



5. PROJECT AMENDMENTS

During the implementation period, projects may need to amend (modify) elements such as partnership, budget, work packages, outputs, activities, duration, etc. as described under Art.9 of the GC on the project amendments. The LB is responsible for the amendment procedure of the GC. This chapter provides guidance on the type of changes allowed, steps and procedures to be followed.

Contract amendment is a time-consuming exercise, since it implies internal consultations by the LB with the project partners first and the JTS/MA then. Based on the type of amendment - minor or major - it may also involve the Joint Monitoring Committee (JMC).

In fact, major modifications should be agreed at both project (among partners) and Programme level (JTS/MA and JMC) before being implemented. An impact analysis of the change by the LB is expected to cover the various project aspects (time, cost, scope, quality, risks and benefits).

Therefore, before requesting an amendment, understanding “what” can (flexibility) and “what” cannot be amended (rigidity) is crucial.

Key issues:

- ✓ Amendments (minor and/or major) may be requested at any time by the MA according to art. 71 of the ENI Implementing Rules.¹
- ✓ Always consult and involve the JTS in any modification process.
- ✓ Plan your amendments ahead: only one minor amendment per year of implementation (art. 9.3) and only one major amendment for the entire implementation period (art. 9.4) is allowed by the GC, unless there are exceptional and duly justified circumstances.
- ✓ The basic purpose of the project (general, specific objectives and expected results) cannot be affected by any amendment.
- ✓ Major amendments may consider a revision of the type of outputs and the target value of selected indicators.
- ✓ The amendment cannot have the purpose or the effect of increasing the total budget or the ENI contribution set in the GC (Art. 3.2).
- ✓ Amendments shall be submitted at least 30 days before the date on which they should enter into force. The “sole extension of the project implementation period” shall be

¹71.1 “The Managing Authority shall in the first instance be responsible for preventing and investigating irregularities and for making the financial corrections required and pursuing recoveries. In the case of a systemic irregularity, the Managing Authority shall extend its investigation to cover all operations potentially affected”. Moreover, art. 71.3 stipulates: “The contribution cancelled in accordance with paragraph 1 may not be reused for the project that was the subject of a financial correction or, where a financial correction is made for a systemic irregularity and for any project affected by the systemic irregularity.”

requested up to 2 months prior to the contracted project end date.

- ✓ Under no circumstances the maximum fixed percentage of the administrative costs and the maximum percentage of the contingency reserve, if foreseen, may be modified by an amendment to the GC.
- ✓ The specific financial requirements set in the concerned call for proposal cannot be affected by the request of major amendment (i.e.: at least 50% of the total direct costs shall be dedicated to activities to be implemented in the Mediterranean Partner Countries territories; a maximum of 35% of the total direct costs can be allocated to an organization; the amount of financial resources devoted to the participation of partners from adjoining regions shall not exceed 20% of the total direct budgeted costs of a project; WP1 "Management" max 20% of total direct costs for Strategic projects; Cost Category "HR" max 40% of the total direct costs for Capitalisation projects).
- ✓ Contact details, names, addresses, bank accounts, legal representative of the LB and/or partners can be modified at any time during the project implementation.
- ✓ All changes are submitted/notified using the "adjustment" function of the Management and Information System (MIS).²
- ✓ Major amendments enter in force after the signature of the Addendum to the Grant contract by both parties.

² Instructions can be found in ch. 7 of the MIS User Guide.

5.1 TYPE OF AMENDMENTS

Type of amendments to the GC shall be referred to: budget, duration, composition of the partnership and content. Each type of amendment is then further detailed as minor and major.

A) BUDGET

Minor budget changes involve a variation of up to 20% of the amount originally established for the concerned cost category and/or at partner level (budget shift among partners), and that does not have a significant impact on the project implementation. In this case, the JTS is notified through the MIS and validates the minor amendment, provided that it doesn't substantially impact the expected results, outputs and their indicators (see par. 5.2 below).

Examples of minor budget changes are:

- Transfer of funds between the cost categories "Human Resources" and "External Services" accounting to less than 20 % of the amount of the cost category with the lowest budget;
- Budget transfer between PP2 and PP5 of less than 20 % of the budget of the partner with the lowest budget;
- Removal of a budget line;
- Introduction of a new budget line.

Table 1 – Example of minor budget change among cost categories

Cost category	budget contracted	proposed shift	difference	%
Human Resources	1.292.790,00	1.378.962,00	86.172,00	6,67%
Travel and Subsistence	209.680,00	217.560,00	7.880,00	3,76%
Infrastructures	1.050.000,00	985.000,00	-65.000,00	-6,19%
Equipment and Supplies	224.678,00	224.678,00	0,00	0,00%
External Services	318.269,00	289.217,00	-29.052,00	-9,13%
Other	0,00	0,00	0,00	0,00%
Subtotal direct costs	3.095.417,00	3.095.417,00	0,00	

Table 2 – Example of minor budget change among partners

Partner	budget contracted (direct costs - excluding administrative %)	proposed shift	difference	%
BEN	818.578,00	796.512,00	-€ 22.066,00	-2,70%
PP1	381.190,00	429.007,00	€ 47.817,00	12,54%
PP2	768.601,00	693.601,00	-€ 75.000,00	-9,76%
PP3	488.450,00	563.450,00	€ 75.000,00	15,35%
PP4	638.598,00	612.847,00	-€ 25.751,00	-4,03%
Subtotal direct costs	3.095.417,00	3.095.417,00	0,00	

Major budget changes involve a variation of more than 20% of the initial budget at cost category and/or partner level, and/or variations having an impact on the expected results, outputs and their indicators, excluding any budget issues already rejected during the negotiation phase. **Major budget changes** must be duly justified, reasonable, consistent with the market prices and the general budget structure (respecting the correct imputing of costs under the different cost categories).

Budget changes (%) are **cumulative** and always calculated on the basis of the approved budget, as originally contracted or modified by a major amendment.

In the following tables, you can find examples of major budget amendments concerning **Cost Categories** (table 3) and **Partners** (Table 4). These are major changes since the variation of two cost categories - in this case “Equipment and Supplies” and “External services” or 2 Partners is more than the 20% of the budget contracted.

Table 3 – Example of major budget change among Cost Categories

Cost category	budget contracted	proposed shift	difference	%
Human Resources	1.292.790,00	1.378.962,00	86.172,00	6,67%
Travel and Subsistence	209.680,00	217.560,00	7.880,00	3,76%
Infrastructures	1.050.000,00	985.000,00	-65.000,00	-6,19%
Equipment and Supplies	224.678,00	278.097,00	53.419,00	23,78%
External Services	318.269,00	235.798,00	-82.471,00	-25,91%
Other	0,00	0,00	0,00	0,00%
Subtotal direct costs	3.095.417,00	3.095.417,00	0,00	

Table 4 – Example of major budget change among Partners

Partner	budget contracted (direct costs - excluding administrative %)	proposed shift	difference	%
BEN	818.578,00	796.512,00	-€ 22.066,00	-2,70%
PP1	381.190,00	429.007,00	€ 47.817,00	12,54%
PP2	768.601,00	588.601,00	-€ 180.000,00	-23,42%
PP3	488.450,00	668.450,00	€ 180.000,00	36,85%
PP4	638.598,00	612.847,00	-€ 25.751,00	-4,03%
Subtotal direct costs	3.095.417,00	3.095.417,00	0,00	

B) DURATION

The request of modification of the project duration is considered a **major amendment** and therefore, requires prior approval by the JTS/MA and the JMC. If a project cannot complete all activities within the deadline, it may request an extension of the project duration, taking into account that the 31 December 2023 is the final deadline for the implementation of project activities, as set in the Commission Implementing Regulation (EU) 2020/879.³

Projects should be aware that extensions of project duration are limited to exceptional and well-justified cases, consistent with the actual effort required (i.e.: in case of an increase in HR costs) and in any case cannot exceed the deadline for implementation of project activities (see above).

The request of extension has to be submitted at least 2 months before the closing date as per GC. An up-dated activity and financial plan shall be enclosed to the request.

C) PARTNERSHIP

Changes in the partnership composition may concern the withdrawal of a partner, followed by its replacement by a new one or by the redistribution of its tasks among the remaining ones. If a partner withdraws from the project, the others should undertake all possible measures to find a rapid and efficient solution. In particular, they should ensure that all uncompleted tasks assigned to the former partner are taken over by a new partner (ideally from the same country) or are reallocated within the remaining partners.

³ Amending Implementing Regulation (EU) No 897/2014 as regards specific provisions to align the provisions for the implementation of cross-border cooperation programmes financed under the European Neighbourhood Instrument with specific measures in response to the COVID-19 pandemic.

Any partner change is considered as a **major amendment**, while the withdrawal, replacement and/or inclusion of an associated partner can be considered as a **minor change**. Changes regarding legal status of the LB and/or partners can be considered as **minor amendments**.

The changes in the project partnership, either through the adhesion of a new organisation, or the distribution of the activities and the budget among the existing partners, imply an amendment to all annexes of the Grant Contract.

The request submitted by the LB will have to be duly documented and shall include:

- Letter of withdrawal signed by the old PP's legal representative, or any other relevant document;
- Partner Statement, duly signed by the new partner (if applicable);
- Document proving the identity and role of the person in charge to sign on behalf of the concerned partner;
- Documents proving the legal status and geographical eligibility of the new PP organization, such as statute (if applicable) or other relevant legal provisions;
- State Aid Self-Assessment check grid (if applicable);
- Financial Capacity Form (if applicable);
- Administrative costs calculation method.

The complete profile of the new Partner organization shall be provided through the MIS, where information on its previous experiences in managing similar EU funded and/or international cooperation projects and its competences in relation to the project activities, shall be also included, in order to provide the JTS and the MA with all relevant information required for the assessment of the request.

D) CONTENT

Content-related modifications are those concerning activities, outputs, results and their indicators. Examples of **minor changes** are:

- Adjusting output and/or activity description;
- Modification of the activity overview with no consequences on the output delivery;
- Changing communication tools.

Major content changes are those substantially impacting the expected results, outputs and their indicators as stated in the Description of the project, which need to be modified due to unexpected external circumstances which prevent their completion as planned in terms of timing and resources.



The proposed changes should aim at improving the project performance and/or to achieve the expected results. Their assessment is carried out by the JTS on a case-by- case basis taking into account all relevant facts affecting the project implementation and the justifications provided.

All the major amendment requests must be compliant with the State Aid requirements set in phase of assessment and negotiation. For more information concerning State Aid, please refer to Annex 7.4 - Management of State Aid.

5.2 PROCEDURES

Minor amendments

The LB records any minor amendment in the Management and Information System (MIS) and timely informs the JTS. Thus, there is no need for a prior authorization by the MA/JTS, but the JTS may request additional information and/or documents or object if the proposed change affects the purpose of the project since it implies substantial modification to the expected results, outputs and their indicators. In case of changes affecting these components, the modification could be considered as a major amendment and it will have to follow the procedure set for the major changes.

Major amendments

Major amendments imply a formal approval procedure which starts with a written request by the LB and finishes with an amendment to the GC, including the modified annexes thereto, which must be set out in writing in an Addendum signed by both parties.

Since only one major amendment of the project is allowed during the entire project lifetime, the LB should start the preparation of the amendment when project adjustments are deemed to substantially impact implementation.

The approval of a major amendment requires the endorsement of the JTS, MA and JMC.

The LB shall submit the request for the amendment through the MIS by uploading the LB Explanatory report signed by the project legal representative, and modifying all the relevant sections (budget, work packages/activities, partnership). Minutes, exchange of emails, Steering Committee decision or any other relevant document shall be attached to the major amendment request, as proof of the shared decision of the partnership.

The JTS carries out an assessment of the impact of the requested changes proposing its approval/rejection to the MA. In case of unclear/insufficient information to carry out the assessment, the JTS may start a clarification process with the LB.

The results of the analysis carried out by the JTS are further verified by the MA and sent to the JMC, which will have to take the final decision by written procedure on the approval or rejection of the major amendment.

In the event the major change is approved, the MA and the LB will sign an Addendum to the GC.

The amendment – and the eligibility of the related costs and actions – enters in force upon the signature by both parties.



Annexes:

- 5.1 - Model of LB explicative report
- 5.2 - JTS assessment checklist (for information only)
- 5.3 - Use of the MIS for adjustments (for Lead Beneficiaries)