



EU4HEALTH

Annual Work Programme 2023

Info Day - Austria

FINANCIAL MANAGEMENT

*15<sup>st</sup> March, 2023*

## Procurement: purchase of works, supplies or services

(Financial Regulation, 2018/1046. Title VII – Procurement and Concessions)

- **Competitive procedures to select a contractor**
- **Principles:** transparency, equal treatment, non-discrimination, proportionality, sound financial management
- **2023 Annual Work programme for EU4HEALTH:** contains the list of activities, topics planned for procurement
- **Prior information notice** – contains preliminary information on a planned procedure, but creates no obligation, published in the Official Journal “S” series,
- **Publication of the call for tender** – detailed description of the required service + contractual terms

# Procedure and contract management

- **Tender documents:**
  - **Contract notice:** official advertisement of the call with key information
  - **Tender Specifications:** nature and characteristics of the service, deliverables, timeline, application and evaluation procedure, selection, exclusion and award criteria, templates of documents to be submitted, deadlines, budgetary envelope.
  - **Draft contract**
- **Financial capacity check** – tenderers must prove sufficient financial capacity as described in the tender specifications under selection criteria
- **Contract types:**
  - Direct contract – budgetary commitment
  - Framework contract – general contractual terms for specific contracts – no budgetary commitment until the specific contracts are signed under a framework contract

## Grant is direct financial contribution to an action

(Financial Regulation, 2018/1046. Title VIII – Grants)

- **Co-funding rule:** external co-financing from a source other than EC funds is required (own resources or financial contributions from third parties, project income)
- **Non-profit rule:** the grant may not have the purpose or effect of producing a profit for the beneficiary
- **Non-retroactivity rule:** only costs incurred after the starting date stipulated in the grant agreement can be co-funded
- **Non-cumulative rule:** only one grant can be awarded for a specific action carried out by a given beneficiary

## Nature of the grant

- Grant based on **actual costs** declared with elements of unit costs and flat rate
- **Grant = partial reimbursement of eligible costs** that are incurred by beneficiaries and affiliated entities listed in the grant agreement **at the fixed reimbursement rate.**
  - **Standard reimbursement rate under the EU4Health programme: 60% of eligible costs**
  - **Exceptional utility: under certain conditions: 80% of eligible costs**
- **“Maximum grant amount”** the maximum amount the Agency will pay as contribution to the action’s costs.
- The grant is **not allocated** to any specific cost items or cost category. It is calculated over the total eligible costs of the action with the applicable reimbursement.

# Eligible costs

## General conditions - Cumulative requirements:

- **Connected with the action as described** in the grant and included in the estimated budget
- **Necessary** for the implementation of the action;
- **Reasonable and justified;**
- Incurred **within the duration of the grant;**
- **Actually incurred by the beneficiaries / affiliated entities of the grant;**
- **Identifiable and verifiable**, in particular being **recorded in the accounting records of beneficiary / affiliated entity in accordance with accounting standards** and the beneficiary' accounting practices.

# Budget categories

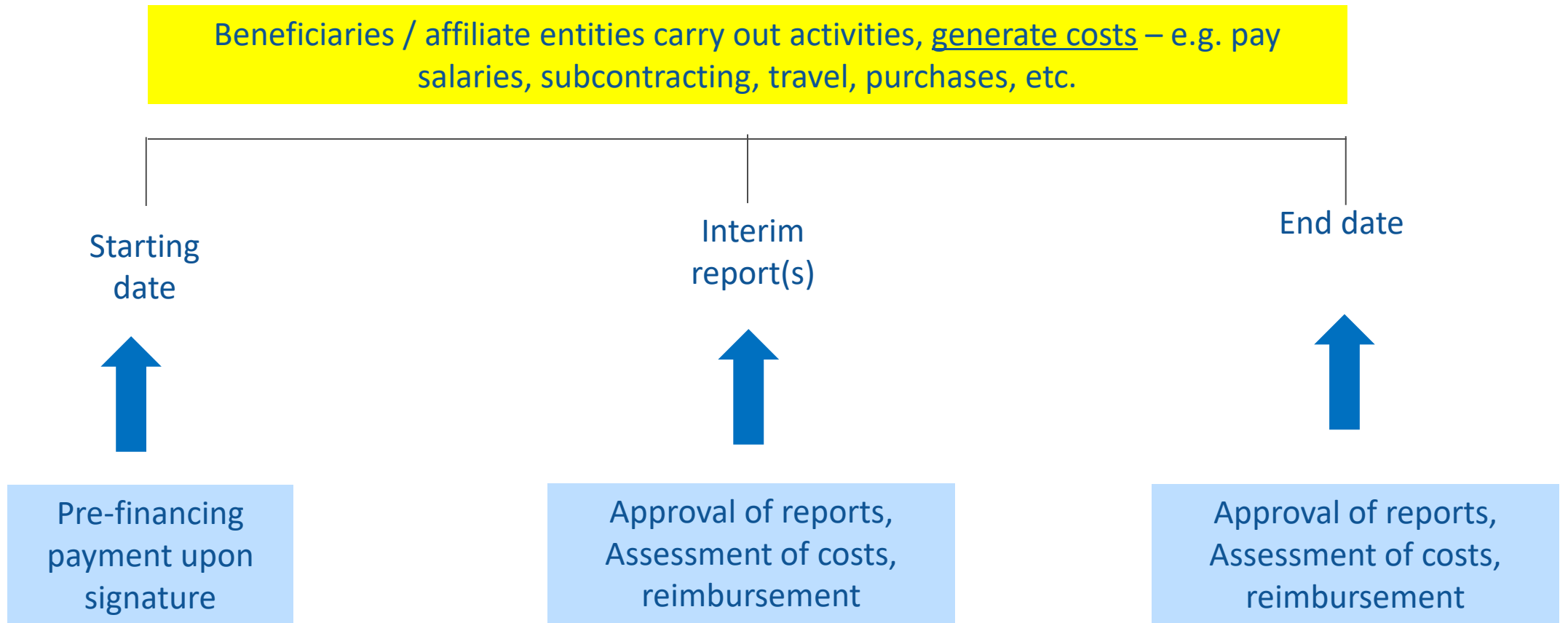
## Direct Costs

- A. **Direct personnel costs** (employees + natural persons with direct contract + seconded persons)
- B. **Subcontracting** (engagement of a 3<sup>rd</sup> party to carry out certain activities of the proposed action)
- C. **Purchase costs**
  - a. Travel, accommodation and subsistence allowances (use of unit costs)
  - b. Equipment
  - c. Other goods and services
- D. ***Financial support to third parties – defined in the call documents, if eligible***

## Indirect Costs

- E. **Flat rate of 7% of total direct costs**

# Cash flow





## Financial capacity assessment

- Beneficiaries must demonstrate that they have necessary financial capacity to carry the burden of the grant.
- Analysis of annual accounts (balance sheet / profit & loss account) before grant signature
- If requested individual grant > 750.000,00 EUR, audit certificate on the annual accounts / declaration on validity of the accounts must also be submitted
- Actions in case of weak financial capacity:
  - Reduced / no pre-financing payment
  - Pre-financing guarantee

# Source of Information

## Work Programme

- Topics, type of grants, planned budget

## Call Documents

- Specific objectives, tasks under a topic of the work programme
- Eligible applicants, activities, costs
- Financial envelop, administrative requirements
- Evaluation, award criteria

## Model grant agreement / annotated grant agreement

- General conditions of the grant / Explanations, examples on the provision of the grant agreement

# Thank you



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