & Grant Agreements are organised, launched and managed by CHAFEA

- **Consortium Agreement** - beneficiaries must have internal arrangements regarding their operation and co-ordination **to ensure that the action is implemented properly**. These internal arrangements must be set out in a written 'consortium agreement' between the beneficiaries, which may cover:
 - **internal organisation of the consortium;**
 - management of access to the electronic exchange system;
 - distribution of EU funding;
 - additional rules on rights and obligations related to pre-existing rights and results (including whether access rights remain or not, if a beneficiary is in breach of its obligations);
 - settlement of internal disputes;
 - liability, indemnification and confidentiality arrangements between the beneficiaries.

II. Model Grant Agreement

GA - Structure

The **Grant Agreement** is composed of:

- **Terms and conditions** - 7 Chapters, 42 articles
- **Annex 1** Description of the Action- (the technical annex)
- **Annex 2** Estimated Budget –(contains the estimated eligible costs and the forms of costs, broken down by beneficiary and budget category)
- **Annex 3** Accession forms
- **Annex 4** Model Financial Statements
- **Annex 5** Model Certificate on Financial Statements (CFS)



Grant preparation & signature in IT System

- Preparation of GA - by the Agency based on the proposal (some adjustments may be needed following evaluators recommendations)
- Signature of the GA is electronic (by both parties: Agency & Coordinator)
- **Entry into force** – by default: 1st day of the month following the last signature (agency or coordinator, depending on which is later) or if needed set a fixed date that must always be a **1st day of a month**
- Accession forms to be signed by other beneficiaries in the electronic exchange system following signature of the GA

Grant Agreement

- **Parties of the GA:**
 - **Agency**
 - **Coordinator_ Beneficiaries** - the legal entities who have signed the Grant Agreement with the Agency
 - ✓ Beneficiaries are only part of the GA if they sign the Accession Form in the **electronic exchange system** within 30 days after its entry into force.
 - Addition of new beneficiary only in justified cases– by way of amendment and **must include a signed accession form.**
 - **Subcontractors** are not considered beneficiaries, they may **implement part of the action/tasks described in Annex I**, although they do not sign the GA

GA- Roles & Responsibilities

- **The Coordinator** must coordinate and manage the grant. He is the central contact point for the Agency and represents the consortium (vis-à-vis the Agency).
 - Both beneficiaries and coordinator must have a **sufficient financial capacity** to be able to implement the action (i.e. achieve its expected objectives and results).
 - The beneficiaries must implement the action as described in technical annex and **in compliance with the provisions of the Agreement** and all legal obligations under applicable EU law.

Implementation of Action Tasks by Sucontractors

- **Subcontractors (implementing bodies)**, implement certain action tasks described in Annex 1(technical annex):
 - The beneficiaries must award the subcontracts ensuring the best value for money or if appropriate de lowest price. In doing so, they must avoid any conflict of interests;
 - subcontracts may also be awarded to entities that have a structural link with the beneficiary but only if the price is limited to the costs actually incurred by the entity (i.e. without any profit margin)
- **The beneficiaries** must ensure that **their obligations under GA**, (e.g. audits and reviews, keeping record /supporting documents 5Y), **also apply to their Subcontractors.**

Communication between beneficiaries

Includes: information; requests; submissions; formal notifications

- **Each beneficiary** must immediately inform the **coordinator** if an event is likely to significantly affect or delay the action's implementation or affect the EU's financial interests.
- The beneficiary must inform the coordinator offline, via its usual communication channels (*e.g. e-mail, registered letters with proof of delivery, etc.*) and **not** via the electronic exchange system and **in any case in writing.**

Between Coordinator and Chafea

After receiving the information from the beneficiaries, the coordinator must immediately inform the Agency:

- **Until the payment of the balance:** through the **electronic exchange system** and using the forms and templates provided there.
- **After the payment of the balance:** formal notifications must be made by registered post with proof of delivery ('formal notification on paper') and **bear the number of the Agreement.**

Communication under the Agreement

- Communications **in the electronic exchange system** must be made by persons authorised according to the **'Terms and Conditions of Use of the electronic exchange system'-EES**
- For naming the authorised persons, each beneficiary must have designated — **before the signature of the Agreement** — a **'Legal Entity Appointed Representative (LEAR)'**.
- The role and tasks of the **LEAR** are stipulated in his/her appointment letter
- **Communications** are considered to have been made when they are sent by the sending party (i.e. on the date and time they are sent through the EES).

Amendments to Grant Agreement

- **The Agreement may be amended**
 - If it does not call into question the decision awarding the grant
 - breach the principle of equal treatment of applicants
- **Amendments may be requested by any of the parties**
- change of legal representative or any other administrative details (name, address, legal form) are done directly into the IT system (do not require a formal amendment)
- **Budget adjustments do not require formal amendment if the action is implemented as described in Annex I** - Budget may be adjusted by transfers of amounts between beneficiaries or between budget categories (or both).

Amendment to Grant Agreement

- **Procedure:**
 - **The coordinator** submits and receives requests for amendment on behalf of the beneficiaries via the **electronic exchange system**
 - The Amendments will be **signed by the coordinator** on their behalf.
- **enters into force** on the day of the signature of the receiving party (last party).
- **takes effect** on the **date agreed by the parties** or, in the absence of such an agreement, on the date on which the amendment enters into force.



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3. Terms and Conditions

ELIGIBLE COSTS = "actual costs" as actually incurred by beneficiary

- **Direct personnel costs**
- **Direct costs of subcontracting**
- **Other direct cost**
 - a) Travel & Subsistence
 - b) Depreciation of Equipment
 - c) Costs of goods & services (Implementing contracts)
- **Indirect cost** - are costs not directly linked to the action implementation and cannot therefore be attributed directly to it;
 - **Indirect costs are eligible if declared on the basis of a flat-rate of 4% of the eligible personnel costs.**

Eligible Costs – General conditions

- **Actually incurred** by the beneficiaries, using applicable accounting principles;
- Incurred **during the period of duration of the action** (except for the costs related with the submission of the final report);
- Must be **indicated in the estimated budget** set out in annex II;
- **Necessary** and **Connected** to the action;
- **Identifiable and verifiable**, in particular being recorded in the accounting records of beneficiary according to international accounting standards and national law;
- **Reasonable and justified** “good housekeeping”

Non-Eligible costs

- costs related to return on capital
- debt and debt services charges
- provision for losses or potential future liabilities
- interest owed, doubtful debts
- **currency exchange losses**
- **bank charges** (cost of transfers to partners or from agency)
- cost declared by a beneficiary and **covered by another action funded by a EU grant** (or covered by operating grant)
- contribution in kind
- **deductible VAT**
- excessive or reckless expenditure
- costs of staff of a national (or local) administration, for activities that are part of the administration's normal activities
- Costs (especially travel & subsistence) for EU staff/representatives

GA- Rights and Obligations

- Action must be implemented in accordance with annex 1;
- Beneficiaries must have appropriate resources to implement the action;
- If necessary to implement the action **beneficiaries may purchase goods, works or services**; in doing so, they must ensure **best value for money**, or if appropriate, lowest price, and **avoid any conflict of interest**;
- If necessary beneficiaries **may award subcontracts** covering the implementation of certain action tasks described in annex I;
- **Subcontracting** may cover only a **limited part** of the action-**technical** and **financial coordination cannot be subcontracted**

GA- Rights and Obligations

- Subcontracts may also be awarded to entities that have a structural link with the beneficiary, but only if the price is limited to the costs actually incurred by the entity (i.e. without any profit margin);
- The tasks to be implemented by a subcontractor must be identified in annex 1
- The total estimated costs must be set out in annex 2;

GA – Beneficiaries Obligations

- **To provide Information**-The beneficiaries must provide — during implementation of the action or afterwards — any information requested in order to **verify eligibility of the costs, proper implementation of the action and compliance with the other obligations under the Agreement**
- **To keep information up to date –Beneficiary Register-** and to inform about events and circumstances likely to affect the Agreement (even after the end of the action, art.17)
- **To keep records** and other supporting documentation **up to 5 years** after the payment of the balance – Available for checks /reviews/audits/investigation

GA –supporting documents & records

- **Digital and digitalised documents** can be considered originals if they are authorised by the applicable national law.
- **The Agency may accept non-original documents if it considers that they offer a comparable level of assurance.**
- **For actual costs:** adequate records and other supporting documentation to prove the costs declared, **such as timesheets , salary slips, contracts, documents of procurement procedures for subcontracting , invoices and accounting records.**

GA – Beneficiaries Obligations

The coordinator must submit:

- the '**deliverables**' identified in technical annex, in accordance with the timing and conditions set out in it. (via eSystem)
- The **technical and financial reports, including requests for payment**
 - ✓ Reports must be drawn up using the forms and templates provided by the Agency in the electronic exchange system
 - ✓ Periodic reports must be submitted **within 60 days** following the end of each reporting period.
 - ✓ For the final report **within 90 days**
 - ✓ Must include the request for payment

GA – Terms and Conditions for payments

- Payments will be made to **Coordinator** in Euro- He must distribute the payments between the beneficiaries without unjustified delay.
- At the signature of the grant → pre-financing;
- Periodic Report Approval → interim payment;
- Final Report Approval → payment of the balance.

GA – Periodic Financial Report

- **Individual financial statement** from each beneficiary, for the reporting period concerned.
 - must detail the eligible costs (actual costs and flat-rate costs) for each budget category
- **The beneficiaries must declare all eligible costs**, even if — for actual costs and flat-rate costs — they exceed the amounts indicated in the estimated budget
- **Amounts which are not declared** in the individual financial statement will not be taken into account by the Agency for the payment calculation.

GA –Periodic Report

- If an individual financial statement is not submitted for a reporting period, it may be included in the periodic financial report for the **next reporting period**.
- The individual financial statements of the last reporting period **must** also detail the receipts of the action.
- the 'periodic summary financial statement', will be **created automatically by the system**, consolidating the individual financial statements for the reporting period concerned and including — except for the last reporting period — the **request for interim payment**.

Request for payment of the balance / Final Financial Report:

- **final summary financial statement** created automatically by the system, consolidating the individual financial statements for all reporting periods and including the **request for payment of the balance** and
- **certificate on the financial statements** (CFS drawn up in accordance with Annex 5) for each beneficiary, if
 - **the cumulative amount of payments to beneficiary requests as reimbursement of actual costs is EUR 325 000 or more and**
 - **the maximum EU contribution indicated for that beneficiary in the estimated budget as reimbursement of actual costs is EUR 750 000 or more**

Payments –reimbursement actual costs

- **Pre-financing** - fixed amount (up to 20% of maximum grant)
 - May be conditional to receipt of pre financing guarantee
 - ✓ From a bank or an approved financial institution or a third party
 - **Pre financing may only be distribute between beneficiaries if:**
 - ✓ 90% of the beneficiaries have acceded to the Agreement
 - ✓ and only to those having acceded
- **Interim Payment**
 - Interim payments reimburse the eligible costs incurred for the implementation of the action during the corresponding reporting periods.
 - Payment is subject to the approval of the periodic report

Payments – reimbursement of actual costs

- **Payment of the Balance**
 - reimburses the remaining part of eligible costs incurred for the implementation of the action
 - Payment is subject to the approval of the final report
- If the total amount of earlier payments is greater than the final grant amount the payment of the balance takes the form of a recovery.

Reports & Payments

- Costs must be reported in **EURO** (EUR)
- **Exchange rate for beneficiaries with accounting in a currency other than euro**- average of the daily exchange rates, calculated over the corresponding reporting period.
- **Language of Reports** – English
- **Payment delay** – 60 days (30 days for pre-financing)
- **Suspension of payment deadline**
 - **Reports do not comply with provisions of GA**
 - **Missing or incomplete (reports / documents)**
 - ***Additional checks needed/audit/reviews***
- **Procedure** – formal notification of suspension and reasons why and provide delay for answers (30 days)

- **Joint and several liability – for the technical implementation of the action**
 - *If a beneficiary fails to implement its part of the action, the other beneficiaries become responsible for implementing it (without being entitled to any additional EU funding for doing so);*
- **Joint and several liability – for the financial responsibility (Article 28 GA -limited/ unconditional/individual)**
- **The coordinator may be held liable for unpaid amounts due by the consortium (even if it has not been their final recipient).**

CHECKS, REVIEWS, AUDITS

- **Checks**— at any moment and without any time-limit —any aspect relating to the grant, including assessing deliverables and reports.
- **Reviews**— at any moment and up until 5 years after the payment of the balance
 - **Reviews normally concern mainly the technical implementation of the action** (i.e. its scientific and technological implementation), but may also cover financial and budgetary aspects or compliance with other obligations under the GA.
- **Audits**— at any moment and up until 5 years after the payment of the balance
- The agency may be assisted by external experts or auditors



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Thank you for your attention!

Questions?