

The Grant Agreement



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



Following the selection of a project, the fund operator invites the beneficiary to sign a contract outlining the project details, conditions for funding and any applicable procedures which need to be followed during the implementation of the EU funded project. This contract is commonly referred to as a grant agreement (GA) and it outlines the terms and conditions for the EU grant in question.

It is very important that both the lead applicant, and any other participating organisations are aware of the conditions outlined in the GA. The GA should be consulted throughout the duration of the project to check applicable funding rules and procedures. Failure to respect the provisions of the GA can lead to rejection of the eligibility of certain costs, reduction of the overall EU grant, recovery of funding or suspension of payments.

This document outlines the general features of a GA, the importance of this document in the implementation of EU funded projects as well as an explanation of certain key concepts tied to such agreements.

TIP 01

A GA can either be mono-beneficiary when one entity is responsible for the implementation of the action or multi-beneficiary when several entities are responsible for the implementation of the project.

The main features of a grant agreement

02

The templates for GAs vary from one funding programme to another. A typical example of a model grant agreement can be found [here](#). The following are the main details included in every GA:

Project Details

Project details include:

1. Information about the lead applicant and especially in the case of a multi-beneficiary grant, information about participating organisations. This will include the full official name of the organisation, the type of legal entity the organisation is, any applicable official registration number (such as a VO number), the official address of the organisation and if applicable its VAT number.
2. The name and function of the legal representative signing the grant agreement on behalf of the beneficiary organisation.
3. The project title and any applicable reference code to be used in correspondence with the managing authority.
4. The duration of the project and the start and end dates.
5. The deliverables of the project (results to be obtained by the end of the project as per the application form submitted by the beneficiary e.g. a manual of procedures).

TIP 02

The GA should be the first reference point in case a beneficiary has a doubt about anything relating to project implementation.

Visibility and Communication Requirements

This refers to visibility of the EU financial contribution to the project, whereas communication relates to beneficiaries' obligation to promote their projects and project results in a cost-efficient manner. Communication methods should be proportional to the size of the project and EU grant received and tailored to relevant target audiences.

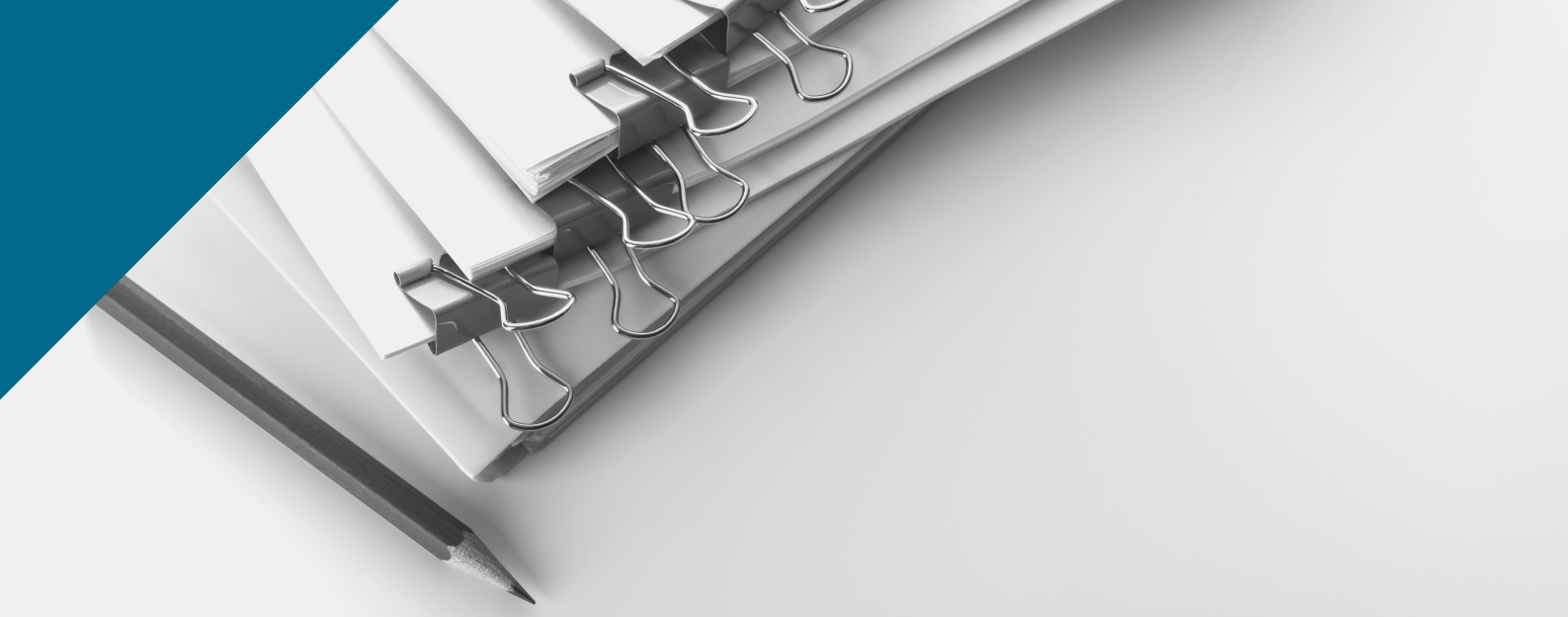
Budget Information and Eligible Costs

The approved budget for the project will be listed, typically copied from the application form. An EU grant is not usually paid out in a single instalment but is spread out over two or more payments. For projects of a duration up to twelve months, these instalments are typically a pre-financing payment within thirty days of signature of grant agreement and a payment of final balance within sixty days after the final project report is received by the authority managing the funding programme in question.



TIP 03

Information about the applicable co-financing rate will also be provided in the GA. A list of eligible costs is typically also listed in the GA, such as equipment, staff costs, sub-contracting costs (not of project management), etc.



Standard Procedures

The GA will outline procedures which apply during project implementation such as maximum percentages of an EU grant which can be shifted from one budget heading to another, how to communicate with the fund operator to make amendments to the GA and how to submit payment claims.

Obligations

Since EU funds are public funds, projects co-financed through an EU grant can be subject to an audit. For Maltese beneficiaries, audits can be carried out by:

1. The EU Funds Audits Directorate (IAID)
2. The National Audit Office
3. The European Court of Auditors
4. The European Commission (or other bodies to which it outsources auditing)

It might be possible for the same project to be audited separately by two or more of the above-mentioned entities.

TIP 04

The GA will specify the period up until which a project can be audited, following the project's end. This period usually ranges between 2 to 5 years.

Reporting

As explained, beneficiaries will need to submit at least one report relating to their project – the final report. Projects with large budgets or which run over more than twelve months might be subject to further reports, known as interim reports. The frequency of reporting obligations will be listed in the GA. Reporting is also tied to disbursement of the EU grant. With the exception of the pre-financing payment, interim payments are almost always tied to the submission and approval of an interim report. Templates for reports will be provided by the relevant fund operator for the funding programme in question. Reports are almost always digital, meaning they are compiled and submitted online.

Annexes

The GA might include annexes such as a copy of the submitted application form for EU funding and templates for reporting.



Grant Agreement Preparation & Signature 03

Grant Preparation

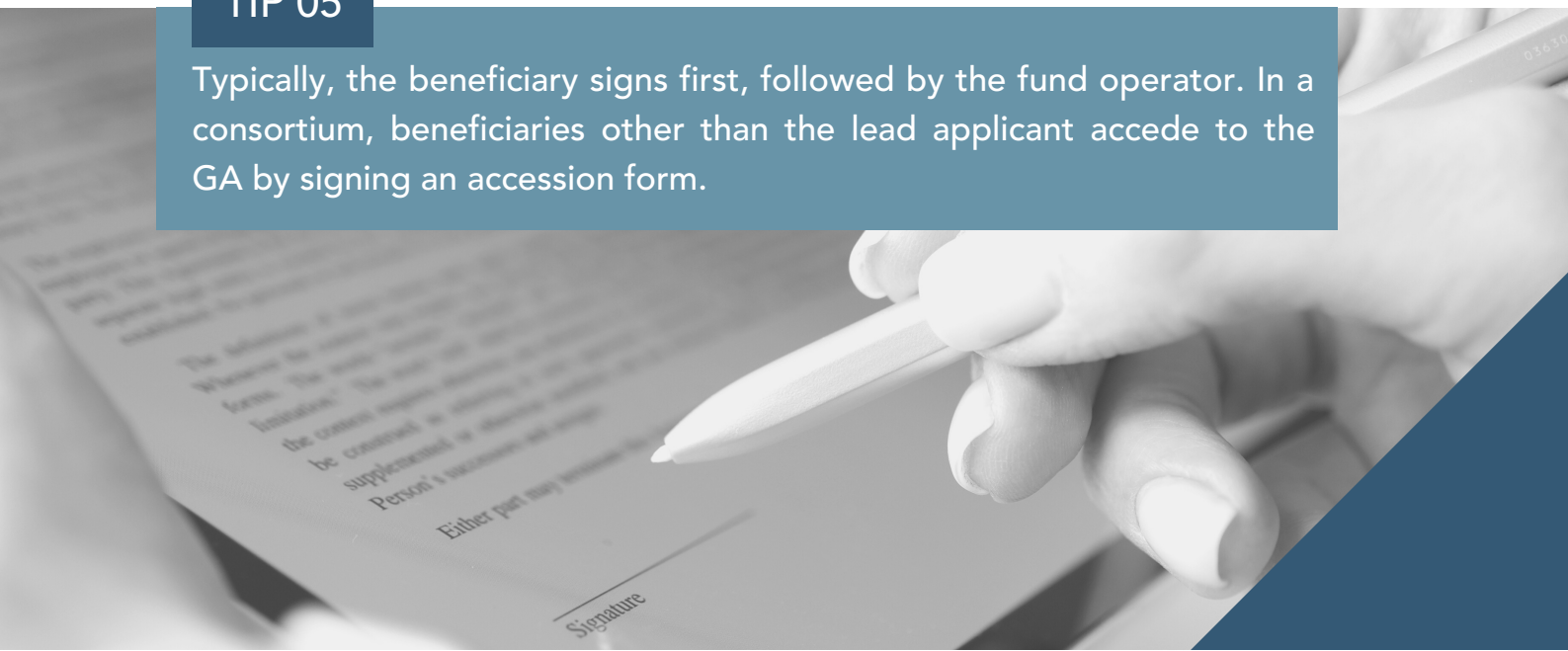
Proposals which have been positively evaluated will be invited to sign the GA. For certain funding calls, the GA is prepared by the fund operator and sent to the beneficiary for signature. In other instances, especially in the case of direct funds, the beneficiary will be invited to continue the Grant Preparation whereby it will be requested to edit the GA data, such as update the project deliverables or the structure of the project's work packages, and sign the declaration of honour. In the latter case, when the GA data has been edited and the declaration of honour signed, the beneficiary may then sign the GA.

Grant Signature

In many cases, the signature on the GA is done digitally (electronically) rather than manually.

TIP 05

Typically, the beneficiary signs first, followed by the fund operator. In a consortium, beneficiaries other than the lead applicant accede to the GA by signing an accession form.





For manual signatures, the beneficiary needs to ensure that the signature is in blue ink and scanned in colour, to demonstrate the document is an original and not a copy. Digital signatures are mostly used for funding programmes managed directly by the European Commission. The person authorised to sign the legal or financial documents on behalf of the beneficiary will receive an email invitation to sign the GA and s/he would be required to log in through the EU Login account to do so. More detailed information about the Grant Signature procedure can be found on the European Commission's [Online Manual](#).

Digital signatures can also be required for projects managed by local authorities. For instance, for projects financed through the Erasmus+ and European Solidarity Corps funding programmes, card readers are now being used for signature of project documents. The card reader operates through the ID card of the legal representative to verify the person signing the document in question.

The European Commission has created an in-depth manual on grant preparation, grant agreement signature and grant management, which can be found [here](#).



Servizzi Ewropej f'Malta

 sem.gov.mt

 info.sem@gov.mt

 +356 2779 7300

 280, Republic Street, Valletta VLT1112,
Malta