

These Q&A are from an European Commission clinic at an UK/IE LIFE Platform Meeting on the AfterLIFE held in Woking, December 2015. For more presentations from this event and information on LIFE please see JNCC's LIFE webpages at: jncc.defra.gov.uk/UKLIFE

Questions for the EC clinic

From Peter Ashford (Environment Agency England) for EASME

1. When will Annexes V to IX of the 2014 Grant Agreement (various model reports) be available? [A number of other projects have also asked this question e.g. EuroSAP and Bure LIFE]

A:- financial reporting templates are under preparation and need to be tested first. We target now to have them approved/published in January. The LIFE+ templates are used as basis with some necessary changes for the new LIFE programme.

2. When will EASME be issuing guidance to NEEMO on amendments to the 2014 Grant Agreement so that eProposal can be reopened for amendment where the guidance indicates this is necessary?

A: E-proposal can in principle already be re-opened in case amendments would require this, the EASME project advisors give green light for this to NEEMO.

From Nick Folkard (from RSPB) for LIFE Unit and EASME

There's provision under LIFE Nature to carry out "species-related conservation actions that target species of the Birds / Habitats Directives" [as opposed to 'site-based' actions, which must generally take place within Natura sites or be of clear benefit to such sites].

The guidelines on these species-related actions state that they must be "clearly distinct from those that concern site protection". However, it's not entirely clear to me what this means in practice, as concrete conservation actions will almost invariably be site-based to some extent – in the sense that they will take place in a particular geographic location (or locations).

Would the LIFE Unit be able to provide any clarity on this, please – for example by giving more examples of acceptable 'species-related actions'? There are already two examples in the guidelines: "actions to remove or modify technical devices or infrastructures such as electric power lines, fishing gear, etc" and "actions for combating invasive species or mitigating the impacts of climate change". However, both of these are likely to have 'site-based' elements in many cases – e.g. if you modify power lines you have to modify specific power lines in specific places. Also, there are many other 'species-related' actions that might or might not be acceptable, depending on how this rule is interpreted – e.g. the establishment of wardening or guarding schemes to tackle illegal killing, or the creation of high-quality habitat patches across the 'wider countryside' for widespread species that are covered by the Directives but for which few if any Natura sites have been designated.

A: There are many examples of non site based conservation actions in current projects: - not only the burying of power lines (which is indeed usually a site based action) but also the insulation of lines, placement of scaring devices on the lines is possible. Projects with anti poisoning objectives use eg K9 units. Detection and guarding of raptor nests is also possible. Collection and revalidation of injured birds/mammals. Ex situ reproduction of species with the purpose to enhance populations (eg. for reptiles, amphibians, fish, etc). Removal of dams or creation of fish passage. Etc.

(Species-related actions outside Natura 2000 sites benefitting species listed on annexes II of the Habitats directive are only eligible, if the designation for these species is considered sufficient. For species listed exclusively on Annex IV this condition is not relevant, as no designation is required.

If a species-related action outside Natura 2000 is eligible or not does not depend on the nature of the action, but on which species should benefit from it and on the sufficiency of the designation for this species, if relevant.)

From Adrian Oates (from RSPB) for the LIFE unit and EASME

Will financial reporting under EASME be more onerous than for previous LIFE rounds? For example, will it be mandatory to report costs per action? Will financial reports need to be submitted more frequently than at present?"

A1) Financial reporting towards EASME is to be done in line with the schedule in the grant agreement (one interim/one final unless for a minor number of projects a second interim report is required and projects over 5 MLN EUR have to report the state of expenditure by 30 November each year). However, coordinating beneficiaries might require in agreement with the other beneficiaries more frequent reporting in order to track the cost.

A2) From a financial reporting point of view, the actions are taken out of the financial report.

"Now that there are separate financial external monitors at Ernst & Young, will beneficiaries be required to submit extensive paperwork with financial reports for checking (eg timesheets / invoices); and/or should we expect to receive site visits akin to financial audits from Ernst & Young whilst the project is ongoing?"

A: For all cost categories and per beneficiary the 3 highest invoices per cost category will have to be submitted at final payment stage. However, based on the monitoring visits carried out by the external contractor (mainly the technical monitors, but it is not excluded that EASME/the financial monitor participates in some cases) and the mid-term reporting, additional supporting documents may be identified when necessary. The latter will depend on a risk-based control strategy (outcome monitoring visits & outcome interim report evaluation).

A:Ernst & Young is part of the monitoring team assisting the Technical monitors in performing their financial checks, so this does not mean a new layer of control.

From John/Karen (Neemo):

Can the Commission provide an update to the beneficiaries on Indicators? We (Neemo) are aware that the indicators are coming-early in 2016. As well as 2014 projects, older projects should be made aware that they will be asked to complete the new indicator tables. Can an explanation be provided to give a brief background/purpose of the indicators i.e. to provide information at programme level for mid-term review etc.

A: See presentation.

From Paul Sizeland (from Scottish Natural Heritage) for the LIFE Unit

There is for many of the project actions pretty much always some variance between both the budgeted amount and actual cost, and the product specification detailed in the GA and that specified for delivery. There are stated thresholds for things like going over budget on cost headings – the €30k and/or 10% threshold that might trigger the need for an amendment. For other variations, particularly in change of specification, there is no such clear guidance, other than under article 15 (Amendments to the grant agreement) of the CP and second bullet under

Article 26 – Ineligible costs; “costs in relation to activities not foreseen in the project or to modifications of actions, for which the written additional agreement foreseen in Article 215 was not issued”.

The question is; At what scale of change would we need to seek prior approval for in relation to “activities not foreseen in the project or to modifications of actions” that we might want to include within the project?

A: Major activities that have not been foreseen in the project should receive a prior authorisation. Minor modifications do not require a strict notification. Coordinator should consult the monitor to be assisted in this assessment.

The budget shift flexibility has been increased in LIFE, but this is to avoid the formal processing of amendments. If budgeted costs for certain goods/services become in reality less expensive/more expensive but the content of the work has not changed, then reporting is in principle enough with a good explanation on the change... Budget changes related to items that impact the implementation (change the technical annex) need to be discussed in advance and may require an amendment.

From Mike Frye (Environment Agency England) for LIFE Unit and Easme

Personnel - Timesheets - Can the project manager from a Co-ordinating beneficiary counter-sign timesheets for staff from an Associated Beneficiary?

A: No, it does not sound logical that a person in one company is supervisor/line manager in another company, so NO I don't think that would be according to the validation procedure of a company. On the other hand, often the project manager of the coordinating beneficiary co-validates the timesheets as recognition that he or she recognise/accept the hours reported for the project, but as such he does not accept the correctness of the timesheet as it must be the responsibility of each project beneficiary.

Personnel - Timesheets - Are electronic signature and dates OK? Or should they both be handwritten in wet ink?

A: Electronic approvals (if they can be traced and checked in case of an audit) are fine

Personnel - Timesheets – is there an absolute limit on the signature and dates on a timesheet which will be acceptable (e.g. no longer than 3 months)

A: Timesheets should in principle be approved every month. The key issue is that the time registration should be reliable, so the recommended time limit for signing the timesheets is within the 2 first weeks after the month the timesheet relate to, UNLESS there is a good reason for the late signature (holidays, sickness etc.), but a general 3 month time lag is not acceptable.

Personnel - Backfilling – for public bodies, how should backfilling be evidence? (this came up on the EPOW audit that ALL staff should be backfilled)

A: I don't really know what backfilling means and in what context, but with regard to evasion of the 2% rule we have previously been contacted about a construction where the permanent staff works for the project and a newly recruited person perform the duties the permanent staff normally should have carried out if he or she would not have worked for the project. It was argued that the actual costs of the project will be the costs of the newly recruited person, calculated as the time the "old" permanent staff member worked for the project according to timesheets at the price of the new recruited person and that the costs should not be included

in the 2% rule. With regard to avoid the costs of being included in the assessment of the 2% rule the answer at that time was NO, so just for the record the answer is still NO.

Personnel – Additional Costs (for 2% rule) – how should these be evidenced? Via changes to staff contracts which mentioned the project and the start and end dates? Does anything need to be included regarding the staff member being made redundant at the end of the project?

A: Here we operate with rule for the old and new projects. The secondment of permanent staff remain unchanged, i.e. they should be specifically seconded to the project via an amendment to the contract or an instruction from the HR department where they are instructed to work for the project for a certain number of time (measured in percentage of working time, expected hours or days), which does not exempt the individual employee to register the time worked for the project in time registration records. For new projects additional staff include also permanent staff which is recruited after the project start date.

Contracts/Letters of assignment/... (please be aware that staff with permanent contracts cannot have their contract 'stopped' and replaced by a new contract, this will not count as additional staff).

Other costs – can the Co-ordinating Beneficiary claim bank charges and debit interest (charged for holding Euros in a bank account) for the project specific bank account?

A: If the bank account only relates to the project, the related costs are considered to be direct costs and therefore in principle eligible, HOWEVER, any charges related to transfer of grant amounts to and from the Agency/Commission (which includes costs of transferring the grant amounts to the associated beneficiaries) are not eligible as well as any costs related to debt costs. It is recommended, though, in each individual case a unique project account is established to notify the case handlers in charge to make sure what costs are going to be accepted as eligible costs.

Budget Heading limits – what are the rules about budget heading limits? Is it up to 20% over? Is there no option of 10% / €30k limit like with LIFE+? I.e. if there is a budget heading of €0, can no costs be submitted against this heading?

A: Budget flexibility is between beneficiaries and cost categories **up to 20% of the total eligible cost of the project**. However, if the shift implies changes to the implementation of the project then an amendment is needed. It is also wise that important changes are discussed upfront with the monitor/EASME. Changes that only result from actual costs being above/below the budgeted costs without any change to the underlying activities do not really require prior approval (e.g. actual staff daily rate is after calculation using the actual staff cost higher/lower than the budgeted rate – only when there is a substantial difference this should be well explained)

From Rachel Maidment (Royal Society of Wildlife Trusts) for EASME

-how will any changes in project costs/timings be dealt with and, is there any flexibility between budget lines?

A: There is a budget flexibility of 20% of the eligible project cost for changes between beneficiaries/cost categories, however, this is only valid as long as the implementation of the project is not impacted. Otherwise an amendment is required. (see also question above)

-any tips on dealing with exchange rate fluctuations?

A: Beneficiaries have the choice to use two types of exchange rates:

Beneficiaries with general accounts in a currency other than the euro shall convert costs incurred in another currency into euro at the **monthly accounting rate established by the Commission** and published on its website

(http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm)

applicable on the day when the cost was incurred, or at the monthly accounting rate established by the Commission and published on its website applicable on the first working day of the month following the period covered by the financial statement concerned.

The first option is advised for currencies with high fluctuations.

The beneficiary will need to be consistent in his/her choice (the exchange rate type chosen for the mid-term will also be the type to be used for the final report)

-when will reporting forms be available, what is the format and what level of reporting is required?

A: The final reporting is being finalised, after that there is some testing and then after approval they will be published. We hope to do this beginning of the year. The LIFE+ reporting is used as reference with the necessary adaptations for the new LIFE program. The level of reporting has been simplified whenever possible (e.g. reduce the number of pages and some sections).

ADDENDUM

From Pat Martin – Irish National Focal Point for both LIFE Unit and EASME

1. Could a brief outline be given as to what constitutes a good biodiversity project, is there a recent ‘best practice’ example that can be pointed to?

A: Please review the successful projects in the online LIFE projects database. If there database inconsistency for 2014 projects please review the subject of the proposal. It should be easy to understand if they are nature or biodiversity projects (even though both have the same NAT code).

2. Under the biodiversity strand, are there other restrictions regarding habitats a project can work with e.g. if their status is “Unknown”?

A: A project working on habitats should be submitted as a Nature project, not as a biodiversity project. If the conservation status of a habitat is "unknown", we consider that the conservation status of the habitat is not yet / might not yet be sufficient and designation for this habitat will be required in order to enable the eligibility of the action(s).

3. The LIFE project Database and conducting a search for Biodiversity projects - the search results for Life projects in 2014 show only NAT codes, - does the explanation lie in the fact that there were no successful biodiversity projects in 2014 or has the coding system changed? – a similar search for 2013 projects show a number of projects with the BIO code

A: In the period 2014-2020 the code for Biodiversity projects is NAT as it is for Nature projects. In LIFE+ Biodiversity projects were encoded as BIO and Nature projects as NAT.

4. Any thoughts on Integrated projects following the first round of funding?

A: see presentation for details

In general the IPs being financed are really ambitious and demonstrated already a good cooperatin among partners. As regards the applications it is clear that authorities should coordinate their efforts to avoid numerous IPs being submitted from the same country at the same time and often even for the same strand – knowing in practice only one would get financed.