



Empowering Citizens for Enhanced Development and Democracy

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Dear

Congratulations on recently signing your Grant Contract with the European Union under the Civil Society Fund III programme. The Technical Assistance Unit (TAU) is here to support you throughout the process. We are sending you this letter to give some guidance on what happens next, to draw your attention to pertinent aspects of your contract and to provide some practical advice on how to prepare for full implementation.

Special Conditions, General Conditions and other Annexes

Your contract comprises special conditions specific to your action; general conditions applicable to all EU funded grant contracts, plus other annexes, some of which are drawn from your application (such as the Description of the Action and Budget) and others that provide advice on topics common to all grantees and templates to be used for payment requests, reporting, etc. The paragraphs below refer to some of the main provisions to be aware of from the very beginning. **However, you are strongly advised to ensure that you fully understand All the conditions governing the management of your contract. If in doubt, please feel free to seek advice from the TAU.**

Initial Pre-Financing Payment

An initial pre-financing payment of the amount stipulated in Article 4.1 of your contract (Special Conditions) will be paid into the bank account detailed in your Financial Identification Form by the European Union within 30 days of the date on which the last of the two parties have signed. Please note that there is no need to submit a separate request for this initial pre-financing, although further pre-financing payments must be requested using the appropriate template. (Ref. General Conditions Article 15.3)

Implementation Period

Implementation commences on the day following that on which the second of the two parties has signed. (Ref. Special Conditions Article 2.1) Only costs incurred during the implementation period (i.e. from the day after the date of the last signature) will be considered as eligible.

Starting Preparatory Activities

You do not have to wait until payment has been received and should start on the preparatory activities outlined below and indicated in Section 2.1.3 (Action Plan) of your Description of Action.

Cooperative Agreement with Local Authorities

You will require the consent of your local authorities before you commence operations. Please make the necessary arrangements with the relevant government bodies and ensure that any statutory or private consents needed are in place to allow implementation to proceed.

Staffing

Approved new staff positions required for your Action should be recruited as soon as possible to avoid implementation delays. You should follow your organisation's HR policies and abide by principles of transparency and fair competition, avoiding conflicts of interest (Ref. Annex IV of your contract). For example, at least three candidates matching the pre-determined criteria in relation to qualifications and experience should be interviewed by the recruitment panel. You should also ensure that appointment letters / contracts clearly spell out the Terms of Reference of the incumbent in relation to fulfilling the objectives of the Action. It is also important that you formally communicate with pre-existing staff that will be partially or fully engaged under the project, indicating their expected role. Note that you are expected to keep sufficient documentation for ex-post checks of compliance (Ref. Annex IV).

Launching Workshop

Formal launching workshops are generally encouraged to publicise the start of the project and secure stakeholder engagement from the beginning. Please ensure that you follow the *Communication and Visibility Requirements for EU External Actions*, as detailed on the website below:

https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

Whilst we cannot guarantee attendance at such events, you are requested to send invitations to the European Union Delegation (EUD) and TAU.

Communication & Visibility Plan (CVP)

The C&V Requirements link cited above includes a compulsory CVP template. As per Article 6.2 of the General Conditions, this must be submitted to the EUD for approval. You are advised to commence the drafting process at an early stage. However, the TAU will provide training and advice before the finalised version is submitted to the Contracting Authority.

Baseline Surveys

The Logical Framework presented with your application and discussed in some detail with the TAU prior to contract signature forms an integral part of the contract. However, it is a live document that should evolve. A major first step will be the conducting of the baseline surveys required to establish the starting position (baseline values) of your intervention and to set the targets to be achieved. You

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should therefore organise the collection of the primary and secondary data needed as soon as possible in order to populate your logframe with SMART (Specific, Measurable, Available, Relevant, and Time-Bound) Objectively Verifiable Indicators (OVIs). Once the baseline and target values are set, you are expected to submit the logframe with detailed targets to the EUD/TAU. The TAU is available for guidance. In the meantime, I have included an example of a template for ToR for baseline surveys with this letter which you may use if you wish. **(Please refer to attachment 1)**. You should also start drafting your overall Monitoring and Evaluation (M&E) Plan as per the proposals in your Action Description. Additional advice on preparing an M&E Plan is also attached to this letter. **(Please refer to attachment 2)**.

Procurement Plan

As per Article 10 of the General Conditions, goods, works and services that are necessary for the implementation of your project, and are foreseen in the approved estimated budget, may be procured, as long as they respect the principles set out in Annex IV of your contract. These include transparency and fair competition. For supplies and works, the tender offering the best price should generally be selected, while for services the tender offering the best price-quality ratio. You should follow your organisation's internal procurement procedures (assuming they meet the basic principles laid out in Annex IV).

Given the need for open competition, time will be needed to prepare tender dossiers setting out specifications or detailing the services to be delivered, to invite tenderers to participate and to evaluate the offers received against objective selection criteria. You should therefore formulate a procurement plan and commence procurement procedures in accordance with this timeline and the procedures required. You should also carefully document the procurement procedures followed. Additional advice on procurement issues is included with this letter. **(Please refer to attachment 3)**.

Eligibility of Costs

It is important to remember that your approved budget is merely a cost estimate, and that the funds transferred to your bank account are pre-financing that must be fully accounted for. The actual costs that will ultimately be deemed as eligible for EU funding by the Contracting Authority must meet a number of criteria. For example, they must be incurred within the implementation period, be indicated in the estimated budget, be necessary for the implementation of the action, be identifiable and verifiable, and be reasonable, justified and comply with the requirements of sound financial management. For further details on eligibility, please refer to Article 14 of the General Conditions. For information on the types of records, accounting and supporting documents that must be kept for verification purposes, please refer to Article 16.7 of the General Conditions. Additional practical advice on supporting documents is attached to this letter **(attachment 4)**, along with guidance on how to deal with VAT **(attachment 5)**. The importance of keeping comprehensive and well organised records cannot be over-estimated.

Next Steps

The EUD and TAU are planning to convene an official awards ceremony, indicatively scheduled for 07 April 2020. Details of this event which will publicise the signing of the contracts (to be held in Addis Ababa) will be communicated in due course. It will be followed by an Induction Session that will provide further details on the topics outlined in this letter and accompanying attachments. More in depth training will be organised for grantees thereafter.

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NOAH Centurium Building (near Atlas Hotel, accessed just before Cyan City Hotel),
Mickey Leyland Street, Bole Sub-City, Addis Ababa – Ethiopia

Additional Information

We hope you will find this communication useful in getting your project off to a good start. If you need further information on specific issues you may refer to the links cited below:

Practical Guide (PRAG)

http://ec.europa.eu/europeaid/funding/about-funding-and-procedures/procedures-and-practical-guide-prag_en

Financial Management Toolkit for recipients of EU funds for external actions

http://ec.europa.eu/europeaid/work/procedures/financial-management-toolkit_en.htm

For further guidance, please feel free to contact the TAU as below:

TAU Office: Tel. 0991 189 689 Email: info@csf3.org; www.csf3.org

TAU Experts:

Andy Neill, Team Leader : Tel. 0953 994 928 ; email : andrew.neill@csf3.org

Beruk Kabtamu, Technical, M&E Manager: Tel. 0953 960 606; email: beruk.negash@csf3.org

Yinebeb Girma, Grants and Finance CB Manager: Tel. 0955 929 946; email: yinebeb.girma@csf3.org

Mesfin Degaga, Grants Officer: Tel. 0911 005 822; mesfin.degaga@csf3.org

EUROPEAN DELEGATION PROJECT MANAGERS:

Tanja Nader, Tanja.NADER@eeas.europa.eu

TASSEW Mulugeta, Mulugeta.TASSEW@eeas.europa.eu

Sincerely



Andrew Neill

Team Leader, Technical Assistance Unit for CSF III

Attachments

- 1. Sample Terms of Reference for CSF-III Grants Baseline Survey**
- 2. Guidelines on Developing an M&E Plan**
- 3. Procurement by CSF-III Grantees**
- 4. Examples of Supporting Documents**
- 5. VAT and CSF-III Granteesn (including sample VAT Refund Request Template)**

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