



Soutien aux secteurs de la culture et de la création ACP

Supporting the cultural and creative sectors in the ACP countries

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QUESTIONS & REPONSES no. 6

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10 Mars 2020 – 25 Mars 2020

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**(Les réponses sont données dans la langue de l'appel à propositions
dans laquelle les questions sont formulées)**

DISCLAIMER

As per section 2.2.4 of the Guidelines, in the interest of equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, a co-applicant, an affiliated entity, an action or specific activities.

AVIS

Comme stipulé dans la Section 2.2.4 des Lignes directrices, et afin de garantir un traitement équitable entre les demandeurs, l'Autorité Contractante ne peut émettre d'avis préalable sur l'éligibilité d'un demandeur, un codemandeur, une entité affiliée, une action ou d'activités spécifiques.

QUESTION 6.1.

As per FAQ 5, Answer 5.8 – 1st message the following is stated:

"As per **Corrigendum n° 1**, the member of the consortium in charge of launching the calls for sub-granting to third parties **must be established in one of the ACP countries** of the referred regional lot, as defined in Annex L. Hence, we confirm that the international organizations can participate as lead applicants and/or co-applicants to this call for proposals, but they cannot be in charge of launching calls for proposals for award "financial support to third parties" (sub-granting)"

Referring to Annex M, notably: "*(i) Criteria for selecting these entities and granting financial support*

*Third parties submit their projects to a call for proposals issued by **the Coordinator**, whose eligibility and selection criteria meet all the criteria of the Guidelines (see Section 2.1) and the present Annex.*

The application must set out, in Section 2.1.1 of the application form, the criteria and methodology to be used to select third parties. The application must also describe in Section 2.1.1 of the application form the financial and operational monitoring and support mechanisms which will be put in place.

***The coordinator** may apply their own rules to the selection and evaluation process, provided that they comply with the principles of proportionality, sound financial management, equal treatment and non-discrimination.*

***The coordinator** must ensure transparency and avoid conflicts of interest throughout the award procedure.*

***The coordinator** must ensure that the exclusion criteria referred to in point 2.6.10 of the PRAG^[1] do not apply to the third parties. Proof and documented evidence that third*

parties are not subject to any of the exclusion criteria must be kept in the beneficiaries' records.

The contracting authority and the European Commission may appoint observers to the coordinator's evaluation committee for the selection of third parties. Once the selection process has been completed, the list of recipients of financial support (i.e. the third parties) should be submitted to the contracting authority and the European Commission for information.

QUESTION 6.1. a)

We do not understand why International Organizations could be the lead entity (and responsible for the overall implementation of the action), but without being in charge of launching the calls for proposals for award "financial support to third parties" (sub-granting). Could you please clarify and explain the rationale?

ANSWER 6.1. a)

If the international organisation¹ can demonstrate that it has been established as describe under ¹, in one of the ACP countries of the referred Region lot, as defined in Annex L, it could be in charge (lead applicant or co-applicant) of launching calls for proposals, in any case it can always be the Coordinator of the action.

As also explained in the video of the information session available on the programme website (www.acp-eu-culture.eu), the rationale for having the calls for sub-granting launched at local level by the regional hubs is to be coherent with the concept of the programme decentralisation, to build local capacity and management capability, and to ensure the programme is closer to the local professionals which are most easily reachable. This is also in line with the recommendation of the evaluation of the previous programme.

QUESTION 6.1. b)

In addition, this is not in line with Annex M, which has not been amended and states including in but not limited to criteria (iv) – page 4 that "Third parties submit their projects to a call for proposals issued by the Coordinator, (...)" i.e. the Coordinator or Lead Applicant, which can be an International Organization.

ANSWER 6.1. b)

Third parties submit their projects to a call for proposals issued by the member of the partnership (coordinator or co-applicant), established in one of the ACP countries of the referred Region lot as defined in Annex L, whose eligibility and selection criteria meet all the criteria of the Guidelines (see Section 2.1) and the present Annex

Please refer to **Corrigendum N. 3** published on 04/04/2020

¹ International organisations are international public-sector organisations set up by international agreements, and also the specialised agencies set up by these organisations; the International Committee of the Red Cross and the International Federation of National Red Cross and Red Crescent Societies are also assimilated to international organisations.

QUESTION 6.1. c)

What responsibilities are encompassed by the statement "*in charge of launching the calls for sub-granting to third parties*"

ANSWER 6.1. c)

The applicants must provide a detailed description of the action, in particular of the financial support to third parties and define the role and participation in the action of the various actors. The role of the partnership members must be agreed among the members of the partnership. Launching the calls must include at least the publication of the call and the receiving of the proposals; the selection and evaluation process has to be coordinated by the contracting authority with the participation of all other members of the partnership according to the agreement between the parties previously concluded..

QUESTION 6.1. d)

If the lead applicant is an International Organization and hence cannot be in charge of the launching of calls for sub-granting to third parties, is the responsibility to set out conditions for the financial support and granting financial support that of the coordinator, as per Annex M, or of the co-applicant in charge of launching the calls for sub-granting to third parties?

ANSWER 6.1. d)

Please see answer 6.1. c)

As set out in Article 1.5 (a) of the General Conditions - Annex II to the standard grant contract, the beneficiaries "*carry out the action jointly and severally vis-a-vis the contracting authority taking all necessary and reasonable measures to ensure that the action is carried out in accordance with the description of the action in Annex I and the terms and conditions of this contract. To this purpose, the beneficiary(ies) shall implement the action with the requisite care, efficiency, transparency and diligence, in line with the principle of sound financial management and with the best practices in the field*".

Further, as indicated in Article 1.6 (g) of the General Conditions, "*The coordinator retains full financial responsibility for ensuring that the action is implemented in accordance with the contract*". This part of Annex M remain unchanged and is not affected by Corrigendum N.1 and 2.

QUESTION 6.1. e)

Does the coordinator not established in an ACP country or the co-applicant in charge of launching the calls for sub-granting to third parties retain full financial responsibility for ensuring that the calls for sub-granting to third parties is implemented in accordance with the contract?

ANSWER 6.1. e)

Once the grant contract has been signed, **the 'lead applicant' is referred to as 'the coordinator'**. The responsibilities of the coordinator are listed under Article 1.6 of the

General Conditions-Annex II to the standard grant contract (Annex G). The coordinator retains full financial responsibility for ensuring that the action is implemented in accordance with the contract.

QUESTION 6.2.

We notice, that in addition to applications by post, all applications must also be submitted by e-mail.

Since our offices are now closed, and we are all working from home, we do not have access to printers and scanners etc.

Could you kindly consider to allow for submission by e-mail only? Perhaps also consider a waiver from scanned and signed papers, since – as mentioned above – the practicalities are increasingly becoming more challenging in getting all these little things in place for submission.

ANSWER 6.2.

Please note that the submission of the original signed paper version are still compulsory. See Corrigendum no. 2 and 3, final paragraphs:

*The application sent via e-mail will be considered **valid under the condition that the paper application** (which must be **exactly the same** as the electronic version) **be submitted at the same date** with the modalities set up in the point 2.2.2 of the Guidelines for Applicants.*

*In consideration of the very exceptional situation caused by the COVID-19 crisis and in case it would result impossible to deliver the envelop with the signed paper application by the deadline of submission, the evaluation committee will have the authority - **after having received a solid objective proof of this unavoidable constraint** - to decide if to accept a later shipment of the paper version. The evaluation will proceed in the meantime on the basis of the electronic version. **Original documents will be required at stage three of the evaluation, before finalising the list of the selected proposals.***

QUESTION 6.3.

Please find below an additional clarification question in light of the amended timeline:

We would be keen to subgrant a share – for example 3% - of the capacity building programme under the 15% of the grant to third parties. In that case would those 3% of the 15% also be considered a part of the 75% given that those 3% are allocated to a third party as the guidelines specify?

ANSWER 6.3.

No. Please refer to the Guidelines for Applicants, point 2.1.4. *Types of activities:*

“The allocation of at least 75% of the total amount of the grant, to financial support for third parties, which must be included under the budget heading ‘6. Other’

and:

“The allocation of at least 15% of the total amount of the grant, to the transfer to third parties of skills, know-how, experience of providing support, and monitoring and evaluation, which must be included under the budget heading ‘6. Other’”

Therefore both the allocation (75% for financial support to third parties **and** 15% for the

transfer to third parties of skills, know-how, experience of providing support, and monitoring and evaluation) must be budgeted separately under the budget heading 6- Others and managed separately.

QUESTION 6.4.

Please find below an additional clarification question:

The updated wording in Corrigendum 2 states: *Exceptionally due to Coronavirus circumstances, the applications shall be submitted also via email.* Please can you confirm whether this is in addition to the paper submission or instead of ? And if in addition to, can you clarify that it has been taken into account that restrictions on movement within Belgium may be extended beyond 5th April, and what the process would be in such circumstances?

ANSWER 6.4.

Please see answer 6.2 above.

QUESTION 6.5.

1) The Grant Guidelines stipulate that an **Expenditure Verification Report (audit report)** must be presented with each financial report. This will include any expenses **related to the financial support of the Third Parties**, of course, representing 75% of the total grant amount.

As other applicants have already pointed out, we believe that many prospective Third Parties and also those we intent to address in Lot 1/region of West Africa will face challenges in adhering to all relevant EU regulations. In order to manage this substantial risk in a professional and efficient manner and to avoid ineligible costs, the lead applicant will have to establish adequate mechanisms and support for ensuring financial accountability and effective monitoring at both impact and financial level. This includes the annual expenditure verifications for Third Parties' expenses done by an auditor. We believe that the costs resulting from these important measures should be reflected in the budget line for the Financial Support to Third Parties (75%), because the the remaining budget will not be sufficient. Q&A No. 4 dated 18/03/2020 (No. 4.5) confirms this. However, Q&A No. 5 dated 23 /03/2020 (No. 5.6) tells otherwise and therefore **we kindly ask you to clarify (please find them attached below).**

If the budget line for Third Parties (75%) cannot be used, the lead applicant will have to transfer (at least a great part of) the responsibility and cost of the expenditure verification (audit) to the Third Parties. This might prevent many Third Parties from submitting applications, mainly due to the lack of these specific financial capacities. Although a certain level of financial management can always be expected, we think that this limitation does not support the objective of aiming for the best impact.

Q&A No. 4 dated 18/03/2020 (No. 4.5):

Q: The budget for expenditure verification of each single sub-granted project can be included in the sub-granted projects own budget (hence, falling under the 75% of the grant to be allocated to sub- grants)?

A: Yes, the costs for expenditure verification is an eligible cost under 75 % sub grants to final beneficiaries.

Q&A No. 5 dated 23 /03/2020 (No. 5.6):

Q: As a lead organisation, we take on a very substantial level of risks by distributing funding to multiple third parties. Especially, EU funding, which requires full adherence to special and general conditions to avoid ineligible expenditures.

To manage these risks, resources are required for proper monitoring and support in terms of financial management, documentation and reporting.

We do not see how the requirement of redistribution of 75% to third parties allows for that. A risk-managing set-up, based on our calculations, would require almost the double of what is available in this proposed call for proposals.

Question:

In light of the above, kindly, advise if there is a **possibility to derogate on the 75% redistribution requirement.**

A: **The answer is negative.** Please note that the Guidelines for Applicants point 2.1.4 – Types of Activities state that:

At least 75% of the total amount of the grant must be redistributed to third parties.

As indicated in Annex M, point (vii), **the auditor selected by the beneficiary shall verify the eligibility of the costs incurred by the third party.** It is recommended that the beneficiary agrees with the auditor on the supporting documents required to certify the eligibility of costs incurred by third parties. Each payment request shall be accompanied by an expenditure verification report (audit report) certified by the auditor.

2) Financial Guarantee: According to the General Conditions (Art. 15.8), the Contracting Authority may request a financial guarantee. Will this also apply to this grant (Lot 1 - West Africa) and what are the conditions to allow for a derogation?

ANSWER 6.5. :

1. There is no contradiction between the answers 4.5 and 5.6. The cost of the auditor **selected by the direct beneficiary** (or, if it is the case, nominated by the third party but approved by the beneficiary) can be charged as eligible cost under the 75 % sub grants to third parties (i.e. included in the budget of the third party as eligible cost).
2. Please note that, according to the General Conditions (Art. 15.8, final paragraph):
“This provision shall not apply if the coordinator is a non-profit organization, an organization which has signed a framework partnership agreement with the European Commission, a government department or public body”