



INTERact

Sharing Expertise ENPI CBC

Grant contract and annexes

*Training for Auditors
Estonia/Latvia/Russia ENPI CBC Programme*

Riga, Tartu, 24-25 April 2012



Special conditions: main provisions

- Take precedence over the annexes
- Any addition/derogations to the General conditions applicable to EC financed grant contracts are specified in **Art 7 of the Special Conditions**

Outline:

- ❖ Article 1 - Purpose
- ❖ Article 2 - Implementation period of the Action
- ❖ Article 3 - Financing the Action
- ❖ Article 4 - Narrative and financial reporting and payment arrangements
- ❖ Article 5 - Contact addresses
- ❖ Article 6 - Annexes
- ❖ [Article 7 - Other specific conditions applying to the Action]



Special conditions: annexes

Annex I: Description of the Action

Annex II: General Conditions applicable to European Community-financed grant contracts for external Actions

Annex III: Budget for the Action

Annex IV: Contract-award procedure

Annex V: Standard request for payment and financial identification form

Annex VI: Model narrative and financial report

Annex VII: Model report of factual findings and terms of reference for an expenditure verification of an EC financed grant contract for external actions

Annex VIII: Model financial guarantee

Annex IX: Standard template for Transfer of Assets Ownership



Implementation and execution period

Special conditions	General conditions
<p>Art. 2 Implementation period of the Action (contract entering into force, start of implementation period of the Action, duration, execution period of the contract)</p>	<p>Art. 11 Implementation period of the Action, extension, suspension, force majeure, and end date</p>



Start of implementation

Distinguish between:

- When the contract takes effect = date of last signature
- When the Action starts = as specified in art. 2.2 of the special conditions:
 - ✓ *The day following that on which the last of the two Parties signs OR*
 - ✓ *A later date*



Implementation period

Distinguish between:

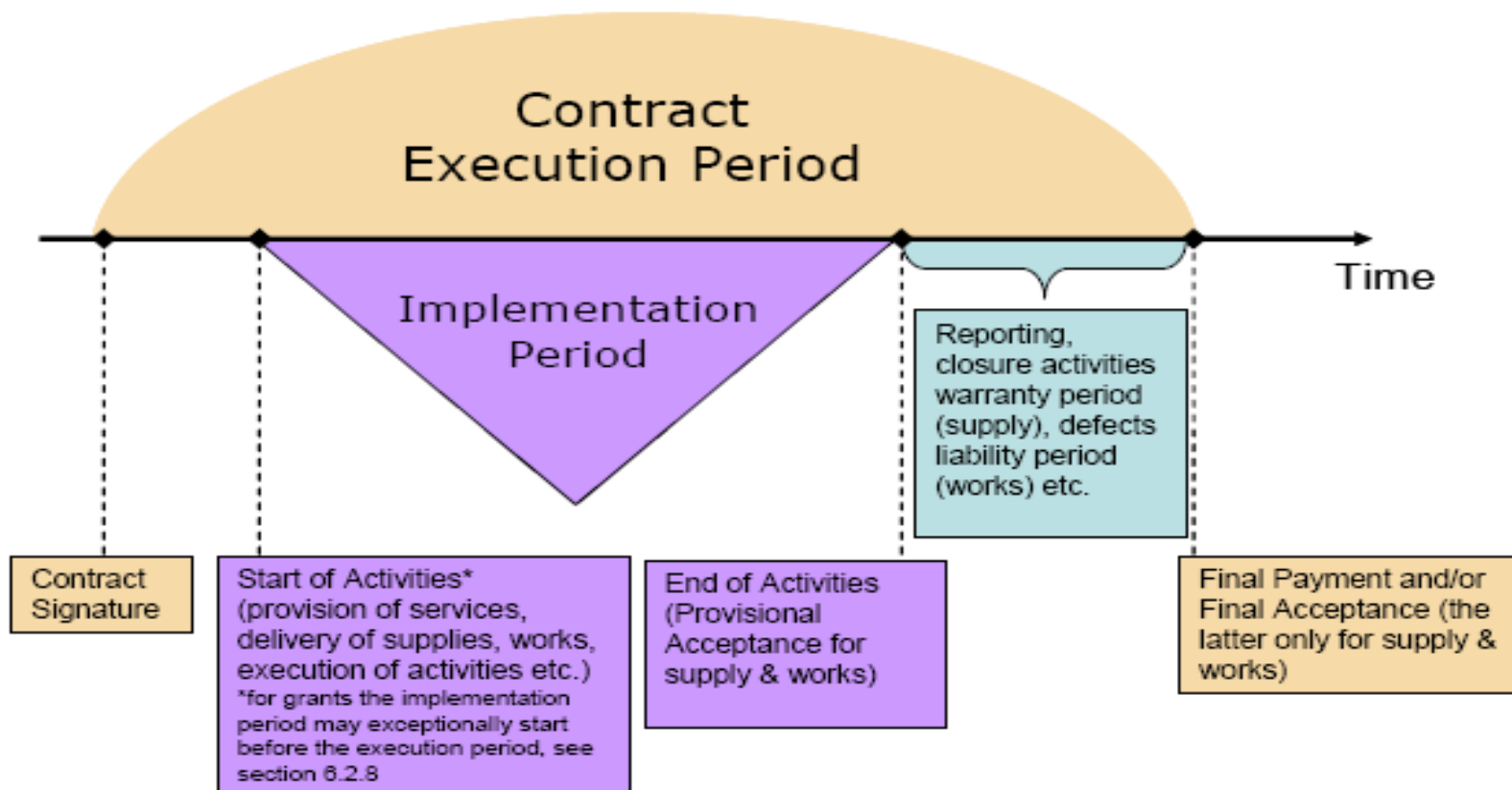
When the implementation period ends: XX months after Action start date (art. 2.3 Special conditions)

When the execution period of the contract ends:

- *When final payment is paid by JMA OR*
- *In any case at the latest 18 months after the end of implementation period*



Срок реализации и действия контракта



Financing of the Action

Budget includes all eligible project costs, not just the ENPI CBC programme contribution

Double ceiling for JMA financing (art. 3.2 Special Conditions), examples:

Project budget 277,778 €	Project actual costs (example 1) 321,436 €	Project actual costs (example 2) 242,371 €
Grant amount (90%) 250,000 €	Actual grant amount 250,000 €	Actual grant amount 218,134 € (=242,371*90%)



Reporting and Payments

Special conditions

Art. 4 Narrative and financial reporting and payment arrangements

- Narrative and financial reports accompany every request for payment;
- pre-financing and further instalments;

General conditions

Art. 2 Obligation to provide information and financial and narrative reports

- Interim and final reports (narrative and financial section)- Annex VI;
- Intervals for submission of reports

Art. 15 Payment and interest on late payment

- options for payment;
- time-limit for approval of reports;
- time-limit for payments;
- Interest on late payment;
- Refusal of payment, recovery, suspension of payment;
- Expenditure verification report (15.6)
- Financial guarantee;
- Exchange rate and currency
- Interest;

Payments and Requests for payment

Art. 7.2.13

Option 1: < 18 months AND < 300.000€

- Initial: 40% of the programme's contribution
- Further: not more than 40% of the programme's contribution
- Balance

Option 2: > 18 months OR > 300.000€

- Initial: 40% of the programme's contribution for the first 12 months
- Further: covering the needs for each 12 month period
- Balance

Further pre-financing is conditioned by the proof of spending by the Beneficiary and its partners of at least 70% of the previous payment (and 100% of any previous payments)

Total pre-financing may not exceed 80% of the programme's contribution



Reporting on the Action

Art. 7.2.5 of SC

Payment Option 1

- **Interim report**
 - Accompany every request for payment
- **Final report**
 - No later than 3 months after implementation period

Payment Option 2

- **Interim report**
 - No later than 1 month after each 6 months period
- **Final report**
 - No later than 3 months after implementation period



Expenditure verification

Option 1: < 18 months AND < 300.000€

- Initial: 40% of the programme's contribution
- Further: not more than 40% of the programme's contribution
 - List of supporting documents and printout of the account
- Balance
 - Expenditure verification report

Option 2: > 18 months OR > 300.000€

- Initial: 40% of the programme's contribution for the first 12 months
- Further: covering the needs for each 12 month period
 - Expenditure verification report
- Balance
 - Expenditure verification report



Other important adjustments

Art. 7.2.1, the Art. 1.3. of General Conditions is adjusted

- In duly justified cases, the contracting limit does not apply to Actions focused on infrastructure and investment activities.
- Complementary provisions on the recovery
- Specific provisions on procurement procedures

Art. 7.2.7, the Art. 6 of GC is supplemented with 6.5:

- The Beneficiary shall send to the CA and the JTS information on the upcoming major or public Action events and procurement prior to event or procurement

Art. 7.2.15, the Art. 15.9 of GC is amended:

- Any interest or equivalent benefit from pre-financing to be declared, assigned to the Action and deducted from the balance, except if MS (no 250.000€ ceiling)



Questions?

