WELCOME TO LIVE WEBINAR

CEF Telecom Actions

Grant Agreement Preparation Call 2019-2

Ground Rules for Live Webinar

- **Mute** your microphone
- **Switch off** your camera
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CEF Telecom Actions

Live Webinar

Grant Agreement Preparation - Call 2019-2

Europeana

Cybersecurity

European Platform of Digital Skills and Jobs

Public Open Data

eHealth

eJustice

eProcurement

Brussels, 12 May 2020

Innovation and Networks Executive Agency

European Commission

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Innovation and Networks Executive Agency

Introduction – CEF Telecom Programme and role of INEA

- **INEA** is an **Executive Agency** entrusted to **manage parts of the CEF Programme** and the related **Union budget lines.**

- **INEA works with relevant policy Directorates-General (DGs) to implement the CEF Programme** (DG CONNECT for Cybersecurity, POD, Digital Skills, and Europeana; DG CONNECT/DG SANTE for eHealth; DG JUST for eJustice and DG GROW for eProcurement).

- **INEA procedures** follow the **EU Financial Regulation** and the European Commission rules and procedures.

Some jargon

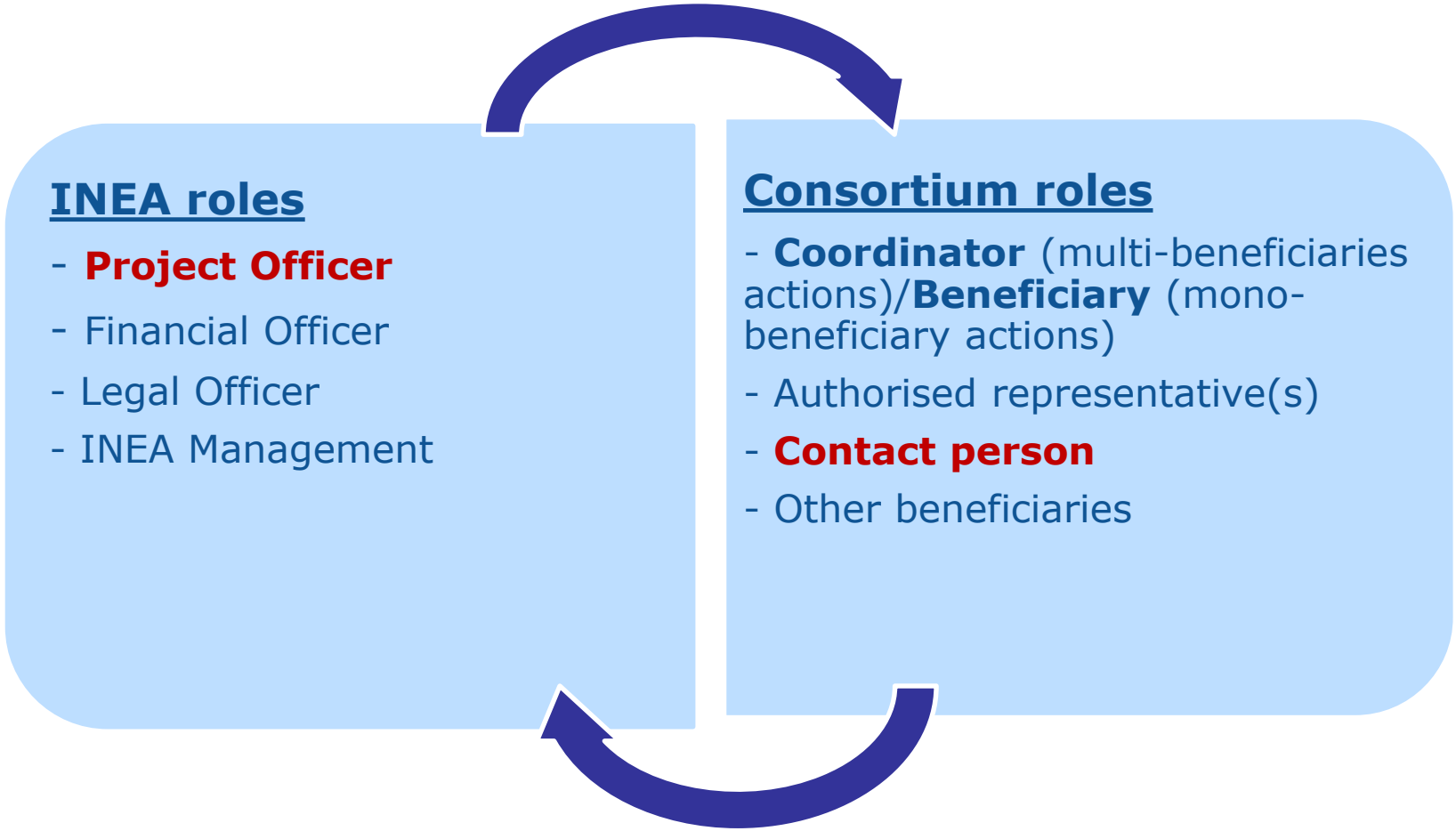
***PO** = Project Officer or Project Manager = your main **contact** point at INEA*

***Action** = Project*

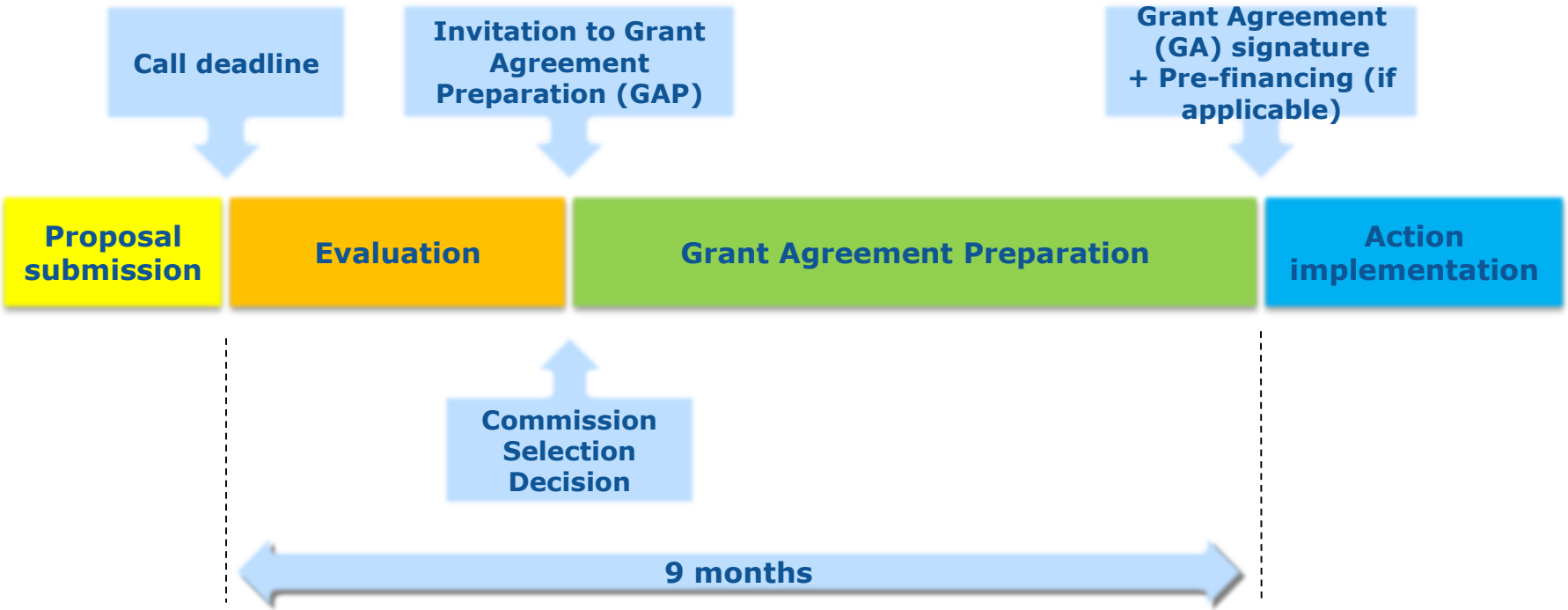
***Action code** = unique code assigned to your proposal. It cannot be changed.*
E.g. 2019-XX-IA-0000.

***DSI** = Digital Service Infrastructure*

Grant Agreement Preparation – Main Actors

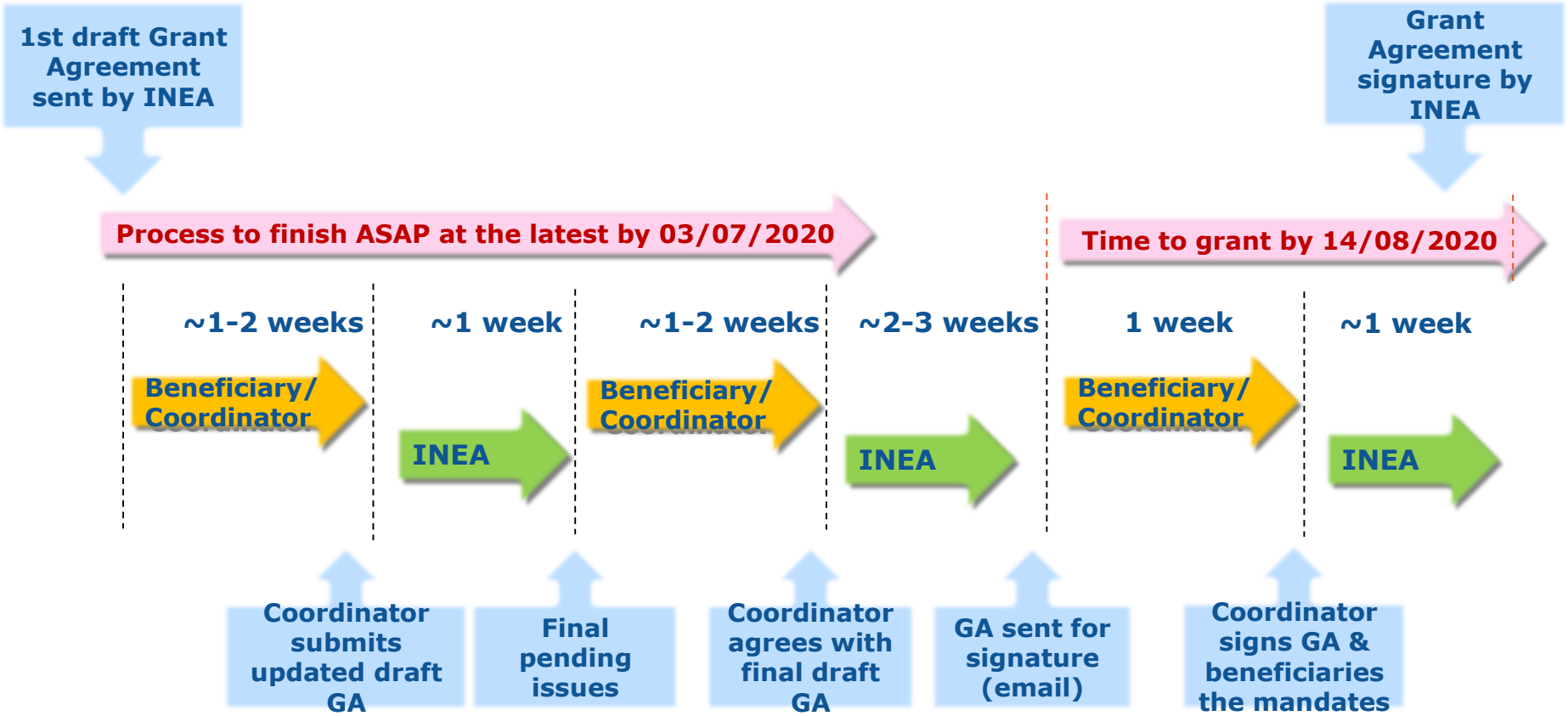


Overview of the Grant Agreement Preparation process



European Commission

Overview of the Grant Agreement Preparation process



- The GA enters into force on the date of signature by INEA Authorising Officer
- INEA mails copy of fully signed GA to the beneficiary/coordinator & emails copy of fully signed GA to relevant CEF Telecom committee member(s) & MS representatives

Grant Agreement (GA) Structure

- **The GA is a contract between the coordinator/beneficiary and INEA. It should factual and operational. The Model Grant Agreement is availabale on INEA web page.**

- **INEA will first send the coordinator the following:**
  - ✓ Special conditions
  - ✓ Annex I (Description of the Action)
  - ✓ Annex III (Estimated budget of the Action)
  - ✓ Recommendations from the evaluation committee to be addressed during the GA preparation.

- **Note that the following sections of the GA CANNOT BE MODIFIED:**
  - ✓ Annex II (General conditions)
  - ✓ Annex IV (Mandate(s) – applicable for multi-beneficiaries grants)
  - ✓ Annex V (Model final technical report(s) - contains link to template stored online)
  - ✓ Annex VI (Model financial statement(s) - contains link to template stored online)
  - ✓ Annex VII (Model terms of reference for the certificates on the financial statements - contains link to template stored online).

Special Conditions

*Some articles of the Grant Agreement under the **Special conditions** require your closer attention:*

- **Name of coordinator and of the authorised representative**
- **Names of other beneficiaries**
- **Article 2.2: Duration of the Action**
- **Article 3: Maximum amount of the grant**
- **Article 4: Reporting periods and payments**
- **Article 5: Bank account for payments**
- **Article 6.3: Communication with the beneficiary**
- **Article 7: Affiliated entities (if relevant)**
- **Article 8: Implementing bodies (if relevant)**
- **Article 14: Ineligibility of the VAT**
- **Article 18: Implementation of tasks by beneficiaries not receiving EU funding (if relevant)**
- **Article 22: Implementation of activities not financially supported under the agreement (if relevant)**

Annex I - Description of the Action

Annex I – Article I.1 (Scope and objectives of the Action)

- *Clearly define the scope and main objectives of your action: e.g. the specific service(s) that will be implemented, the name of the solution(s), as well as some technical data, the expected outcomes, etc.*
  - **Example (to be taken for an example only)**

The main objective of the Action is to support the uptake of the European eInvoicing Standard (EN) in (Member State). This will be achieved by:

- upgrading…

- designing…

- integrating the eDelivery building block… etc…

As a result, the onboarding process will be streamlined and XXX new suppliers are expected to exchanges eInvoices, etc…

Annex I – Article I.2 (Location of the Action)

- *Be clear about in which Member State your Action will be implemented.*

Annex I - Description of the Action

Annex I – Article I.3 (Activities)

- *In the **Activities timetable (Article I.3.1)** check if the indicative start dates and end dates are correct and that the milestones are appropriately linked. Adjust if/where necessary.*

  - **Example (to be taken for an example only)**

Activity number	Activity title	Indicative start date	Indicative end date	Milestone number
1	Project Management	01/06/2019	31/12/2020	1
2	Etc…			

Annex I - Description of the Action

Annex I – Article I.3 (Activities)

- *In the* ***Activities description (Article I.3.2),*** each activity should be described based on the following structure:

1) overall objective of the activity
2) specific tasks (including names of beneficiaries performing them)
3) expected outcomes of the activity
4) lead beneficiary of the activity
5) subcontracting costs to be justified if/where relevant
6) "Other costs" (when significant amounts) to be justified if/where relevant
7) You may provide KPIs, if relevant

Annex I - Description of the Action

Annex I – Article I.3 (Activities)

- **Activities description (Article I.3.2)**
  - **Example (to be taken for an example only)**

Activity 1: Project management

This activity aims to ensure the effective management and reporting of the action.

Task 1.1 – Develop the action plan (Name beneficiaries involved)
This task will define scope, planning and monitoring mechanisms of the action… etc…

Task 1.2 - Coordination and reporting (Name beneficiaries involved)
The objective of this task is to provide an effective management and coordination of tasks and activities to be performed in order to achieve objectives set within deadlines and budget. Regular communication and reporting will be ensured within the consortium and with INEA.

The activity is led by beneficiary XYZ…

The outcomes of this activity will be the final technical report and the financial reports.

Annex I - Description of the Action

Annex I – Article I.4 (Milestones and means of verification)

- ✓ Milestones are "one-off events" that measure the progress of the Action implementation towards achievement of objectives;
- ✓ Their "means of verification" should be concrete and easy to verify;
- ✓ Milestones are established in relation to the activities proposed (1-2 milestones per activity recommended)
- ✓ Mandatory validation milestones are required for each DSI.

Annex I - Description of the Action

Annex I – Article I.4 (Milestones and means of verification)

- **Example (to be taken for an example only)**

Milestone number	Milestone description	Indicative completion date	Means of verification
1	Kick-off meeting organised	01/06/2019	Action plan developed and approved by consortium members
2	Validation tool upgraded	31/10/2019	Validation tool tested against ISA testbed. Test report accepted by the consortium members
4	Dissemination activities completed	31/12/2019	Training guidelines, press releases and news uploaded on the Action's website
5	Etc…		

Only for European Platform of Digital Skills and Jobs

- **Lump sum contributions**
  - fixed per activity
  - adjusted according to an indexation per Member State/EEA country
  - maximum total lump sum contribution €172,830
  - the beneficiary will not be required to report on the costs actually incurred for the implementation BUT should be able to provide supporting documents proving the proper implementation of the action
  - Lump sum will be paid in full provided the Action is implemented fully, on time, and with the required quality

Financial issues

Estimated budget in Annex III of the Grant Agreement

- **Revisit proposed budget**
  - Are the costs* still up to date? Costs must be explicitly reconfirmed
  - Are there any activities not retained for funding?
  - Has the budget been reduced at the request of the Evaluation Committee?
- **Review the planned financing sources of the action taking into account the maximum grant amount**
- **Review the indicative breakdown of estimated eligible costs by activity, beneficiary and cost category**

* ***Costs should be costs to be incurred*** *!*

(For eligibility criteria, see Articles II.9, II.10, II.19, II.20 and II.21 of the GA + Guidelines on the Eligibility of Cost under the Connecting Europe Facility)

Financial issues
Annex III - Cost categories

Personnel costs

- ✓ **Time recording system is required – basic conditions to be respected by all CEF beneficiaries**
- ✓ Article II.19.2 of the GA (staff working under an employment contract or equivalent appointing act assigned to the action)
- ✓ Costs of personnel include actual salaries, all tax and social security contributions and other benefits if part of remuneration package.

  No indirect costs/overheads to be included!
- ✓ Calculation of the annual productive hours to be done in accordance with participant's usual accounting practice – see the 3 methodologies proposed in the Commission Decision C(2016)478
- ✓ SME owners who do not receive any salary will use unit costs – hourly rate based on a fixed monthly allowance multiplied by a country coefficient (see Appendix of C(2016)478).

Financial issues
Annex III - Cost categories

Subcontracting costs

- *When estimating subcontracting costs, you should consider the following:*
  - ✓ Article II.10 of the GA (subcontracting of tasks forming part of the action)
  - ✓ Subcontracting costs must be clearly identified in Annex III (and justified in Annex I under the relevant activity)
  - ✓ Subcontracting tasks forming part of the action must:
    - Cover only a limited part of the action (the coordinator cannot subcontract project management tasks – see Article II.1.3 of the GA)
    - Be justified as per the nature of the action and what is necessary for its implementation
  - ✓ Procurement rules apply (best value for money/ lowest price; for contracting authorities, national procurement rules/ EU Directives)
  - ✓ VAT may be an eligible cost where it is non-deductible and non-recoverable under national VAT law, unless otherwise specified in Article 14 of the GA.

Financial issues
Annex III - Cost categories

Other direct costs

- These are costs that are directly linked to the action implementation and can be therefore attributed to it directly.

- **Condition: only if necessary for the implementation of the action**

  - **Examples (non-exhaustive list):**

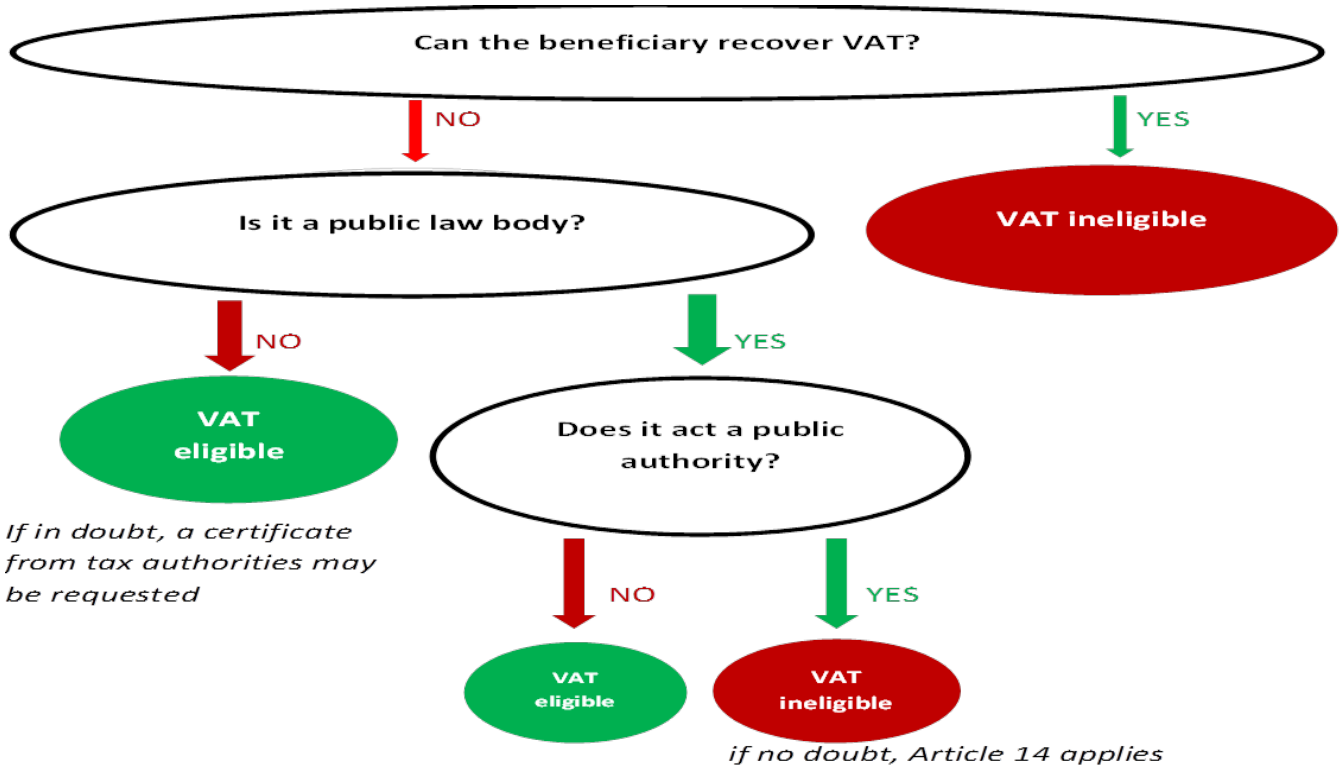
    - ✓ travel and accommodation (in line with the travel policy of beneficiary)
    - ✓ purchase of equipment, renting or leasing of equipment
    - ✓ purchase of goods and services (consumables, dissemination costs, translation costs, costs for certificates on financial statements, etc.).

- Procurement rules apply (best value for money/ lowest price; for contracting authorities, national procurement rules/ EU Directives)

- VAT may be an eligible cost where it is non-deductible and non-recoverable under national VAT law, unless otherwise specified in Article 14 of the GA.

Financial issues - VAT

VAT (in)eligibility under CEF + Art. 14 Ineligibility of VAT



Financial issues - Procurement

- ***In case you foresee procuring goods, works or services during the action, you should consider the following:***
  - ✓ Articles II.9 and II.10 of the GA (award of contracts necessary for the implementation of the action)
  - ✓ Award tender contracts offering **best value for money** or, as appropriate, **the lowest price**
  - ✓ **Conflict of interests** shall be avoided in awarding implementation contracts
  - ✓ Contracting authorities/ entities within the meaning of EU Directives **must follow** applicable national / EU Directives **public procurement rules**
  - ✓ The beneficiaries shall ensure that INEA, the Commission, OLAF and the European Court of Auditors may exercise their rights of checks and audits towards contractors;
  - ✓ Procurement will be verified at payment time together with the verification of the sampled costs (and documentation should be readily available for audit purposes)
  - ✓ Non-compliance may lead to cost ineligibility and cost rejection

Financial issues – Indirect costs

- ✓ A fixed flat-rate of **7%** of the total eligible direct costs minus subcontracting costs
- ✓ Costs which are not specific costs directly linked to the implementation of the action and can therefore not be attributed to it (e.g. overheads)
  - ❖ **Examples (non-exhaustive list):** rent, utilities (water/gas/electricity/phone), maintenance, office supplies, postage, etc.

Annex II – General Conditions

- *Annex II of the GA is a standard document that cannot be modified and provides the legal framework within which the action will be implemented.*

ANNEX II

GENERAL CONDITIONS

TABLE OF CONTENT

PART A – LEGAL AND ADMINISTRATIVE PROVISIONS
II.1 – GENERAL OBLIGATIONS AND ROLES OF THE BENEFICIARIES
II.2 – COMMUNICATIONS BETWEEN THE PARTIES
II.3 – LIABILITY FOR DAMAGES
II.4 – CONFLICT OF INTERESTS
II.5 – CONFIDENTIALITY
II.6 – PROCESSING OF PERSONAL DATA
II.7 – VISIBILITY OF UNION FUNDING
II.8 – PRE-EXISTING RIGHTS AND OWNERSHIP AND USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)
II.9 – AWARD OF CONTRACTS NECESSARY FOR THE IMPLEMENTATION OF THE ACTION
II.10 – SUBCONTRACTING OF TASKS FORMING PART OF THE ACTION
II.11 – FINANCIAL SUPPORT TO THIRD PARTIES
II.12 – AMENDMENTS TO THE AGREEMENT
II.13 – ASSIGNMENT OF CLAIMS FOR PAYMENTS TO THIRD PARTIES
II.14 – FORCE MAJEURE
II.15 – SUSPENSION OF THE IMPLEMENTATION OF THE ACTION
II.16 – TERMINATION OF THE AGREEMENT
II.17 – NOT APPLICABLE
II.18 – APPLICABLE LAW, SETTLEMENT OF DISPUTES AND ENFORCEABLE DECISION

PART B – FINANCIAL PROVISIONS
II.19 – ELIGIBLE COSTS
II.20 – IDENTIFIABILITY AND VERIFIABILITY OF THE AMOUNTS DECLARED
II.21 – ELIGIBILITY OF COSTS OF ENTITIES AFFILIATED TO THE BENEFICIARIES AND OF IMPLEMENTING BODIES DESIGNATED BY THE BENEFICIARIES
II.22 – BUDGET TRANSFERS
II.23 – TECHNICAL AND FINANCIAL REPORTING – REQUESTS FOR PAYMENT AND SUPPORTING DOCUMENTS
II.24 – PAYMENTS AND PAYMENT ARRANGEMENTS
II.25 – DETERMINING THE FINAL AMOUNT OF THE GRANT
II.26 – RECOVERY
II.27 – CHECKS, AUDITS AND EVALUATION

Annex IV – Mandate(s) and administrative issues

- *Annex IV – Mandate(s)* is integral part of the GA.
- By Annex IV, each beneficiary mandates the coordinator to:
  1. **sign** on its behalf the GA and possible subsequent amendments with INEA,
  2. **act** on its behalf in compliance with the grant agreement

- Information on the beneficiary needs to be **reconfirmed** for all beneficiaries during GA preparation, as it appears in sections **Special Conditions** and **Mandates** (**Annex IV**) of the **GA.**
- **Any changes/updates of administrative information must be communicated to INEA** (contact person for your Grant Agreement) as soon as possible but implemented in the Participant Register.

Administrative issues

- Validation of LEAR/LEF/PIC handled through the Participant Register. *Please follow up timely any request for documents from REA or from INEA and keep the PO informed!*

- In case of updates to the administrative information (i.e. changes to the LEF/LEAR), a coordinator/beneficiaries will be required to implement the changes directly in the Participant Register. *Please follow up timely any request for documents from REA or from INEA and keep the PO informed!*

- Validation of the BAF: email from INEA to the **coordinator** with instructions. *Please follow up, and if not received inform your PO as soon as possible!*

- New beneficiary to the GA: especially if private, *inform your PO as soon as possible!*

- A financial capacity assessment has already been made. In case of weak/insufficiente financial capacity, a financial guarantee for the payment of a share of the pre-financing (or the whole) will be required (check templates here: https://ec.europa.eu/inea/en/connecting-europe-facility/cef-telecom/beneficiaries-info-point).

Signature of the Grant Agreement – 1 week deadline

- *The **Coordinator of the action** will receive by e-mail a sealed PDF version of the GA and will:*
  - ✓ Sign the GA by default on behalf of all beneficiaries
  - ✓ Establish the signature process within your organisation in advance, in particular who has mandate to sign (legal representative)
  - ✓ Collect the mandate(s) from the co-beneficiary(ies) in advance (Annex IV)

- ***E-signature:***
  - ✓ **The GA may be signed with an advanced electronic signature** based on a qualified certificate as defined by the eIDAS Regulation (Regulation (EU) No 910/2014)
  - ✓ **Let your PO know in advance** if you intend to e-sign the GA so the correct version of the pdf can be sent to the coordinator timely

TIP:

If the person authorized to sign the GA or the mandate is not in the office, the backup/acting may sign – inform your PO of absences!

Signature of the Grant Agreement

The coordinator should collect signed copies of the mandates well in advance

<u>After the signature of the Grant Agreement</u>

- Pre-financing may be applicable if provided for in the Call for proposals
- Pre-financing is paid within **<u>30 days</u>** upon entry into force of the GA
- NEW: Pre-financing is set at **60% of the maximum grant amount**
- The pre-financing may be subject to the receipt of a financial guarantee by those beneficiaries assessed as having weak financial capacity.

Any specific questions related to the Grant Agreement Preparation may be sent to **INEA-CEF-ICT at ec.europa.eu** and please mention in the subject of the email the number of your action (e.g. 2019-XX-IA-0000).

You may also consult our webpage for additional information: https://ec.europa.eu/inea/en/connecting-europe-facility/cef-telecom/beneficiaries-info-point

Disclaimer

The content and conditions of the Grant Agreement always prevail on any different information, which may be included in this document and/or in any formal or informal communication with the beneficiaries such as exchange of emails, etc.