CEF Energy model grant agreement

Main features, financial and reporting conditions

CEF Energy Info Day

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Background

- Single model grant agreement for the CEF
- Common structure and common provisions for the three sectors
- Sectors specificities addressed where necessary
- Terms and conditions in line with the Financial Regulation of the EU budget (applicable to EU grants), taking into account specific requirements of the CEF Regulation
- CEF model grant agreement (for the three sectors) has been agreed upon and approved by Commission services (DG CNECT, DG ENER and DG MOVE and DG BUDG)
- Any change to standard provisions may not be accepted!
The Coordinator

- Must be formally designated by the other beneficiaries (mandate template GA Annex IV)
- May sign on behalf of all beneficiaries
- May receive all payments made by the Agency
- Will be the intermediary for all communications with the Agency
- Will establish the requests for payments and submit ASRs
- Where it receives all payments: will ensure that all appropriate payments are made to the other beneficiaries
- Where it does not receive all payments: will be responsible for providing to the Agency the methods for allocating the amounts to be paid to each beneficiary by the Agency

Article II.1 GA
## Payment arrangements

- Section 14.2.3 of the Call for proposals
- Complex vs. simple actions

<table>
<thead>
<tr>
<th>Complex actions</th>
<th>Simple actions</th>
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<tbody>
<tr>
<td>Works</td>
<td>Studies</td>
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<tr>
<td><em>Studies longer than 3 years AND for which the awarded grant is more than €4 million, if requested and duly justified by the applicant</em></td>
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<tr>
<td>Pre-financing divided into several payments</td>
<td>Single pre-financing</td>
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<tr>
<td>Interim payments at least every 2 years</td>
<td>No interim payment</td>
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<td>Balance payment upon completion of the action</td>
<td>Balance payment upon completion of the action</td>
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Pre-financing

- Paid within **30 days** upon entry into force of the agreement
- May be subject to the receipt of a financial guarantee
- 40% of the maximum grant amount awarded
- For complex actions:
  - pre-financing divided into several payments over the action duration
  - Further pre-financing payments upon beneficiary's request and in accordance with the financial needs of the action

Articles 4.1.2, II.23.1.2 and II.24.1 GA
Payments

- For complex actions, request for *interim payments* at least every two reporting periods.

  In such a case, the total amount of pre-financing and interim payments shall not exceed *80%* of the maximum grant amount.

- Request for *payment of the balance* within 12 months following completion date of the action.

- Time limit of *90 days* to make payments.

*Articles 4.1.2, II.23 and II.24 GA*
Reporting requirements (1/2)

• **Reporting periods**
  - Action duration is divided into one or more reporting periods, which will serve as basis for reporting requirements

• **Action Status Report (ASR)**
  - Monitors the progress of the action on a yearly basis (at least)
  - Submitted by the Coordinator or each beneficiary via a dedicated IT tool (TENtec)
  - Due by 31 March following each reporting period
  - First ASR should contain specific information
  - Certified by the concerned Member State(s)

[Article 4.1.1 GA]
[Article II.23.1.1 GA]
Reporting requirements (2/2)

**Interim financial statement**

- To be submitted with requests for interim payment, within 8 months of the end of the reporting period
- Same reporting period as corresponding ASR
- Template provided by INEA (Annex VI GA)
- Audit certificate (Annex VII GA)

**Final report and financial statement**

- To be submitted within 12 months following completion date
- Certified by the concerned Member State(s)
- Template provided by INEA (Annexes V and VI GA)
- Audit certificate (Annex VII GA)
Eligibility of costs

• Eligible costs are costs actually incurred by the beneficiary(ies), affiliated entities and implementing bodies (where designated in the grant agreement), which are:
  • Incurred during the action duration
  • Indicated in the action budget (Annex III GA)
  • Necessary for the implementation of the action
  • Identifiable and verifiable
  • Comply with tax and social obligations
  • Reasonable, justified and comply with sound financial management principles

• Examples of ineligible costs: return on capital, deductible VAT, costs of land and building acquisition, indirect costs (overheads)...

Articles II.19 and II.20 GA
Procurements

- Award to tender offering best value for money or, as appropriate, the lowest price

- Contracting authorities/entities within the meaning of EU Directives should follow applicable national/EU public procurement rules

- For beneficiaries other than contracting authorities/entities, sound financial management

- Beneficiaries retain sole responsibility for carrying out the action in line with the grant agreement

- Non-compliance will lead to rejection of costs or reduction of support

Article II.9 GA
Budget transfers

- Adjustments between budget categories of each beneficiary are allowed without this being considered an amendment, provided that the action is implemented as described in Annex I.

The same applies to transfers of amounts between beneficiaries where a coordinator is designated.

- However, amendments are always required i.a. for:
  - transfers of amounts between beneficiaries where no coordinator is designated.
  - modification to the estimated CEF contribution, which beneficiaries are entitled to receive, where a coordinator is designated.
Amendments

• Should not have the purpose or the effect of making changes which would call into question the award of the grant

• Amendments should be an exception and will only be accepted in *duly justified and substantiated* cases

• Request for amendments must be submitted by specific letter at the latest *3 months* before the action completion date
Visibility of EU funding

- **Publicity** regarding the EU funding is a contractual obligation of the beneficiaries.
- Any communication or publication related to the action (e.g. conferences, brochures, leaflets, posters, presentations, etc) should indicate that the action has received EU funding and display the EU emblem.
- See [guidelines on publicity and downloads](#) available on INEA's website for further details.
- **Use of disclaimers:** any communication or publication related to the action made by the beneficiaries should indicate that it reflects only the author's view and that the Agency is not responsible for any use that may be made of it.

*Article II.7 GA*
Suspension, termination, reduction of the financial aid

• Beneficiaries may suspend the action in exceptional circumstances (e.g. force majeure) or terminate the action in duly justified cases.

• The Agency may suspend or terminate the financial aid, for instance:
  • In case of breach of contractual obligations
  • Following an evaluation of the progress of the project, in particular in the event of major delays in the implementation of the action
  • In case of non-compliance with EU law, e.g. on environmental protection, etc

• The Agency may reduce the financial aid for poor, partial or late implementation, or breach of contractual obligations

Articles II.15, II.16 and II.25.4 GA
Checks and audits

- May be initiated by the Commission or the Agency during the action implementation and up to 5 years after the balance payment is made

- Duty to keep documents until expiry of the 5 years period

- Audits:
  - Obligation to provide information upon request
  - On-the-spot visits may be carried out
  - May lead to recovery

Article II.27 GA
Thank you for your attention!
http://inea.ec.europa.eu

Disclaimer

This presentation is for information only and does not provide an exhaustive list of contractual obligations of beneficiaries nor of the mechanisms in place for monitoring the co-financed actions. It has no legal value and shall not bind on either the INEA or the Commission under any circumstances. The terms and conditions of signed grant agreements shall prevail on any different information.