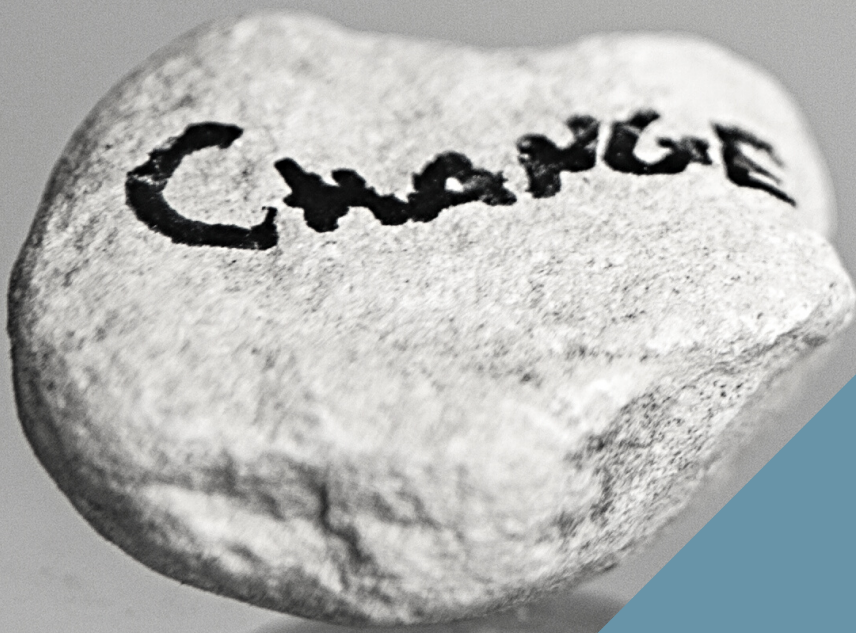


Managing Changes during the Implementation of EU Funded Projects



SEM
Servizzi Ewropej f'Malta

This information is for guidance and informational purposes only and should not be regarded as a substitute for applicable legislation, direction by the funding operator, other applicable official documents and/or the grant agreement signed by the funding beneficiary.

01 Introduction

In order to receive EU funding for projects, beneficiary organisations first need to go through an application process – typically in response to a call for proposals. The details presented in the application will form the basis of the project details included in the grant agreement and which need to be delivered by beneficiaries by the end of the project.

Project details might change during implementation due to unforeseen circumstances or other reasons. This document outlines when the grant agreement needs to be amended, the applicable procedures to make change requests to fund operators and useful tips for managing change in the implementation of EU funded projects.



Permissible changes 02

Changes to project details can concern the below (non-exhaustive list):

- Participating organisations (the size and structure of the project partnership)
- Project duration
- Proposed activities
- Budgeting and costs
- Expected results and deliverables

For the purposes of the equality of treatment of all EU funding beneficiaries, the general conditions of the grant agreement should remain unchanged. The general conditions of the grant agreement outline generic principles tied to the EU grant including the main applicable procedures for monitoring, reporting and evaluation, eligible and ineligible costs, responsibility for proper implementation of the project, data protection considerations as well as applicable ethical standards.

Instances may arise which result in the grant agreement signed between the fund operator and the beneficiary (or beneficiaries in the case of multi-beneficiary grant agreements) needing to be amended. Project details might change during implementation due to unforeseen circumstances (force majeure) or other reasons.

The COVID-19 pandemic is a prime example of force majeure, since COVID restrictions meant very limited opportunities for international travel, bans on physical events or severe restrictions and other procedures applied worldwide. Other cases of force majeure include circumstances arising from natural disasters, conflict and political/ legal situations such as fuel shortages or transport embargoes.

Aside from force majeure, other situations could result in delays, additional costs or changes to the deliverables which can be produced by the participating organisations. This includes partner organisations dropping out of the project consortium and difficulty in finding participants for project activities.

Any changes proposed by the implementing organisation(s) must be approved by the fund operator.

03 Impermissible changes

Projects are awarded EU funding based on their adherence to eligibility and award criteria of the call for proposals they apply under and how competitively they score against them.

Eligibility criteria are the minimum conditions proposed projects must satisfy to be considered for funding. During the evaluation of received application forms for EU funding, fund operators make administrative checks to ensure that the application forms and the corresponding projects meet the eligibility criteria. Projects which fail to meet the eligibility criteria, including specifications of the application form and attachments (maximum page and word limits, mandatory attachments, etc) are not considered further for funding. Proposed projects which meet eligibility criteria are then evaluated against the award criteria to determine how competitive they are and scored accordingly.

Proposing changes which will mean the project fails to meet the eligibility criteria will not be approved as these would render the project ineligible to continue receiving EU funding.

Very extensive change requests which would alter the competitiveness of the project against the award criteria would also need to be carefully considered by the fund operator. Questions might arise as to whether the newly proposed project details would have resulted in the project being awarded funding in the first place.



TIP 01

Changes which completely alter the scope of the project will likely not be approved.

Project documents reflecting changes to project details 04

The grant agreement or its annexes will need to be amended in case there are changes to the project details. The grant agreement sets out the terms and conditions for project eligibility for EU funding, applicable project management details and the main project details including its duration, the proposed activities and expected results and deliverables.

Most EU funded projects are monitored by the fund operator through an online project management system which is used to record project details and ongoing project progress. Such online systems are also typically used for submission of project progress reports from the coordinating organisation to the fund operator. It is the duty of the coordinating organisation which manages the project to keep the project details listed on such online platforms updated throughout the lifetime of the project.

Often, the change request is made through the online project management system which means the approved changes are automatically reflected there. If this is not the case, the responsibility for making such changes should be discussed with the project officer. In certain cases, project details are changed by the project officer on behalf of the fund operator.

A close-up photograph of a person's hand holding a black pen, writing on a document. The document has some text, including the words 'Old Central' and 'Old Central'. The hand is positioned over the text, and the pen is in contact with the paper.

TIP 02

It is recommended that changes to project details are also reflected in the internal working documents of the participating organisations e.g., timelines/ Gantt charts of project implementation, the partnership agreement, etc.

05 Changes which do not require modification of the grant agreement

Not all changes relating to the project will need to be reflected in the grant agreement. The grant agreement itself should specify changes which do not need for it to be amended, such as shifting funds from one budget heading to another e.g., shifting savings during the project from travel to staff costs.

The grant agreement will typically specify the maximum percentage of funds which can be shifted from one budget heading to the next without need for an amendment.

Other cases which might not necessitate an amendment include changing the order of project activities without affecting the overall project duration. As an example, a project can include a series of transnational activities, such as:

- Event 1 in Malta (February)
- Event 2 in Italy (April)
- Event 3 in Spain (October)

The project partners can agree to shift around the dates and the order in which they were originally described in the application form submitted to request an EU grant. Grant agreements typically include the project start and end dates and the overall duration in months or years but not the specific details of each project activity planned. To this end, shifting around the order of project activities as originally planned will not have an impact on the project details described in the grant agreement and therefore no amendment is needed.



Adapt to changes

Similarly, an internal shift of responsibilities among the participating organisations will likely also not necessitate a grant agreement amendment. At application stage, applicants will be asked to explain how project management will be carried out and the division of tasks and responsibilities among the participating organisations. During project implementation, tasks can be shifted from one participating organisation to another due to time constraints, internal workload or other issues. The grant agreement does not typically outline the internal division of tasks except to outline the responsibilities of the coordinator (and in certain cases also the other participating organisations) in the management of the EU grant. Unless the grant agreement includes a breakdown of the project budget as divided per participating organisation, no amendment will be necessary.

In the cases outlined above it is still prudent to keep the project officer assigned to by the fund operator informed of changes planned, before such changes are actually made during project implementation.

It is important that the project officer is notified in a timely manner so that action can be taken promptly and with as little delay or disruption to project implementation as possible. The project officer should also be able to outline any risks to project implementation arising from planned changes.



TIP 03

Communication with the project officer should be continuous throughout the lifetime of the project.

Making change requests to fund operators

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The grant agreement will outline the procedure to be adopted in case amendments need to be made to its provisions. It is useful for the participating organisations, particularly the coordinating entity, to be familiar with all of the provisions in the grant agreement to promote proper project implementation.

Fund operators assign project officers among their staff to monitor the progress and implementation of individual EU funded projects. Unless otherwise stated in the grant agreement, the project officer should be the first point of contact for beneficiaries of EU funding seeking to make change requests. The project officer will be able to communicate to the participating organisations whether the proposed changes are permissible, whether the changes will result in the grant agreement needing to be amended and the applicable procedure for formally making change requests.

In principle, all participating organisations should agree about proposed changes to the grant agreement and to the project details. Exceptions to this include cases where one of the project partners needs to be replaced due to lack of cooperation from their end or mismanagement of the project. In such cases the organisation which the other participating organisations want to remove from the project partnership does not need to agree with this decision.

It is the coordinator (i.e., the coordinating organisation) within the project which should make the change request as instructed by the project officer, unless the grant agreement allows for the other participating organisations to make change requests. Depending on the EU funding programme in question and the nature of the change(s) being requested, it can either be carried out online through the online platform used for monitoring and reporting project progress, submitted through a formal email by the legal representative of the coordinating organisation or a formal letter for which a template will be provided by the fund operator. In any case, the request should include at minimum:

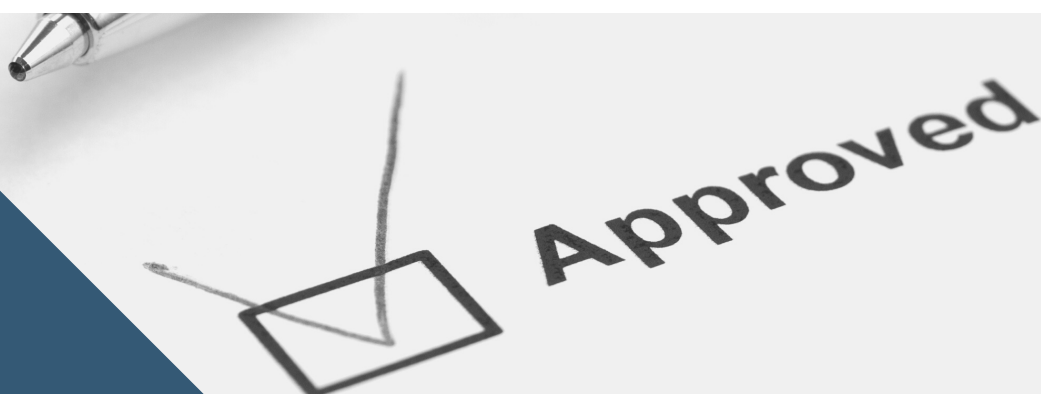
- A description of the change(s) proposed
- A justification for the request
- Supporting documentation (if applicable)

Supporting documents might need to be included with the change request. The type of supporting documents which need to be submitted will vary depending on the nature of the request. At application stage applicants might be requested to submit annexes such as timelines for project implementation, a detailed project budget or other documentation. The fund operator might require beneficiaries to send updated annexes if they will be impacted by the change request made. The project officer can provide guidance on the documents needed, if applicable.

Once the request is submitted, it will need to be evaluated by the fund operator for approval or rejection. This process can take anywhere from a few days to more than a month, depending in large part on the nature and number of the change(s) requested. For centralised EU funding programmes, meaning programmes managed directly by the European Commission, the time limit for replying to change requests is forty-five days. Additional information to consider the request might be needed, adding on more time to the forty-five day limit. Depending on the EU funding programme in question and the provisions of the grant agreement, the project might need to be formally suspended while the change request is being evaluated. In such cases, costs during this suspension will not be deemed eligible for EU funding. Change requests can be withdrawn if need be.

If the change request is approved, a document outlining the changes to the grant agreement is prepared and once signed by both the fund operator and the beneficiary (or beneficiaries) it becomes a legally binding document incorporated into the grant agreement. This document is usually either referred to as an addendum or an amendment.

Amendments will only include information about the details changed, they will not be a completely new grant agreement. All other provisions of the original grant agreement remain unchanged.



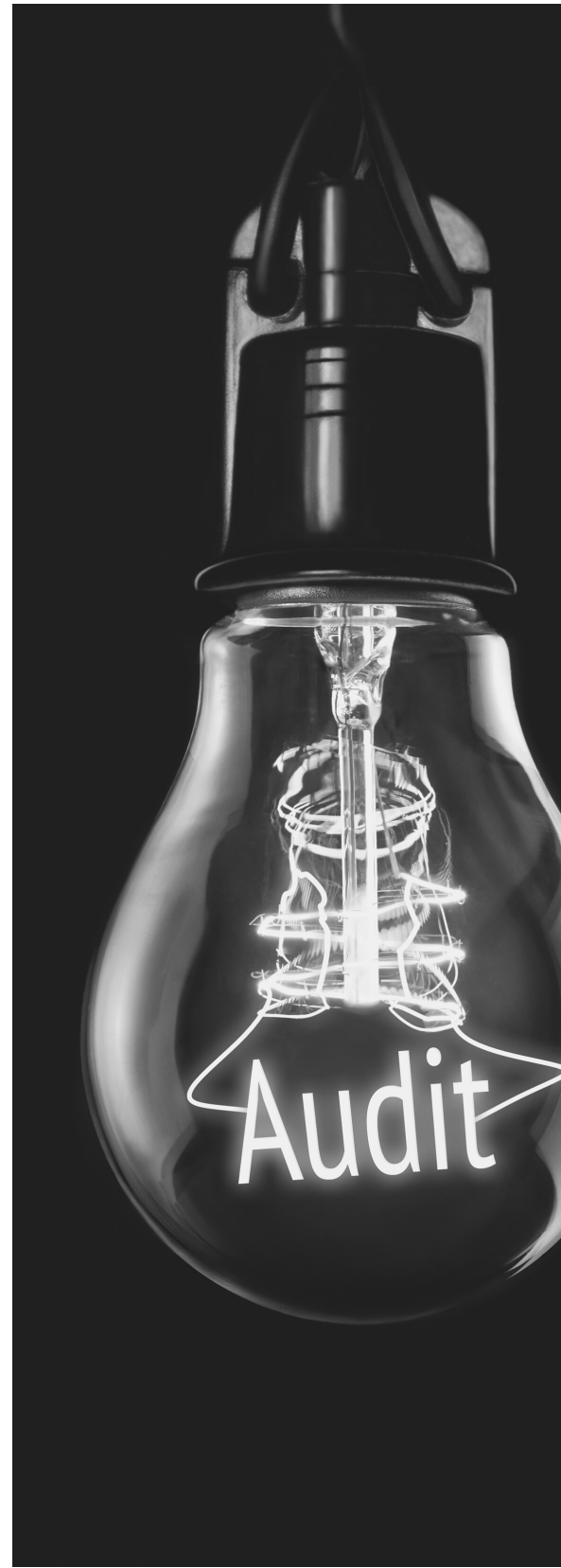
06 The consequences of improper management of changes to project details

Diverging from the grant agreement, unless approved by the fund operator through an amendment, compromises the eligibility of costs incurred.

A project audit is always a possibility for EU funded projects, both during and after the end of the project. An audit is an investigation into the proper implementation of the project and its compliance with the grant agreement. Audits can be carried out by the European Commission, auditing bodies appointed by the European Commission as well as Government entities responsible for auditing such as the Internal Audit and Investigations Department (IAID). It is possible for the same project to be audited by more than one entity.

If changes to the project are not reflected in the grant agreement through an official amendment as per the applicable procedures, this will have implications on the proper technical and/ or financial implementation of the project. Failure to implement the project in accordance with the grant agreement will either give rise to recovery of the EU grant (financial corrections) or deductions of ineligible expenses from the next EU grant payment, depending on the case.

For more information on grant agreements and other useful resources on project implementation, please visit the [SEM website](#).





Servizzi Ewropej f'Malta

 sem.gov.mt

 info.sem@gov.mt

 +356 2779 7300

 280, Republic Street, Valletta VLT1112,
Malta