



LIFE operating grants for non profit organisations

Framework Partnership Agreements and Specific Grant
Agreements for funding in 2025 and 2026



Information session

CINEA

Climate, Infrastructure and Environment Executive Agency – Financial aspects

Lorenzina Bruno

Financial Manager - LIFE Environment



Reference Material

- EU Funding and Tenders Portal :
 - <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents;programCode=LIFE2027>
– Reference documents LIFE (incl. **grant agreement Operating Grants Flat Rate MGA V1.0, Framework Partnership Agreement FPA v1.0, call documents and application forms**)
 - https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/rules-lev-lear-fca_en.pdf (Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment)
- LIFE Grant Agreement & Annotated Grant Agreement (AGA) (https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf) -> details on the provisions in the grant agreement



Establishing your budget (1)

FPA

- Part B – Multi-annual budget estimate
 - Budget estimate per year (global amounts and in total)

SGA

- Part A – Summarised budget table to be filled online (SGA only)
 - Overall budget for the beneficiary per cost category (i.e. personnel & flat rate for all other costs)
- Part B – Estimated budget - Resources
- Annex - Detailed budget table to be uploaded (SGA)
 - Detailed budget per staff/function



Be realistic !

Establishing your budget (2) – Part B (FPA)

Multi-annual budget estimate

Give a rough estimate of your overall costs and income for the duration of the EU framework partnership.

Divide your global yearly budget into general costs and costs of specific activities. For the specific activities, distinguish between activities that are eligible under the framework partnership and those that are not.

Specify regular income from other sources and estimated income generated by the activities. (No need for a balance of costs and income, since these are only rough estimates as they don't include the beneficiary's own contribution)

Year	Costs			Income				EU contribution
	Personnel costs for work programme activities	Flat rate on personnel costs (50%)	Total estimated costs	Membership contributions & subscriptions	Financial contributions by third parties (including funding other than EU operating grant)	Income generated by the activities (eligible and non eligible)	Total estimated income	Requested grant amount
YYYY								
YYYY								
YYYY								
YYYY								
YYYY								
Total								

Total estimated costs = Total estimated income + Requested grant amount (per year and in total)



Establishing your budget (3) – Part A (SGA)

3 - Budget

Flat rate (50% personnel costs) ! Total estimated costs = total estimated income ! n/a in OG call

No.	Name of beneficiary	Country	Role	Personnel costs - LIFE OG NGO/EUR	Subcontracting, purchases and other costs - LIFE OG NGO/EUR	Total eligible costs/EUR	Ineligible costs/EUR	Total estimated project costs and contributions/EUR	Funding rate	Maximum EU contribution to eligible costs/EUR	Requested EU contribution to eligible costs/EUR	Max grant amount/EUR	Income generated by the project/EUR	In kind contributions/EUR	Financial contributions/EUR	Own resources/EUR	Total estimated project income/EUR
1			Coordinator	0	0	0.00	0	0.00	70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total				0	0	0	0	0.00		0.00	0	0.00	0.00	0.00	0.00	0.00	0.00

! Consistency with amounts reported in Part A/Part B and detailed budget table !



Establishing your budget (4) – Part B (SGA)

Estimated budget – Resources				
	Costs			EU contribution
Year	Personnel costs for work programme activities	Flat rate on personnel costs (50%)	Total	Requested grant amount
YYYY				

Maximum 70% of
Total eligible costs



Establishing your budget (5) – Annex

Detailed Budget Table

(add here your proposal's acronym)

Summary of staff effort

Please indicate name or function in the work programme and monthly rate. Please indicate the number of person months over the whole duration of the planned work, for each work package, for each person. Please use the same names/functions as in section 2.1 of the application form.

Name and/or function of staff	Monthly rate of staff (EUR)	WP1 Organisational Development	WP2	WP3	WP4	WP5	WP+	Total work months per staff	Total cost per staff
								0,0	€0
								0,0	€0
								0,0	€0
								0,0	€0
								0,0	€0
								0,0	€0
								0,0	€0
								0,0	€0
								0,0	€0
								0,0	€0
								0,0	€0
Total personnel cost per WP		0,0	0,0	0,0	0,0	0,0	0,0	0,0	€0

50% flat-rate	€0
Total eligible costs	€0

! Estimate - Pre-defined formula !

Total cost per staff = Monthly rate * Total work months



Establishing your budget (6)

- Check Art. 6 MGA : **Eligible and ineligible costs**
- Only amounts in **EUR**
- Applicants may receive only **one operating grant per financial year** from the budget of the European Union.
- Under no circumstances shall the same costs be financed twice by the Union budget.
- Earliest start of expenditure is 01/01/2025 (it should be the start of the applicant's budgetary year)



Eligible Costs – Art 6 MGA – Actual Costs & 50% flat rate

- **Actually incurred** during **duration of the project** (Art 4) - except final reporting (Art 21)
- Belong to **budget categories of the call**
- **Directly** related to the action and necessary for the implementation
- **Identifiable and verifiable**, in the **accounts of the beneficiary**
- Compliant with applicable **national law on taxes, labour and social security**
- **Reasonable, justified** and must comply with the principle of **sound financial management**
- **50% flat rate** on the direct personnel costs



EU Funding of Eligible Costs

- The system will calculate the **theoretical max. amount of EU Funding** that can be requested based on the 70% funding rate
- The beneficiary will have to **enter manually the EU Funding requested** → can be lower than the maximum in case of funding from other co-financers, income of the project, higher own funding...
- The 'maximum grant amount' is the **maximum grant amount decided by the EU**. It normally corresponds to the requested EU Funding, but may be lower.
- 1st pre-financing = 60%, final payment = max 40%



Direct Eligible Costs – A. Personnel costs

LIFE OG NGO

- **A1 Costs for employees** limited to salaries, social security contributions, taxes and other costs linked to the remuneration, if they arise from national law or the employment contract (or equivalent appointing act)
- **A2 Costs for Natural persons** working under a direct contract other than employment contract & **A3 Costs for Seconded persons** by a third party against payment may be eligible IF
 - a) work under conditions similar to those of an employee (i.e. the way the work is organised, the tasks that are performed and the premises where they are performed, teleworking conditions)
 - b) result of the work belongs to the beneficiary (unless agreed otherwise)



Direct Eligible Costs – A. Personnel costs

LIFE OG NGO

- **A1 Costs for employees** – Calculation is as follows :

- For the budget, a simplified method can be used:

Project cost employee = (average annual salary cost of employee / 12) * person-months

!! Note that this is different from the calculation at reporting stage!!

- **A2 & A3 Costs for natural/seconded persons**

- **Project cost natural/seconded person = (daily rate * number of day equivalents)**
- Daily rates come from the direct/secondment contract (if hourly rates or fixed amounts in contracts, then conversion needed in line with AGA)
- Rates must not be significantly different from personnel performing similar tasks under an employment contract with the beneficiary



Ineligible costs

- Costs not complying with the definition of an eligible cost, e.g. :
 - excessive or reckless expenditure
 - deductible or refundable VAT (including VAT paid by public bodies acting as public authority)
 - in-kind contributions by third parties
- Costs or contributions declared under other EU grants (or grants awarded by an EU Member State, non-EU country or other body implementing the EU budget unless exception as stated in the MGA)



Lessons learned – Grant Agreement Preparation (GAP)

- Amounts reported should be consistent in the different parts of the proposal: Part A, Part B and detailed budget table (and do not forget the 50% flat rate!)
- Substantial increases in personnel costs (vs previous years) may need to be further justified during the GAP
- Budget should be in balance: expenditure=income (do not forget to include your own contribution!)



Points of attention for the implementation

- Apply the correct method for calculating personnel costs (AGA)
 - Personnel costs= **Daily rate** x nr of **day equivalents** worked on the action x **working time factor**
 - Daily rate = annual salary cost of the person / 215 days
 - Nr of day equivalents to be declared per year **cannot be higher than 215 days** otherwise the total cost declared will be higher than the actual annual salary cost !
 - Working time factor: 1 for full time (100%) , 0.5 for part time (50%)
- Only eligible Salary components
- Mandatory Time registration (clear link to OG):

=> It is recommended to use the [Time declaration template](#):

contains only time worked on the OG - consistency with own time registration



Keep in touch with us



https://cinea.ec.europa.eu/life/clean-energy-transition_en/



[@CleanEnergy_EU](#), [@LIFEprogramme](#)



[European Climate, Infrastructure and Environment Executive Agency](#)



[CINEATube](#)

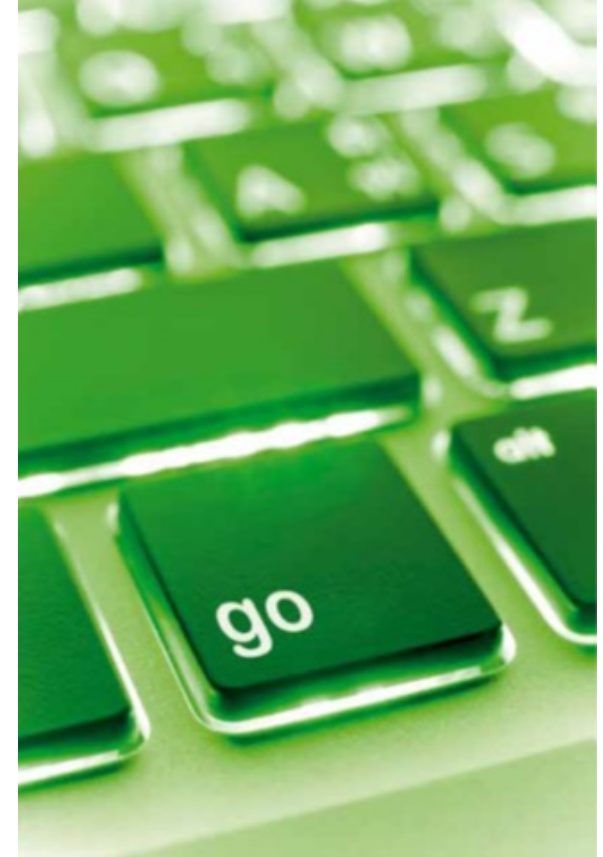


Website

LIFE website:

<https://cinea.ec.europa.eu/life>

Funding & Tender Portal



Thank you

© European Union 2024

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

