



**Questions & answers from implementation sessions –
Grant contract requirements and amendments to the contract**

**Implementation of Grant contracts by GBs
“Collaborative grant scheme for innovative project ideas”**

EuropeAid/162457/ID/ACT/ME

DATE: 27th November 2020

Venue: Ministry of Science meeting room

Participants: 2 persons per lead grant beneficiary (Project Manager and Financial Manager); IPA Staff tasked with grants management.

Objectives:

- To discuss implementation of the contract/activities and answer any pending issues,
- to provide feedback on 1st Interim report verification from the Contracting Authority,
- the participants to become acquainted with the specific requirements regarding implementation of their Grant contracts, with special focus on the possible amendments of the contracts.

Main points as feedback on 1st Interim report verification from the Contracting Authority:

General comments on the Interim reports:

- There is no need to submit hard copy version of the supporting documents (only on electronic media - CD or USB).
- Original version of signed reports should be submitted to CFCU Project manager + electronic version of supporting documents.
- Copy of the signed reports should be directly submitted to Project manager in PIU Ministry of Science + electronic version of supporting documents.
- The letter for submission of the report should be prepared and delivered as the first page of the Interim report (for the purpose of stamping the filing number), following the narrative, financial part of the report in hard copy format and supporting documents in electronic version.
- The correct templates should be used!
- The numbering of sections in the narrative part should be followed, not to skip any part, etc. (keep the text of Template instructions).
- The report should be signed by the person who signed the contract or an authorized person.

Narrative part of the Interim report

- Detailed description of the activities is missing
- Incorrect or inconsistent activity numbering



- Incorrect name of the activity (the name of the activity mentioned within the report should be the same as in the Grant Application Form)
- Mismatch with the planned activities, without proper justification
- Failure to highlight results and the level of completion of planned activities
- Non-compliance of activities with amounts in the budget or their mismatch
- Logical framework matrix is not updated at all or it is not updated in accordance with the values reached by the end of reporting period

Narrative part of the Interim report – **recommendations:**

- Describe in detail all the activities undertaken in the reporting period (with regard to the indicators).
- Explain any deviations from the activity / dynamics of carrying out the activities from the contract.
- Good organization of documentation serves for the purpose of report preparation. If the registers are arranged by dates in order, they enable entering the data into the report more easily.
- Follow the order of activities from the Grant application form/Annex I of Grant contract – Description of the Action and enter each sub-activity that is related to the main one.
- List all meetings, tenders, visits, trainings, everything related to that activity - be precise in quantifying.
- All the meetings, activities, etc., mentioned within the report should be supported by relevant documentation which will be used as a proof verifying the verity of the statement.

Financial part of the Interim report

- Detailed list of expenditures table is not in line with the Financial part of the report or is missing;
- Salaries should not be calculated cumulatively for the whole reporting period, but properly calculated for each month of work and for each member of the project team;
- Pay attention to the reporting period cut-off date – miscalculations are a usual mistake;
- **Recommendation:** to report the whole salary of the last reporting month in the next Interim report, since the cut-off date is during the month.

Supporting documents – **recommendations:**

Timesheets

- Lack of proper description of the activities (it is not enough only to state the number of activities from Description of the Action, but also the title of activity, and in particular the description of the work done under each activity reported in the TS);
- The timing/date of the activities that took place in accordance with other supporting documents (e.g. Travel order) is not in line with the timing/date of activities stated in the TS;
- Work on holidays and during weekend was reported in TS, without proper justification and prior approval;
- The wording “National holiday” or “Paid leave” etc. should be stated in the column for that particular date under the description of activities;
- Percentage of work in the TS was wrongly calculated;



General recommendations:

- **Regularly consult the Implementation package** together with the respective Tools available on the SOPEES portal:
 - <http://eesp.me/inovacije/>
- **Regularly consult the provisions of the Grant Contract**, especially the General Conditions.
- Use the possibility to consult the TA team through **Helpdesk**, or directly on the e-mails: bne@ice-org.eu, bojana.lakovic@ice-org.eu or ivanastaljetovic@yahoo.com.

During implementation session, Grant Beneficiaries who participated were in the possibility to interact, ask questions and give comments. In order to share information with all GBs, the summary of Q&A is provided as follows.

- **Should we deliver the final hard copy version to CFCU and PIU after the approval of the Interim report?**

Only scanned signed original should be submitted to CFCU and PIU after the approval of the Interim report.

- **In line with the provision of Article 4 - Conflict of interest and code of conduct of General conditions: “The beneficiary shall refrain from making any public statements concerning the action or the services without prior approval of the Contracting Authority.”, is it necessary to inform/seek for prior approval of the Contracting Authority for any possible public statement concerning the action, such as participation on radio program, TV program or newspapers interview? Which format should we use while asking for such approval and who should we contact, directly our dedicated project manager in the CFCU?**

Public statement should be sent to contract manager in charge of the contract for the approval. There is no template used for this purpose, so beneficiary can send the statement in Word document, with memorandum of the organization in free form.

- **In line with General conditions, Article 7 Ownership/use of results and assets, a detailed and clear explanation should be provided regarding the transfer of the equipment and supplies paid for by the budget for the action which should be transferred to the final beneficiaries of the action, unless otherwise clearly specified in the description of the action in Annex I, at the latest when submitting the final report.**

Please note that **written request for authorisation** should be submitted to the CA, if the assets are not transferred to the final beneficiaries (or other relevant actor described in Annex I). Please also bear in mind that, in accordance with the paragraph 6 under Article 7, copies of the proofs of transfer of any equipment and vehicles for which the purchase cost was **more than EUR 5000 per item**, shall be attached to the final report. Proofs of transfer of equipment and vehicles whose purchase cost was **less than EUR 5000 per item** shall be kept by the beneficiary(ies) for control purposes.

- **After the procurement of supplies/items, the procured goods must be kept as the property of the one who procured the goods, namely the beneficiary or partner. Should we inform the Contracting Authority on these issues with each Interim report (for example, by**



submitting fulfilled Annex IX of Grant contract)? In addition, if the GB is developing the prototype as part of the project activity, how the transfer of ownership of assets should be considered?

Firstly, when it comes to the property (ownership) of the supplies/items procured under the project, in accordance with the article 7.5 of General condition all the equipment, vehicles and supplies paid for by the budget for the action shall be transferred to the **final beneficiaries** of the action unless otherwise clearly specified in the description of the action in Annex I.

If there are no final beneficiaries of the action to whom the equipment, vehicles and supplies can be transferred, the beneficiary(ies) may transfer these items to:

- local authorities
- local beneficiary(ies)
- local affiliated entity(ies)
- another action funded by the European Union
- or, exceptionally, retain ownership of these items.

Furthermore, it is stated that in such cases the coordinator shall submit a justified written request for authorisation to the contracting authority, with an inventory listing the items concerned and a proposal concerning their use, in due time and at the latest with the submission of the final report.

With regard to the second question, please refer to the article 7.1 of General Conditions where it is stated that unless otherwise stipulated in the special conditions, ownership of, and title and intellectual and industrial property rights to, the action's results, reports and other documents relating to it will be vested in the beneficiary(ies). **Given that it is not clear from the question to which concrete result are you referring to, please send an e-mail with the question and all the details to the contract manager in charge, so that a more detailed answer could be provided.**

ADDITIONAL INFORMATION PROVIDED DURING THE TRAINING SESSIONS:

- **In case of suspension** the implementation period of the action shall be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the contract that may be necessary to adapt the action to the new implementing conditions.
NOTE: The Grant Beneficiary should timely deliver the Request for extension of the implementation (at least 30 days in advance) – cannot be done automatically without signature of the Addendum.
- The deadline for notification of minor changes in the implementation should be respected (concerning the reporting period): **immediately, but no later than the submission of the report** (separately in the form for Notification letter), because the reallocations and other changes on which the CFCU was not timely informed will not be acceptable!
- In accordance with Article 9.4 – GC - Changes in Description of the Action and the Logical Framework that do not impact the basic purpose of the Action (i.e. outputs, all indicators at output, outcome and impact level and the related targets, baselines and sources of



verification) **shall be agreed in writing, and before the modification takes place, with the Contracting Authority.**

- As long as the basic purpose of the Action is not affected, **Beneficiaries can:**
 - **make transfers between items or cancel or introduce new items within the same main budget heading** (i.e. the headings number 1 (human resources), 2 (travel), 3 (equipment and Supplies), 4 (local offices), 5 (other costs, services) and 6 (other));
 - transfer part of the Budget from one main budget heading to another (from 1 to 6 for instance) as long as this transfer **does not imply a variation (both increase and decrease) of more than 25% of the headings** concerned by such transfer;
 - the limit of 25% applies not only to the heading where the money is taken from, but also to the heading intended to receive the transferred amount;
 - successive **unilateral modifications to the Budget shall be taken into account in a cumulative way**; when the cumulative variations of a given budget heading exceed 25% of the Budget heading's value, it is necessary to process a formal Budget revision – Addendum.
- **Recommendation:** The explanation in the Notification letter should be detailed taking into account the calculations, precisely how much that budget line changes relative (in percentage) in relation to the respective Budget Heading, to see if there is a need for an addendum or not. The better the notification letter is explained the faster the change will be approved. The same comment applies to both the Request for addendum and the Notification letter.
- **NOTE:** Amendment is not allowed if the reallocations are increasing the budget items for which GfA stipulate certain % (under this Grant Scheme, **the Budget heading for Human resources cannot be increased to present more than 60% of the total eligible costs of the Action**)
- **Request for Addendum – important notes:**
 - **Need to be requested 30 days prior** amendment should entered into force – **it is recommended to send a request for amendment as early as possible!**
 - Sheet from the Financial report Template "Addenda or use of contingencies" should be fulfilled and submitted together with the Request for Addendum (if request includes modification of the Budget) together with the sheet "Final sources of funding". Please note that the sheet from the Contract Budget "Justification of the Budget" should also be adjusted in line with the proposed changes and added in the Request.
 - In the Request for Addendum and Notification letter you should address the document to the Head of CFCU, as the signatory of the Contract and not the contracting manager in charge of the Contract.
 - The request for the Addendum is signed by the person who is the signatory of the Grant Contract or the person who is authorized. Contract changes cannot be initiated by any person in the team!
- **The Grant amount is the amount financed by the CA** which is stated in point 3.2 of the Special Conditions, and GBs co-financing is not considered a grant.
- The contract number is CFCU/MNE/... not the reference number of the Call.