

RULES FOR MANAGING, MONITORING AND JUSTIFYING NGDO FRAMEWORK AGREEMENTS AND PROJECTS AND DEVELOPMENT COOPERATION MEASURES

APPLICATION GUIDE

(September 2014 version)

INTRODUCTION

GRANTS TO WHICH THIS GUIDE APPLIES

This Guide represents a consolidation of the 2009 rules for monitoring and accounting for framework agreements and projects of NGOs –Resolution of 24th March 2009- and the 2011 rules for NGO framework agreements and projects and Development Cooperation Measures –Resolution of 31st October 2011.

For any aspects in which the 2011 Rules have brought in changes which will be applicable to calls for framework agreements and projects awarded since 2012, it explains which regulation is still applicable to agreements and projects of previous calls and which will apply as from 2012.

When a rule is stated to be applicable to grants which were granted in CALLS UNTIL 2011, this refers to any calls for grants which were made and applications submitted in 2011 or previous years.

When a rule is stated to be applicable to grants which have been granted in CALLS SINCE 2012, this refers to any calls for grants which were made and applications submitted in 2012 or later years.

REFERENCES USED IN THE GUIDE

References to legislation indicating different subsections of the Resolutions of 24th March 2009 and 31st October 2011 are made with annotations R09-xxxx and R11-xxxx, respectively, xxxx being the subsection of the aforementioned rule. No reference is made to the 2009 Resolution when the 2011 Resolution does not imply any amendment to the content of the earlier one.

References to Regulatory Bases Orders 1303/2005 and 2909/2011 are indicated with annotations OB05-xxxx and OB11-xxxx, and annotation RD-xxxx is used for any references to Royal Decree 794/2010.

The respective acronyms TCO and CC are used to refer to Technical Cooperation Offices and Cultural Centres of the AECID abroad.

When a **Management Unit** is referred to, this will always be the NGDO Department for projects and framework agreements, whichever was specified in the Resolution to grant the award, when measures are involved.

UPDATES OF THE 2014 GUIDE ^{v2014}

In this 2014 Guide certain concepts have been updated, explanations have been inserted in any subsections which have been frequently enquired about and any errors found in the 2012 Guide have been corrected.

Any new paragraphs or those which have been modified are identified in superscript ^{v2014}. These new texts are found on pages 4, 13, 14, 24, 25, 26, 29, 30, 37, 44, 50, 67, 75, 82, 89, 92, 95, 97, 98, 100, 115, 123, 127, 141 and 147. In the Appendix on receipts (page 147 and ff.) there are also updates in the datasheets for Cuba and Peru, and the ones for Costa Rica and Sudan have been added.

All the links to the AECID web page have also been updated.

CONTACT ADDRESSES

For any explanations and enquiries, please send electronic mails to:

NGDO Projects and framework agreements: convocatorias_ongd@aecid.es
Development Cooperation Measures: justificacion_subvenciones@aecid.es or to the specific addresses given in the call^{v2014}

LINKS TO REGULATIONS AND TEMPLATES

The main regulations and templates referred to in this Guide can be found in:

- Regulations and templates for calls for NGDOs (projects and framework agreements):

Resolution of 24th March 2009

Resolution of 31st October 2011

Requirements Order for projects and framework agreements of NGDOs 2005

Requirements Order for framework agreements, projects and measures 2011

<http://www.aecid.es/ES/Paginas/La%20AECID/Nuestros%20Socios/ONGD/Subvenciones/normativa-subvenciones.aspx>

<http://www.aecid.es/ES/Paginas/La%20AECID/Nuestros%20Socios/ONGD/Subvenciones/guias-modelos-proyectos-convenios-ONGDs.aspx>

- Regulations on calls for measures:

Resolution of 31st October 2011

Requirements Order for framework agreements, projects and measures 2011

<http://www.aecid.es/ES/Paginas/La%20AECID/Normativa/Subvenciones-Acciones-Cooperacion-Desarrollo.aspx>

- General regulations:

General Grants Act

Regulations for implementing the Grants Act

Royal Decree 794/2010 on grants for international cooperation

<http://www.aecid.es/ES/Paginas/La%20AECID/Normativa/Normativa-general-subvenciones.aspx>

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1. OBLIGATIONS OF THE AWARDEE AND PROCESSING WITH THE AECID

1.1. OBLIGATIONS OF THE AWARDEE OF AN AECID GRANT (OB11-18)

In this Guide 'awardee' is the term given to the organisation benefitting from an AECID grant, as this is specified in the Resolution on awarding grants (OB11-3.2). This is the organisation to which the AECID transfers the funds for the subsidy granted.

❖ When proposed as an awardee:

- **To reformulate** the application, in the event of approval being proposed for a lower amount than the one applied for, and to accept the grant proposed in writing.
- **To submit any documents** which may where applicable be required.
- If this had not been given before, **to inform of the current account** to which the AECID will transfer the funds.

❖ When the payment is received:

- **To inform** the AECID (Management Unit) of **the date on which the funds are received**, attaching a copy of the notification or bank statement of the payment.
- In the case of projects and measures, to **inform** the AECID (Management Unit) of **the date of starting** the intervention (see limits in Subsection 3.1).

❖ During implementation:

- **To carry out the intervention and obtain the results** planned in the initial formulation, its reformulation or in any duly authorised amendments.
- **To assign the funds received only to implementation of the intervention and use these in accordance with any rules that may be applicable.**
- **For grants approved as from 2012, to cooperate in the Biennial Evaluation Plan, if the grants are included in this.**
- **To apply for authorisation from the AECID (through the Management Unit) for:**
 - The introduction of any **substantial modifications**
 - **Modification of the implementation periods**
 - The use of **receipts**
 - The use of **Certifications of Implementation of Activities** for accounting for expenses and their modifications
 - The use of **rates**
 - The approval of **Terms of Reference and assessment teams**
 - The approval of the **auditing company** selected
 - Carrying out **evaluations that are not compulsory nor planned** in the approved formulation
 - Carrying out **audits that are not compulsory nor planned** in the approved formulation, unless these are financed with financial returns
 - The **use of financial returns or indirect taxes recovered** during the implementation period in **unscheduled activities** or ones which **imply substantial modifications**

- The **use of surplus balances, financial returns or recovered indirect taxes** in new activities after the end of implementation.

In general, whenever authorisations/approvals of the AECID are mentioned in this Guide this should be taken to mean that the authorisation of the Awarding Body (the President's Office of the AECID or, by delegation, the Management of the AECID) is required. Any applications to the Awarding Body for authorisation have to be processed through the Grant Management Unit (also see Subsection 1.2).

- **Request the approval of the AECID (TCO/Antenna/CC/Embassy)¹ to:**
 - **Purchase** goods or services **outside the local market**
 - **Not promote competing** tenders for contracting goods, work or services
 - Accredited that **indirect taxes are not legally recoverable**
 - **Not open bank accounts on behalf of** a project or agreement
 - **Not display** the AECID logo.
 - Accredited the **internal regulations** of the implementing country, when this contradicts the requisites of the AECID regulations
 - Authorise **variations in the number of units** from the ones considered in the approved budget for a Certification of Implementation of Activities, or its duly authorised amendments
 - The **final Certifications of Implementation of Activities**.

- **To submit the monitoring reports, annual plans and mid-term evaluation reports required for projects and framework agreements to the AECID (NGDO department) in due time*.**

**** IT IS NOT NECESSARY TO USE UP THE SUBMISSION PERIODS ESTABLISHED FOR EACH TYPE OF REPORT. WE RECOMMEND SUBMITTING THEM BEFORE THESE PERIODS END***

- **To visibly incorporate the official Spanish Cooperation logo**, in accordance with the characteristics stipulated in the calls, in all the actions involved by the subsidised intervention, unless this is considered not to be applicable for security reasons, which has to be confirmed by the TCO/CC/Antenna or Embassy. All the products totally or partly obtained with AECID financing will have to **incorporate the name and/or logo of the AECID**, along with the statement “with the financing of”. Any public announcements issued during implementation will expressly have to quote AECID as contributor or financier.
- As well as containing the logo or name of the AECID as financier, any products, materials and public announcements obtained as an action or result of any intervention financed by the AECID will have to **include the following paragraph**, translated into the languages in which the document is published: *“This publication(or documentary/announcement /etc.) has been made with the financial support of the Spanish Agency for International Development Cooperation (AECID), charged to the “TITLE of the publication” Agreement, Project, Measure. The content of this publication is the sole responsibility of “NAME OF AWARDEE ORGANISATION/local partner” and does not necessarily reflect the opinion of the AECID”*. Failing to display the AECID’s participation may be allowed only abroad and for security reasons, on condition that this exception is sanctioned by TCO/CC/Antenna or the Embassy.

❖ **When implementation is completed:**

¹ The Management unit should be requested for this if it is not possible to obtain the approval of TCO/Antenna/CC/Embassy.
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- To submit the **Final technical and economic report** with the contents described in this Guide.
- **To transfer the goods** acquired or request the AECID (Management Unit) for authorisation for alternatives to transfer (see Subsection 8).
- **To keep any supporting documents** which do not have to be submitted along with the final supporting account, for **their possible spot-checking** by the AECID and the companies contracted by this or charged to the grant. The documents accrediting the expense **will not be required either initially or be subject to random checks only in the following cases:**
 - Expenses accredited by a **Certification of Implementation of Activities**
 - **Board and lodging** expenses included in **settlements of per diems**
 - **Kilometrage** paid in compensation for use of persons' **own vehicles**.
 - Percentage of **indirect costs** of projects and framework agreements
- Along with the final report, the AECID must be sent a **list of all the editable dissemination materials** produced during the implementation. The AECID may request the delivery of a copy of these and to have this material available for its free dissemination with express mention of the organisation which has produced this.
- In accordance with the policy of fostering open access to the **results of scientific research**, in the event of the grant giving rise to research work, the awardees will have to **allow open access** to the result of their research in the institutional repository available for this purpose at its organisation or in a thematic repository, in which they will have to deposit a copy of the publications. The work documents, results of the experiments and other items connected with this may also be included in a period of at most twelve months, from the date of publication.

❖ At all times:

- **Submit to any verification action** of the AECID, the companies contracted by this, the Delegated Public Audit Office and the Court of Auditors.
- ^{v2014} Furthermore, as part of Development Policy Coherence, furthered by the OECD, the awardees will be obliged to respect **rules and directives in the field of human rights, gender equality, corporate social responsibility**, the Principles of the United Nations World Charter, the Principles of Responsible Investment of the United Nations, the Agreements of the International Labour Organisation on decent work and the Convention on Combating Bribery of Foreign Public Officials in International Economic Transactions. Consequently:
 - They shall not implement or finance any action entailing an unacceptable risk of contributing to or abetting any acts or omissions infringing these principles, such as violations of human rights, corruption, environmental and social harm.
 - **They shall not offer nor give to any third party, nor seek or agree to, nor have promised directly or indirectly for themselves or for any other party, any donation or payment, consideration or advantage of any other type** which is considered or could be considered as being an illegal and corrupt practice.
- ^{v2014} The awardee NGDOs and particularly the Spanish personnel transferred in the field as part of their implementation shall know of and abide by the **guidelines of the AECID as regards security**, as well as the guidelines of the Ministry of Foreign Affairs and Cooperation (web site of the MAEC www.maec.es in the "Consular Services" Subsection, "Recommendations for Travel Abroad" section) for the zone or country in question.

1.2. PROCESSING WITH THE AECID (R11-II)

❖ Submitting instruments, documents, reports and applications to the AECID:

Depending on the type of process (see following heading on “Incidents requiring the authorisation of the AECID), the awardees of the grants must get in touch with the central services of the AECID or the offices and other Spanish overseas representations:

➤ At the central services of the AECID (President’s Office, Management, Department, Managing Area or Management Unit for the grant) *:

- ✓ **If these are sent from Spain they may be handed in at:**
 - The General Register of the AECID (Avda. de los Reyes Católicos 4, 28040 Madrid)
 - At the Registers implementing the “Single window” procedure at the different public administrations
 - At Spanish Post Offices, in an open envelope to put the stamp with the date of delivery on the instrument itself.
- ✓ **If sent from abroad these may be handed in at:**
 - The Technical Offices, Cultural Centres and Training Centres of the AECID abroad (directory available at http://www.aecid.es/es/aecid/listado_centros/index.html)
 - The Diplomatic Representations of Spain abroad (directory available at <http://www.maec.es/es/EYC/Paginas/embajadas-consulados.aspx>).

* Instruments must be **addressed to the Unit or to the post responsible for the Unit** (Management of ... or Director of ..., Department of ... or Head of the Department of ...) **NEVER IN A PERSON’S NAME**. Any instruments addressed to persons are considered to be of personal nature, are not opened or registered by the General Register and may be left unopened and unprocessed if the person is absent.

IMPORTANT NOTE: To comply with submission deadlines, the date of entry to these Registers or Spanish Post Offices will be taken into account. In the case of items sent from Post Offices outside Spain or by courier services, the date considered will be that of entry at the General Register of the AECID.

WHO ITEMS SENT TO THE AECID CENTRAL SERVICE SHOULD BE ADDRESSED TO	
Framework agreements and projects	<i>Dirección de Cooperación Multilateral, Horizontal y Financiera – Departamento de ONGD</i>
Measures	<i>The Management Unit specified in the Decision to grant the award</i> ^{v2014}

➤ **To the Technical Cooperation Offices or the Cultural Centres of the AECID abroad, or to Embassies or Consulates **:**

Address the Coordinator-General for Spanish Cooperation or the Director of the Spanish Cultural Centre in the relevant country (directory available at http://www.aecid.es/es/aecid/listado_centros/index.html)

**** Only in cases in which the approval or authorisation of an TCO/CC/Antenna/Embassy is required, limited to the ones described in the heading "Incidents requiring the authorisation of TCO/CC/Antenna/Embassy." Authorisation of the Spanish Embassy shall be sought only in countries in which there is no TCO/CC nor Antenna of the AECID.**

❖ **Incidents requiring the authorisation of the AECID:**

➤ **Of the Awarding Body:**

✓ **Who is the Awarding Body:**

The Body granting AECID grants is its **President** or, by delegation, its **Director**.

Any **changes in conditions** in which the subsidy was granted may only be **authorised by the party approving its grant**, that is, by the **Awarding Body**. The **competences** of the Awarding Body for **authorisation** of these **changes are delegated to:**

- In the case of **grants to NGDOs, framework agreements and projects**, the Director of **Multilateral, Horizontal and Financial Cooperation**
- In the case of **grants for measures**, the Director of **the Management Unit specified in the Decision to grant the award**

Whenever the regulation **refers** to the introduction of **changes in the conditions** in which the subsidy was granted and it states that the authorisation of the AECID will be required, this **implies that the prior authorisation of the Awarding Body has to be obtained**.

To obtain authorisation for a change in the conditions in which the grant was applied for, **an application in writing has to be sent to the Awarding Body** in which **the grounds and need** for the change requested are properly **substantiated**.

Applications to the Awarding Body should be addressed to:

**SR. PRESIDENTE
AECID
Managing Body in question *
AVDA. DE LOS REYES CATÓLICOS NÚM. 4
28040 MADRID**

*** In the case of grants to NGDOs, framework agreements and projects, instead of the Management Unit this shall be: DIRECCIÓN DE COOPERACIÓN MULTILATERAL, HORIZONTAL Y FINANCIERA – DEPARTAMENTO DE ONGD**

Other **incidents not considered changes** in the conditions in which the subsidy was granted may be **authorised by TCO/Embassies or not require authorisation**.

✓ **Authorisations of the Awarding Body:**

Authorisations for changes in the conditions in which the subsidy was granted **will be resolved on** by the Awarding Body and **informed of within a period of 45 calendar days from reception of the applications at the General Register** of the AECID. This period **will be broken off** when the AECID **requires** complementary **explanations and will be resumed on the date when the relevant reply is entered at the General Register** of the AECID.

These resolutions **mark the end of the administrative channel**, and an **optional appeal for reversal may be brought against** these at the President’s Office of the AECID within one month, or **be challenged directly by contentious-administrative proceedings** within two months. Both periods count from the day after notification of the Resolution.

✓ **Administrative silence (R11-II.3):**

If **45 days elapse** as from the point specified in the previous paragraph, **without the AECID having issued a resolution**, administrative silence applies. This can be **negative or positive** * as the case may be:

** For an application to be considered **approved by administrative silence, essential requisites** are for the application to have been submitted in **the period allowed and for what is requested not to involve impossible content, i.e., be against applicable legislation or damaging for third parties.***

CHANGES REQUIRING THE AUTHORISATION OF THE AWARDING BODY
Administrative silence is positive: approval
Extensions of any of the established periods, except for extensions for carrying out transfers of goods or alternative agreements, or for appropriation of these goods to other framework agreements, projects or measures
Substantial modifications
Use of cash receipt documents
Authorisation for using Certifications of Activities and their modifications
Use of rates
Carrying out evaluations that are not compulsory nor planned in the approved formulation
Carrying out audits that are not compulsory nor planned in the approved formulation, unless these are financed with financial returns or surplus balances
The use of financial returns or indirect taxes recovered during the implementation period in unscheduled activities or ones which imply substantial modifications
The use of surplus balances, financial returns or indirect taxes recovered in new activities after the end of implementation
Administrative silence is negative: refusal
Any proposal alternative to the transfer of land, properties and equipment
Any extension considered for carrying out transfer of goods or alternative agreements, or for the appropriation of these goods to other framework agreements, projects or measures.

➤ **Of TCO, Cultural Centres, Antennas or Embassies:**

The **approval** or prior authorisation of **TCOs, Cultural Centres, Antenna, consular representations or Embassies of Spain, or of the Embassy of the European Union Country** * representing Spain in the implementation country is sufficient, and must be **enclosed with the monitoring or final reports, with no need for any later authorisation by the Awarding Body**, in the following cases:

** When the expenses are incurred in Spain, all the references to TCO/Embassies included in these rules shall be understood to refer to the Management Unit for the grant, unless these are matters that cannot be authorised for expenses in Spain. Cultural Centres (CC) may only issue authorisations when these are grants for measures in the Culture and Development area.*

- **In Contracting procedures:**
 - The approval **accrediting the impossibility** of proceeding to the purchase or contracting on the **local market**
 - The approval **accrediting the impossibility** of arranging **competing offers**
- **Accreditation that the indirect taxes are not legally recoverable**, which has to be accompanied by the declaration of responsibility of the representative of the awardee entity in the event of it being impossible to obtain a certificate from the Tax Administration of the country where the implementation takes place.
- **Conformity report** as regards the **impossibility of opening bank accounts with the identification of an agreement, project or measure**, in accordance with local legislation.
- **Approval for not displaying** the AECID logo.
- The **accreditation on the internal legislation** of the implementation country when this contradicts the requisites made by the AECID rules and it is not possible to provide the internal rule itself or an accreditation issued by a competent authority in the implementation country.
- **In justification by means of Certifications of Implementation of Activities:**
 - The authorisation for **variations in the number of units** from the ones considered in the approved budget for a Certification of Implementation of Activities, or its duly authorised amendments.
 - The **final Certifications of Implementation of Activities**.

*These approvals or authorisations **do not require any later validation of the Awarding Body** for the grant at the AECID. It is enough to **enclose** the reports or certifications issued for this purpose by the TCO/CC/Embassies **with the relevant monitoring or final reports**.*

2. PAYMENT OF THE GRANT, ACCOUNTS AND FINANCIAL RETURNS

2.1. PAYMENT AND GUARANTEES

Payments of AECID grants to NGOs for framework agreements and projects are **advanced without requiring a guarantee**. So are the payments of grants for measures, unless the Resolution for the call lays down the requirement of a guarantee for any of the lines that are prioritised in this.

❖ **Payment of projects and measures (R11-III.1.1 and III.1.3):**

➤ **Number of payments:**

A **single advance payment**, after being informed of the bank **account** code for making the transfer of funds.

➤ **Awardee's obligation:**

To inform the AECID (Management Unit) in writing, **in at most one month, of the date of receiving** the funds, enclosing a copy of the bank receipt accrediting the deposit and including the **declaration of the real starting date** * (See limitations to this date in Subsection 3.1)

*** Why it is important to report the real starting date in the established period:** because the AECID will otherwise consider the starting date to be the date of the payment order, and from this point the periods for implementation, for submitting reports and justification will be calculated and the periods to which the expenses can be allocated will be taken into account.

❖ **Payment of framework agreements (R11-III.1.2):**

➤ **Number of payments:**

The same number of **advance annual payments** as the years approved for the agreement, at most four. The first **yearly payment** will be made in two **instalments**, the first of 60,000 euros, on signing the relevant pre-agreement, and the second, for the remainder of the yearly sum, after the final formulation has been submitted.

➤ **Requisites prior to payment orders:**

✓ **For the first 60,000 euros of the first yearly payment:**

- To provide the bank **account code** for making the transfer of funds
- Signing the **pre-agreement**
- **Declaration of responsibility of being up to date with** tax and social security obligations, in Spain and in the intervention countries

✓ **For the second instalment of the first yearly payment:**

- To submit the final **formulation**
- **Declaration of responsibility of being up to date with** tax and social security obligations, in Spain and in the intervention countries

○ **For the second yearly payment:**

- **Signing the final Framework Agreement**
- Submitting the **annual plan** for the following period
- Submitting the **annual technical monitoring report** for the previous period
- **Declaration of responsibility of being up to date with** tax and social security obligations, in Spain and in the intervention countries

○ **For the third and fourth yearly payments:**

- Submitting the **annual plan** for the following period
 - Submitting the **annual technical monitoring report** for the previous period
 - **Declaration of responsibility of being up to date with** tax and social security obligations, in Spain and in the intervention countries
 - Accumulated budget **execution of thirty per cent** or more of the yearly payments collected. If this were any lower the NGDO would be summoned to examine the appropriateness of proceeding to a total or partial readjustment* of the yearly payments pending. The AECID will determine the need for the readjustment or not after hearing the NGDO.
- * **Readjustment of yearly payments:** when the payment commitment taken on for a budget period is totally or partly transferred to the following year. The readjustment of annual payments for agreements may include the extension for their implementation and for carrying out the mid-term evaluation.*
- **Non-existence of unforeseen circumstances** implying **much lower implementation rates** than the ones planned. If these circumstances were to exist, the NGDO will be called to examine the appropriateness of proceeding to a total or partial readjustment of the yearly payments pending. The AECID will determine the need for the readjustment or not after hearing the NGDO.

➤ **Awardee's obligation:**

The AECID does not have to be informed of reception of the payments immediately. It is enough to inform of the dates on which these have been received in the monitoring and final reports, as the case may be.

❖ **Guarantees (R11-III.2):**

A guarantee prior to payment may only be required in the case of grants for measures and on condition that this is laid down in the Resolution for the call. In this case the guarantee will be set up with the AECID as beneficiary in the following way:

➤ **Amount of the guarantee:** the same as the subsidy granted.

➤ **Methods:**

- Depositing cash in euros or book-entry securities or investment fund shares represented by registered certificates.
- Joint and several guarantees given by credit institutions or mutual guarantee companies with express waiver of the benefit of *excussio*.

- Joint and several surety insurance given by insurance firms with express waiver of the benefit of *excussio*.

➤ **Where this should be set up:**

- In Spain: at the Government Depository or its branches, located at offices of the Ministry of Economy and Finance.
- Entities not residing in Spain: the guarantees shall be deposited at the headquarters of the relevant Permanent Diplomatic Mission or Consular Office of Spain. The AECID may ask the latter for a written statement on the validity and sufficiency of the guarantees given by non-residents in Spain.

➤ **Cancellation:**

The guarantee shall be cancelled in the following cases:

- After proper justification of the grant has been verified, or
- Six months from submission of the justification without the AECID having made any statement on the matter, or
- In the event of a reimbursement procedure having been processed after the justification was verified, in three months from when the sums claimed had been repaid

These periods will be suspended when the AECID issues any demands in respect of the justification submitted and shall be resumed when the demands are answered.

if the guarantees extend beyond the periods established for reasons not attributable to the awardee of the grant, the AECID will refund the cost of maintaining said guarantees for the additional period, after their amount has been accredited.

➤ **Enforcing guarantees:**

The guarantee shall be enforced when the AECID resolves on a reimbursement and the voluntary period for this elapses without this having been made. When the guarantee is not enough to meet the liabilities which this covers, the AECID will proceed to collect the difference by continuing the administrative procedure by enforcement procedures.

2.2. ACCOUNTS FOR PAYING IN AND MANAGING AECID GRANTS

❖ The account into which payment from the AECID is made:

The AECID will make the transfer to **the account of the organisation awarded** the grant that the latter has stipulated.

It is not compulsory for this account to be **exclusively for AECID grants** but, after receiving the transfer of a grant's funds in this, **they will immediately have to be transferred to the single account open exclusively for the framework agreement, project or measure** described in the following heading.

It will be necessary for these funds to be transferred to a specific account unless **they are going to be used immediately** on their reception.

In the case of **Groups**, the AECID will make the payment of the grant into the account open by the **leading organisation**, although the sums to be used by each of the grouped organisations will be taken into account for calculating the grants annually collected by each of these.

❖ Account open on behalf of an agreement, project or measure:

With the exception stated for the case of funds used immediately on reception, the funds for an AECID grant must always be managed from **accounts opened exclusively for the agreement, project or measure** in question. These accounts have to comply with the following:

- ✓ The **name** used for the account must clearly identify the agreement, project or measure: the name of the account must include **the code for the framework agreement, project or measure and/or its abbreviated name**.
- ✓ **This may be open abroad**, or there may be several accounts abroad for the same agreement, project or measure. Any accounts abroad shall meet the requisites described in the following heading. [It is not necessary to apply for authorisation from the AECID for the accounts open on behalf of a framework agreement, project or measure to be abroad.](#)
- ✓ **Funds from different financers may be deposited in this**, on condition that they are going to be **assigned to implementation of the same** agreement, project or measure. [It is not necessary to apply for authorisation from the AECID for the accounts open on behalf of a framework agreement, project or measure to have funds from different financers deposited in these.](#)

❖ Accounts abroad:

Accounts open abroad must comply with the following:

- ✓ The **name** used for the account must clearly identify the framework agreement, project or measure: the name of the account must include **the code for the framework agreement, project or measure and/or its abbreviated name**. If the **legislation of the country does not allow** opening accounts with the name of a specific intervention, this requisite may be circumvented on condition that the **TCO/Antenna/CC** or Embassy of Spain in the country **issues a report with its approval**. [In this case, it is not necessary to apply for prior authorisation through the Management Unit; it will only be](#)

necessary to enclose the report of the TCO/Antenna/CC/Embassy when the relevant monitoring or final reports are sent in.

- ✓ **Funds from different financers may be deposited in this,** on condition that they are going to be assigned to implementation of the same agreement, project or measure. It is not necessary to apply for authorisation from the AECID for the accounts open on behalf of a framework agreement, project or measure to have funds from different financers deposited in these.

- ✓ **Different accounts may be opened abroad** on behalf of the same agreement, project or measure when:
 - the implementation is carried out in several countries
 - there are several local implementing partners
 - other circumstances make this advisableOpening different accounts abroad for the same framework agreement, project or measure does not require prior authorisation of the AECID. The only requirement is for this to be reported in the relevant monitoring or final reports.

2.3. USE OF FINANCIAL RETURNS (R11-III.7)

❖ Interest and financial returns are accumulated to the grant

Any **interest and other financial returns** generated in the bank accounts in which the funds from the AECID grants are deposited **are accumulated to the grant** and shall be applied to the same framework agreement, project or measure, under the following rules:

- ✓ these can be assigned to defraying **direct or indirect costs in the same percentage established for the grant.**
- ✓ they can **only** be spent **during the period for implementation** of the framework agreement, project or measure, unless these are assigned for use in expenses whose nature means that these accrue later (audits, evaluations, certified copies, compulsory translations of documents for their presentation with the final report).
- ✓ **the items** to which these apply **do not have to be identified**
- ✓ **it is not necessary to request authorisation from the AECID to apply these if:**
 - they are assigned to carrying out unscheduled audits. In this case the AECID shall be informed, since the period for presentation of a final report increases by three months if it goes along with an audit, and the AECID's approval has to be obtained to contract the auditors
 - these are not assigned to carrying out new, unscheduled activities, except for audits
 - their use does not imply any substantial modification (See Subsection 5)
- ✓ **authorisation of the AECID has to be obtained to apply these if:**
 - they are assigned to carrying out new, unscheduled activities, except for audits, which AECID will be informed of, obtaining its approval for contracting these.
 - their use implies a substantial modification (see Subsection 5)

❖ Accreditation of interest and other financial returns

The interest and other financial returns accruing in the bank accounts where the funds from the AECID are deposited **will have to be accredited by a bank certification or bank statements.**

❖ Allocation of interest and financial returns to different financers

If funds from different financers are deposited in the bank accounts on behalf of a framework agreement, project or measure, the **part** of the interest and financial returns **attributable to the AECID grant** shall be calculated in accordance with the following formula:

$$AECID\ Interest = \frac{Total\ interest\ x\ Total\ transfers\ of\ AECID\ funds\ to\ the\ account}{Total\ transfers\ to\ all\ the\ financers,\ including\ AECID}$$

3. DATES OF STARTING, IMPLEMENTATION PERIODS AND EXTENSIONS

3.1. START AND PERIODS FOR IMPLEMENTATION OF PROJECTS AND MEASURES

❖ Date starting (R11-IV.1.1)

✓ Prior deadline

The activities in a project or measure **cannot start prior to the date which is established in each call Resolution. More specifically, in the calls since 2005, these dates are** ^{v2014}:

- ***Calls for projects 2005 and 2006: date of receiving the funds, except in the case of*** activities required for **identifying** the intervention, which might have been done in the **five months** prior to the date of **the end of the period for submission** of proposals for each call (R09-IV.1.1).
- ***Calls for projects from 2007 to 2011: date of publication in the State Gazette of the Resolution for the call, with the same exception as regards identification expenses as in the 2005 and 2006 calls.***
- ***In 2012, 2013 and 2014 projects, from the date on which their respective period for submitting applications ends, with no exception whatsoever as regards any kind of expense.***
- ***In 2014 Measures, the same as for 2014 projects.***
- ***In later calls, what is laid down in the Resolution for the call shall be applicable.***

✓ Subsequent deadline

The activities of a project or measure **must be started** at the latest **up to two months after receiving the funds.**

If the activities cannot be got under way within two months from reception of the funds, the **AECID (through the Management Unit) may be requested for an extension** for starting the intervention. **The maximum extension** that may be granted for the starting date will be a **further two months**, that is, up to four months may be allowed from reception of the funds, the last two of these four months having to be authorised by the AECID ^{v2014}. **Should this be necessary, this application for extension must be made within one month from reception of the funds.**

For example:

Project from an ordinary call 2011:

- *published in the State Gazette (BOE) on 25th February 2011*
- *payment on 10th September 2011*

The starting date shall be from 25th February 2011 to 10th November 2011.

If an extension of the starting date is requested, this could be started at the latest on 10th January 2012.

✓ **Notification of the starting date**

The awardee organisation **must inform * the AECID of the real starting date, within one month from reception of the funds** along with the acknowledgment of this reception, **or request the extension** referred to in the previous heading **in that same period**. The period for implementation shall start to run from the initial date or extended initial date.

Why it is important to inform of the real starting date in the established period: because if this notification is not sent within one month from receiving the funds the AECID will consider the starting date to be the date of the payment order, and the periods for implementation, for submitting reports and justification will be calculated as from this time and the periods to which the expenses may be allocated will be taken into account.

For example:

In the example shown in the previous heading, if the awardee organisation does not inform of the real starting date, this will be considered to have been 10th September 2011.

Accordingly:

- *no expenses prior to that date will be allowed (except for those of identification) (see the heading on these expenses in Subsection 11.4)*
- *the implementation period will be considered as running from that date*

❖ **Implementation period (R11-IV.1.2)**

The **initial implementation period** of a project or measure is the one established in the **Resolution granting the subsidy**. This initial period **cannot be over:**

- **For projects:** 24 months
- **For measures:** 18 months

The implementation period **may be increased, under the following rules:**

✓ **The longest period for which** the execution of a project or measure **can be extended is half the initial implementation period. This maximum extension period is the sum of the extension period not requiring authorisation, where applicable, plus any extensions authorised by the AECID.**

✓ **For NGDO projects from calls until 2011 (R09-IV.1.2):**

- **The implementation period may be extended up to THREE months with no need for authorisation from the AECID.** The only requisite will be to inform the NGDO Department within the initial period for justification of the grant, for the AECID to be aware that the Final Report will be submitted later than was initially planned *. If the initial implementation period of a project were under six months, the maximum extension would be half that initial period and would not require any prior authorisation.

v2014

HIGHLY IMPORTANT: THREE-MONTH EXTENSIONS WHICH DO NOT REQUIRE AUTHORISATION ALWAYS REFER TO THE FIRST THREE MONTHS FROM THE INITIAL DATE OF TERMINATION.

- **The implementation period may be extended more than THREE months WITH the authorisation of the AECID. The application for extension must always be made before the initial implementation period plus the three-month extension for which no authorisation is required have ended. No extensions applied for outside this period will be authorised **.**

Extensions of over three months may only be authorised if the initial implementation term were over six months.

✓ For NGDO projects and measures from calls since 2012 (R11-IV.1.2):

- The implementation period may be extended up to SIX months with no need for authorisation from the AECID. The only requisite will be to inform the NGDO Department within the initial period for justification of the grant, for the AECID to be aware that the Final Report will be submitted later than was initially planned *. If the initial implementation period of a project were under twelve months, the maximum extension would be half that initial period and would not require any prior authorisation.

v2014

HIGHLY IMPORTANT: SIX-MONTH EXTENSIONS WHICH DO NOT REQUIRE AUTHORISATION ALWAYS REFER TO THE FIRST SIX MONTHS FROM THE INITIAL DATE OF TERMINATION.

** Why it is important to inform of the extension of the period which does not require any authorisation, in the time allowed for this: because if this notification is not received in the period stated, the period for submitting the Final Report will be considered based on the initially approved completion date.*

- The implementation period may be extended over SIX months from the initial date of completion after obtaining the AECID's authorisation. The application for extension must always be made **ONE MONTH** before the initial implementation period plus the six-month extension which does not require any authorisation have ended. **No extensions applied for outside this time will be authorised **.** Extensions of over six months will only be able to be authorised if the initial implementation period were more than twelve months.

*** Why it is important to apply for the extension within the established periods: because the AECID cannot authorise any extension applied for outside the period and financing of the expenses defrayed outside the period cannot be charged to the grant.*

Examples:

*Project from the 2011 call with **an initial term of 15 months:***

- *maximum total term with no need for authorisation, but having to inform the AECID: 18 months*
- *for periods over 18 months: application to be made before the 18 months have elapsed*
- *maximum term that can be approved by the AECID: 22.5 months*

*Project from the 2012 call with **an initial term of 24 months:***

- *maximum total term with no need for authorisation, but having to inform the AECID: 30 months*
- *for terms over 30 months: application to be made before the 30 months have elapsed*
- *maximum term that can be approved by the AECID: 36 months*

*Measure with **an initial term of 10 months:***

- *maximum total term with no need for authorisation, but having to inform the AECID: 15 months*
- *terms over 15 months: cannot be authorised*

3.2. START AND PERIODS FOR IMPLEMENTATION OF FRAMEWORK AGREEMENTS (R11-IV.2)

❖ Date of starting implementation of the grant

The date of **starting the implementation of the grant** is the date on which the **pre-agreement is signed**.

No expenses may be allocated to the grant prior to signing the pre-agreement. From this date and until the **real date of starting the implementation in the field**, only **expenses stemming from definitive identification and formulation** of the agreement may be allocated (with a limit of 60,000 euros and for the maximum time authorised for that phase), and these **may not under any circumstances be investment expenses**.

❖ Date of starting implementation in the field

The **real date of starting** implementation of the agreement in the field **must be made known** to the AECID (NGDO Department) **with the submission of the final formulation**.

The deadlines for starting implementation in the field are:

✓ Prior deadline:

Implementation in the field may start **the day after** the presentation of the **formulation**, it not being necessary to **wait** until **the definitive Framework Agreement is signed**. Nonetheless, **if the Agreement were finally not signed, the implementation expenses for this period would not be able to be subsidised** and a **settlement only for the expenses for the identification and formulation stage would be submitted**, including the proportional part of overheads, with a limit of 60,000 euros. The proper interest in arrears would be applied to reimbursement of the rest of the funds of the first yearly payment, including the balance of the 60,000 euros, or of the remainder of the first 60,000 euros, in the case of agreements from calls after 2012. **It is not necessary to have the authorisation of the AECID to start implementation in the field before signing the definitive Agreement, but the only requirement is for this to be reported.**

✓ Subsequent deadline:

Implementation in the field must be started in **at most six months from submission of the formulation**.

If implementation in the field cannot start within six months from the submission of the formulation, **the AECID (NGDO Department) may be requested for an extension** for starting the intervention. **The longest extension** that may be granted for the date of getting implementation under way in the field will be a further three months, that is, **up to nine months from submission of the formulation**. **Should any such extension be needed, this must be applied for within six months from submitting the formulation.**

After the maximum term of nine months has elapsed from submission of the formulation **without the implementation of the intervention in the field having started, a settlement shall be submitted, referring only to the expenses for the identification and formulation stage**, including the proportional part of overheads, with the limit of 60,000 euros, **and the rest of the funds paid by the AECID shall be refunded** with the proper interest in arrears.

❖ Implementation periods

➤ Identification and formulation

The final **identification and formulation*** of the framework agreement must be made in the **term of:**

- ✓ If the framework agreement is for **calls until 2011** (R09-IV.2.2): **FOUR months from signing the pre-agreement**. The **AECID (NGDO department)** may be asked for an extension of this term. **The application must be made before the end of the initial four-month term**. The **maximum extension** that can be authorised is of **two months**, that is, the maximum period for identification and formulation may be six months, if AECID gives its consent.
- ✓ If the framework agreement is for **calls since 2012** (R11-IV.2.1): **SIX months from signing the pre-agreement**. **This term is non-extendible**. If it were not submitted, the organisation would be required to provide this in fifteen days. If said term were to expire without meeting the request the obligation would be deemed not complied with. Submission of the formulation will nevertheless be accepted on condition that this is done before the AECID declares and informs of the non-compliance.

The **expenses** that may be defrayed in this period from the AECID grant are subject to the following **limitations:**

- These will **only** be expenses connected with and **required** for the final **identification and formulation**.
- Their maximum **limit** is **60,000 euros**, including the proportional part of overheads.
- **These may not include expenses for investment** in capital goods, except in the form of depreciation.

The following must also be submitted with the presentation of the final formulation of the Agreement:

- The first **Annual Planning Document**
- **Declaration of the date** planned for **starting** implementation of the Framework Agreement in the field (see the limits of this date in the previous heading on starting dates)
- The **CV** of the **person in charge** (or of those in charge in the case of Framework Agreements in several countries) of the Agreement in the field.

** It is advisable for the **team making the identification to get in touch with the TCO** from the intervention country, follow their recommendations and keep them informed of its development*

➤ Reformulation

The periods allowed for examination of the final formulation of the framework agreement and reformulation, if this were necessary, are:

- ✓ Framework Agreements awarded pursuant to Resolutions from **calls until 2011** (R09-IV.2.3):
 - 30 working days for the AECID to make a pronouncement
 - 15 working days for the NGDO to reformulate if the AECID requires it to do so
- ✓ Framework Agreements awarded pursuant to Resolutions from **calls since 2012** (R11-IV.2.2):
 - Three months for the AECID to make a pronouncement
 - 45 days for the NGDO to reformulate if the AECID requires it to do so

Any failure to reformulate may give rise to termination of the pre-agreement and to the request for repayment of the funds advanced by the AECID, deducting expenses for identification and formulation.

➤ Implementation in the field

References to periods of implementation of framework agreements shall be understood to refer to periods of implementation in the field. The maximum initial term for implementation in the field of framework agreements is **FOUR YEARS** from the date of starting as declared by the NGDO (see limitations of the starting date in the previous paragraph).

THE FOLLOWING RULES APPLY FOR EXTENSIONS OF THE IMPLEMENTATION PERIOD:

- ✓ In framework agreements under Resolutions for calls until 2011 (R09-IV.2.5):
 - The implementation period may be extended up to THREE months with no need for authorisation from the AECID. The only requisite is to inform the NGDO Department for the AECID to take into account that the Final Report will be submitted on a later date than the one initially planned.

- The implementation period may be extended over THREE months WITH the authorisation of the AECID. The application for extension must be made prior to the conclusion of the initial term of implementation plus the three months for which authorisation is not required. No extensions applied for outside this period will be authorised*.

** Why it is important to request the extension within the period: because the AECID cannot authorise any extension applied for outside the period and any expenses defrayed outside the period cannot be financed under the grant.*

- ✓ In framework agreements under Resolutions for calls since 2012 (R11-IV.2.4):
 - The implementation period may be extended up to SIX months with no need for authorisation from the AECID. The only requisite is to inform the NGDO Department for the AECID to take into account that the Final Report will be submitted on a later date than the one initially planned.
 - The term of implementation may be extended over SIX months WITH the authorisation of the AECID. The application for extension must be made prior to the end of the initial term of implementation plus the six months that do not require authorisation. No extensions applied for outside this period will be authorised*.

v2014 **HIGHLY IMPORTANT: THREE OR SIX-MONTH EXTENSIONS NOT REQUIRING AUTHORISATION ALWAYS REFER TO THE FIRST THREE OR SIX MONTHS FROM THE INITIAL DATE OF TERMINATION**

LONGEST ADMISSIBLE PERIODS:

- ✓ In framework agreements under Resolutions for calls until 2011 (R09-IV.2.5):
 - the longest period for which the implementation of an agreement can be extended is two years, whatever its initial duration. This maximum term is the sum of the three months not requiring authorisation plus the extensions authorised by the AECID.
- ✓ In framework agreements under Resolutions for calls SINCE 2012 (R09-IV.2.5):
 - the longest period for which the implementation of an agreement can be extended is half its initial period. This maximum period is the sum of the six months not requiring authorisation plus the extensions authorised by the AECID.

4. FORMS OF IMPLEMENTATION (R11-V.1)

Implementation may take any of the following three forms: direct implementation, implementation by means of local partners or subcontracting, or by a combination of these:

❖ Direct implementation

Direct implementation is understood to mean the type which the awardee organisation implements with its **own human and material resources, including** the ones that it has available in the implementation country through its headquarters, **branches or subsidiaries**. Direct implementation shall also be taken to cover the type in which third parties **have to be contracted** when the contracting party **cannot carry out** the activity contracted **itself**, because this is not within its corporate purpose or usual field of business (see Subsection 7 on the distinction between contracting and subcontracting).

❖ Implementation through local partners

Local partners or counterparts are **organisations totally or partly taking on direct implementation** of the actions subsidised, **on behalf of the awardee entity**. These may be:

- ✓ **legal persons** created or recognised in accordance with the legislation of the country in which the action will be carried out, or
- ✓ **groups of natural persons with no legal personality**, on condition that there is at least one private document signed by them in which they establish the purpose of their group and the rights and duties of the members.

These must **be identified** in the **proposal** for the framework agreement, project or measure. **Any modification of the local partners must have the prior authorisation of the AECID, requested through the Management Unit (see Subsection 5.1 on substantial modifications).**

Total or partial implementation of the grant by local partners shall not be considered subcontracting. Such implementation will be considered for all purposes in the same terms as implementation by the awardee organisation itself. The expenses incurred by the local partner must thus be similarly accredited with supporting documents issued by third parties. Only those contracted can invoice charges to the intervention.

The **organisation awarded** the grant shall be **responsible to the AECID** for its **implementation** and proper **justification**, regardless of whether its implementation was fully or partly performed by local partners.

❖ Subcontracting

It is allowed to subcontract only **partly** (see Subsection 7) **third parties²** who use **their own human and material resources** for the operation, **including** those they have available in the implementation country through **their headquarters, branches or subsidiaries**.

v2014 HIGHLY IMPORTANT: NO CONTRACTING OR SUBCONTRACTING WILL BE AUTHORISED WITH NATURAL OR LEGAL PERSONS CONNECTED TO THE AWARDEE ORGANISATIONS, LEADERS OR GROUPS, OR THEIR LOCAL PARTNERS.

² **Natural or legal persons other than the awardees, their partners in groups or local partners.** v2014

5. MODIFICATIONS (R11-V.4)

5.1 SUBSTANTIAL MODIFICATIONS

❖ What modifications are considered substantial

Only modifications **entailing a change** in one or several of the following aspects are considered **substantial modifications**:

- ✓ objectives
- ✓ results
- ✓ target population
- ✓ spatial location
- ✓ local partner

And which are furthermore:

- ✓ of **qualitative nature** (e.g. changing one result for another, or one zone of intervention for another)

Modifications of quantitative nature (e.g. quantitative reduction or increase of results or number of final persons in target collective in respect of the ones planned) are not substantial modifications and do not require the authorisation of the AECID. Failure to achieve an objective, obtaining inferior results than the ones planned, or reducing the number of the final target collective should be made known to the AECID in the relevant reports.

❖ Authorisation of substantial modifications

**ANY INTRODUCTION OF
SUBSTANTIAL MODIFICATIONS
MUST ALWAYS BE APPROVED *
BEFOREHAND BY THE AECID.**

**** Why it is important to request authorisation for a substantial modification in due time: because the AECID cannot authorise a modification when it has already been implemented and the expenses accrued by this could be subject to a request for reimbursement.***

The **application** for authorisation of a substantial modification **must be sent in according to the following rules**:

- ✓ It must be sent to the **Management Unit**** for the grant
- ✓ **It must be sent** in within **two months** from the time when the **circumstances justifying this arise**
- ✓ **It must be sent in before** the modification **starts to be implemented.**

***** For processing any substantial modification, the Management Unit will request **information from the TCO** in the country or countries where the intervention is being implemented.***

5.2. ACCIDENTAL MODIFICATIONS

❖ What modifications are accidental

The following constitute **accidental modifications**:

- ✓ the ones that do **not** entail any qualitative change or change in objectives, results, target population, spatial location, or in local partners
- ✓ the ones that do **not** entail changes in dates and deadlines
- ✓ **changes between budget lines** which do not entail modifications of objectives, results, target population, spatial location or local partners

❖ Accidental modifications not requiring the authorisation of the AECID

It is not necessary to request authorisation of the Awarding Body, the AECID, to bring in any accidental modifications to the agreement, project or measure. These must only be reported in the Annual Monitoring and Planning Reports or in the relevant Final Reports.

Examples:

The travel and accommodation item is reduced and the one for renting is increased

Reason: a workshop that was intended to be held in a location further away where there were free premises is held somewhere nearer, but premises have to be rented to be able to give this.

The result (persons trained) is not changed-

The modification is accidental and does not require the authorisation of the AECID.

The number of housing units to be built is reduced.

Reason: the cost of building materials has doubled since the activity was budgeted.

The result (number of families who have their living conditions improved) is not modified qualitatively but quantitatively.

The modification is accidental and does not require the authorisation of the AECID.

6. MONITORING

6.1. MONITORING MISSIONS (R11-V.6.1)

The Management Unit for the grant may:

- ✓ **Carry out monitoring missions in the field** to find out how far the interventions are being accomplished, as well as the awardees' compliance of the principles of announcement, transparency, equality and non-discrimination in the implementation of the grant.
- ✓ **Collect evaluation reports from the TCO, or CC** as the case may be.

The AECID may consider any of the activities subsidised as being accomplished when any substantial non-compliances of the awardees are detected. In this case it shall demand the presentation of the final report and the repayment of any funds not applied until that time, with no detriment to any possible refunds that might arise through the review of the final report, along with the proper interest in arrears accruing from the time when the grant was made effective.

6.2. COMMISSIONS FOR MONITORING FRAMEWORK AGREEMENTS (R11-V.6.2)

❖ Monitoring Commissions at the headquarters

The Follow-up Commission for the Framework Agreement at the headquarters **is set up after the Resolution to grant the award** * and is made up of:

- ✓ up to **three** representatives of the **AECID**, one of whom belongs to the **NGDO Department**, and
- ✓ up to **three** representatives of the awardee **NGDO**

** It is **highly recommendable** for the first meeting, at which the Commission is set up, to be held **during the formulation period**. To hold this first meeting, the NGDO Department will request **information from the TCO** in the country or countries where this is located or where the identification is being carried out.*

The Framework Agreement Follow-up Commission **does not** have **resolving power**, but is the **regular channel** through which substantial activities and phases are monitored, and for any incident which may arise in the undertaking of the intervention.

The Follow-up Commission at headquarters for any **agreements awarded** pursuant to Resolutions for **calls until 2011** must **meet at least once a year** (R09-IV.2.1.1), and on as many other occasions as both parties deem fit.

For Framework Agreements from **calls since 2012**, at least one **Follow-up Commission for the headquarters or in the field** must meet at least **once a year** (R11-V.6.2).

The **representative of the NGDO Department** is **in charge of** coordinating the other members of the Commission and of **calling** their meetings, as well as drawing up Minutes, where applicable. The representative of the NGDO Department may call the meetings of the Commission:

- ✓ In Spain, normally at the central **headquarters** of the **AECID**, or
- ✓ In the **intervention country**. In this case at least **one** representative of the **TCO** and, whenever possible, **one** representative of the **local partners** implementing the agreement shall attend.

Minutes will be drawn up of the meetings of the Follow-up Commission only **when agreements implying introducing substantial modifications** into the Agreement **are adopted**. These Minutes shall be used as a **basis for processing** the Resolution for authorisation of said modifications. It will therefore not be necessary for the NGDO to send the AECID any application for substantial modification in this case.

When there are any unsolvable **disagreements** between the two parties, it will be the **AECID** which will adopt the relevant final resolution.

❖ Monitoring Commissions in the field

The Monitoring Commissions described in the previous heading are compulsory, in accordance with regulations. **Monitoring Commissions in the field may** * also be set up, these being made up of:

- ✓ up to **three** representatives of the **TCO** and

- ✓ up to **three of the NGDOs** awarded the agreement, at least **one of these necessarily** having to belong to the partner or one of the **local partners** executing the agreement. **It is advisable to invite local authorities to take part in the Monitoring Commissions in the field.**

For the same Framework Agreement **as many Monitoring Commissions** * in the field **as countries** are involved in the intervention may be arranged. In the case of multi-national framework agreements, preference will nevertheless be given to the Monitoring Commissions at the headquarters.

** The **constitution** or not of Monitoring Commissions **in the field shall depend on the existence of TCO in the country or on the resources and possibilities of existing TCO.***

The **TCO shall inform the NGDO Department of any incidents and agreements** reached at these Commissions. **These agreements**, both the ones for Commissions directed by the NGDO Department, **do not have resolving powers.** Consequently, if these **imply the introduction of substantial modifications or other aspects requiring the authorisation of the Awarding Body, such as extensions, authorisations of the use of receipts, alternative formulas to transfers of goods, or authorisation for using Certifications of Implementation of Activities for example, the NGDO will have to submit the application in writing to the AECID, through the NGDO Department.**

7. CONTRACTING AND SUBCONTRACTING

❖ How subcontracting is differentiated from contracting

Contracting is a term used to define **commissioning third parties** with supplies, building or technical services on condition that **there is no employment relationship** with these third parties.

Subcontracting is a type of contracting taking place when the contracting party **can carry out the activity itself**, through forming part of its corporate purpose or usual business, and yet they nevertheless decide to have a third party do this.

When the contracting party **cannot implement the activity contracted itself, because this does not form part of its corporate purpose or usual business, commissioning third parties with this work is not*** considered **subcontracting**.

** The following are not considered subcontracting:*

- ✓ *Subcontracting personnel with an employment type of relationship*
- ✓ *Subcontracting building, supplies or services, unless these are the usual ones involved in the awardee's business.*

For example:

Contracting building work charged to the grant is not considered subcontracting unless the awardee of the grant is a building company.

In cases in which the awardee is an NGDO, the following are not considered subcontracting:

- ✓ *Contracting personnel with an employment type of relationship*
- ✓ *Contracting building or supplies, unless other NGDOs are commissioned with these*
- ✓ *Contracting services or assistance unless:*
 - *other NGDOs are commissioned with these*
 - *the purpose of the contract is carrying out identifications and formulations of interventions of cooperation for **development***
 - *the purpose of the contract is to carry out activities for awareness-raising and education for development.*

❖ Basic rules for contracting (R11-V.2)

Sums may be charged to the AECID grant **for contracts with other institutions**, or with **private individuals** with whom **there is no employment type of relationship**, for carrying out supplies, building, technical assistance or activities involved in the agreement, project or measure. **NEITHER PRIVATE INDIVIDUALS NOR ORGANISATIONS MAY HAVE ANY BONDS WITH THE AWARDEES OR THEIR LOCAL PARTNERS**

The **following rules** must be respected in order to contract:

- ✓ **LOCAL (from the implementation country)** professionals, companies and private individuals should **PREFERABLY** be used. **If contracting on the local market is not possible or it is impossible to obtain**

minimum quality on that market, whatever the amount of the contract, the approval of the TCO/Antenna/CC/Embassy must be sought to contract on another market *. The only exceptions to this rule are contracting audits and the ones required to be made in operations for emergency aid. ^{v2014} **UNLESS THERE ARE NO COMPANIES OR PRIVATE INDIVIDUALS ON THE LOCAL MARKET IN A POSITION TO EXECUTE THE CONTRACT, COMPETITION ON THAT MARKET MUST BE PROMOTED BEFORE RESORTING TO APPLYING FOR OFFERS IN OTHER COUNTRIES.**

** It is not necessary to apply for **authorisation** from the Awarding Body of the AECID to not contract on the local market; just to enclose the approval of the TCO/Antenna/CC/Embassy with the relevant monitoring or final report*

- ✓ None of the parties coming under any of the circumstances stipulated in Article 13.2 of the Spanish General Grants Act (LGS) or in Article 49 of the Spanish Act on Public Sector Contracts (LCSP) *** may be contracted.
- ✓ The Spanish General Grants Act furthermore **does not allow contracting with persons or entities connected with the awardee**, or with those who have obtained a grant for the same activity or who have been candidates at the same call and were not awarded the grant due to failing to meet the requisites established or not being valued highly enough.
- ✓ In contracts for **evaluations**, the **terms of reference** and the **proposal for evaluators** selected **will have to have the approval of the AECID** (Management Unit).
- ✓ In contracts for **audits** the proposal for **auditors** will have to **have the approval of the AECID** (Management Unit). **If the auditors are local**, they will still also need the **certificate of the TCO/CC/Antenna/Embassy** or that of a Local Notary. These can only be carried out in accordance with the model terms of reference provided by the AECID.
- ✓ For contracting **building of over 30,000** euros or supplies, services or technical assistance of over 12,000** euros**, it will be necessary to:
 - request at least **three tenders and justify** the one chosen **if this is not the most economical one**
 - **if it is not possible to ensure competing tenders, this will require the approval of the TCO/Antenna/CC/Spanish Embassy ***
 - The request for tenders can also **be made on the basis of obtaining a larger number** of goods and services **for the same sum**.
 - **Any purchases for emergency interventions** and allocations to the grant of **items previously acquired and supplied for use in emergency interventions shall be exceptions** to these rules, on condition that the organisation has a policy for transparency and promotion of competition for purchase of said items.

*** **Dividing items to avoid these limits is not admissible. The limits are considered in respect of the entirety of an activity implemented by the same supplier, without this being able to be split into different subactivities or stages, on condition that the existence of these is foreseeable or known at the time the contracting is carried out (e.g. if the identification of a framework agreement is contracted, the limit of 12,000 euros applies to the sum of all the expenses involved, fees, per diems, travel, whether or not these are considered in the contract or although these are invoiced or paid separately.)***

** It is not necessary to apply for **authorisation** from the Awarding Body of the AECID for there not to be competing offers, only to enclose the approval of the TCO/Antenna/CC/Embassy with the relevant monitoring or final report.*

The following are prohibited by the LGS (General Grants Act):

- a) Having been sentenced by a final judgment to forfeiting the possibility of obtaining public aid or grants.
- b) Having applied for bankruptcy proceedings, having been declared insolvent in any procedure, being declared bankrupt, being subject to judicial intervention or having been disqualified according to the Bankruptcy Act without the period of disqualification set in the judgment on qualification of the bankruptcy having concluded.
- c) Having brought about the final termination of any contract entered into with the Administration, on grounds for which they had been found to be at fault.
- d) The natural person, the managers of companies or those holding the legal representation of other legal persons being involved in any of the cases set forth in Act 12/1995, of 11th May, on Incompatibilities of Members of the Nation's Government and Senior Officials in General State Administration, of Act 53/1984, of 26th December, on Incompatibilities of Personnel serving in the Public Administrations, or involving any of the elected posts governed in Organic Act 5/1985, of 19th June, on the General Electoral system, in the terms established in this or in the autonomous community regulations governing these matters.
- e) Not being up to date in compliance with tax or Social Security obligations imposed by current legislation as this is statutorily determined.
- f) Having a tax residence in a country or territory statutorily qualified as a tax haven.
- g) Not being up to date with payment of obligations for refunding grants in the statutorily determined terms.
- h) Having been sentenced by a final judgment to forfeiting the possibility of obtaining grants according to this law or the General Tax Act.

Prohibitions of the LCSP (Spanish Law on Public Sector Contracts):

- a) Having been convicted by a final judgment for offences of unlawful association, corruption in international economic transactions, exercising undue influence, bribery, fraud and extortion, offences against the Public Treasury and Social Security, offences against workers' rights, misappropriation and receiving stolen goods and similar conduct, offences involving protection of the environment, or sentenced to special disqualification from exercising a profession, practice, industry or trade. The prohibition from contracting extends to legal persons whose managers or representatives with currently effective posts or powers of representation are in the aforementioned situation due to acts carried out on behalf or in the benefit of said legal persons, or which involve the conditions, qualities or relations required by the corresponding definition of the offence to be the perpetrator of this.
- b) Having applied for bankruptcy proceedings, having been declared insolvent in any procedure, being declared bankrupt, being subject to judicial intervention or having been disqualified according to Act 22/2003, of 9th July, on Bankruptcy, without the disqualification period set in the judgment for qualification of the bankruptcy having concluded.
- c) Having been convicted in a final judgment for serious infringements involving breach of market discipline, in the professional area or in the field of employment integration and equal opportunities and non-discrimination of persons with disabilities or for very serious infringements in the social area, including infringements in the area of prevention of employment risks, as laid down in the Consolidated Text of the Act on Employment Infringements and Penalties, passed by Royal Legislative Decree 5/2000, of 4th August, or in the environmental field, in accordance with what is laid down in Royal Legislative Decree 1302/1986, of 28th June, on Environmental Impact Assessment, in Act 22/1988, of 28th July, on Coasts; in Act 4/1989, of 27th March, on Preservation of Natural Areas and Wild Flora and Fauna; in Act 11/1997, of 24th April, on Packaging and Packaging Waste; in Act 10/1998, of 21st April, on Waste; in the Consolidated Text of the Waters Act, approved by Royal Legislative Decree 1/2001, of 20th July, and in Act 16/2002, of 1st July, on Integrated Prevention and Control of Contamination.
- d) Not being up to date with compliance of tax or Social Security obligations imposed by effective legislation in the statutorily determined terms.
- e) Having committed any falsehood in making the responsible declaration referred to in Article 130.1.c) or in giving any other data as regards their capacity and solvency, or having failed to comply, for a cause attributable to this, with the obligation to give the information stipulated in Article 59.4 and in Article 305.
- f) The natural person or administrators of the legal person coming under any of the cases of Act 5/2006, of 10th April, on regulation of conflicts of interests of the members of the Government and Senior Officials in General State Administration, of Act 53/1984, of 26th December, on incompatibilities of personnel serving in Public Administrations or when any of the elected posts regulated in Organic Act 5/1985, of 19th June on the General Electoral System are involved, in the terms established in this.

Prohibition will extend to the legal persons in whose capital the personnel and senior officials of any Public Administration, as well as the elected posts in their service, have any interest, in the terms and amounts established in the aforementioned legislation.

The prohibition similarly extends in both cases to the spouses, persons connected with a similar cohabitation partnership relationship and descendants of the persons referred to in the previous paragraphs, on condition that said persons are the legal representatives of the latter.

g) Having contracted persons in respect of whom the “State Gazette” has published the non-compliance referred to in Article 18.6 of Act 5/2006, of 10th April, on regulation of conflicts of interests of members of the Government and Senior Officials of General State Administration, through having started to render services at private companies or organisations directly connected with the competences of the post held for two years as from leaving said post. The prohibition from contracting shall be maintained for as long as the person contracted remains in the organisation of the company with a maximum limit of two years as from leaving the senior position.

2. Apart from the ones stipulated in the previous subsection, the following shall be circumstances preventing businesspersons from contracting with Public Administrations:

a) Having brought about the final termination of any contract entered into with the Administration, on grounds for which they had been found to be at fault.

b) Having infringed any prohibition from contracting with any of the public Administrations.

c) Being covered by any prohibition from contracting imposed by virtue of an administrative sanction, in accordance with what is laid down in General Grants Act 38/2003, of 17th November or in General Tax Act 58/2003, of 17th December.

d) Having unduly withdrawn their proposal or candidacy in an award proceedings, or having prevented the final award of the contract to them due to not having complied with what is laid down in Article 135.4 in the period allowed for this involving bad faith, culpability or negligence.

e) Having failed to comply with the special conditions for executing the contract laid down in accordance with what is stated in Article 102, when said non-compliance had been defined in the conditions or in the contract as a serious infringement according to the provisions for implementation of this Law, and involving the businessperson’s bad faith, culpability or negligence.

3. Prohibitions from contracting shall similarly affect any companies which, because of the persons running them or other circumstances, may be presumed to be a continuation or stem through transformation, merger or succession, from other companies in which the former had been involved. ()*

*** CAUTION: The AECID cannot authorise exceptions from these rules, or from any others established in regulations with force of Law.**

❖ **Basic rules for subcontracting (R11-V.3)**

Apart from the basic rules indicated for contracting in the previous heading, the following must also be applied in the case of subcontracting:

- ✓ only activities of **up to at most 15%** of the budget subsidised may be subcontracted.
- ✓ no percentage of subcontracting at all **shall be allowed for awardees accessing the credit reserve** established in calls for **measures** for grants to be implemented outside Spain, in priority countries for Spanish aid, and requested by non-governmental bodies in those countries.
- ✓ **subcontractors will only be obliged to the awardee** of the grant, which is the party assuming all responsibility for implementation of the activity subsidised in respect of the Administration.

8. ACQUISITION OF GOODS: FINAL TRANSFER AND APPROPRIATION

8.1. APPLICATION DEPENDING ON THE YEAR OF THE CALL

The rules described in this Subsection will be applied as follows:

- ✓ In calls **until 2011** (R09-II.6): to goods purchased with **the AECID grant**.
- ✓ In calls **since 2012** (R11-V.5): to goods purchased with **the AECID grant and with the compulsory co-financing percentage**.

8.2. FINAL TRANSFER (R11-V.5.1)

❖ Who the goods acquired may be transferred to

Any **properties** purchased, built or restored (when the restoration affects or comprises structural elements), **vehicles** and other **equipment** purchased *, must be transferred at the end of the intervention to:

** If at the end of the intervention the **period of compulsory appropriation (application)** of the property for purposes of the intervention has also ended, there shall be no obligation to transfer these. (See these periods in the following heading)*

- ✓ **the final target collective**, or alternatively to
- ✓ **legally constituted groups of those target collectives**, or alternatively to
- ✓ **public organisations** guaranteeing the continuity or endurance of the intervention

The transfer must be **accredited** by documentary evidence in the **final report, with the document drawn up according to the template** provided by the AECID.

❖ Who the goods acquired may not be transferred to

The **goods** acquired with the AECID grant **cannot be kept by**:

- ✓ the **organisations** awarded the grant, nor
- ✓ their **local partners**

Unless ** the awardee organisation or the local partner, which is going to own the goods, comes into one of the following categories:

- **these are public entities**, or alternatively
- **these are the final target collective**, or alternatively
- these are a legally incorporated **group of final target collectives**, or alternatively
- **these are organisations representing** certain **vulnerable sectors** such as women, workers, the disabled, native peoples or those of African descent, constituted and made up mainly of recipients of the type described and a specific **objective** of the intervention is their **reinforcement**.

*** No AECID authorisation is required for transfer to the awardee of the grant or to the local partner, if they come into one of these categories.*

❖ Alternatives to transfer

➤ Formulas for transfer to the local partner (or to the local awardee organisation)

Proposals of alternatives to the transfer to final target collectives or local public entities may be made which mean that local partners (or the organisation awarded the grant, if this is local) continue to own the items, **with the following two conditions:**

- ✓ that **neither the final target collectives nor the public entities** are in a position to **take on the transfer**
- ✓ that the **alternative** proposed **consists** in:
 - **signing agreements** between some **public entity and/or** a legally incorporated **group of final target collectives**, on one hand, and the body in whose power the goods will be left, on the other, in which the public entity or the group of target collectives undertakes to monitor the activities and to guarantee that the appropriation of the property for the purposes for which this was acquired will be maintained, or of
 - **recognition** by the **local authorities** that the centres built, restored or equipped are “**subsidised centres**” (or their local equivalent) under arrangement with the local public policies of education, health or other local domains.

The alternative must be approved by the Awarding Body of the AECID, for which purpose the awardee organisation must submit its substantiated proposal through the Management Unit. The proposal must be endorsed by the TCO/Antenna/CC/Embassy in the intervention country.

➤ Application for extension

It is possible to apply for an **extension** for making the transfer and to allow the goods to **provisionally continue to be kept by the local partner (or the organisation awarded the grant, if this is local)**, when **exceptional unforeseen circumstances**, such as the existence of a military conflict or situation of great political instability and insecurity, **prevent making the transfer or using the alternative formulas** described in the previous heading.

The extension must be approved by the AECID Awarding Body, for which purpose the awardee organisation must submit its substantiated proposal to the Management Unit. The proposal must be endorsed by the TCO/Antenna/CC/Embassy of the intervention country.

After ten years of extensions authorised by the AECID have elapsed, the obligation to transfer the goods will be considered to have concluded, if:

- ✓ the **circumstances** that gave rise to granting the extension continue, and
- ✓ the entity which kept the goods has certifiably and sufficiently **accredited the appropriation** of the goods for the purpose for which the subsidy was granted and their **proper management** to the entire **satisfaction of the final target collective***.

** On the other hand, if **the entity owning these had assigned the goods to other purposes than the ones for which the subsidy was granted during the period of the extension for the transfer of the goods**, the AECID will proceed to **request the awardee organisation for the refund of the funds** invested in the goods.*

➤ Appropriation to other interventions

The goods acquired with a grant may be **appropriated to another intervention, postponing the transfer until the end** of this new intervention, if the following conditions are met:

- ✓ for the new intervention to be under way or due to be started immediately
- ✓ for the new intervention to be implemented by the same awardee, or by one of the members of the awardee group
- ✓ for the new intervention also to be implemented with AECID financing
- ✓ for the new intervention to cover the same final target collective and/or for the same local authorities as in the initial intervention be able to receive the transfer.

The new appropriation will have to be approved by the Awarding Body of the AECID, for which purpose the awardee must submit its substantiated proposal to the Management Unit.

➤ Depreciation

When the goods to be transferred are **equipment, machinery or vehicles**, the awardee may **opt** for partly allocating the cost of the goods acquired to the AECID grant, under the formula of **depreciation**. (See Subsection 10.2)

SUMMARY TABLE OF CONDITIONS FOR TRANSFERS	
TO WHOM	CONDITIONS
<i>Final target collective or groups of these</i>	<i>In all cases (not requiring authorisation)</i>
<i>Local public entities</i>	<i>In all cases (not requiring authorisation)</i>
<i>Awardee (when these are local) or local partners</i>	<i>If these are local public entities (not requiring authorisation)</i>
	<i>If these are a final target collective or groups (not requiring authorisation)</i>
	<i>If they have an agreement with a public entity or group of target collectives by means of which the latter commit themselves and assume responsibility for monitoring and assigning the goods to the intervention (Requires authorisation by the AECID)</i>
	<i>If these are centres recognised as “subsidised centres” by the public authorities of the implementation country (Requires authorisation by the AECID)</i>
	<i>If an extension has been requested for the transfer and after 10 years, the transfer continues to be impossible and the local partner accredits the appropriation of the goods to the purposes, their proper management and the satisfaction of the final target collectives (Requires authorisation by the AECID)</i>
	<i>Only in the case of equipment, machinery and vehicles, if only the depreciation of the goods is assigned to the grant, or if at the end of the intervention their period of appropriation has ended (section 8.3) (not requiring authorisation)</i>
	<i>If an extension is requested for the transfer, during the period authorised (at most ten years) (Requires authorisation by the AECID)</i>
	<i>By means of an immediate provisional appropriation to another project or agreement financed by AECID, with the same target collective and/or the same local entities able to receive the transfer, until completion of the new intervention (Requires authorisation by the AECID)</i>
<i>The AECID will not be able to authorise any alternative to the transfer not included in this subsection.</i>	

8.3. PERIOD OF APPROPRIATION OF THE GOODS TO THE INTERVENTION (R11-V.5.2)

The **goods** acquired must be **formally appropriated for the purposes** for which the subsidy was granted.

✓ The **period of appropriation (application)** to the purposes of the intervention is **calculated**:

- For **land and properties**: from the **date of completion** of the implementation
- For **the other goods**: from **the date of acquisition** *

✓ The **duration** of the period of appropriation is:

- Land and properties: 20 years
- Industrial or farming machinery and generators: 10 years
- Office furnishings: 10 years
- Industrial and farming tools: 6 years
- Means of transport: 5 years
- I.T. equipment, photocopiers, faxes, telephones, radio equipment or others of similar nature: 4 years

SUMMARY TABLE OF APPROPRIATION OF GOODS		
TYPE OF GOOD	PERIOD OF APPROPRIATION (APPLICATION)	START OF CALCULATION OF THE APPROPRIATION PERIOD
Land and properties	20 years	From the date of completing implementation
Industrial or farming machinery and generators	10 years	From the date of acquiring the good *
Office furnishings	10 years	
Industrial and farming tools	6 years	
Means of transport	5 years	
I.T. equipment, photocopiers, faxes, telephones, radio equipment or others of similar nature	4 years	

** If the compulsory appropriation (application) period for the goods has also ended when an intervention is completed, there will be no obligation to transfer these*

9. REQUIRED REPORTS

9.1. ANNUAL MONITORING REPORT

❖ Project monitoring reports

➤ When these are compulsory

Annual monitoring reports are **compulsory** in the case of **projects** whenever **there are implementation periods over:**

- ✓ Projects from **calls until 2011** (R09-VI.1.1): **15 months.**
- ✓ Projects of **calls since 2012** (R11-VI.1.1): **18 months.**

This **takes place** when the real duration of the Project, including authorised extensions or ones with no need for authorisation (see Subsection 3.1 on periods and extensions):

- ✓ In projects from **calls until 2011** (R09-VI.1.1):
 - **Exceeds 15 months, but is not over 27.** In this case there will be a single monitoring report referring to the **first twelve months of implementation.**
 - **Exceeds 27 months.** In this case there will be **two monitoring reports**, one referring to the **first twelve months** of implementation and **another** covering to the months **from 13 to 24**, both inclusive.
- ✓ In projects from **calls since 2012** (R11-VI.1.1):
 - **Exceeds 18 months, but is not over 30.** In this case there will be a single monitoring report referring to the **first twelve months of implementation.**
 - **Exceeds 30 months.** In this case there will be **two monitoring reports**, one referring to the **first twelve months** of implementation and **another** referring to the months **from 13 to 24**, both inclusive.

➤ Period for submission *

- ✓ Projects from **calls until 2011** (R09-VI.1.1):

These must be submitted in at most **45 calendar days** as from **the day after the one on which the annual period to be reported ends.** This period may only be extended up to half the initial period, i.e. for a further 22 calendar days.

When, in a project with an **initial duration under 15 months (or 27)**, including the additional three months not requiring authorisation, an **extension is requested after the first 12 (or 24) months** implying a total **duration of the project over 15 (or 24) months**, the monitoring report will be submitted **before the end of month 16 (or 28).**^{v2014}

- ✓ Projects of **calls since 2012** (R11-VI.1.1):

These must be submitted in at most **2 months** as from **the day after the one on which the annual period to be reported ends.**

The two-month period for submission of the monitoring report for projects for calls since 2012 is non-extendible. If this were not submitted, the organisation will be required to provide this within fifteen days. If said term were to expire without meeting the request the obligation would be deemed not complied with. The submission of the report will nevertheless be accepted on condition that this is done before the AECID declares and informs of the non-compliance.

When an **extension is requested after the first 12 (or 24) months** of a project **with an initial duration under 18 months (or 30)**, including the additional three months not requiring authorisation, implying a total **duration of the project over 18 (or 30) months**, the monitoring report (the first or second one, as the case may be) **shall be submitted along with the application for extension.**

** Why it is **important** to submit monitoring reports **within the allowed period**:*

- a) *Because if the NGDO does not submit this in the periods established the organisation will be required to provide it in fifteen days, as from the day after that of the notification. If it does not submit this in this new period, the substantiation obligation will be deemed not complied with and the **refunding of the grant** with interest in arrears will be requested.*
- b) *Because the NGDO **will be excluded from any calls** under way, through non-compliance of the obligations stemming from previous calls.*

➤ **Content and form of submission**

Monitoring reports for projects **are technical documents** which have to be drawn up **in Spanish** and in accordance with the **Template** provided by the AECID. Insofar as the AECID does not provide means for electronic presentation, **a hard copy will be submitted** along with **one in electronic format**. The monitoring reports for projects shall be submitted to the NGDO Department of the AECID.

The templates for annual monitoring reports **are accumulative**, which means that:

- o these **refer specifically to the period planned** immediately before, but
- o these **are drawn up on the basis of** the information from the **monitoring report from the previous period**, should there be one

After checking the monitoring report, the AECID will inform the NGDO, where applicable, of any flaws that have been detected in this.

❖ Framework agreement monitoring reports

➤ Periods considered in framework agreement monitoring reports

A) AGREEMENTS FROM CALLS UNTIL 2011 (R09-VI.1.2)

Annual reports for monitoring agreements, including economic reports in the event of supporting accounts being submitted for annual periods, will refer to the following periods*:

1st Monitoring Report: from the **date on which the pre-agreement is signed** until **31st December** of the year in which the pre-agreement is signed. The period shall be under one year and if the implementation in the field starts the following year, its content shall refer only to the formulation period, or to part of this, if this phase has not ended on 31st December.

2nd and following intermediate Monitoring Reports: one year calculated as from **1st January to 31st December**.

Last Monitoring Report: this coincides with the Final Report and refers to the period from **the close of the Monitoring Report immediately before, to the date of termination of the framework agreement**. The longest period that this can cover is 15 months. Any extension implying extending the duration of the final period up to a period over fifteen months shall require submission of a new intermediate monitoring report for the first twelve months and a new planning document covering the remaining months until termination of the implementation period.

* All the framework agreements from the 2006 call and those from the 2007 call with a duration of 2 years shall be in line with the **annual periods initially established** for these.

Example 1: (also see Subsection 9.2, Annual Planning Document - PAC)
Start of implementation in the field in the same year as the pre-agreement is signed

	Year pre-agreement signed (year 1)	Year 2	Year 3	Year 4	Year 5	Year 6
Pre-agreement signed 1-3-10	PAC 1	PAC 2	PAC 3	PAC 4	PAC 5	PAC 6
Start of implementation in field 1-9-10						
End of implementation 1-9-14	M. REP. 1	M. REP. 2	M. REP. 3	M. REP. 4	M. REP. 5	FINAL REP.
One-year extension (up to 1-09-15)						

Example 2: (also see Subsection 9.2, Annual Planning Document)

**Start of implementation in the field the year after signing the pre-agreement
(there is no PAC 1)**

	Year pre-agreement signed (year 1)	Year 2	Year 3	Year 4	Year 5	Year 6
Pre-agreement signed 1-3-10						
Start of implementation in field 1-3-11		PAC 2	PAC 3	PAC 4	PAC 5	PAC 6
End of implementation 1-3-15	M. REP. 1	M. REP. 2	M. REP. 3	M. REP. 4	M. REP. 5	FINAL REP.
6-month extension (until 1-09-15)						

Annual periods **between dates** other than 1st January to 31st December **can be authorised** if the nature of the activities to be carried out means that the period determined by the **calendar year is counter-productive** for proper planning (e.g., planning periods which have to coincide with academic years or farming cycles). **For this purpose the NGDO must propose** its alternative to the **AECID, through the NGDO Department, before signing the final agreement.** This special period-scheduling must be stated in the signed Framework Agreement.

B) AGREEMENTS FROM CALLS SINCE 2012 (R11-VI.1.2)

Annual Reports for monitoring agreements, including economic reports in the event of supporting accounts being submitted for annual periods, will **refer to the following periods** *:

1st Monitoring Report: from the **date on which the pre-agreement is signed** until **31st December** of the year in which the pre-agreement is signed. The period shall be under one year and if the implementation in the field starts the following year, its content shall refer only to the formulation period, or to a part of this if this phase has not ended on 31st December.

2nd and following intermediate Monitoring Reports: one year calculated as from **1st January to 31st December**.

Last Monitoring Report: this coincides with the Final Report and refers to the period from **the close of the Monitoring Report** immediately **before and the date of termination of the Framework Agreement**. The longest period that this can cover is 18 months. Any extension implying extending the duration of the final period up to a period over eighteen months shall require submission of a new intermediate monitoring report for the first twelve months and a new planning document for the remaining months until termination of the implementation period.

Example 1: (also see Subsection 9.2, Annual Planning Document)

Start of implementation in field same year as signing pre-agreement

	Year pre-agreement signed 2012		2013	2014	2015	2016	2017
Pre-agreement signed 1-3-12							
Start of implementation in field 1-9-12		PAC2012	PAC2013	PAC2014	PAC2015	PAC2016	PAC2017
End of implementation 1-9-16							
One-year extension (up to 1-09-17)		M. REP.2012	M.REP.2013	M. REP.2014	M. REP. 2015	M. REP. 2016	FINAL REP.

Example 2: (also see Subsection 9.2, Annual Planning Document)

Start of implementation in field year after pre-agreement signed

	Year pre-agreement signed 2012		2013	2014	2015	2016	2017
Pre-agreement signed 1-3-12							
Start of implementation in field 1-3-13			PAC2013	PAC2014	PAC2015	PAC2016	PAC2017
End of implementation 1-3-17							
Eight-month extension (up to 1-11-17)		M. REP.2012	M.REP.2013	M. REP.2014	M. REP. 2015	M. REP. 2016	FINAL REP.

Annual periods **between dates** other than 1st January to 31st December **can be authorised** if the planning periods have to coincide with academic years or farming cycles. **The NGDO must propose** its alternative to the **AECID to this end, through the NGDO Department, before signing the final agreement.** This proposal must guarantee the existence of sufficient time to submit the monitoring reports and annual plans within the deadlines set for this (see deadlines in Subsections 9.1 and 9.2)

When there are planning periods other than the calendar year, the annotation of the monitoring reports will refer to the two years partly considered in the report (E.g.: IS2013-2014)

This period-scheduling must be stated in the signed Framework Agreement for purposes of submitting reports and PAC.

➤ **Content and form of submission (R11-VI.1.2)**

There are **two types** of annual framework agreement monitoring reports:

- **Technical reports, for compulsory** submission
- **Economic reports:** these are submitted **only** if the NGDO opts for the formula of **yearly economic justification** (see description of possible formulas in the heading on the Annual Technical Monitoring report in this same subsection).

These shall be submitted in the Spanish language and in accordance with the **Template** available on the AECID web page. Insofar as the AECID does not provide means for electronic presentation, **a hard copy will be submitted along with one in electronic format.**

The templates for annual monitoring reports **are accumulative**, which means that:

- these **refer specifically to the** immediately preceding **planned period**, but
- these **are drawn up on the basis of** the information from the **monitoring report for the previous period**

This **facilitates overall monitoring** of the intervention and **drawing up successive reports, including the final one.**

✓ **Technical monitoring report (R11-VI.1.2.2).**

The **technical** monitoring report describes the progress made in attaining the objectives and the results, as well as the activities **carried out in the period and, accumulatively, from the start** of the intervention. It must **provide data and objective sources of verification on what was done in the period** reported.

The **descriptive** information is compiled in **the template** available on the AECID web page and **must be supported by the following documents:**

- **Visibility** of the AECID:
 - Graphic and/or printed **material** connected with the activities performed, in which it clearly reflects the AECID financing (including the official **logo** of the **AECID**), or
 - **If the visibility of the AECID is not advisable for security reasons, an explanatory report of the NGDO with the approval of the TCO/Antenna/Embassy**
- **Only with the first monitoring report, a declaration of the economic justification system chosen from the following methods**, in accordance with the call under which these were granted (also see Subsection 9.3 Economic justification, for types of Supporting Accounts):

FOR AGREEMENTS GRANTED PURSUANT TO CALLS UNTIL 2011 (R09-VI.1.2.2):

A – Joint submission along with the Final Report of the **entire** economic justification of the Agreement. In this case, the **supporting account** submitted along with the final report will always be **abridged with auditors’ report**, referring to the **complete implementation** of the agreement, **including the formulation period**.

B – Yearly economic justification, by means of an abridged support account **along with an auditors’ report** referring to the period reported. When the **first monitoring report considers only the identification and formulation stage**, the economic report for this period may be accumulated to the economic report for the second one, auditing both of these together. This special feature **must be reflected in the declaration of** the chosen form of economic justification.

C - Yearly economic justification, by means of a **full supporting account without any auditors’ report** for the **initial and intermediate periods**, and **abridged supporting account with auditors’ report** for the **final period**.

FOR AGREEMENTS GRANTED PURSUANT TO CALLS SINCE 2012 (R11-VI.1.2.2):

A - Joint submission along with the Final Report of the **entire** economic justification of the Framework Agreement, **including the formulation period**. The supporting account may in turn be full or abridged:

A.1. Economic information for the entire agreement, along with the Final Report, by means of a full supporting account (without any auditors’ report).

A.2. Economic information for the entire agreement, along with the Final Report, by means of an abridged supporting account (with an auditors’ report).

B - Annual economic justification, by submitting annual economic monitoring reports containing the economic justification for the period reported, which may take the form of:

B.1. Full supporting account (without any auditors’ report). Two situations may be considered:

B.1.1. Submission of a supporting account with all the annual economic monitoring reports.

B.1.2. When the first monitoring report refers only and totally or partly to the identification and formulation phase, the economic report for this first period may be accumulated to the one for the second period. The supporting account shall be submitted with all the annual economic monitoring reports from the second one.

B.2. Abridged supporting account (with auditors’ report). Two situations may be considered:

B.2.1. Submitting a supporting account and auditors’ report with all the annual economic monitoring reports.

B.2.2. When the first monitoring report refers only and totally or partly to the identification and formulation phase, the economic report for this first period may be accumulated to the one for the second period. The supporting account shall be submitted with all the annual economic monitoring reports from the second one.

- Only in the case of agreements from calls since 2012 and if the economic justification system chosen is B.2, a proposal for an auditing company shall be provided along with the 1st technical monitoring report (also see Subsection 9.5)
- If there are any, **a copy of the evaluations** appearing in the formulation of the agreement or which have been authorised or requested by the AECID, **other than the compulsory intermediate assessment** (see heading on mid-term evaluations for agreements in Subsection 9.4)
- **A list of other complementary documents*** whose provision may be **relevant** for the **accreditation of the implementation** of the activity or **obtaining the results, such as, for example:**
 - Other Certifications on results (issued by local partners, target group, etc.)
 - Brochures, drawings, diagrams of activities, constructions, any didactic material drawn up, etc.
 - Letters and testimonies of official bodies, public or private associations, target group, etc.
 - Lists of participants in the activities.
 - Studies carried out, technical and /or professional reports.
 - Ownership documents of land and properties.
 - Cooperation Agreements, Commitments of official or private institutions, as regards transfer of the agreement.
 - As many sources of verification as may be considered appropriate and which provide data and proof of the execution of the measures undertaken, achievement of the results and the scope of the objectives proposed.

** **These complementary documents shall not be submitted with the monitoring report. Only a detailed list of these should be submitted, their total or partial submission in hard copy or electronic format possibly being requested later by the AECID or companies or professionals contracted by this.***

Check list of documents for the Technical Monitoring Report for Framework Agreements	
<i>DOCUMENT</i>	<i>Y/N</i>
Template report available on the AECID web page	
AECID visibility: graphic or printed material, or Report on inadvisability with approval of TCO/Antenna/Embassy	
Declaration of the system of economic justification chosen (only with the 1 st monitoring report)	
Only in the case of framework agreements from calls since 2012 for which justification method B.2, proposal for auditor, has been chosen	
Evaluation reports other than the intermediate one, if there are any	
List of complementary documents available, available to AECID when it requests these	

✓ Economic monitoring report

Annual **economic monitoring reports shall be submitted** when the NGDO has opted for the **method of yearly economic justification, and may take the form of** *:

- **full** supporting account **without auditors' report, or**
- **abridged** supporting account with **simultaneous submission of auditors' report**

(See requisites for full and abridged supporting accounts in Subsection 9.3)

** In accordance with the **method chosen by the NGDO when the first technical monitoring report is submitted** (see methods in the heading on technical monitoring report for agreements in this same subsection)*

If only expenses for **identification and formulation** have been made during the **first period** to be reported, these expenses may be accumulated to those of the **second period** and be justified, and where applicable audited, along with those of the second economic monitoring report.

➤ When these should be submitted

Technical and economic monitoring reports may be **submitted separately**, but the **periods reported** in both types of report **must be identical**. Technical and economic monitoring reports for agreements must be submitted to the NGDO Department of the AECID.

✓ Technical monitoring report

The **deadline for submitting** annual technical monitoring reports is **1st June of the period immediately following*** the one reported.

This deadline is non-extendible.

If it were not submitted, the organisation would be required to provide this in fifteen days. If this period were to elapse without the request having been met, the obligation would be deemed not complied with. Submission of the report would nevertheless be allowed on condition that this is done before the AECID declares and informs of the non-compliance.

** Why it is important to submit technical monitoring reports in due time.*

Because:

*1 Should there be agreed yearly sums pending payment, submission of the reports would be an **essential** condition for **collecting the new funds.***

*2 If the NGDO did not submit these within the established deadlines, the organisation would be required to provide them within fifteen days as from the day after the notification. If these were not submitted in this further period, the substantiation obligation would be deemed not complied with, and the grant's **refund** with interest in arrears would be **called for.***

3 Because the NGDO would be excluded from calls under way through non-compliance of obligations stemming from grants from previous calls.

IT IS NOT NECESSARY TO WAIT UNTIL 1ST JUNE TO SUBMIT TECHNICAL MONITORING REPORTS. IF THEY ARE SUBMITTED BEFORE THAT DATE THE AECID WILL BE ABLE TO PROCESS PAYMENT OF THE FOLLOWING YEARLY SUM EARLIER.

The AECID (NGDO Department, TCO and geographical and sectorial units at the AECID headquarters) **reviews** the technical reports and informs the NGDO, where necessary, of any shortcomings detected. The review **may include** the request for documents whose initial presentation was not compulsory on a **spot-check basis**.

If there are any yearly payments pending, **payment of the relevant yearly sum** will be made after these shortcomings **have been remedied**, on condition that the **Planning Document** for the period immediately following the one reported **has also been presented**.

✓ **Economic monitoring report**

The **deadline*** for submitting annual economic monitoring reports **is 1st October of the period immediately following the one reported**.

This deadline is non-extendible. If this **were not submitted**, the organisation would be required to provide it within fifteen days. After that period has elapsed without meeting the request the obligation will be deemed not complied with. Submission of the report will nevertheless be accepted on condition that this is done before the AECID declares and informs of the non-compliance.

** **Why it is important to submit economic monitoring reports in due time, if the yearly justification method has been chosen.***

*a) Because if the NGDO does not submit these in the established periods, the organisation will be required to do so within fifteen days as from the one after the notification. If these are not submitted in this further period the substantiation obligation will be deemed not complied with, and the grant's **refund with interest in arrears would be called for**.*

*b) Because the NGDO **will be excluded from any calls under way**, through non-compliance of the obligations stemming from grants from previous calls.*

After reception of the economic monitoring report at the NGDO Department, the **following procedure is implemented**:

- The AECID **reviews**** the reports and **informs** the NGDO, if necessary, of any **shortcomings** detected. The review **may include** the request for documents whose initial presentation is not compulsory on a **spot-check basis**.

**** If the AECID had not taken action or none of the cases of interruption of the limitation period had arisen (Art. 39.3 of the LGS ³) within 4 years from submission of the economic monitoring report, the right to claim refunds based on justification shortcomings shall lapse. If the refunds were based on non-compliance of objectives and results, the right to claim these shall lapse 4 years after submitting the final economic report.**

- The NGDO must submit its **allegations** in a period of **45 calendar days** from reception of the notification.
- The AECID issues a **Resolution** on the total or partial **validity** of the report **for purposes of economic justification** of the period, indicating the amount that it considers to be justified.

³ 39.3. The limitation period calculated shall be broken off:

- a) By any action of the Administration, performed with the formal knowledge of the beneficiary or the cooperating organisation, leading to determine the existence of any of the causes for reimbursement.
- b) By the filing of appeals of any kind, by forwarding the excerpt of the record to criminal courts or by submitting the complaint to the Tax Ministry, as well as for actions performed with the formal knowledge of the beneficiary or the cooperating organisation in the course of said replies.
- c) Through any certifiable action of the beneficiary or the cooperating organisation leading to liquidation of the subsidy or the refund.

- If there are any **expenses not admitted** by the AECID, their amount will automatically **be added to the implementation of the following periods**, along with the **rest of the balances** of the AECID grant collected and not yet invested, and of the financial returns for the period not invested.

❖ Measures

Since the period for implementation of Measures is initially eighteen months at most, intermediate monitoring reports are not required unless the Resolution approving the holding of the call establishes otherwise. For example, the 2015 call for Development Innovation Measures establishes the compulsory nature of submitting an interim report (referring to half the implementation period stipulated in the application form) in two months from the end of this period. ^{V2014}

9.2. ANNUAL PLANNING DOCUMENT (ONLY FOR FRAMEWORK AGREEMENTS) (R11-VI.2)

❖ Periods considered in Annual Planning Documents for framework agreements

Annual Planning Documents for agreements **shall refer to the following periods** * (see examples in the heading covering periods of technical monitoring reports, in Subsection 9.1):

- ✓ **1st Annual Planning Document**: from the **declared starting date** until **31st December of the year** in which implementation starts. The **definitive formulation shall be submitted** with the document and a period normally under a year will be considered, **two situations** possibly arising:
 - **If signing the pre-agreement and the declared starting date coincide** in the same year, the **end** of the period covered by the **first planning document coincides with the end** of the period of the **1st monitoring report**.
 - If the declared **starting date** is in the **year after signing the pre-agreement**, the **end of the first planning document** period coincides with the period of the **2nd monitoring report**.
- ✓ **2nd and following intermediate Planning Documents**: **one year** calculated from **1st January to 31st December**. These **correspond** to the periods of the **2nd or 3rd and following monitoring reports**.
- ✓ **Last Planning Document**: this coincides with the period for implementation of the Final Report and refers to the period **from the close of the Planning Document immediately preceding this to the date of termination of the framework agreement**. A period under one year may be considered, but the longest period that can be covered is 15 months, in agreements awarded pursuant to calls until 2011, and 18 months in agreements for calls since 2012. Any extension which implies extending the duration of the final period to a period over 15 months, or 18 depending on the call, shall require submitting a further intermediate monitoring report for its first twelve months and a new planning document covering the remaining months until termination of the implementation period.

** All the framework agreements for the 2006 call, and those of the 2007 call lasting for 2 years shall conform to the annual periods initially established for these.*

Annual periods **between dates** other than 1st January to 31st December **may be authorised** if the planning periods have to coincide with academic years or farming cycles. **For this purpose the NGDO must propose** its alternative to the **AECID, through the NGDO Department, before signing the final framework agreement**. This proposal must guarantee the existence of sufficient time to submit the monitoring reports and annual plans in the periods set for this (see deadlines in Subsections 9.1 and 9.2).

The following codes are used for annotations of the successive Framework Agreement Annual Planning Documents (PAC):

- ✓ Calls for agreements until 2010 (R09-VI.2): PAC1, PAC2, etc. If the date on which implementation in the field starts is in the year following the one in which the pre-agreement was signed, PAC1 will not exist.

- ✓ Calls for agreements from 2011 (R11-VI.2): PACyearx, PACyearx+1, etc. (E.g.: PAC2012, PAC2013, etc.). If the date on which implementation in the field starts is in the year after the one in which the pre-agreement was signed, there will be no PAC for the year in which the pre-agreement was signed. When there are planning periods other than the calendar year, the PAC annotation will refer to the two years partly considered (E.g.: PAC2013-2014).

This period-scheduling must be stated in the signed Framework Agreement for purposes of submitting reports and PACs.

❖ How to submit these

These shall be submitted **in Spanish** and in accordance with the **Template** available on the AECID web page. Insofar as the AECID does not provide means for electronic presentation, **a hard copy shall be submitted along with one in electronic format**. They should always be submitted to the NGDO Department of the AECID.

❖ When to submit these

- ✓ **First planning document**: submitted **along with the final formulation** of the agreement.
- ✓ **Second and following planning documents**: at the latest **within the first month of the period** whose implementation is being planned. This means that, as a general rule, the deadline for submitting these documents **shall be on 31st January of the year planned**, unless planning periods other than the calendar year have been approved. If the planning period were other than the calendar year, the planning document must be submitted before the first month of the period planned for has elapsed.

This period shall be non-extendible. If it is not submitted, the organisation will be required to provide this within fifteen days. Should this period elapse without the request being met, the obligation will be deemed not complied with. Submission of the PAC (Framework Agreement Annual Planning Document) will nevertheless be accepted on condition that this is submitted before the AECID declares and informs of the non-compliance.

Its **submission** is an essential **requisite**, along with that of the technical monitoring report for the previous period, in order to **collect the relevant annual payment**.

** **Why it is important to submit the Planning Documents in due time.***

Because:

*1 In the event of there being agreed annual sums pending payment, submitting these documents will be an **essential condition for collecting the new funds**.*

*2 If the NGDO does not submit these within the established deadlines, the organisation will be required to provide them in fifteen days as from the day after the notification. If they are not submitted in this further period, the substantiation obligation will be deemed not complied with, and the grant's **refund** with interest in arrears will be **called for**.*

3 Because the NGDO will be excluded from any calls under way through non-compliance of obligations stemming from grants from previous calls.

9.3. FINAL REPORT (ACCOUNTING FOR THE GRANT) (R11-VI.3)

❖ Aspects common to final reports of framework agreements, projects and measures

➤ Content and form of submission

Final reports for framework agreements, projects and measures consist of **two parts**:

- ✓ the **Technical justification**, (see heading on “Technical Justification” in this same subsection), which specifies with greatest detail the objectives attained, the results obtained and the activities carried out, on which it will provide relevant data and objective sources of verification, and
- ✓ the **Economic justification**, (see heading on “Economic Justification” in this same subsection) which comprises all the documents supporting the expenses made for implementing the subsidised intervention.

This will be submitted **in Spanish** and in accordance with the **Templates** * available on the AECID web page. Insofar as the AECID does not provide means for electronic presentation, **a hard copy shall be submitted along with one in electronic format.**

** The **templates** for monitoring and final reports are **accumulative**. They refer specifically to the period planned immediately before, but **are drawn up on the basis of the information** for the **preceding** period. The **last** of these accumulative reports is the **final report**.*

➤ When to submit these

The **periods allowed** * for submitting final reports, **always as from the date of ending** implementation, are:

A) FRAMEWORK AGREEMENTS AND PROJECTS FROM CALLS UNTIL 2010 (R09-VI.3.1):

- ✓ **If there is no audit nor final evaluation**, financed by the AECID: **6 months**.
- ✓ **If there is a final audit but no evaluation** financed by the AECID: **9 months**. In this case, the final report will always be submitted along with the audit.
- ✓ **If there is an evaluation** financed by the AECID: **11 months**. In this case, the final report will always be submitted along with the evaluation report and the auditing report, if there is one.

The period may be only extended by half the initial term (from 6 to 9 months) in the first of these cases, i.e. final report without any audit or evaluation, on condition that a substantiated application is submitted before the expiry of the initial justification period. The application shall be submitted through the Management Unit. The periods established for the other two cases are non-extendible, as these are considered to be established already considering an extended term in its own right.

B) FRAMEWORK AGREEMENTS, PROJECTS AND MEASURES FROM CALLS SINCE 2011⁴ (R11-VI.3.1):

- ✓ **If there is no audit nor final assessment** financed by the AECID: **3 months**.

⁴ Calls from 2011 inclusive are governed by the new periods for submitting final reports laid down in Royal Decree 794/2010.

- ✓ **If there is an audit and/or final evaluation** financed by the AECID: **6 months**. In this case the final report shall always be submitted along with the audit report and/or evaluation report.

The AECID may authorise extending these periods by up to half the initial term (up to 4.5 or 9 months, respectively) on condition that a substantiated application for this is submitted before the expiry of the initial justification period. The application shall be submitted through the Management Unit.

** **Why it is important to submit final reports in due time.***

*a) Because if the awardee of the grant does not submit these in the periods set for this the organisation will be required to do so in fifteen days, as from the day after that of the notification. If it does not submit them in this new period, the substantiation obligation will be deemed not complied with and the **refunding of the grant** with interest in arrears will be called for.*

b) Because the organisation will be excluded from the calls under way, based on non-compliance of the obligations of previous calls.

➤ **Who to submit these to**

Final reports for framework agreements and projects of NGOs should be addressed to:

Dirección de Cooperación Multilateral, Horizontal y Financiera – Departamento de ONGD (AECID)

Final reports for measures should be addressed to:

Management Unit specified in the Resolution for the award ^{v2014} (AECID)

➤ **Checking the final report**

After receiving the final report, the following procedure is got under way:

- The AECID **checks the content** ** of the report and **informs** the awardee, where applicable, of any **missing documents or shortcomings in justification** detected. The request for documents may include any whose submission was not initially required, on a spot-check basis.

*** If the AECID had not taken action or none of the cases of interruption of the limitation period had arisen (Art. 39.3 of the LGS ⁵) within **4 years from submission of the final report**, the right to claim **refunds based on shortcomings in substantiation** shall lapse. If the refunds were based on **non-compliance of appropriation (application) periods** stated in Subsection 8.3, and on condition that the awardee, its local partner or its partners in a group continued to be the owners of the goods, the right to claim shall **lapse when the appropriation period expires**.*

⁵ 39.3. The limitation period calculated shall be broken off:

- By any action of the Administration, performed with the formal knowledge of the beneficiary or the cooperating organisation, leading to determine the existence of any of the causes for reimbursement.
- By filing appeals of any kind, by forwarding the excerpt of the record to criminal courts or by submitting the complaint to the Tax Ministry, as well as for actions performed with the formal knowledge of the beneficiary or the cooperating organisation in the course of said replies.
- Through any certifiable action of the beneficiary or the cooperating organisation leading to liquidation of the subsidy or the refund.

- ✓ The awardee shall submit its **allegations** within a period of **45 calendar days** from reception of the notification
- ✓ The AECID may:
 - issue a **Resolution of approval of the Final Report**, which shall give rise to a **declaration of fulfilment of the purposes (or extinguishment) and filing** of the case, with no detriment to any financial control actions within the IGAE's competence, or
 - get the **refunding** procedure under way (see Subsection 12 Reimbursements)

➤ Responsible organisation

The **awardee organisation is the only party responsible** in respect of the AECID for **accounting** for the grant. It shall be responsible for collecting supporting documents for the expenses assigned to this from its local partners, if there are any, and for informing them of the requisites made by Spanish administration. In the case of **groups**, the **party responsible to the AECID** is the **leading awardee organisation** empowered to represent the group and it will be this which will have to provide the required reports and substantiation.

❖ **Technical justification**

The **technical justification describes** the objectives attained, the results obtained and the activities **performed from the start** of the intervention, and must **supply data and sources of objective verification of what has been done**.

The **descriptive** information is stated in the **template** available on the AECID web page and has to be **supported by the following documents**:

- ✓ **Certification** of the legally responsible party of the awardee organisation of the **scope of results and objectives**, as well as of the **participation of the ultimate target collective** in the implementation.
- ✓ **Visibility** of the AECID:
 - Graphic and/or printed **material** concerning the activities performed, in which it clearly reflects the AECID financing (including the official **logo** of the **AECID**), or
 - **an explanatory report by the organisation with the approval of the TCO/CC/Antenna/Embassy, if it is not advisable to have the AECID displayed for security reasons**
- ✓ If they exist, a **copy of the Evaluations** appearing in the formulation or which have been authorised or requested by the AECID, **other than the compulsory mid-term evaluation of framework agreements** (see heading on mid-term evaluations of framework agreements in Subsection 9.4)
- ✓ In the case of **groups**, information on the **final applications of each of the members**, in totals and percentages in respect of the total subsidy granted in accordance with the activities that have been carried out by each member of this and of the commitments previously acquired, in line with the template established by the AECID.

- ✓ **List of other complementary documents*** whose provision is relevant for accrediting the implementation of the activity or of obtaining the results, such as for example:

** **These complementary documents should not be submitted with the monitoring report. Only a detailed list of these should be submitted, their total or partial submission in hard copy or electronic format possibly being requested later by the AECID or companies or professionals contracted by this.***

- Other certifications on results (local partners, target collective, etc.)
 - Brochures, drawings, diagrams of activities, constructions, didactic material drawn up etc.
 - Letters and testimonies of official bodies, public or private associations, target group, etc.
 - Lists of participants in the activities
 - Studies carried out, technical and/or professional reports.
 - Real estate ownership documents.
 - Cooperation Framework Agreements, Commitments of official or private institutions, as regards transfer of the framework agreement, project or measure.
 - As many sources of verification as are considered appropriate and which provide data and proof of the execution of the measures undertaken, achievement of the results and the scope of the objectives proposed.
- ✓ A list of all the editable dissemination material produced during the implementation. The AECID may request the delivery of a copy of this and to have this material available for its free dissemination, with express mention of the organisation that has produced it.
 - ✓ **FOR CALLS SINCE 2012:** If the activity is implemented through local partners, specific agreements signed by these and the awardee entity, or their partners as a group, in which it states the amount of the subsidy granted by the AECID and the origin of these funds, as well as the fact that the local partners have been acquainted with the document for formulation of the intervention.

Check list of documents forming the Technical Justification of the Final Report	
<i>DOCUMENT</i>	<i>Y/N</i>
Template Report available on the AECID web page	
Certificate of the party legally responsible for the NGDO on the scope of results and objectives, and the participation of the target collective	
AECID visibility: graphic or printed material, or Report on inadvisability with approval of TCO/Embassy	
Evaluation reports other than the intermediate one, if there are any	
In the case of groups: information on the final applications of each of the members, in totals and percentages in respect of the total subsidy granted, according to the AECID template	
List of other complementary documents available, available to the AECID when it requests them	
List of all the editable dissemination material produced during the implementation	
FOR CALLS SINCE 2012: If the activity is implemented through local partners, specific agreements signed by these and the awardee entity, or their partners as a group, in which it states the amount of the subsidy granted by the AECID and the source of these funds, as well as that the local partners have been acquainted with the document for formulation of the intervention.	

❖ Economic justification

➤ Projects and measures

In the case of **projects and measures**, economic justification may take one of the **two following forms** (see final heading of this subsection on types of supporting accounts):

- ✓ **full supporting account**, without the **auditors' report**
- ✓ **abridged supporting account with auditors' report**. The following will be necessary to use this form of justification:
 - **For the audit to have previously been budgeted and authorised** by the AECID in the **initial approval** of the project or after a later request for **modification** submitted by the NGDO, or
 - **If the financing of the audit not initially budgeted is charged to surplus balances** of the grant that were not produced by any unauthorised substantial modification, **and/or to the interest and other financial returns** accrued by the grant, **the prior authorisation of the AECID will not be required to perform this, but this application must be made known** to the AECID since the submission of the final report with audit increases the period for submitting the final report by up to 9 months in calls until 2011, and up to 6 months in calls since 2012.
 - **For the audit to have been contracted in accordance with what is stated in Subsection 9.5.**
 - **FOR PROJECTS AND MEASURES FROM CALLS SINCE 2012:** whatever the source of financing of the audit may be, it will be necessary for **the terms of reference used for contracting these and the report issued by the auditor to conform to the template established by the AECID.**

➤ Framework agreements

A) FRAMEWORK AGREEMENTS FROM CALLS UNTIL 2011 (R09-VI.3.3.3):

The **final economic justification of framework agreements** shall always take the form of an **abridged supporting account with auditors' report** * (see final heading of this subsection on types of supporting accounts)

If the **method of economic justification chosen** by the NGDO when the first monitoring report was submitted had been that of justification **by annual periods (with or without presentation of audits** with the annual economic monitoring reports, see Subsection 9.1), the **economic justification** included in the **final report** as well as the **audit accompanying this** shall refer only to **the last period still to be justified**.

The audit will always have to be contracted in accordance with what is stipulated in Subsection 9.5.

B) FRAMEWORK AGREEMENTS FROM CALLS SINCE 2012 (R11-VI.3.3):

This may take the form of a **full or abridged supporting account with auditors' report** (see final heading of this section on types of supporting accounts) and cover the entire life of the agreement or only the last period, depending on the economic **justification method** chosen by the NGDO when the first monitoring report was submitted (see Subsection 9.1).

The audit must always be contracted in accordance with what is stipulated in Subsection 9.5.

➤ The supporting account (R11-VI.3.3.2)

Justification of grants involves two aspects: the technical side and the economic side. **THE ECONOMIC JUSTIFICATION OF THE GRANT IS KNOWN AS THE SUPPORTING ACCOUNT.**

The **supporting account** to be submitted to the AECID can be **full or abridged**.

Full and abridged supporting accounts are made up of the **same information and documents, but:**

- The **full** supporting account **does not** include an auditors' report
- The **abridged** supporting account **includes** an auditors' report
- When the abridged supporting account **is submitted to the AECID, all the documents required for the full supporting account do not have to be enclosed** (see heading on the abridged supporting account in this same subsection).
- The **documents not required** by the AECID with the abridged supporting account have to be **examined by the auditors**, who will have to state **in their report whether or not these comply with** the AECID's justification rules.

✓ Full supporting account (R11-VI.3.3.3)

The **full** supporting account comprises the following **documents**:

- **Economic report**, this is made up of the following sections of the **template** of the Monitoring-final Report for framework agreements, projects or measures, available on the AECID web page:
 - The **budget itemisation** of expenses and investments broken down by items and financers
 - The **Financial Implementation Balance Sheet**
 - The **Cash flow statement**
 - The **List of** employed and volunteer **staff**
 - The Information on **transfers and exchange operations**
 - The **List of supporting documents** evidencing the expenses defrayed charged to all the funds contributed to the framework agreement, project or measure, whatever the source of their financing.
- **Certifications of financial returns generated**: **Bank certificates** of the accounts open on behalf of the framework agreement, project or measure, in any country where these are open, **reflecting the interest generated** by the funds. Bank certificates covering several accounts or funds of different actions, periods, framework agreements, projects or measures, or which do

not accurately determine the amounts intended to be justified are not allowed. Bank statements or movements may be accepted as subsidiary supports.

- **Certificate of obtaining other grants** **Declaration of responsibility** by the legal representative of the awardee organisation or group in which it states whether or not **any other grant has been obtained** from public administrations or national or foreign public or private bodies, and the sum obtained, where applicable.
- **Certifications of other co-financers.** **Certification of local partners and other public or private financing entities** on their contributions, clearly stating the sums and the reference to the framework agreement, project or measure in question.
- **Certification of the place where the originals are deposited.** **Declaration of responsibility** of the representative of the NGDO in which this **declares the place where the invoices, supporting documents for expenses and other original documents** are kept, as well as their **availability**, for purposes of checks by the AECID, and the fact of all the originals being duly stamped/certified. A template of the stamped certification used will be enclosed.
- **Minutes for transfer and application and entries at public registers.** **Only in the case of the Final report, the Minutes of transfer and application of the goods acquired, built or restored with the AECID grant and with the compulsory contribution by other financers** must be submitted, in accordance with the template available on the web page of the AECID, and, in the case of registrable goods, documents proving the **registration in the legal property register** on behalf of the institution or the final target collective assuming these, or documents acting as evidence for the entry being in the processing stage, according to the laws in the implementation country, along with the written commitment of the awardee organisation to send the AECID the copy of the final ownership document once this has been obtained.
- **Accreditation that the indirect taxes are not recoverable or, if they are, that they have not been recovered.** **Indirect taxes can be allocated to the grant** in the following two situations (see Subsection 10.4)
 - When **these are not legally recoverable: a certificate** from the source Tax Agency **accrediting that these are not recoverable taxes** shall be provided. In any cases of manifest impossibility of obtaining this certificate a **declaration of responsibility** shall be provided, duly **accredited by the TCO or by the Spanish Embassy.**
 - When **the taxes are recoverable but have not been recovered** as of the date of submitting the report: a **declaration of responsibility** of the representative of the awardee organisation shall be included indicating **the total amount of the taxes pending recovery.**
- **Accreditation of bank transfers and exchange rates.** Bank documents, or certified copies of the **transfers made** to the implementation country **and of the currency exchange operations** or receipts from **legally established exchange offices.** (See Subsection 10.3)
- **Information on participation of members of groups.** If the grant had been awarded to a group, information shall be given on the **final applications of each of the members in totals and in percentages** of the total subsidy granted, depending on the activities that have been performed by each member of this and the commitments previously taken on. The template established by the AECID and available on the AECID web page shall be used.

- **List of all the editable dissemination material produced during implementation**
- **Accreditation of valuations (* only in framework agreements and projects from calls until 2011).** Certification of local partners, of final target collective, or of the local organisation providing the goods and/or services valued, which shall **describe and quantify the contribution**, stating the number of units, hours of work, unit price (where applicable) apart from the total valuation.

* In framework agreements, projects and measures awarded pursuant to calls made since 2012, valuations are not allowed to justify the part of the co-financing compulsorily provided by other financers, in accordance with Order 2909/2011. For co-financing required in the Call Resolutions, beyond these limits what is stipulated in said Resolutions shall be applicable. ^{V2014}

- **Final Certifications of Implementation of Activities.** Certificates signed by the TCO/CC/Antenna or Embassy by means of which the activities whose justification was authorised by this system **have effectively been implemented** (see Subsection 11.2)
- **Supporting documents accrediting each individual expenditure** made and included in the list of supporting documents. Depending on the type of grant, the individual supporting documents for expenses to be provided shall be:
 - **IN GRANTS FOR FRAMEWORK AGREEMENTS AND PROJECTS:** Only the ones expressly required in Subsection 11.4 “Accreditation of direct subsidisable expenses” in accordance with their type shall be enclosed with the full supporting account. Any other supporting documents shall be kept by the awardee organisation, with no detriment to the AECID or companies contracted by this being able to request verification of a sample or of all of these during the examination process.
 - **IN GRANTS FOR MEASURES:** All the supporting documents for expenses shall be included in the full supporting account including the declaration of responsibility on indirect expenses allocated to the grant, signed by the legal representative of the organisation, in which the types of expenses included and the sums assigned to each of these shall be described (see Subsection 11.3 Indirect costs).

✓ **Abridged supporting account (R11-VI.3.3.4)**

The abridged supporting account **comprises all** the documents listed for the **full supporting account with the following exceptions:**

- The subsection on transfers and exchange rates and list of supporting documents for expenditure, from the Economic Report
- The accreditation of bank transfers and exchange rates
- The accreditation of valuations
- The Final Certifications of Implementation of Activities
- The supporting documents accrediting each of the individual expenses

The **abridged supporting account always** goes along with the **Auditors’ report** and the invoice of the auditing company. In this case it shall be the **auditor** who will have to **check** whether the documents not required comply with AECID regulations and state this in their report.

CHECK LIST OF DOCUMENTS COMPRISED IN THE SUPPORTING ACCOUNT	
DOCUMENTS	Y/N
Economic report (in accordance with the AECID template)	
Bank certificates on financial returns generated	
Certificate of obtaining (or not) other grants	
Certificates of other co-financers	
Certificate of where the originals are deposited	
Minutes for transfer and application and entries in public registers (if goods have been acquired)	
Accreditation that indirect taxes are not legally recoverable (where applicable)	
Declaration of responsibility of the total amount of the taxes pending recovery (if the taxes are recoverable but have not been recovered)	
Accreditation of bank transfers and exchange rates (Not required in the abridged supporting account)	
Information on participation of members of groups (where applicable) in accordance with the AECID template	
List of all the editable dissemination material produced during implementation	
Accreditation of valuations EXCEPT IN GRANTS FROM CALLS SINCE 2012, FOR WHICH THESE ARE NOT ADMISSIBLE (Not required in the abridged supporting account)	
Final Certifications of Implementation of Activities (if their use has been approved) (Not required in the abridged supporting account)	
Supporting documents accrediting each of the individual expenses (Not required in the abridged supporting account) nor in general in the supporting accounts for projects and framework agreements, although these may later be requested as a sample)	

9.4. EVALUATIONS

❖ EVALUATIONS IN THE 2011 REQUIREMENTS ORDER (OB11-17)

Order AEC/2909/2011, governing the calls to be made from 2012, for granting grants for framework agreements, projects and measures:

- ✓ **Eliminates the compulsory requirement** of making intermediate or final evaluations, regardless of the type of grant or its amount.
- ✓ **Creates a credit reserve** of 1 per 100 of the existing initial budget for endowment of the three types of calls, to be used for financing a **Biennial Evaluation Plan**, which will have the following characteristics:
 - This will be drawn up by the AECID, in coordination with the Secretariat-General for International Development Cooperation and with the Development NGO Coordinator for Spain (CONGDE).
 - It may consider the evaluation of individual interventions or a combination of these, of one or several of the three types of grants, depending on the geographical area or field or sector of action.
 - The evaluations made pursuant to this will be external and contracted by the AECID.
 - Preference will be given to local contracting on condition that this involves evaluating interventions in a single country.
 - At the end of the execution of the evaluations considered in each Plan, a summary of their results will be published.

This provision has the following **EFFECTS**:

- ✓ In framework agreements, projects and measures from **calls since 2012**: external evaluations may be made from the AECID grant, with the conditions described in the following headings of this subsection, **ON CONDITION THAT THESE ARE NOT INCLUDED IN THE BIENNIAL EVALUATION PLAN**
- ✓ In framework agreements and projects from **calls until 2011**, as well as in grants with Permanent open call granted until that year; if there were any compulsory or duly authorised evaluations pending contracting, **THESE COULD BE FINANCED CHARGED TO THE BIENNIAL PLAN**, if the awardee organisation requests this and the AECID authorises it.

❖ Projects and measures

➤ When these are compulsory

It is **compulsory**:

- **to make** an **external final evaluation** in all the **projects from calls until 2011** which have obtained a **grant of over 350,000 euros from the AECID (R09-VI.4.1)**. **For projects and measures from calls since 2012, evaluations are not compulsory (R11-VI.4), unless this is stipulated otherwise in the call Resolution.**
- **to submit** the evaluation reports along with the Final Report on condition that this is an **evaluation financed** with the **AECID** grant whether the evaluation is **compulsory** for projects

awarded in calls until 2011, for over 350,000 euros, **or any other which might have been approved** with the formulation of the project or action, or that had been authorised later by the AECID, after being applied for by the awardee organisation through the Management Unit.

ONLY EXTERNAL FINAL EVALUATIONS AUTHORISED BY THE AECID CAN BE FINANCED

➤ When and how these are submitted

The reports on evaluations financed by the AECID are **submitted along with the final report ***, in the **period of** (also see Subsection 9.3):

- ✓ **Projects from calls until 2010** ^{v2014}: **11 months** from the date of completing the project.
- ✓ **Projects and measures from calls since 2011** ^{v2014}: **6 months** from the date of completing the project or measure.

** Why it is important to submit the evaluation reports financed by the AECID: because if these are not submitted the application of the grant **will not be considered properly justified**, which could give rise to a call for **reimbursement**.*

These must be submitted in **Spanish**. Their **translation**, should the original document be in another language, is an **expense that can be financed from** the AECID grant.

➤ How these are contracted (R11-VI.4.1)

The **following procedure** will be applied for **contracting** the evaluations performed charged to the AECID grant, whether these are **compulsory or not**,:

- ✓ **Drafting terms of reference** for the evaluation: The **awardee organisation** shall draw up the terms of reference (ToR) for the evaluation **based on the template provided**, available on the AECID web page.
- ✓ **Selection of the evaluating company**: The awardee **organisation shall submit** the ToR to **several professionals and/or evaluating companies to obtain their offers**. The following rules should be taken into account:
 - If the **estimate** for the evaluation were **over 12,000 euros**, an offer for **at least three** evaluating teams must be obtained. **If it were not possible to obtain three offers, this impossibility would have to be accredited, with the approval of TCO/CC/Antenna/Embassy.**
 - **Local professionals** from the implementation country (companies or private individuals) **should preferably be used**. **If it were not possible to contract on the local market or a minimum quality were not guaranteed there, whatever the estimate for the evaluation, this impossibility would have to be accredited, with the approval of TCO/CC/Antenna/Embassy.**
 - The **independence of the evaluation team** contracted in respect of the intervention evaluated will have to be **guaranteed**:

- a.- by **not being connected with the management of the intervention** nor with any part of this
- b.- by **not having maintained an employment relationship with the awardee organisation** or with its local **partner**, at least since the period for **identification** and implementation of the intervention to be evaluated started.

✓ **Presentation of the proposal to the AECID**: The awardee organisation must submit to the AECID, through the Management Unit:

- The Terms of Reference used for contracting
- The proposal of the evaluation team selected
- If the amount were over 12,000 €, the following shall also be submitted:
 - a.- the **offers received from at least three** evaluation professionals or companies
 - b.- the substantiated **proposal for awarding** the offer selected

This presentation shall take place in at **most**:

- **4 months from the end of the intervention, for projects from calls until 2011.**
- **4 months before** the completion date of the project or measure, for **projects and measures from calls since 2012.**

✓ **Objection or not from the AECID**: In the event of the AECID having **any objections to make** to the proposal submitted by the awardee organisation, it will inform the latter within the following terms:

- **One month, for projects from calls until 2011**
- **Two months, for projects and measures from calls since 2012**

The awardee organisation **shall modify** the **Terms of Reference** or the **award proposal** as indicated by the AECID and **submit a new proposal**.

If the AECID were to **declare no objections or one month were to elapse, in projects from calls until 2011, or two months in projects and measures from calls since 2012** without having made any pronouncement, the proposal made by the awardee organisation **shall be deemed approved**.

✓ **Contracting and performing the evaluation** *: The **contract may be signed and the evaluation performed when**:

- The AECID has expressly declared **that it has no objections, or**
- After **one month has elapsed**, in projects from calls until 2011, **or two months**, in projects and measures from calls since 2012, **without any declaration** being made by the AECID, **or**
- A **new proposal has been put forward**, modifying the ToR or the proposal for award as stipulated by the AECID, in the event of the latter stating its objections to the awardee organisation's first proposal.

** It is advisable for the evaluation team to get in touch with the TCO in the countries in which the evaluation is going to be made, to take their recommendations into account and keep them informed of the progress made*

❖ Framework agreements

➤ Mid-term evaluations

✓ When and how these are submitted

It is **obligatory** to perform an **external mid-term evaluation**, charged to the AECID grant, for all **framework agreements from calls until 2011**. (R09-VI.4.2.1)

For **agreements from calls since 2012**, this evaluation is not compulsory. It should be performed only when deemed necessary for continuity. The correctness of these evaluations will be jointly analysed by the AECID and the awardee NGDO/group, at the proposal of either of them, and they may be performed at most until the date on which the period for submitting the 2nd technical monitoring report ends. (R11-VI.4.2.1)

The evaluation **must value** the degree of **progress** in fulfilment of the expected **results**, apart from any **other aspects** which may be considered **relevant** depending on the type of agreement.

Mid-term evaluation reports must be **submitted in at most 9 months ***, in calls until 2011, or **6 months**, in calls since 2012, from when **half the period for implementation** of the agreement has elapsed.

** **Why it is important to submit the reports on mid-term evaluations in the period set for this:** because if the NGDO **does not submit** the mid-term evaluation report in the period set, the organisation will be required to do so within fifteen days as from the day after the notification. Should said period elapse without it having been presented, the obligation would be deemed not complied with, which could lead to the demand for **reimbursement and exclusion from any calls under way**.*

This must be submitted **in Spanish**. The **translation**, should the original document be in any other language, is an **expense that can be financed from** the AECID grant.

✓ How these are contracted

The **following procedure** shall be applied for **contracting** mid-term evaluations:

A) IN FRAMEWORK AGREEMENTS FROM CALLS UNTIL 2011 (R09-VI.4.2.1):

- **Drafting terms of reference** for the evaluation: The **NGDO** shall draw up the terms of reference (ToR) for the evaluation in accordance with what is stipulated in the **formulation of the Framework Agreement in the subsection on monitoring and evaluation**. (It is advisable to start six months before half way through the implementation period).
- **Submission of the proposal for ToR to the AECID***: at **most up to 4 months** before **half the implementation period** has elapsed, the NGDO must **submit the ToR which will be used** for the contracting to the AECID, through the NGDO Department.

** **Why it is important to submit the ToR for mid-term evaluations in the period set for this:** because any delay in the evaluation may give rise to the AECID resolving on **total or partial readjustment of the annual sums pending**⁶, which may entail the extension for termination of the framework agreement.*

ONLY IN CASES IN WHICH THIS IS FULLY JUSTIFIED may an **extension** be granted for submitting the terms of reference and/or the performance of the mid-term evaluation, on condition that the application for extension is submitted to the AECID, through the NGDO Department, **at the latest up to four months before half the period of implementation of the agreement** has elapsed, i.e. before the period for submitting the ToR has ended.**

*** Any delay in the implementation of a framework agreement does not in its own right justify a delay in making the evaluation. Depending on the circumstances, analysing the causes of such a delay may precisely be one of the aims of the mid-term evaluation.*

- **Objection or not of the AECID to the ToR:** the AECID shall **declare whether it has any objections or the modifications** that have to be introduced within at most **two months**. If any **differences** arise between the AECID and the NGDO in respect of the ToR these will be **settled at the Follow-up Commission**. If the AECID does **not make any statement within two months**, it will be considered to **approve** the ToR.
- **Selection of the evaluation team:** when there **is no objection** of the AECID to the ToR (either as stated or because two months have elapsed without making any statement on this) **or when the ToR have been modified** in the terms stipulated by the AECID or agreed at the Follow-up Commission, the NGDO shall **submit** the ToR to **several evaluating professionals or companies** to **obtain their tenders**. The following rules shall be taken into account:
 - If the estimate for the evaluation were **over 12,000 euros**, an offer shall have to be obtained from **at least three** evaluation teams. **If it were not possible to obtain three estimates, this impossibility must be accredited with the approval of the TCO/Embassy.**
 - **Local professionals** from the implementation country (companies or professionals) **should preferably be used**. **If it were not possible to contract on the local market or a minimum quality were not guaranteed there, whatever the estimate for the evaluation might be, this impossibility must be accredited with the approval of the TCO/Embassy.**
 - **The independence of the evaluation team** contracted in respect of the intervention evaluated will have to be **guaranteed**:
 - a.- **by not being connected** with the **management of the intervention** nor with any part of this
 - b.- **by not having had an employment relationship with the Spanish NGDO** or with its local **counterpart** at least **from when the period for identification** and implementation of the intervention to be evaluated started.
- **Submission of the proposal to the AECID:** the NGDO shall **submit*** the following to the AECID, through the NGDO Department:
 - The **proposal** of the **selected** evaluation team

⁶ **Readjustment of annual payments:** when the payment commitment taken on for a budget year is carried over to the following year.

- o If the amount were over 12,000 €, the following shall also be submitted:
 - a.- the estimates received from at least three evaluation teams
 - b.- the substantiated proposal for the award of the offer selected

*** It is advisable for the evaluation team's estimate to be submitted to the AECID before half the period of implementation of the agreement has elapsed.**

- **Objection or not of the AECID to the selected evaluation team:** Should the AECID have any objections to make to the proposal submitted by the NGDO, it will inform of these within one month, so that the NGDO can modify the award proposal as stipulated by the AECID and submit a new proposal. If the AECID declares it has no objections or one month elapses without it having declared its standpoint, the proposal of the NGDO will be considered to have been approved.
- **Contracting and performing* the evaluation:** The contract will be signed and the evaluation will be performed when **:
 - o The AECID has expressly declared that it has no objections, or
 - o One month has elapsed without the AECID having made a declaration, or
 - o A new proposal modifying the award proposal as stipulated by the AECID has been submitted, in the event of the latter declaring its objections to the first proposal of the NGDO.

** It is advisable for the evaluation team to get in touch with the TCO/Antennas from the countries in which the evaluation is going to be made, to take their recommendations into account and keep them informed of the progress made*

**** The AECID may, after hearing the NGDO, resolve on a delay of up to one year in making the mid-term evaluation when the summary of the expense accumulated from the beginning of the framework agreement until the date on which half the implementation period has elapsed shows that there has been a budget execution under thirty per cent of the annual payments collected. This delay may entail the readjustment of annual payments⁷ and/or the extension for termination of the execution.**

B) IN FRAMEWORK AGREEMENTS FROM CALLS SINCE 2012 (R11-VI.4.2.1):

For contracting mid-term evaluations in agreements from calls since 2012, the procedure stated for agreements from previous calls will be implemented, with the following exceptions:

- The ToR and the tender of the evaluator or evaluating company shall be jointly submitted to the AECID. This will state its opinion on the ToR and the proposed evaluator at the same time.
- The ToR and proposal for the evaluator shall be submitted to the AECID at the latest four months from when half the implementation period of the intervention has elapsed.
- The AECID is allowed a period of two months to state whether or not it has any objections to the initial proposal of the NGDO.

⁷ **Readjustment of annual payments:** when the payment commitment taken on for a budget year is carried over to the following year.

- After **receiving the new proposal taking into account the observations made by the AECID**, the latter will have **forty-five days** to inform of its standpoint.

✓ **After making the evaluation**

The reports on mid-term evaluations must be **submitted in at most 9 months ***, in agreements from calls until 2011, or **6 months, in agreements from calls since 2012**, from when **half the period of implementation** of the agreement **has elapsed**. The NGDO must **send these to**:

- The **NGDO Department** of the AECID and
- To the **TCO** of the countries in which the intervention is being carried out and
- To the local partners

** You are advised **not to use up** the period allowed for submitting the evaluation report, so that your recommendations can be applied more quickly.*

In a **period of two months** from when the AECID receives the evaluation report, the **Follow-up Commission** will hold a **meeting** at which its **conclusions and recommendations will be analysed**. This could result in:

- **An agreement being reached**: the **resolutions** which shall be adopted at this meeting will be **set forth in a** record signed by both parties, which will **become part of the** Cooperation Framework Agreement. The Record **could introduce modifications** into the Framework Agreement, with the same effects as a resolution for authorisation of substantial modification. The **TCOs will receive a copy** of this record.
- **An agreement not being reached**: in this case, **the record** signed by the **representative of the NGDO Department** at the Commission, acting as secretary, will cover the arguments and proposals of both parties and **will be passed on to the Body granting** the subsidy, which, after collecting any reports that it considers appropriate and after hearing the NGDO, **will resolve** on the terms in which the agreement is to be **continued** or even on its **termination**.

➤ **Final evaluations (R09-VI.4.2.2 and R11-VI.4.2.2)**

External final evaluations are not compulsory in framework agreements, whatever the call in which these were awarded, but **their performance under the grant may be authorised by the AECID if these have been included in the approved initial formulation or if these are authorised later**

To determine the **ToR** for the evaluation and **the evaluation team** which will have to carry this out, the procedure shall be as described **for the mid-term evaluations** in the previous heading, the following having to be **submitted** to the AECID:

- ✓ Framework Agreements from calls until 2011: **the ToR in at most 4 months from the end** of the period for implementation of the agreement.
- ✓ Framework Agreements from calls since 2012: **the ToR and the proposal for the evaluation team in at most 4 months from the end** of the period for implementation of the agreement.

The authorised final evaluations must be **sent in** to the AECID, through the NGDO Department, **along with the Final Report**, in at most **11 months**, in framework agreements from calls until 2011, or **6**

months, in agreements from calls since 2012, **from when implementation** * of the agreement has ended.

**** Why it is important to submit the evaluation reports financed by the AECID: because if these are not presented the application of the grant will not be considered properly justified, which may give rise to the request for reimbursement and exclusion from calls under way.***

These must be submitted **in Spanish**. Their **translation**, should the original document be in any other language, is an expense that can be financed from the AECID grant.

SUMMARY TABLE OF RULES FOR EVALUATIONS

	Projects until 2011	Projects and measures since 2012	Framework agreements until 2011	Framework agreements since 2012	
Compulsory nature	Final evaluation for grants > 350,000 €	Not compulsory	Mid-term evaluation	Not compulsory	
Type of evaluations that can be financed	External and compulsory or authorised by the AECID				
	Only final		Intermediate or final		
Implementation	The evaluation team is advised to get in touch with the TCO in the countries in which the evaluation is to be made, to take their recommendations into account and inform them of its development				
General contracting rules	<ul style="list-style-type: none"> * Preference for local contracting * At least 3 offers for sums over 12,000 € * In accordance with the model ToR of the AECID * The evaluator's independence must be guaranteed 				
PROCEDURE	MID-TERM EVALUATIONS	Submitting ToR to the AECID		Up to 4 months before half way through the implementation period	Up to 4 months before half way through the implementation period, along with the proposal for the evaluator
		Objections of the AECID or not		In 2 months from receiving this	
		Call for tenders		After no objections or no declaration of the AECID in the established period	Up to 4 months before half way through the implementation period, for submission to the AECID along with the ToR
		Submitting the proposal for the evaluator (and 3 offers, where applicable) to the AECID		After the tender	
		Objections of the AECID or not		In 1 month from receiving this	In 2 months from receiving this
		Contracting and implementation		After no objections or no declaration of the AECID in the established period	After no objections or no declaration of the AECID in the established period
		Submission of report		In Spanish (translation expenses can be financed)	

FINAL EVALUATIONS	Submitting ToR to the AECID	Up to 4 months after the termination of the implementation period, along with the proposal for the evaluator	Up to 4 months before the termination of the implementation period, along with the proposal for the evaluator	Up to 4 months after the termination of the implementation period,	Up to 4 months before the termination of the implementation period, along with the proposal for the evaluator	
	Objections of the AECID or not			In 2 months from receiving this		
	Call for tenders	Up to 4 months after the termination of the implementation period for submission to the AECID along with the ToR	Up to 4 months before the termination of the implementation period for submission to the AECID along with the ToR	After no objections or no declaration of the AECID in the established period	Up to 4 months before the termination of the implementation period for submission to the AECID along with the ToR	
	Submitting the proposal for the evaluator (and 3 offers, where applicable) to the AECID			After the call for tenders		
	Objections of the AECID or not	In 1 month from receiving this	In 2 months from receiving this	In 1 month from receiving this	In 2 months from receiving this	
	Contracting and implementation	After no objections or no declaration of the AECID in the established period				
	Submitting report	In Spanish (translation expenses can be financed)				
With the final report, up to 11 months from the end of implementation, <u>except for the call for projects in 2011 for which this period is 6 months</u> ^{v2014}		With the final report, up to 6 months from the end of implementation	With the final report, up to 11 months from the end of implementation	With the final report, up to 6 months from the end of implementation		

9.5. AUDITS (R09-VI.5 and R11-VI.5)

❖ Compulsory nature of audits

➤ Projects and measures

Audits **are not compulsory** either for **projects** or for **measures**.

Audits financed from the AECID GRANT can nevertheless be made if:

- ✓ **These have been authorised with the initial formula approved or**
- ✓ **The AECID authorises this beforehand, after an application submitted to the Management Unit, or**
- ✓ **With no need for authorisation, if the audit is financed from financial returns generated by the grant, or from surplus balances, on condition that their use does not imply any substantial modification (Subsection 5.1). In this case it is similarly necessary:**
 - **To inform the AECID**, before the expiry of the initial justification period, that the audit is going to be carried out, since the period for submitting the final report increases (See Subsection 9.3)
 - **To ask for no objections** from the AECID to the terms of reference (ToR) for the contracting and to the proposal for the auditor.
 - **To respect the other requisites** for contracting and preparation of the auditors' report.

➤ Framework agreements

A) FROM CALLS UNTIL 2011:

The final audit is **compulsory** in all **framework agreements from calls until 2011**. This requisite can be met by submitting:

- ✓ a final **audit referring to all the expenses** for the agreement, in cases where the NGDO has opted for the **system of full economic justification at the end** of the intervention, or alternatively
- ✓ **audits referring to each monitoring period**, when the NGDO has opted for carrying out **justification by annual periods** in the form of an **abridged supporting account**, or alternatively
- ✓ **an audit referring to the last period reported**, when it has opted for **justification** of expenses **by annual periods** in the form of a **full supporting account**. The supporting account submitted with the last report (final report) shall be abridged.

B) FROM CALLS SINCE 2012:

Audits **are not compulsory in any agreement from calls since 2012** but audits can be made in the same cases and with the **same conditions stated in the previous heading concerning projects and measures**, in which case the following options are available:

- ✓ a final **audit referring to all the expenses** from the agreement, in cases where the NGDO has opted for the **system of full economic justification at the end** of the intervention, or alternatively
- ✓ **audits referring to each monitoring period**, when the NGDO has opted for carrying out **justification by annual periods** in the form of an **abridged supporting account**

❖ What audits must verify

Any audit reports made which are charged to the AECID grant **must verify** compliance of the **requisites** established in its **rules** and as stated in this guide and provide **information on compliance** of all of these in the Report submitted to the AECID. These must **verify** *:

- ✓ **The documents forming the full supporting account**: the **existence of the documents** that have to form the full supporting account must be verified (see Subsection 9.3).
- ✓ **The classified list of expenses**: this will be checked to find out if it **extends to the total amount of the expenditure** incurred, **whatever the source of its financing**.
- ✓ **The supporting documents accrediting that the expense was made**: a **spot-check will be made for the individual supporting documents**, in accordance with usual auditing practices in this field. The random check **may extend to** the supporting documents financed by **other financers**, in particular if these are other Administrations and their **conformity certificate is not available**.
- ✓ **For each type of expense**: a check will be made to verify compliance with the **requisites and existence of the documents** stipulated for each type of expense in Subsection 11.4. Checking documents other than individual supporting documents accrediting execution of the expense shall be exhaustive. Individual supporting documents for expenses shall be verified by spot-checks in accordance with usual auditing practices in this field.

**** It will not be required for:***

- *expenses executed by local partners or foreign counterparts to be reflected in the accounting records of the awardee NGDO.*
- *there to be an expert's certification of the value of the goods entered in public registers, the deed being valid for accrediting the value.*

❖ How they are contracted

The following rules shall be applied for contracting audits:

- ✓ This shall be done in accordance with the **model terms of reference (ToR)** of the AECID, which will be available on its web page.
- ✓ If the amount of the audit is **over 12,000 euros**, it will be necessary to obtain **at least 3 offers** or, if the contracting is done abroad and it is not possible to obtain that number of offers, to have the certificate from the TCO/CC/Antenna/Embassy accrediting its impossibility.

- ✓ Auditing firms contracted under AECID grants for carrying out audits will have to be:
 - Properly registered in the **ROAC** (Official Register of Chartered Accountants) an agency of the Spanish Accounting and Auditing Institute (*Instituto de Contabilidad y Auditoria de Cuentas*), **or alternatively**
 - A **subsidiary** or associated firm under a recognised auditing company, on condition that **documents accrediting the association** and the responsibility of the firm accrediting the report are accredited, **or alternatively**
 - A **local auditor** or auditor from a third country. In this case a report from **TCO/CC/Antenna/Embassy or a local notary** shall be enclosed in which it declares its legality in accordance with local law.

- ✓ Before contracting the auditor selected, the **AECID shall be sent** the following items, through the Management Unit for the grant:
 - The proposal for the award
 - The ToR used for the tender
 - If the proposed auditor is Spanish, the certificate of their registration in the ROAC
 - If the auditor is contracted locally, the report of the TCO/CC/Antenna/Embassy or of the local notary, in which it declares its legality in accordance with local law

FOR FRAMEWORK AGREEMENTS, PROJECTS AND MEASURES FROM CALLS SINCE 2012 *, these documents must be sent to the AECID in the following periods:

- **Projects and measures:** before two months have gone by from the end of the implementation period, including extensions.
- **Framework agreements:**
 - *Framework agreements with joint submission of all the economic justification with the final report:* before two months have gone by from the end of the implementation period, including extensions.
 - *Framework agreements with yearly economic justification:* to be submitted along with the 1st technical monitoring report.

* Rules for framework agreements and projects from calls until 2011 do not establish deadlines for submitting these documents, but the recommended procedure is to apply the same ones as for calls since 2012

- ✓ **The AECID has two months**, from reception of the proposal, to express its conformity or raise any objections. The contracting will be started and the auditing performed when the AECID has declared it has no objections or when two months have gone by without it having made a statement. If the AECID raises any objections to the proposal the terms of reference or the proposal for award must be modified as required and a new proposal has to be submitted.

❖ **When and how these are submitted**

The reports issued by auditors must be **supplied along with the Final Report** or, only in the case of framework agreements justified by annual periods with an abridged supporting account, **with the Economic Monitoring Report**.

The **periods for submission** * are:

- ✓ **With final reports:**

A) AGREEMENTS AND PROJECTS FROM CALLS UNTIL 2011:

Submission, along with the final report, within **9 months from the end of the implementation period, unless there is a final evaluation**, in which case both reports should be submitted along with the final report within **11 months**.

A) AGREEMENTS, PROJECTS AND MEASURES FROM CALLS SINCE 2012:

Submission, along with the final report, within **6 months from the end of the implementation period**.

- ✓ **With economic monitoring reports** (only if these are agreements justified by annual periods with abridged supporting account): **until 1st October** of the period immediately after the one reported.

These must be submitted **in Spanish**. Their translation, should the original document be in another language, is an expense that **may be financed** from the AECID grant

** **Why it is important to submit the auditing reports financed by the AECID in due time:** because if these are not submitted the application of the grant will **not be considered properly justified**, which may give rise to the request for **reimbursement and exclusion from calls under way**.*

❖ Effects of submitting audits

When the economic justification of a framework agreement, project or measure is **accompanied** by an auditors' report, this shall take the form of an **abridged supporting account** (See Subsection 9.3).
However:

- ✓ The awardee **organisation** is **obliged to keep** the supporting documents until the **limitation periods have lapsed** (for limitation periods, see the headings on the economic monitoring report for framework agreements, in Subsection 9.1, and the economic justification of the final report in Subsection 9.3)
- ✓ The **AECID** shall make **checks on a random sample of the reports submitted**, or when circumstances make this advisable, in respect of a specific intervention. When a report is selected for this check:
 - the submission of the **documents not required** for the abridged supporting account but **required for the full supporting account** (See Subsection 9.3) will be **required**.
 - the **entirety or a sample** of the original documents or certified copies **supporting the expenses** will be required.
 - the **detection of serious irregularities** or falsehood in a final or monitoring report which had not been revealed in the auditors' report will entail that:
 - a. The **cost of the audit will not be a subsidisable** expense
 - b. The AECID will not declare its lack of objections to the award of new audits to the auditing company responsible for the report for ten years.

- c. In the case of framework agreements, the **previous monitoring reports will be checked** even though these had been deemed valid at the time, for purposes of justifying the period reported.

10. ACCREDITATION OF EXPENSES AND PAYMENTS: GENERAL ASPECTS

10.1. ACCOUNTING FOR FUNDS CONTRIBUTED BY OTHER FINANCERS (R09-II.2. and R11-VII.1.1)

AS REGARDS THE FUNDS PROVIDED BY FINANCERS OTHER THAN THE AECID TO THE FRAMEWORK AGREEMENT, PROJECT OR MEASURE, TWO POINTS HAVE TO BE KNOWN:

- A) **WHAT THEIR AMOUNT IS:** this aspect is covered in the documents known as “Certifications of other co-financers”, which have to be included in the supporting account (see heading on the supporting account in Subsection 9.3)
- B) **IF THESE FUNDS HAVE BEEN SPENT AND ON WHAT:** this subsection refers to this aspect.

❖ Obligation to justify all the funds

The supporting account for the grant **must include the expenses** made with the **funds contributed to the project by all the financers**, that is, with:

- The AECID* grant,
- Other grants,
- The awardee organisation’s own funds,
- The contributions of local partners, final target collective and other local bodies
- and the valuations of local partners, final target collective and other local bodies **(ONLY IN CALLS UNTIL 2011. NO VALUATIONS ARE ACCEPTED IN GRANTS FOR FRAMEWORK AGREEMENTS, PROJECTS AND MEASURES SINCE 2012)**

* THE AECID CAN TOTALLY OR PARTLY FINANCE THE INTERVENTION DEPENDING ON THE YEAR OF THE CALL, THE TYPE OF GRANT AND ITS AMOUNT. THE FINANCING LIMITS OF THE AECID ARE AS FOLLOWS:		
TYPE OF GRANT	CALLS UNTIL 2011	CALLS SINCE 2012
FRAMEWORK AGREEMENTS AND PROJECTS	Maximum of 80 %. The contributions from outside the AECID may stem from other grants, from valuations or final target collective, partners or other local bodies, or from the NGDO’s own funds ⁸ .	- Up to 100 % in grants up to 600,000 €. - At most 95 %, from 600,000 € of AECID grant. This means that 5 % of any sum exceeding that amount will be provided. Contributions other than the AECID’s may be from other grants, from partners or other local organisations, or from the NGDO’s own funds ⁹ . NO VALUATIONS ARE ALLOWED for obligatory percentages.
MEASURES		Up to 100 %, since the maximum grant is 600,000 €.
Funds left over from other AECID grants or valuations of goods acquired with AECID grants cannot be included to justify the obligatory financing percentage.		

⁸ For minimum limits of the NGDO’s own funds to be provided, see the last heading in this same subsection 10.1.

⁹ Idem.

It should be **taken into account** that:

- ✓ The awardee organisation must **inform the AECID** if it **obtains other unexpected resources**, in the monitoring and/or final reports, depending on the time when these were obtained.
- ✓ The **sum** of the amounts of **all the funds** provided to the framework agreement, project or measure **cannot exceed the total cost** of the activity subsidised.
- ✓ The **list** of supporting documents for expenses **must include the total amount** of these, **stating the source of the funds** with which they were financed.
- ✓ The justification **requisites called for by the AECID** must be accredited **only** in respect of the **expenses allocated to the actual AECID grant, whether this allocation is total or partial**. As regards the **rest** of the contributions, only the application of funds to the execution of the scheduled activities must be **accredited** to the AECID, i.e. showing **that the expenditure has been made ***.

- It is not necessary to accredit that the expenditure made with funds not from the AECID complies with such requisites as the request for offers to contract, the authorisation for using receipts or others which are required for expenses made with the AECID funds.
 - It is however necessary to accredit that these funds were spent, i.e. invoices, receipts or other legally valid documents (Subsection 11.2) must be available to vouch for the receiver's receipt of these, or the supporting document accrediting the transfer should be included.
- ✓ All the **supporting documents** for expenses **totally or partially allocated** to the **AECID grant** and the ones **made with the** awardee's own funds or those of its partners as a group must bear a **stamped certification** (see Subsection 11.1) with the code of the framework agreement, project or measure, the statement "financed by the AECID" and the percentage of AECID financing in the amount of the supporting document, should this not cover the full amount.
- ✓ Charged to the funds of **financers other than the awardee organisation** or its partners in a group, **used for covering the compulsory percentage** of the financing not from the AECID, established in the regulation (see percentages in this same heading):
 - A) CALLS UNTIL 2011: **indirect costs may be allocated** up to the **same percentage** authorised for the AECID grant, on condition that this percentage does not exceed what is stated in the rule on other financers.
 - B) CALLS SINCE 2012: **indirect expenses cannot be allocated**.
- ✓ **Indirect expenses cannot be allocated** to the awardee organisation or its partners in a group's **own funds**, whatever the call in which the grant was approved.
- ✓ ^{V2014} Any income obtained during implementation as a result of giving courses or selling products obtained with the AECID grant shall be considered funds proceeding from other financers and have to be invested in the same framework agreement, project or measure.

❖ Grants granted by other Administrations

In respect of **grants granted by other Administrations**, it is only necessary to **accredit that the expenditure has been made. The following may be used** for this accreditation:

- ✓ The **certification** issued by the granting **Administration**, with its consent to the expenses that have been financed with its funds, or
- ✓ If the certificate issued by the granting Administration is not available, the **AECID itself has to check that the expenditure of those funds has been made**. To this end it may request the **submission of a sample of original supporting documents for expense, or their certified copies**.

❖ Valuations (ONLY FOR PROJECTS AND FRAMEWORK AGREEMENTS FROM CALLS UNTIL 2011)

Valuations may be included as **contributions of other financiers** to the project or agreement, on condition that the following are **complied with**:

A) For these to be local contributions, with the following conditions:

- ✓ for the contribution to **come from final target collective, local partners and other local bodies** other than NGOs or their partners in groups
- ✓ for the contributions to be valued to be in the form of **land, premises, equipment, including vehicles, materials and services**. Labour can also be valued if this is contributed by the final target collective
- ✓ for the contributions be valued to be **directly connected** with the performance of the activities in the budget and
- ✓ in the case of **land, buildings, premises or equipment**:
 - **be going to be definitively transferred**, at the end of the implementation, along with the other goods acquired under the project or framework agreement financing, or
 - for these to be **temporarily made available** for direct use in performing the project or framework agreement, in which case the contribution to be **valued** will be the amount **equivalent to the rental** of those goods for as long as these are used, always within the period of implementation of the intervention
- ✓ for the valuations **to be in accordance with local market** prices and in the case of equipment, to take into account their age.
- ✓ for it to be **accredited with a certification of who makes the contribution** (local partner, final target collective or local bodies). In this certification, or an appendix to this, **the contribution should be described and quantified**, indicating the number of units and hours of labour, unit price (where applicable) as well as the total valuation.

B) For these to be valuations of volunteers in Education for Development in Spain, subject to the following:

The hours of work done on a voluntary and free basis may be valued, with a maximum of 30 euros per hour **only for 2010 and 2011 calls for projects and framework agreements, and only for interventions for Education for Development** in Spain. Any voluntary work which is carried out must be done under the form of a private contract in which it explicitly states the responsibilities (duties and rights) of each party involved, pointing out the role that this volunteer will assume in the intervention. This contract must specify the name, surnames and I.D. card number of the volunteer. The justification of the expenditure must go along with a declaration signed by the volunteer in which it states the number of hours assigned to the project.

❖ Awardee organisation’s own funds

The **funds of its own** contributed by the awardee organisation or its partners as a group, when these are contributed in the category of **obligatory percentage*** of **own funds** or contribute to the compulsory **percentage of contribution from other financers**, **may only be used for financing direct expenses** of the intervention.

In respect of these funds it is only necessary to accredit their application to the planned activities, without it being necessary for them to meet the justification requisites demanded by the AECID, except for bearing the stamped certification (see Subsection 11.1). The AECID may request a **sample of original supporting documents or certified copies** to verify the expenditure on these items.

* The accreditation of an expenditure is done by an invoice, receipt or some other legally valid document in which the receiver’s receipt is declared, or enclosing the supporting document for the transfer.

*** OWN FUNDS BY CALLS:**

A) FRAMEWORK AGREEMENTS AND PROJECTS FROM CALLS UNTIL 2011:

The compulsory percentage of own funds is proportional to the AECID grant and demanded only from 800,000 euros of grant, as shown in the following table:

OWN FUNDS			
Grant up to €	Quota of Own funds	Rest of Grant up to €	Applicable rate Percentage
799,999 €	0 €	2,499,999 €	2%
2,500,000 €	34,000 €	3,749,999 €	3%
3,750,000 €	71,500 €	And above	4%

B) FRAMEWORK AGREEMENTS AND PROJECTS FROM CALLS SINCE 2012:

The compulsory percentage of own funds is proportional to the AECID grant and demanded only from grants of 600,000 euros. This is 1 per 100 of the amount of the grant in excess of 600,000 euros.

10.2. ALLOCATION OF DEPRECIATION TO THE GRANT

❖ What depreciation can be subsidised by AECID (R11-VII.1.2.1)

- The **depreciation** of goods can be allocated to the AECID grant, with the following **conditions**:
 - ✓ for these to be goods (machinery, furniture, equipment, vehicles, etc.) **other than real estate** (buildings or land)
 - ✓ for these to have been **purchased with the awardee organisation's own funds** (as leader or in group) or those of its **local partner**
 - ✓ for the organisation's own funds with which these have been purchased to be **other than the ones committed** as such in the **intervention (other than the ones contributed as compulsory co-financing percentage)**
 - ✓ for the funds with which these were purchased **not** to have been **obtained** with any other **AECID** financing or from any other **subsidising body**
 - ✓ for the same goods not to be depreciated for the same periods charged to different grants
 - ✓ for the goods to be depreciated **to be made available for the implementation** of the intervention in the field, whether purchased before starting implementation or during this.

- The following are **depreciable expenses**:
 - ✓ purchase
 - ✓ shipment
 - ✓ installation
 - ✓ registration
 - ✓ commissioning
 - ✓ customs expenses if the good is purchased in a different country to the one in which implementation takes place

- The following are **NOT** included in depreciation:

Any other **operating and maintenance expenses** for these goods (fuel, repairs, insurance, etc.). During the period for implementation of the intervention, these expenses will be allocated under their relevant headings.

❖ How depreciations are calculated (R11-VII.1.2.2)

- **Periods for allocation of depreciation**

Depreciations are allocated to the grant in accordance with the following rules:

 - ✓ by **full monthly periods**, ignoring any remainders under one month
 - ✓ allocating the **number of months** for which the good **was available for the intervention** to the grant
 - ✓ for a **number of months** which may not exceed that of the **total duration** of the implementation period of the intervention
 - ✓ considering as **implementation period** both the legally allowed **identification and formulation** period of the intervention and that of **implementation** in the field

- ✓ the time elapsing from the completion of the **formulation** (end of the period allowed for submitting proposals in Projects from calls until 2011, and delivery of formulation in framework agreements) to **the real date of starting** the implementation in the field **is not considered as being the implementation period**. (See starting dates in Subsection 3)
- ✓ **months after the end of the good's useful life** are not calculated

➤ **Useful life of the goods to be depreciated**

The useful life of the depreciable goods to be considered for calculating depreciations is as **follows**:

- Industrial or farming **machinery** and generators: **120** months (10 years)
- Office **furnishings**: **120** months (10 years)
- **Industrial and farming tools and utensils**: **72** months (6 years)
- **Means of transport**: **60** months (5 years)
- Computer equipment, photocopiers, faxes, telephones, radio equipment or others of a similar kind: **48** months (4 years)

The useful life of the good is **calculated** from the time of its purchase by the awardee organisation or by its local partner, which is accredited by the invoice date. If these are goods purchased second hand the useful life may be calculated **from the time when the good was put on the market the first time**, on condition that **accreditation** of the date when this took place is available (date of registration, for example, in the case of vehicles). In this case, to calculate the useful life, the period elapsing **between when it was put on the market to when it was bought by the** organisation or its local partner shall be deducted from the useful life of a new good stated in this same section.

➤ **Calculating the depreciation chargeable to the AECID grant**

The depreciation chargeable to the grant will be calculated in accordance with the following **formula**:

Depreciation chargeable to the grant	=	$\frac{\text{Purchase value x months of the good in the intervention}}{\text{Useful life of the good in months}}$
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Examples:

A vehicle purchased new by the NGDO, with its own funds, on **1st February 2008**, for **20,000 euros**. This is assigned to a project whose **starting date is 15th April 2009** and with a duration of **20 months (ending on 15th December 2010)**, during its entire implementation. The **registration cost was 500 euros**.

Purchase value = 20,000 + 500 = 20,500 euros

Useful life of a vehicle = 60 months

Months for which the good was used for the project = 20 months

Depreciation charged to the grant = 20,500 x 20 / 60 = 6,833.33 euros

The same vehicle from the previous example but purchased on 1st June 2005. This was assigned for use in the same project, but its useful life (60 months) ends on 1st June 2010, before the implementation of the project ends.

Purchase value = 20,000 + 500 = 20,500 euros

Useful life of a vehicle = 60 months

Months for which the good was used for the project = from 15th April 2009 to 1st June 2010 = 13 full months

Depreciation charged to the grant = 20,500 x 13 / 60 = 4,441.67 euros

A tractor, purchased second hand by the local partner, with its own funds, on 30th April 2007, for 40,000 euros. According to the papers of the tractor, this was first put on the market on 1st June 2006. It started to be used for a project whose starting date was 1st June 2009, lasting for 24 months (ending on 1st January 2011), for its entire implementation period. The servicing cost for putting this into use was 1,000 euros.

Purchase value = 40,000 + 1,000 = 41,000 euros

Useful life of a tractor (farm machinery) = 120 months

Useful life to be deducted = from 1st June 2006 to 30th April 2007 = 11 months

Useful life of second-hand tractor = 120 – 11 = 109 months

Months for which the good was used for the project = 24 months

Depreciation charged to the grant = 41,000 x 24 / 109 = 9,027.52 euros

❖ Who the depreciated goods belong to (R11-VII.1.2.3)

Any **goods which are not purchased with the grant**, but with the awardee organisation or its local partners' own funds, and which are only allocated to the grant in the form of **depreciation**, belong to **the party who purchased them** and it is not obligatory to **transfer** them at the end of the intervention, nor to **appropriate these to the purposes** of the intervention. The organisation purchasing them is able to **dispose** of these **freely**.

But, **if at the end** of the intervention, the organisation or its local partner **decide to transfer** the goods that they initially intended to depreciate, in accordance with the rules laid down for transfer of purchased goods (see Subsection 8 on transfers), **AND ON CONDITION THAT THE GOOD WAS PURCHASED DURING THE IMPLEMENTATION PERIOD OF THE INTERVENTION, its full purchase cost** could be **allocated** to the grant, instead of depreciating the good. With these same requisites, if these are **agreements with annual justification**, the **difference between the purchase value and what was already depreciated in previous justified periods** could be allocated to the last period.

❖ How depreciations are justified (R11-VII.1.2.4)

The following are **needed to justify** depreciations:

- ✓ original **invoices*** or certified copies of the purchase and the other depreciated expenses (shipment, installation, registration, commissioning)

*** The original invoices should contain a stamped certification which states that the good was purchased with the organisation's own funds, and totally or partly depreciated from the AECID grant, stating the amount of the depreciated part in the case of partial depreciation.**

- ✓ **declaration of responsibility** that the good was purchased with own funds other than the ones committed to the intervention in question or to other interventions financed by the AECID, and that its financing was not totally or partially applied to any grant of either the AECID or any other body (in accordance with the **model** depreciation declaration available on the AECID web page)
- ✓ **the same declaration of responsibility shall state the amount allocated** to the grant and the **calculation made** to obtain this sum.
- ✓ if the purchase of the good was in a **currency other than the euros, the calculations shall be made in the acquisition currency, applying the official exchange rate in force on the date of the purchase invoice to the result.** The document accrediting the exchange rate used shall be enclosed with the declaration of responsibility.

10.3. CURRENCY EXCHANGES (R11-VII.1.3)

❖ Where currency exchanges are carried out

There are **two ways** to carry out **currency** exchanges:

- ✓ By making **transfers** between bank accounts open in different currencies:
 - From the **AECID account to the awardee organisation's account**, when the latter is open in a country other than Spain.
 - From the account in **the awardee organisation's** country when this is other than the implementation country, to the **account/s** of the framework agreement, project or measure in the implementation **country** or countries. These accounts can be open in euros, in which case no currency exchange will be involved in this operation, or in an **intermediate** currency (normally the US dollar) **or** directly in the **currency of the implementation country**. An account on behalf of the framework agreement, project or measure in the implementation country in euros or intermediate currency is known as a **Local Account in Currency**. An account on behalf of the framework agreement, project or measure in the implementation country in its own currency is known as an **Account in Local Currency**.
 - From an account on behalf of the project or framework agreement in euros or intermediate currency in the implementation country (**Local Account in Currency**) to an account on behalf of the framework agreement or project, in the implementation country, in its own currency (**Account in Local Currency**).
- ✓ By purchasing **local currency in cash**. In this case the operations **must always be performed on official markets, banks or legally recognised exchange bureaux**.

❖ How exchange rates are applied

Supporting accounts for the expenses made must be **rendered** and submitted to the AECID in **euros**. To convert the expenses paid in other currencies into euros, the **exchange rates at which the awardee organisation bought the currency** * used for the expenditure must be applied.

** Whatever the method that is applied, this must **always be based on exchange rates that have really been applied** between the euros paid by the AECID and the other financiers^{v2014}, and the local currency in which the expense was paid, i.e., **THE REAL COST OF AN EXPENSE FOR THE AWARDEE ORGANISATION MUST BE DETERMINED**.*

Hence:

- **The exchange rates applied to transfers to the implementation country shall always be taken into account, whether these were performed before or after execution of the expense, for having advanced the funds to the local partner, although the global sums transferred and spent must be matched.**
- **Documents accrediting official exchange rates on a general basis will not be accepted.**
- **These shall never be based on future estimates. For this reason, if a weighted average exchange rate is used in a framework agreement with annual economic justification, the longest period in which the weighting may be performed is the period covered by the economic report handed in.**

Two methods may be chosen from for applying exchange rates:

- ✓ **FIFO** method: the exchange rate at which a remittance of funds is acquired is applied to all the expenses incurred until this remittance is used up.
- ✓ **Weighted** exchange rate: all the exchange rates used in a period, which may be under a year, yearly, or cover the total implementation period, must be weighted.

The method shall be the one chosen by the awardee organisation due to suiting its management systems best. Different methods for application of exchange rates cannot be used in the management and justification of the same grant, with the sole exception of the points stipulated for the allocation of depreciation (Subsection 10.2. How depreciations are justified). In lists of expenses the method used for application of exchange rates and the exchange rate applied to each expense shall be stated.

Example 1: FIFO Method

Exchange operations carried out:

Transfer on 30/12/2008: 2,000 euros at 1.40 US\$/euro gives 2,800 US\$
 Exchange rate on 1/01/2009: 1,000 US\$ at 12.50 pesos/US\$ gives 12,500 pesos
 Transfer on 15/05/2009: 900 US\$ at 13.00 pesos/US\$ gives 11,700 pesos
 Transfer on 30/05/2009: 3,000 euros at 1.35 US\$/euro gives 4,050 US\$
 Exchange rate on 2/08/2009: 1,200 US\$ at 13.50 pesos/US\$ gives 16,200 pesos

Total euros transferred	5,000.00
Total US\$ obtained	6,850.00
Total US\$ exchanged	3,100.00
Total pesos obtained	40,400.00

Expenses incurred in euros according to the FIFO method

Expense	date	Pesos (GP)	peso/US\$ (tc1)	US\$ (G\$=GP/tc1)	US\$/euro (tc2)	Euros (G\$/tc2)
Expense 1	01/01/2009	2,000.00	12.50	160.00	1.40	114.29
Expense 2	15/01/2009	1,200.00	12.50	96.00	1.40	68.57
Expense 3	30/03/2009	800.00	12.50	64.00	1.40	45.71
Expense 4	20/04/2009	5,000.00	12.50	400.00	1.40	285.71
Expense 5 (1)*	30/05/2009	3,500.00	12.50	280.00	1.40	200.00
Expense 5 (2)*	30/05/2009	1,000.00	13.00	76.92	1.40	54.95
Expense 6	15/06/2009	3,000.00	13.00	230.77	1.40	164.84
Expense 7	20/07/2009	4,700.00	13.00	361.54	1.40	258.24
Expense 8	02/08/2009	3,000.00	13.00	230.77	1.40	164.84
Expense 9	05/08/2009	4,000.00	13.50	296.30	1.40	211.64
Expense 10	20/08/2009	5,000.00	13.50	370.37	1.40	264.55
Expense 11 (1)**	10/09/2009	3,150.00	13.50	233.33	1.40	166.67
Expense 11 (2)**	10/09/2009	1,050.00	13.50	77.78	1.35	57.61
Expense 12	30/09/2009	500.00	13.50	37.04	1.35	27.43
Expense 13	25/10/2009	200.00	13.50	14.81	1.35	10.97
Expense 14	30/12/2009	1,000.00	13.50	74.07	1.35	54.87
Total expenses		39,100.00		3,003.70		2,150.89
Balance in pesos at end of period		1,300.00	13.50	96.30	1.35	71.33
Balance in US\$ at end of period				3,750.00	1.35	2,777.78
Total expenses and balances		40,400.00		6,850.00		5,000.00

* Expense 5, of 4,500 pesos, is subdivided since the remittance of pesos on 1/01/09 is used up with 3,500 pesos

** Expense 11, of 4,200 pesos, is subdivided since the remittance of US\$ on 30/12/08 is used up with 3,150 US\$

Example 2: weighted average exchange rate

Exchange operations carried out: (the same as for the previous example):

Transfer on 30/12/2008:	2,000 euros at 1.40 US\$/euro gives 2,800 US\$
Exchange on 1/01/2009:	1,000 US\$ at 12.50 pesos/US\$ gives 12,500 pesos
Transfer on 15/05/2009:	900 US\$ at 13.00 pesos/US\$ gives 11,700 pesos
Transfer on 30/05/2009:	3,000 euros at 1.35 US\$/euro gives 4,050 US\$
Exchange on 2/08/2009:	1,200 US\$ at 13.50 pesos/US\$ gives 16,200 pesos

Total euros transferred	5,000.00		
Total US\$ obtained	6,850.00		
Total US\$ exchanged	3,100.00		
Total pesos obtained	40,400.00		
Average exchange rate US\$/euro	2,000.00	2,800.00	
	3,000.00	4,050.00	
	5,000.00	6,850.00	1.37
Average exchange rate peso /US\$	1,000.00	12,500.00	
	900.00	11,700.00	
	1,200.00	16,200.00	
	3,100.00	40,400.00	13.0323

Expenses incurred (same as previous example) in euros by the weighted average exchange method

Expense	date	pesos (GP)	peso/US\$ (tc1)	US\$ (G\$=GP/tc1)	US\$/euro (tc2)	Euros (G\$/tc2)
Expense 1	01/01/2009	2,000.00	13.0323	153.46	1.37	112.02
Expense 2	15/01/2009	1,200.00	13.0323	92.08	1.37	67.21
Expense 3	30/03/2009	800.00	13.0323	61.39	1.37	44.81
Expense 4	20/04/2009	5,000.00	13.0323	383.66	1.37	280.05
Expense 5	30/05/2009	4,500.00	13.0323	345.30	1.37	252.04
Expense 6	15/06/2009	3,000.00	13.0323	230.20	1.37	168.03
Expense 7	20/07/2009	4,700.00	13.0323	360.64	1.37	263.24
Expense 8	02/08/2009	3,000.00	13.0323	230.20	1.37	168.03
Expense 9	05/08/2009	4,000.00	13.0323	306.93	1.37	224.04
Expense 10	20/08/2009	5,000.00	13.0323	383.66	1.37	280.05
Expense 11	10/09/2009	4,200.00	13.0323	322.28	1.37	235.24
Expense 12	30/09/2009	500.00	13.0323	38.37	1.37	28.00
Expense 13	25/10/2009	200.00	13.0323	15.35	1.37	11.20
Expense 14	30/12/2009	1,000.00	13.0323	76.73	1.37	56.01
Total expenses		39,100.00		3,000.24		2,189.95
<i>Balance in pesos at end of period*</i>		<i>1,300.00</i>	<i>13.0323</i>	<i>99.75</i>	<i>1.37</i>	<i>72.81</i>
<i>Balance in US\$ at end of period *</i>				<i>3,750.01</i>	<i>1.37</i>	<i>2,737.23</i>
Total expenses and balances		40,400.00		6,850.00		5,000.00

* The balances are incorporated in the following period as if these were new remittances made at the average exchange rate obtained

❖ Details for in the case of interim reports on framework agreements ^{v2014}

The balances for a period must be included in the following period in accordance with the method used - FIFO or weighted average - for application of the exchange rate.

Should the weighted average exchange rate be used, and on condition that there is an intermediate form of cash – currency – in order to start a period with the surplus balances of the previous period, the equivalent of the balance of the local currency in the intermediate currency must be accumulated to that intermediate currency balance.

Another possible option may also be to establish the balances of each intermediate period in the different currencies used, and apply the exchange rates only to determine the final surplus in euros after the last report, or the amount of the refund, where applicable.

❖ How exchange rates are accredited

The exchange rates applied in supporting accounts must be **accredited** with the **documents** issued by the **institutions at which these were made** *, which means:

- ✓ in the case of **transfers** between accounts in different currencies; with the **bank document** which specifies the exchange rate applied to the transaction. If the transfer implies any other kind of **expenses or fees**, these should be allocated to the “**Financial expenses**” heading.
- ✓ in the case of **purchasing currency in cash** at banking institutions or official market exchange bureaus, with the **supporting document issued by the institution** at the time of the operation.

Other kinds of documents with general information, such as **official gazettes or banking institution publications, in which the daily exchange rates or period rates are stated, **or** exchange rates obtained from specialised **pages** on the **Internet** will not be allowed. Only documents accrediting real exchange operations performed are admissible.*

The only exceptions are exchange operations applied to allocation of depreciations to the grant (see Subsection 10.2. How depreciations are justified).

10.4. INDIRECT TAXES (R11-VII.1.4)

❖ Non-recoverable indirect taxes

The **legislation** of certain countries stipulates that **specific institutions or activities are released from paying indirect taxes** (VAT or equivalent) **when they make their purchases** on the local market, **or** that they can **recover the amount** of these taxes after accrediting their payment to the local treasury branch.

In accordance with the General Grants Act, when a **tax is recoverable, it may not be financed from** a grant granted by a Spanish authority. This means that the grant may only be used to finance the part of the expense that is actually incurred, and a tax that can be recovered is considered in fact not to be an expense, although this was initially paid and has not yet been recovered.

On the other hand, **if a tax is not recoverable, i.e., if this is paid through being included in the invoice without being entitled to any refund of this sum, it may indeed be financed** from the grant.

➤ When a tax is understood not to be recoverable

A tax is understood **not to be recoverable** when:

- ✓ **local legislation does not** consider the refund of indirect taxes as a general rule, or
- ✓ local legislation considers the refund of these taxes to certain institutions, but **the awardee organisation given the AECID grant was not acknowledged to qualify for such exemption**, or
- ✓ local legislation considers the refund of these taxes to certain foreign institutions but the expenses **cannot be exempt through being incurred by a local partner**, or
- ✓ local legislation considers the refund of these taxes for certain activities, but **the framework agreement, project or measure** in question **has not been recognised the exemption**, or
- ✓ **the exemption is not legally allowed** for a **specific type of expense**, although the awardee organisation, the local partner or the framework agreement, project or measure in question has been recognised this.

➤ How a tax is accredited to be non-recoverable

This is **accredited by**:

- ✓ a certification of the **Tax Administration** of the implementation country, or
- ✓ a **declaration of responsibility of the NGDO** with the **approval of the TCO/CC/Antenna/Spanish Embassy**

➤ How non-recoverable taxes are allocated to the grant

To allocate non-recoverable taxes to the grant, the expenses shall be **allocated** to the supporting account at their **total gross amount, including indirect taxes**.

❖ Recoverable indirect taxes

➤ Recovered during the intervention

If none of the circumstances described in the previous heading were to exist and the taxes **were recoverable**, this recovery **could take place** during the **implementation period** of the intervention.

In this case, the amounts **recovered** will be applied to **defraying expenses associated with the intervention, within its implementation period, it not being necessary to obtain prior authorisation from the AECID, unless their application entails substantial modifications** (see Subsection 5.1 on substantial modifications).

The expenses will be **allocated to the AECID grant** as follows:

- ✓ For projects and measures, and in framework agreements with total final economic justification or yearly economic justification in which the taxes are recovered within the period reported:

The supporting documents including these taxes **are allocated to the supporting account** for the grant **at their net amount**, that is, deducting the amount for tax.

- ✓ For framework agreements with yearly economic justification in which the recovery has not taken place by the end of the period covered in a monitoring report:

The supporting documents including said taxes are **justified** at their **full gross amount, including tax**, but:

- a **declaration of responsibility** by the representative of the NGDO shall be included stating that this tax was **not recovered**, specifying the **total amount** of the tax pending recovery, provisionally allocated to the AECID grant.
- if any tax were **recovered** within the **implementation period of the agreement**, the amounts recuperated shall be **applied** to defraying expenses associated with the intervention, within its **implementation period, it not being necessary to obtain prior authorisation of the AECID unless their application entails substantial modifications** (see Subsection 5.1 on substantial modifications).
- the **recovery** of these taxes must be **reflected as income** in the Financial Implementation **Balance Sheet** of the **relevant Monitoring or Final report** for the period in which these have been recovered.

➤ Recovered within four years from termination of the intervention

If the taxes **were recoverable**, but **not recuperated** during the **implementation period of the intervention**, the expense incurred shall be **met by means of an advance charged to the grant** insofar as **these are not actually recovered**.

For this reason, if **recovery had not taken place** by the **end** of the implementation period:

- ✓ the supporting documents including those taxes **shall be justified** at their **full gross amount, including tax, allocating these in full to the relevant heading, in accordance with the type of expense, and**
- ✓ a **declaration of responsibility** of the representative of the awardee organisation as to **not having recovered** said taxes shall be **attached** to the account, **specifying the total amount** of the tax pending recovery, allocated **as an advance** to the AECID grant.

If the **recovery** takes place within **four years from the end** of the implementation period for the activity, the organisation may **opt for returning the funds** recovered to the AECID **or proposing their application to activities*** associated with or complementary to the subsidised action.

In the event of the **organisation asking** the AECID (through the Management Unit) **for application of the recovered funds to another activity, the AECID** will issue a **resolution** for:

- ✓ **authorisation**, specifying the **new period** for implementation and justification, or
- ✓ **refusal**, declaring it proper to **refund** the funds advanced

** **IMPORTANT NOTE** ^{v2014}: It is not compulsory to immediately request the reuse or make the refund of the taxes recovered as soon as the recovery takes place, but if any refund has to be made, this will accrue interest in arrears.*



Not recovered within four years from termination of the intervention

If **four years elapse from the date of termination of the intervention** without the tax having been **recovered, there will no longer be any** obligation to return the tax to the AECID nor to apply this to other activities connected with the initial intervention.

To **consider this obligation finalised**, a further **declaration of responsibility** must be provided accrediting that the tax has not been recovered after four years have elapsed from the end of the implementation period of the intervention.

10.5. NON-SUBSIDISABLE EXPENSES (R11-VII.1.5)

The following expenses are considered **non-subsidisable under any circumstances**:

- ✓ **The debit interest** of bank accounts
- ✓ Any administrative and criminal **finances, interest or surcharges**. If these are included in any supporting document for subsidisable expenses, their amount will be deducted and this circumstance will be stated in writing in the original document.
- ✓ The expenses of **legal proceedings**.
- ✓ **Indirect taxes**, when these are eligible **for recovery** or compensation. If the tax is recovered prior to the end of the implementation period this will be justified at its net amount, after deducting tax. Otherwise **this may be allocated to the grant as an advance** (see Subsection 10.4 above).
- ✓ **Compensation**. Compulsory provisions of funds for the employer's account for financing unemployment or retirement benefit plans will not be considered compensation.
- ✓ Expenses for **protocol courtesies** (lunches, parties, receptions, gifts, flowers, tickets for shows, etc.).

10.6. DATES OF SUPPORTING DOCUMENTS AND PAYMENTS (R11-VII.1.6)

- ✓ **The following expenses are chargeable to the AECID grant:**
 - Those which are unquestionably involved in the nature of the intervention subsidised and
 - Have been incurred within its implementation period
- ✓ **The expenses are considered to have been incurred within the period when:**
 - The date of the supporting documents is between the starting date and the termination date of the intervention, and
 - The relevant payments are made between the date of starting the intervention and that of ending the justification period

AN EXPENSE COMES WITHIN THE PERIOD ALLOWED IF ... (with the exceptions stipulated below in this section)			
THE DATE OF ITS SUPPORTING DOCUMENT falls between		THE DATE OF PAYMENT OF THE SUPPORTING DOCUMENT falls between	
At the earliest	At the latest	At the earliest	At the latest
The date of <u>starting the implementation</u> (see Subsection 3)	The date on which <u>the implementation ends</u> (see Subsection 3)	The date of <u>starting the implementation</u> (see Subsection 3)	The date on which <u>the justification period ends</u> (see Subsection 9.3)

- ✓ **With the following exceptions:**
 - When these are **regular expenses or ones with continuing performance**, such as insurance, those whose supporting document accredits that they are for **services performed during the implementation period of the intervention** will be chargeable to the grant, even though the date of the supporting document is later than the closure date of said implementation.
 - Expenses whose supporting documents have been issued after the end of the implementation period of the intervention will be allowed in the following cases:
 - a. **Evaluations and audits** which have been performed in accordance with what is laid down in the rules (Subsections 9.4 and 9.5)
 - b. Expenses for **certifying copies** (Subsection 11.1) of documents compulsorily having to be submitted
 - c. **Translations** referred to in Subsection 11.1, when these are documents that compulsorily have to be submitted in Spanish

*** v2014 NO OTHER TYPE OF EXPENSES MAY BE FINANCED AFTER THE IMPLEMENTATION PERIOD IS OVER. MORE SPECIFICALLY, PERSONNEL EXPENSES CANNOT BE FINANCED, EVEN THOUGH THESE MAY BE CONNECTED WITH ADMINISTRATIVE WORK REQUIRED FOR THE FINAL SUPPORTING ACCOUNT.**

10.7. PAYMENT MEDIA (R11-VII.5)

➤ Cash payments

When payments are made in cash, the **invoice must be signed or stamped by its issuer** and must also have a stamp affixed **accrediting said payment** (in which it specifies “paid”, “cancelled” or “cash”).

IN GRANTS FOR FRAMEWORK AGREEMENTS, PROJECTS AND MEASURES SINCE 2012, payments in this form **shall be exceptional**.

➤ Payments by cheque

When payment is made by cheque, this has to be made out **in the collector’s name and a photocopy of this shall be enclosed along with the bank documents** for the **debit** made.

➤ Payments by transfer

The **preferential form of payment** shall be the bank transfer, having to **provide the relevant bank receipt**.

IN GRANTS FOR FRAMEWORK AGREEMENTS, PROJECTS AND MEASURES SINCE 2012, any **payments over 2,500 euros** ^{v2014} shall be made by bank transfer, unless any exceptional circumstances are involved, which would have to be properly grounded in the supporting account.¹⁰

➤ Accreditation of payment ^{v2014}

- By means of signed delivery **”receipts”**.
- By **bank statements**. These shall be provided if payment was made by cheque or transfer

¹⁰ OB 2011 set this sum at 3000 euros, but Article 7 of Act 7/2012, of 29th October, on the amendment of tax and budget regulations and adaptation of financial regulations for intensifying action in preventing and fighting fraud, reduced this to 2500 euros. ^{v2014}

11. SUPPORTING DOCUMENTS FOR EXPENSES

11.1. FORMAL REQUISITES OF SUPPORTING DOCUMENTS

❖ Stamped certification and numbering supporting documents (R11-VII.2.1)

All original * supporting documents for expenses fully or partly allocated to the AECID grant and any expenditure using the awardee organisation's own funds (invoices, bills, etc.), whether their submission is required or whether these have to be kept available for parties entitled to request them by random verification (companies and professionals contracted by the AECID or charged to the grant, the AECID itself, other controlling bodies of the Administration), shall have to bear a stamped certification showing that these are part of an intervention financed by the AECID.

***The certification must always be STAMPED ON THE ORIGINALS, BEFORE MAKING ANY PHOTOCOPIES which are going to be certified.**

The certification must contain at least the following:

- ✓ the **code** of the framework agreement, project or measure
- ✓ the statement "**financed by the AECID**"
- ✓ **percentage of AECID financing** of the amount of the supporting document, in the event of the AECID grant not covering the full amount.

All the documents (invoices, bills, etc.) evidencing expense for all financiers, **must also be numbered**, the number of each of these tallying with **the one used for these on the main expenditure list** for the period justified.

Any expenditure documents whose size means they cannot be stamped with the certification shall be attached to a list of these in which this stamped certification is included.

❖ Certified copies and keeping originals (R11-VII.2.2)

When **documents** must compulsorily be submitted along with the supporting account, or when these are later required in a random check, the **original or its properly certified copy** must be presented.

A photocopy is properly **certified when**:

- ✓ this is **made on a previously stamped/certified original**, as laid down in the previous heading
- ✓ when this is **compared and certified by**:
 - any **Spanish public body**, including the official Spanish representation in the implementing country or
 - any **public entity in the implementation country/ies**, or
 - by a properly accredited **notary** in the implementation country
 - **IN CASES OF GRANTS FOR FRAMEWORK AGREEMENTS AND PROJECTS AND ALSO IN THE CASE OF MEASURES WHEN THESE HAVE BEEN AWARDED TO SPANISH ORGANISATIONS**, the original documents **may provisionally be replaced by a non-binding copy certified by the person responsible for the organisation or person designated by the latter for this purpose, in which their resemblance to the original documents is responsibly declared.** When these provisional certifications are used, a **declaration of responsibility** shall also be provided, in which it states the **place where**

said originals are kept as well as the commitment to submitting these or their properly certified copies in the event of these being totally or partly required by the AECID.

The **original documents** accrediting the expense **must remain deposited** at the headquarters of the awardee organisations or of their local partners **for four years**, as from the date on which the period for submitting the Economic Monitoring Report (only for framework agreements) or the Final Report, ended. This period could be interrupted and thus extended in accordance with what is laid down in Article 39 of the LGS ¹¹. The above can be summed up as follows:

➤ In economic justifications submitted **with monitoring reports for framework agreements**:

If **4 years after presentation of the economic monitoring report**, the AECID had not taken any action or none of the cases of interruption of the limitation period had occurred (Art. 39.3 of the LGS), the AECID's right to claim **refunds based on justification shortcomings** shall lapse.

If the refunds **were based on failure to comply with objectives and results**, the right to claim these **shall lapse 4 years** from submission of the **final economic report**.

➤ In economic justifications submitted **with final reports for framework agreements, projects and measures**:

If the AECID had not taken any action or none of the cases of interruption of the limitation period had occurred (Art. 39.3 of the LGS) **4 years after presentation of the economic monitoring report**, the AECID's right to claim **refunds based on justification shortcomings** shall lapse.

If the refunds **were based on failure to comply with appropriation (application)** periods stipulated in Subsection 8.3 and on condition that the awardee organisation or its local partner or its partners as a group had continued to be the owner of the goods, the right to claim **shall lapse when the association period ends** (see Subsection 8.3).

The awardee organisation shall **submit the original document, or its properly certified copies**, of invoices, bills, etc., or any other item considered necessary and provide sufficient proof to verify proper performance of the object of the aid, **on condition that this is requested** by the professionals and companies contracted by the AECID, or charged to the grant, by the IGAE or by the Court of Auditors. **The AECID and the professionals and companies** contracted by this **shall regularly use random-sampling** techniques in their requests for supporting documents.

❖ **Digitised documents** ^{v2014}

The compulsory documents for a supporting account and in particular the individual supporting documents for expenditure may also be submitted on computer support if this makes use of the procedure described in the Resolution of 19th September 2012, of the President's office of the AECID, establishing the requisites for

¹¹ 39.3. The limitation period calculated shall be broken off:

a) By any action of the Administration, performed with the formal knowledge of the beneficiary or the cooperating organisation, leading to determine the existence of any of the causes for reimbursement.

b) By filing appeals of any kind, by forwarding the excerpt of the record to criminal courts or by submitting the complaint to the Tax Ministry, as well as for actions performed with the formal knowledge of the beneficiary or the cooperating organisation in the course of said replies.

c) Through any certifiable action of the beneficiary or the cooperating organisation leading to liquidation of the subsidy or the refund.

justifying expenses of grants of international cooperation for development, by means of submitting digitised documents This implies that these documents will have original status, on condition that:

- ✓ the digitisation must be performed by software approved by the State Tax Administration Agency,
- ✓ the other requisites established in said Resolution of 19th September 2012 are complied with.

❖ Language for submission (R11-VII.2.3)

All the documents required by the AECID shall as a general rule be submitted in **Spanish, their translation** * being financeable by the grant.

** Only translations into Spanish of documents whose submission is required may be financed. Translations into other languages and/or of documents not required will not be financed, unless this is essential for achieving a result of the intervention*

The above includes:

- ✓ All the documents other than the individual supporting documents for expenditure.
- ✓ The **individual documents supporting the expense** made charged to the AECID grant (**contracts, lists of participants, invoices or bills**) that have been issued in a **foreign language other than English, French or Portuguese**. If these are **invoices or bills, it will not be necessary** to provide an individual translation. It will be enough to **describe the expense in Spanish** in the **list of expenses** and for the supporting document in question to be clearly **identified in this list by means of its number**.

The only documents for which translations are not needed are:

- ✓ **Individual documents supporting the expenditure** incurred charged to the AECID grant (contracts, lists of participants, invoices or bills) that have been issued in **English, French or Portuguese**.

❖ Priority of local legislation (R11-VII.2.4)

In cases in which any of the requirements as regards supporting documents described in this Guide come into **contradiction** with local legislation of the enforcement country, **what is determined by local legislation shall be applicable**. This legislation shall be accredited by submitting, along with the supporting account:

- ✓ the **rule itself**, or
- ✓ another **official document** issued by **competent public bodies of the implementation country**, or
- ✓ **declaration of TCO/CC/Antenna** or of the **Embassy or consular office** of Spain, or
- ✓ **declaration of the Embassy** of the **European Union country** representing Spain

❖ Issuer of documents accrediting the expense (R11-VII.2.5)

Self-invoiced expenses are not acceptable. This refers to supporting documents which are **issued by the awardee organisation, its partners in a group or its local partners**.

11.2. TYPES OF SUPPORTING DOCUMENTS FOR EXPENDITURE

❖ Invoices and other legally acceptable documents (R11-VII.3.1)

Legally acceptable documents used in a country for accrediting transactions with suppliers, normally known as invoices, are the **only type of supporting documents** whose use **does not require prior authorisation of the AECID**.

In **Spanish legislation invoices are understood to mean** documents accrediting expenses containing the following information:

- ✓ **Invoice Number**
- ✓ Details **identifying the issuer** (name, surnames, name or company name, tax code and address)
- ✓ Details **identifying the person making the payment**, which will have to be the subsidised implementing organisation or its local partner.
- ✓ **Description** of the supply, service or work purchased
- ✓ **Unit and total price**
- ✓ Amount due for **VAT*** (or equivalent tax) or, when the quota is included in the price, the statement "including VAT".
- ✓ **Place and date of issue**
- ✓ **Place and date of payment**
- ✓ **Signature and stamp of the issuer** of the invoice **accrediting reception of the funds** ("paid" stamp)
- ✓ **Form of payment** of the invoice: cash, transfer or cheque.

** Invoices accredit incurring expenditure but are also the **instrument for collecting indirect taxes** (VAT or equivalent). For this reason, **failing to use** invoices for a transaction which compulsorily requires this, according to local legislation, **constitutes a crime of defrauding** the State of the country in which this is committed.*

Documents with the characteristics described are the ones which are **accepted** as invoices for expenses for expenses **incurred in Spain**.

For expenses **incurred abroad, invoices are considered to be the** documents which are **legally accepted as such** in commercial practice in the place where the expense is incurred, **even though these do not meet** all the requisites established by **Spanish legislation**. This implies that:

A) IN GENERAL, if local legislation does not require supporting documents for expenditure to meet all the requisites made by Spanish legislation, those supporting documents may be used, with no need for any prior authorisation from the AECID, by providing one of the following **along with the supporting account**:

- ✓ **The local rule** or an official document accrediting this, or
- ✓ **Accreditation of the content of that rule, issued by TCO/CC/Antenna/Embassy** of Spain or of the Embassy of the European Union country acting in representation of Spain.

B) IN PARTICULAR, if local legislation allows supporting documents for expenditure **not to specify indirect taxes** (receipt type) in certain cases, especially if these are supporting documents issued by **commercial establishments, companies or professionals on an individual basis** (lawyers, consultants, architects, notaries, etc.), those supporting documents may be used, with no need for any prior authorisation from the AECID, two cases possibly arising:

- ✓ For the country to be one of those included in the **Appendix “Criteria for use of receipts by countries”** of this Guide and for the expenses to be included for that country as able to be accredited with receipts, or documents other than invoices, with no need for prior authorisation: in this case IT WILL NOT BE NECESSARY TO ENCLOSE ACCREDITATION OF THE LOCAL LEGAL RULE.
- ✓ For the country **NOT** to be among the ones included in the **Appendix entitled “Criteria for use of receipts by countries”** of this guide: in this case IT WILL BE NECESSARY TO ENCLOSE ACCREDITATION OF THE LOCAL LEGAL RULE, which can be done by:
 - The local rule or an official document accrediting this, or
 - Accreditation of the content of that rule, issued by an TCO/CC/Antenna/Embassy of Spain or of the European Union country acting as representative of Spain*.

* The **certificate** issued by the TCO/Embassy must **expressly accredit** that a **legal rule** establishes that this type of beneficiaries **are not obliged** to issue invoices. **It is not acceptable** for the use of documents for payments to commercial establishments, companies or professionals which do not include VAT or the equivalent tax, **to be grounded on customs in that country or the difficulty of obtaining these.**

❖ Receipts (R11-VII.3.2)

➤ What is understood by a receipt

A receipt is taken to mean:

- ✓ Cash receipt documents, i.e. the ones **issued by the organisation itself or person** making the payment and signed by the supplier of goods or services, thus accrediting that the sum stated on this has been received and
- ✓ The receipts **issued by the suppliers themselves** when these work on **informal markets**.

Unless use of these receipts is authorised by local regulations, as described in the previous heading, **USING THESE SHALL ALWAYS REQUIRE THE PRIOR AUTHORISATION OF THE GRANTING BODY OF THE AECID.**

➤ When these can be authorised

The use of receipts instead of invoices **may be authorised**, after applying for this, in the following situations:

✓ **In all countries:**

- when **non-refundable payments in cash are made to the final target collective**, for them to **carry out certain activities themselves**, where the main component of the expenditure is for buying equipment, materials or supplies (for example own-building or farming work) or when these are compensations for travel to take part in training activities.

✓ **If the country is among the ones included in the Appendix entitled “Criteria for use of receipts by countries”** in this Guide and the expenses form part of the ones able to be justified with receipts for this country, after obtaining the AECID’s authorisation.

✓ **If the country is NOT one of those included in the Appendix entitled “Criteria for use of receipts by countries”** in this Guide, in the following cases:

- when due to **special circumstances in the implementation country or zone** (extremely isolated zones, where there is armed conflict or social or political instability, non-existence of formal invoices, etc.) **or when serious difficulties are involved in obtaining invoices, or**
- when **minor purchases are made (or services are obtained for smaller sums) from private, non-professional persons**

➤ **When these cannot be authorised**

The use of receipts **cannot be authorised**:

- ✓ When these are **payments to commercial establishments, companies or professionals *** on an individual basis (lawyers, consultants, architects, notaries, etc.) unless there is no local legislation in this respect or if this releases them from issuing invoices (see previous heading on Invoices and other legally acceptable documents)

** In almost all legislations, commercial establishments, companies or professionals are **obliged to issue invoices** as a means used by the State to collect indirect taxes (VAT or equivalents). **If an invoice is not issued they will thus be committing tax fraud.***

- ✓ When the expenses **are incurred in Spain**

➤ **Procedure for authorisation**

Except in the cases stated in the previous heading on Invoices and other legally acceptable documents, in which local legislation allows their use, **using receipts must be previously authorised** by the Body granting the **AECID grant**.

The request for authorisation, sent to the Management Unit, **must contain**:

- **The description** of the merchandise, goods or services intended to be purchased with receipts and
- **The maximum sums** intended to be justified with receipts for each type of expense

To determine which way it decides, the Management Unit consults the Technical Cooperation Offices (TCO).

The **resolution** for authorisation of the use of receipts **may only refer** to the ones **with a later date than that of submission of the application** by the awardee organisation.

If on the other hand the supporting account for the grant **includes receipts prior** to that date, **they may be accepted** as supporting documents if these are for the **same type of expenses** for which authorisation had been given or if it is considered that authorisation would have been granted should it have been applied for earlier.

➤ How these are justified

Any **receipts** charged to the AECID grant must conform to the **template established** by the AECID, available on its web page, or **contain the minimum information** stated in that template.

Except in the cases stated in the previous heading on Invoices and other legally acceptable documents, in which local legislation allows their use, proceeding as stated in said subsection, in cases where there are expenses justified by receipts whose use requires prior authorisation of the AECID, the **supporting account** must be **accompanied by**:

- ✓ The AECID **resolutions for authorisation**
- ✓ In the case of sums in **cash given to final target collective**, for them to carry out certain activities themselves, this shall include, **as well as the authorisation** of the AECID, a **declaration of responsibility of the representative of the awardee organisation** in the field in which it **describes and values the types of expense** for which funds were handed over (materials for self-building, farming supplies or other similar items and other expenses which the beneficiary has to incur to carry out the activity) and **certifying the genuine performance** of the activity. This will only be understood to be approved by the AECID and not to require the new authorisation if this type of expense is properly described and quantified in the initially approved formulation of the intervention.

❖ **Certification of Implementation of Activities (CEA) (R11-VII.3.3)**

➤ Concept and use¹²

The **Certification of Implementation of Activities*** (CEA) is a **type of supporting document** whose usage is **based on two premises**:

- ✓ The existence of **prices previously agreed*** by the administration and the subsidised organisation for carrying out a specific activity, and
- ✓ The **verification**, by the administration, **of the genuine implementation** of the activities for which estimates were previously given.

¹² *The Certification of Implementation of Activities (CEA) **matches** the concept of the **Module** introduced in the Resolutions of 8th May 2006 and 9th May 2007 on procedure, justification and monitoring expenditure for Projects and Framework agreements, respectively.*

* The Certification of Implementation of Activities (CEA) refers to **complete activities** which **have not yet been performed**:

- ✓ These **cannot** be authorised for **types of expense, but only for activities**.
- ✓ **This is not a supporting document alternative to receipts**.

EXAMPLE:

Workshops are going to be held which will involve incurring expenses for trainers, materials, food and transfers.

Approval can be granted for:

- A Certification of Implementation of Activities for the entirety of expenses or
- The use of receipts for food and transfers (invoices would be used for trainers and materials)

Approval cannot be granted for:

- A Certification of Implementation of Activities only for food and transfers: Food and transfers **are not an activity**.

The TCO/CC/Antenna/Embassy checks and certifies the genuine performance of ACTIVITIES, not of expenses.

This is considered **particularly recommendable for activities** whose expense entails a **large number of small invoices** and repetitive supporting documents whose **execution is easily verifiable**.

Only expenses which are **financed in full** with the AECID grant can be justified by means of a Certification of Implementation of Activities (CEA) and these **may never include valuations** of work done by the local partner, whatever the year of the call in which the grant was obtained.

Authorisation for the use of Certifications of Implementation of Activities (CEA) **may be requested in the following cases**:

- ✓ Instruction, training or dissemination **courses**.
- ✓ Expenses for **infrastructures and building**.
- ✓ Work which is **done by the subsidised entity itself** or by the local partner, using usual **material and personal resources**, but on a differentiated basis, and applicable to direct implementation costs, not chargeable to the financing provided by the local partner (valuations).
Example: the local partner is a women's cooperative which produces fabrics. One of the activities in the subsidised intervention is to prepare a crèche for the children of cooperative members. The women themselves prepare all the textile elements to be used at the crèche. The cooperative, with the local partner being the party implementing the intervention, cannot invoice itself, but it can request authorisation to justify this expense by means of a Certification of Implementation of Activities. If this type of supporting document is used, this expense cannot be included at the same time among the valued contributions of the local partner.
- ✓ **Any others considered appropriate** for justification by a Certification of Implementation of Activities (CEA) **by the AECID**, after its characteristics have been examined.

The use of Certifications of Implementation of Activities (CEA) as supporting documents for expenditure **always requires prior authorisation of the AECID**. The application must be made through the Management Unit and has to go along with:

- ✓ the **detailed estimate for the activity**, signed by the representative of the applying organisation at the headquarters or in the field, and approved by TCO/CC/Antenna/Embassy, and
- ✓ the **certificate** issued by the TCO/CC/Antenna/Embassy in which it accredits that the **prices** included in the estimate **are on a par with market prices and that the implementation** of the activity **can be verified**.

The templates for both documents are available on the AECID web page.

The AECID **may require the reformulation** * of the estimate, **before** proceeding to **approve** the Certification of Implementation of Activities (CEA).

** It will be checked that the **number of units budgeted for each type is reasonable and in keeping with the activity intended to be carried out***

The Certification of Implementation of Activities **is allocated to a single budget item, depending on the type of activity**, although the individual expenses budgeted may be allocated to different items if these had been separately justified.

Examples:

1. **Activity: carrying out training workshops**
Expenses included: Trainers, material, food, transfers
*The Certification of Implementation of Activities is allocated to **Technical and Professional Services**.*
2. **Activity: self-building of housing**
Expenses included: materials, food, transfers
*The Certification of Implementation of Activities is allocated to **Building or alterations of properties and infrastructures***

➤ **Prior requisites**

For using Certifications of Implementation of Activities (CEA) as supporting documents, the following **prior requisites** will have to have been complied with:

- ✓ **Having a** quantified and detailed **estimate** of the activity or activities covered in the Certification, conforming to the AECID template available on its web page. The estimate must be stated in the **currency in which the expense will be made**. To allocate this to the AECID grant **the official rate of inflation** for the period between its approval and the certification of its implementation may be applied to the initial amount approved.
- ✓ **For the prices** used to draw up the estimate **not to be over market rates** in the country where the activity is to be carried out.

- ✓ For the **proposal to be accompanied by the Certificate of the TCO/CC/Antenna/Embassy**, conforming to the AECID template available on its web page, accrediting that the prices are in keeping with those of the local market and that verification of the execution of the activity budgeted is feasible.

➤ **Modifications**

The Resolution of the AECID approving the use of the Certification of Implementation of Activities (CEA) **may be modified** in accordance with **the following conditions**:

- ✓ Variations of up to at most 10 % in the number of units of the same type and at the same price as the ones initially approved in the Certification of Implementation of Activities **do not require any authorisation**.
- ✓ Variations of more than 10 % in the number of units of the same type and at the same price as the ones initially approved in the Certification of Implementation of Activities **must be authorised by the TCO/CC/Antenna/Embassy**.
- ✓ The introduction of types of units other than the ones initially approved in the budget of the Certification of Implementation of Activities, or the replacement of the ones approved with other new ones must be **approved by the AECID**, after applying to the Management Unit for this and obtaining the favourable report of the TCO/CC/Antenna/Embassy.
- ✓ The use of surplus balances in other units or activities by introducing **lower prices** than the ones approved must **be approved by the AECID**, with the conformity of the TCO/CC/Antenna/Embassy.
- ✓ The increase in prices of one or more types of units **must be approved by the AECID**, with the conformity of the TCO/CC/Antenna/Embassy, which must certify the veracity of the new price. In this case the new budget of the Certification of Implementation of Activities shall be submitted and the AECID should be asked to modify the total amount initially approved.

➤ **Justification**

After the activity has been implemented and its execution verified by the **TCO/CC/Antenna/Embassy**, the **“Certification of Implementation of Activities”**, **document must be issued**, in accordance with the AECID template available on its web page. The TCO/CC/Antenna/Embassy **certifies** with this document that the activity budgeted has **effectively been performed**.

The **“Certification of Implementation of Activities”** document, which accredits the effective performance of the activity, is **included in the supporting account** as a means of accrediting the expenditure on the relevant activity, **replacing the set of supporting documents** for individual expenses which had needed to be incurred for its performance.

The **“Certification of Implementation of Activities”** initially approved in the currency in which the expenses will be incurred - local currency - shall be included in the list of supporting documents applying a specific rate of exchange to this. The following rules will be applied, depending on the system used for applying these rates (Subsection 10.3):

- Weighted average exchange rate: the weighted average exchange rate for the period of implementation shall be applied to the amount of the Certification of Implementation of Activities (CEA). This rate is stated in the forms used for processing the CEA.
- FIFO method: the rate for the last day of its implementation period shall be applied to the amount of the Certification of Implementation of Activities (CEA). This rate is stated in the forms used for processing the CEA. If the corresponding remittance were insufficient, this will be split with the following one and so on until the amount of the CEA is completed.

In the event of the official **inflation rate** for the period between the approval of using the “Certification of Implementation of Activities” and certification of its implementation by the TCO/CC/Antenna/Embassy for the currency in which this was budgeted and approved being applied for final determination of its amount, **the accreditation of the rate used must also be enclosed with the supporting account.**

On condition that use of a Certification of Implementation of Activities has been approved, this final “**Certification of Implementation of Activities**” document accrediting its performance, along with the **accreditation of the inflation rate used**, should its amount have been updated, **must be enclosed with the supporting account** when this is **the full version**, that is, without an auditors’ report. If the account is abridged, *with* an auditors’ report, checking the existence of these documents is the auditor’s responsibility.

SUMMARY TABLE FOR PROCESSING CERTIFICATIONS OF IMPLEMENTATION OF ACTIVITIES	
1	<i>The awardee organisation gives a detailed estimate for the ACTIVITY, before implementing this</i>
2	<p><u>Submission to the AECID Management Unit of the following documents:</u></p> <ul style="list-style-type: none"> ✓ <u>Application for using the Certification of Implementation of Activities with a detailed estimate (as in Template)</u> ✓ <u>Certificate of the reality of the prices and feasibility of verification of implementation, issued by the TCO/CC/Antenna/Embassy (as in Template)</u>
3	<i>Resolution of approval issued by the Granting Body</i>
4	<i>Implementation of the ACTIVITY</i>
5	<i>The TCO/CC/Antenna/Embassy verifies the implementation of the ACTIVITY</i>
6	<u>The “Certification of Implementation of Activities” document signed by the TCO/CC/Antenna/Embassy is issued (as in Template)</u>
7	<i>The “Certification of Implementation of Activities” document is attached to the supporting account</i>

❖ Rates (R11-VII.3.5)

A rate is a fixed price applied to the same type of expense, normally for an annual period, accepted by the AECID and which is **justified with a certificate of the organisation’s auditor**, instead of the documents accrediting payments.

The AECID **may authorise the use of rates when:**

- ✓ The **main activities** carried out by the NGDO, through its specialisation, are of a **repetitive nature**, and

- ✓ The NGDO **has fixed rates** established for the allocation of certain expenses for these activities, and
- ✓ The **auditors of the organisation certify** the calculation method used for the rates and its conformity with the organisation's accounting

For **approval of the use of rates**, the NGDO must send an **application** to the AECID Management Unit, specifying the **calculation method** used, **the amount of the rate** or, if this could undergo modifications during the term of the framework agreement, project or measure, **the estimated average amount** in the period and the **expected number of units** to which the rate will be applied. The application must go **along with their auditor's report on the calculation method used**.

If the AECID issues a favourable resolution for use of the rate, it will only be necessary for justification of the expenses covered to **attach to the account the organisation's auditor's certification that the rate used conforms to the organisation's accounting**, in the accounting period for which this was applied.

❖ Accreditation of expenses in exceptional situations (R11-VII.3.4)

If any **exceptional situations arise** –natural disasters, armed conflict, humanitarian crises, amongst others, which **make it difficult or even impossible** to provide the proper **supporting documents** for the expense, the AECID **could accept other forms** of justification, such as:

- ✓ Reports of duly accredited **independent valuers** registered in the proper official register,
- ✓ Declaration of **witnesses**,
- ✓ Evidence of the **results or activities carried out**,
- ✓ **Suppliers' declaration** of responsibility, or
- ✓ Others of similar evidence value, issued by third parties other than the awardee organisation or its local partners.

These forms must be **endorsed** by:

- ✓ **Technical Cooperation Offices of the AECID abroad**,
- ✓ **Cultural Centres of the AECID abroad**,
- ✓ **Spanish Embassies or Consulates**,
- ✓ **Embassy of the European Union** Country acting as Spain's representative,
- ✓ In the case of **humanitarian operations** run by the United Nations, the certification or endorsement could be issued by the **United Nations Body** coordinating the work in the field.

11.3. TYPES OF SUBSIDISABLE EXPENSES (R11-VII.4.1)

Subsidisable expenses are the costs **linked to the intervention** and execution of the activities budgeted or authorised later on, **which comply with rules on justification** applicable to these and which **finance the accomplishment of the objectives**.

These must be **described and budgeted** in the Formulation approved for the intervention or its duly authorised amendments.

The purchasing cost of subsidisable expenses may not be over market value.

Subsidisable expenses are of **two types: direct costs and indirect costs**

❖ Direct costs

➤ What these are

These are the costs **directly linked** to performance. The following are direct expenses, with the limitations stated for each of these in Subsection 11.4:

- ✓ Identification and formulation
- ✓ External evaluations
- ✓ External audits
- ✓ Land and/or properties (purchase and rent)
- ✓ Building or alterations of properties and infrastructures
- ✓ Equipment, materials and supplies
- ✓ Personnel
- ✓ Technical and professional services
- ✓ Revolving funds
- ✓ Operation in the field
- ✓ Travel, board and lodging
- ✓ Financial expenses
- ✓ Expenses connected with Education for Development in Spain.

➤ How these are justified

These are justified with the documents and as stated for each case in Subsection 11.4 of this Guide, and with one of the types of supporting documents described in Subsection 11.2.

❖ Indirect costs: concept, limits and justification

➤ What these are

These are the costs **proper to regular operation of the awardee organisation, its partners in a group and its local partners, acting as a support for the implementation** of the intervention.

This **includes** the expenses intended for **reinforcement of the awardee organisations and their local partners for better performance** of their functions.

The costs pertaining to the period for implementation of the intervention will be allocated.

The percentages of indirect expenses authorised by AECID regulations are:

A) IN FRAMEWORK AGREEMENTS AND PROJECTS FROM CALLS UNTIL 2011 (OB05-Nine.6):

INDIRECT EXPENSES			
Grant up to €	Quota of Indirect expense	Rest of Grant up to €	Applicable rate Percentage
0 €	0 €	1,249,999 €	12%
1,250,000 €	150,000 €	2,499,999 €	11%
2,500,000 €	287,500 €	3,749,999 €	10%
3,750,000 €	412,500 €	And above	9%

B) IN FRAMEWORK AGREEMENTS, PROJECTS AND MEASURES FROM CALLS SINCE 2012 (OB11-13.3):

At most 12 per 100 of the grant approved. For certain priority lines, calls for measures may establish lower percentages or even determine not to apply indirect costs.

➤ How these are justified (R11-VII.4.3)

Depending on the type of grant, the following points will apply to the justification of **amounts** allocated to the grant **as indirect costs**, within the period for implementation of the intervention and of the **authorised percentages** approved by the AECID:

- ✓ In framework agreements and projects **no justification is required**.
- ✓ In measures these will be accredited by means of a **declaration of responsibility** signed by the legal representative of the organisation in which it will describe the types of expenses included and the amounts assigned to each of these.

11.4. ACCREDITATION OF DIRECT SUBSIDISABLE EXPENSES

IDENTIFICATION AND FORMULATION (R09-VII.3.2.1 and R11-VII.4.4)

In framework agreements and projects from calls until 2011 expenses for identification and formulation were allocated to a specific heading with this name. In framework agreements from calls since 2012 each expense is allocated to its relevant heading, depending on the type (personnel, technical services, travel, etc.). In projects from calls since 2012 identification and formulation expenses cannot be financed.

Description	<p>These are expenses arising through identification in the field and later formulation of the intervention. These may include:</p> <ul style="list-style-type: none"> ✓ Personnel ✓ Supplies ✓ Travel, board and lodgings ✓ Technical and professional services ✓ Depreciation of goods and equipment 														
Conditions	<p>These can be subsidised up to at most:</p> <table border="1" data-bbox="391 952 1492 1377"> <thead> <tr> <th></th> <th>Calls until 2011</th> <th>Calls since 2012</th> </tr> </thead> <tbody> <tr> <td>Framework Agreements</td> <td>60,000 euros, chargeable within 4 months (up to 6 if there are extensions) from signing the pre-agreement</td> <td>60,000 euros, chargeable within 6 months (non-extendible) from signing the pre-agreement</td> </tr> <tr> <td>Projects</td> <td>20,000 euros on condition that these have been incurred within five months before the date on which the period for submitting proposals ends in the relevant call.</td> <td>NOT SUBSIDISABLE</td> </tr> <tr> <td>Measures</td> <td></td> <td>NOT SUBSIDISABLE</td> </tr> </tbody> </table> <p>These can only include running costs (current expenditure). Investments in equipment or vehicles can only be allocated to this stage in the form of depreciation of items owned by the organisation and which are available for use in identification and formulation.</p> <p>Contracting identifications and formulations is subcontracting, and hence, in the event of being contracted, its amount has to be within the 15 % limit allowed for the total subcontracting charged to the grant.</p> <p>Formulations are always submitted to the AECID in Spanish. Their translation may be financed from the grant.</p>				Calls until 2011	Calls since 2012	Framework Agreements	60,000 euros, chargeable within 4 months (up to 6 if there are extensions) from signing the pre-agreement	60,000 euros, chargeable within 6 months (non-extendible) from signing the pre-agreement	Projects	20,000 euros on condition that these have been incurred within five months before the date on which the period for submitting proposals ends in the relevant call.	NOT SUBSIDISABLE	Measures		NOT SUBSIDISABLE
	Calls until 2011	Calls since 2012													
Framework Agreements	60,000 euros, chargeable within 4 months (up to 6 if there are extensions) from signing the pre-agreement	60,000 euros, chargeable within 6 months (non-extendible) from signing the pre-agreement													
Projects	20,000 euros on condition that these have been incurred within five months before the date on which the period for submitting proposals ends in the relevant call.	NOT SUBSIDISABLE													
Measures		NOT SUBSIDISABLE													

Supporting documents required in the account to be submitted to the AECID (as specified in each case):

CC: with full supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)

CR: with abridged supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)

AC: not initially required by the AECID in any kind of supporting account. (To be kept by the organisation: submit only if required during examination)

Documents for economic justification	CC	CR	AC
<p>If external consultants are subcontracted for over 12,000 €:</p> <ul style="list-style-type: none"> ✓ tenders received, ✓ report supporting the tender selected if this were not the cheapest one, ✓ substantiated report (where applicable) on the failure to have competing tenders, endorsed by the relevant TCO/CC/Antenna or Embassy, and ✓ contract (or its certified copy). 	X		
Should identification be contracted, whatever its amount, if this is not done on the local market , approval of the TCO/CC/Antenna or Embassy accrediting its impossibility.	X		
The relevant ones depending on the type of expense (personnel, supplies, travel, etc.). See the relevant subsection.			

EXTERNAL EVALUATIONS (R09-VII.3.2.2 and R11-VII.4.2.1)					
Description	Compulsory external evaluations or whose financing from the grant has been approved by the AECID (see Subsection 9.4).				
Conditions	Their contracting has to have no objections from the AECID , as laid down in the procedure described in Subsection 9.4.				
	Any evaluation reports which have been financed with the grant must be submitted to the AECID in all cases .				
	Evaluation reports are always submitted to the AECID in Spanish . Translations can be financed from the grant.				
	Personnel expenses of the organisation or its partners for assessment tasks cannot be financed, as only EXTERNAL evaluations are financed.				
	V2014 In calls since 2014, only publicly disclosed evaluations will be financed				
Supporting documents required in the account to be submitted to the AECID (as specified in each case): <u>CC: with full supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)</u> <u>CR: with abridged supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)</u> <u>AC: not initially required by the AECID in any kind of supporting account. (To be kept by the organisation: submit only if required during examination)</u>					
Documents for economic justification			CC	CR	AC
Contract (or certified copy of this).			X		
When contracting for over 12,000 € : ✓ tenders received, ✓ report supporting the tender selected if this were not the cheapest one, ✓ substantiated report (where applicable) on the failure to have competing tenders, endorsed by the relevant TCO/CC/Antenna or Embassy, and			X		
Whatever its amount, if the contracting is not done on the local market, approval of the TCO/CC/Antenna or Embassy accrediting its impossibility.			X		
No objections of the AECID to the contracting.			X		
Invoices or other legally acceptable documents. If these are final evaluations the invoice could have a date after the end of the implementation, though before that of the end of the justification period.	Framework agreements and projects				X
	Measures		X		

EXTERNAL AUDITS (R09-VII.3.2.3 and R11-VII.4.2.2)

Description	Compulsory <u>external</u> audits or whose financing from the grant has been approved by the AECID (see Subsection 9.5).			
Conditions	Their contracting has to have no objections from the AECID , as laid down in the procedure described in Subsection 9.5.			
	Audit reports have to express their opinion on compliance of AECID justification regulations . The auditors have to review the content of a full supporting account .			
	Any auditing reports that have been financed with the grant will have to be submitted to the AECID in all cases .			
	Audit reports are always submitted to the AECID in Spanish . Translations can be financed from the grant.			
Supporting documents required in the account to be submitted to the AECID (as specified in each case): <u>CC: with full supporting account</u> (any documents not specified shall be kept by the organisation in case these were requested later on) <u>CR: with abridged supporting account</u> (any documents not specified shall be kept by the organisation in case these were requested later on) <u>AC: not initially required by the AECID in any kind of supporting account</u> . (To be kept by the organisation: submit only if required during examination)				
Documents for economic justification		CC	CR	AC
Contract (or certified copy of this).		X		
When contracting for over 12,000 € : ✓ tenders received, ✓ report supporting the offer selected if this were not the cheapest one , ✓ substantiated report (where applicable) on the failure to have competing tenders , endorsed by the relevant TCO/CC/Antenna or Embassy , and		X		
Whatever its amount, if the contracting is done on the local market or in a third country , a report of the TCO/CC/Antenna/Embassy or local notary accrediting the legality of the audit contracted , in accordance with local law		X		
No objections of the AECID to the contracting		X		
Invoices or other legally acceptable documents . If these are final evaluations the invoice could have a date after the end of the implementation, though before that of the end of the justification period.	Framework agreements and projects			X
	Measures	X		

LAND AND/OR BUILDINGS (PURCHASE OR RENT) (R09-VII.3.2.4 and R11-VII.4.2.3)					
Description	<p>Includes:</p> <p>A) IN ALL CALLS:</p> <ul style="list-style-type: none"> ✓ Expenditure required for purchasing or renting land and buildings directly connected with the implementation, and their legal registration in local property registers: taxes, dues, notaries' expenses, legal permits, etc.. ✓ Renting of premises for carrying out training or other activities needed for implementing the framework agreement, project or measure. <p>B) ONLY IN CALLS UNTIL 2011:</p> <ul style="list-style-type: none"> ✓ Sub-item “renting of expatriate’s housing” on condition that this is considered in the formulation or has been approved later on by the AECID.¹³ ✓ Valuation of rents if they are provided by final target collective or local partners or other local organisations taking part. 				
Conditions	<p>The AECID grant shall not assume payment of guarantees nor compensation in the case of leases.</p> <p>It does not include the purchase or rental of administrative centres of the awardee, its partners in a group or its local partner, which are considered indirect costs. The rental of centres can be assumed under the item of “operating expenses”, with the limitations stated in this, <u>ONLY IN CALLS UNTIL 2011</u>.</p> <p>This does not include the purchase of housing for staff of the awardee organisation, its partners in a group or its local partner.</p> <p>In cases of purchases, the transfer and appropriation rules stipulated in Subsection 8 must be complied with and accredited.</p>				
<p>Supporting documents required in the account to be submitted to the AECID (as specified in each case):</p> <p><u>CC: with full supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)</u></p> <p><u>CR: with abridged supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)</u></p> <p><u>AC: not initially required by the AECID in any kind of supporting account. (To be kept by the organisation: submit only if required during examination)</u></p>					
Documents for economic justification			CC	CR	AC
<p>ONLY WITH FINAL REPORTS: Minutes for transfer and application of the properties purchased with the AECID grant and with the compulsory percentage of contribution from other financers, where applicable, in accordance with the AECID template available on its web page (See Subsection 8).</p>			X	X	
<p>ONLY WITH FINAL REPORTS: In the case of registrable properties:</p> <ul style="list-style-type: none"> ✓ documents proving the registration in the legal property register on behalf of the institution or final target collective assuming ownership of these or ✓ documents proving that the registration is in the processing stage, according to the laws of the implementation country, along with the written commitment of the organisation awarded the grant to send the AECID the copy of the final ownership document after this has been obtained. 			X	X	

¹³ In calls since 2012 the formula of “Aid for housing” included in the payroll can be used, on condition that this is covered in the contract and other agreements signed by the organisation with its workers. “Aid for housing” will be allocated to personnel costs along with the payroll.

In the case of purchase and rent , a contract (or its certified copy).		X		
In the case of valuation of leases (NOT ALLOWED IN CALLS SINCE 2012), a quantified certification of who is making the contribution (final target collective, partner or local organisation).		X		
Invoices or other legally acceptable documents	Framework agreements and projects			X
	Measures	X		
In cases of using receipts for certain leases: ✓ Receipts ✓ Authorisation of the AECID prior to executing the expenditure	Framework agreements and projects			X
	Measures	X		

BUILDING AND/OR ALTERATIONS OF PROPERTIES AND INFRASTRUCTURES (R09-VII.3.2.5 and R11-VII.4.2.4)

Description	<p>Includes:</p> <ul style="list-style-type: none"> ✓ Expenses directly connected with building and alteration work covered in the intervention: labour and transfer of workers, where applicable, materials and transporting these, removal of rubble, compulsory technical reports, licences, taxes, compulsory insurance, plans and works management, etc.. ✓ Works for first establishment and alteration works (those that entail any extension, improvement, modernisation, adaptation or reinforcement of an already existing building or infrastructure) or major repair works (the ones intended to repair damage in a property or infrastructure caused by acts of god or accidents when these seriously affect the existing structure). ✓ Non-refundable cash payments to the final target collective to carry out self-building work, on condition that the procedure stipulated in Subsection 11.2.Receipts is applied.
Conditions	<p>The following cannot be charged to the grant:</p> <ul style="list-style-type: none"> ✓ Alterations or repairs to personnel housing, ✓ Alterations or repairs to premises or centres of the awardee organisation, its partners in a group or its local partner, except if this coincides with the final target collective or involves local public entities, or if the properties or infrastructures are going to be transferred to these at the end of the intervention, in accordance with what is stated in Subsection 8. <p>The rules for transfer and appropriation given in Subsection 8.3 must be complied with and accredited</p>

Supporting documents required in the account to be submitted to the AECID (as specified in each case):

CC: with full supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)

CR: with abridged supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)

AC: not initially required by the AECID in any kind of supporting account. (To be kept by the organisation: submit only if required during examination)

Documents for economic justification	CC	CR	AC
ONLY WITH FINAL REPORTS: Minutes for transfer and application of the properties built or altered with the AECID grant and with the compulsory percentage of contribution from other financers, where applicable, in accordance with the AECID template available on its web page (See Subsection 8).	X	X	
ONLY WITH FINAL REPORTS: In the case of registrable properties: <ul style="list-style-type: none"> ✓ documents proving the registration in the legal property register on behalf of the institution or final target collective assuming ownership of these or ✓ documents proving that the registration is in the processing stage, according to the laws of the implementation country, along with the written commitment of the NGDO to send the AECID the copy of the final ownership document after this has been obtained. 	X	X	
When contracting works over 30,000 €: <ul style="list-style-type: none"> ✓ tenders received, ✓ report supporting the tender selected if this were not the cheapest one, ✓ substantiated report (where applicable) on the failure to have competing tenders, endorsed by the relevant TCO/CC/Antenna or Embassy, and ✓ contract or certified copy 	X		

Whatever the amount involved, if the contracting is not done on the local market , approval of the TCO/CC/Antenna or Embassy accrediting its impossibility	X		
In cases of new building work or works affecting the basic structure of restored properties or infrastructures, a works design approved by the relevant professional association. If local legislation does not require approval of works designs, this point will have to be accredited.	X		
If rented properties are altered, the owner's consent must appear.	X		
In any cases of valuations (NOT ALLOWED IN CALLS SINCE 2012), a quantified certification of who is making the contribution (final target collective, partner or local organisation).	X		
In the case of non-refundable payments in cash to final target collective for them to carry out their own self-building work: ✓ authorisation of the AECID prior to making the expenditure, in the event of this not having been budgeted in the approved formulation ✓ declaration of responsibility of the representative of the awardee organisation in the field in which it describes and values the types of expense for which the funds were paid (materials for self-builds and other expenses which the final recipient has to incur for execution) and certifying the actual performance of the activity.	X		
If the expenses are included in the budget of a Certification of Implementation of Activities whose use has previously been approved by the AECID, a document for "Certification of Implementation of Activities" according to the template available on the AECID web page.	X		
If the expenses are not covered in the budget for a Certification of Implementation of Activities whose use has previously been approved by the AECID: ✓ Invoices or other legally acceptable documents. And, in the case of using receipts : ✓ Receipts ✓ Authorisation of the AECID prior to making the expenditure	Framework agreements and projects		X
	Measures	X	

EQUIPMENT, MATERIALS AND SUPPLIES (R09-VII.3.2.6 and R11-VII.4.2.5)

Description	<p>Includes:</p> <ul style="list-style-type: none"> ✓ purchases and renting of equipment and materials, machinery, furniture, fittings, transport items, I.T. equipment and material (hardware and software) and office material directly appropriated to the intervention ✓ repairs and maintenance of the above ✓ supplies linked to the above ✓ expenses stemming from shipment, including customs duties, installation and commissioning of the equipment, registration of vehicles ✓ depreciation of equipment owned by the institution or of its local partner used for the intervention ✓ non-refundable payments in cash to the final target collective for them to carry out certain activities themselves, where the main element of the expense is acquiring equipment, materials or supplies, except if this is for self-building, in which case these should be allocated to the item of "Building and alterations of properties and infrastructures". ✓ ONLY FOR CALLS UNTIL 2011: Valuation of equipment if this is supplied by final target collective or local partners or other local organisations taking part. 			
Conditions	<p>The rules for transfer and appropriation given in Subsection 8 must be complied with and accredited</p> <p>This does not include equipment, materials or supplies for running administrative centres of the awardee, its partners in a group or its local partner, which are considered indirect expenses. These can be assumed under the item of "operating expenses", with the limitations stated in this, <u>ONLY IN CALLS UNTIL 2011</u>.</p> <p>This does not include equipment, materials or supplies for the personnel of the awardee, its partners in a group or its local partner.</p>			
<p>Supporting documents required in the account to be submitted to the AECID (as specified in each case):</p> <p><u>CC: with full supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)</u></p> <p><u>CR: with abridged supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)</u></p> <p><u>AC: not initially required by the AECID in any kind of supporting account. (To be kept by the organisation: submit only if required during examination)</u></p>				
Documents for economic justification		CC	CR	AC
<p>Minutes for transfer and allocation of the goods acquired with the AECID grant and with the compulsory percentage of contribution by other financiers, in accordance with the AECID template available on its web page (See Subsection 8).</p>		X	X	
<p><i>In the case of registrable properties:</i></p> <ul style="list-style-type: none"> ✓ documents proving the registration in the legal property register on behalf of the institution or final target collective assuming ownership of these or ✓ documents proving that the registration is in the processing stage, according to the laws of the implementation country, along with the written commitment of the organisation awarded the grant to send the AECID the copy of the final ownership document after this has been obtained 		X	X	

PERSONNEL (R09-VII.3.2.7 and R11-VII.4.2.6)

<p>Description</p>	<ul style="list-style-type: none"> ✓ Expenses arising through contracting personnel totally or partially for service in the framework agreement, project or measure, when there is a permanent or temporary employment relationship with the awardee organisation, its partners in a group or its local partner. This also includes making human resources available to the intervention by organisations registered in the Register of Religious Organisations of the Ministry of Justice. Expenses to be refunded to the personnel working on a <u>volunteering</u> basis with the awardee organisation, its partners in a group or its local partner may be included in this heading <u>ONLY IN CALLS SINCE 2012</u>. ✓ The items scheduled and properly reflected and quantified in the relevant collective agreement, employment contract (or volunteering agreement, in calls since 2012) and other binding documents for the awardee organisation with regard to its workers (and volunteers in calls since 2012) shall be subsidisable, i.e.: <ul style="list-style-type: none"> ▪ Salaries, social security for the organisation's account and other provisions of funds for compulsory depositing in accordance with local legislation. ▪ In the case of personnel abroad, other insurance on behalf of the personnel or their first degree relatives which, if this is not compulsory through employment legislation, appears in the employment contract signed by the organisation (or in the volunteering agreement, in calls since 2012). ▪ Payments in kind, bonuses, complements for transfers, housing aid, cost of life, special dangerousness, on condition that these are properly described and valued in the contract (or in the volunteering agreement, in calls since 2012). ✓ ^{v2014} EXPENSES FOR PERSONNEL SELECTION PROCESSES CANNOT BE FINANCED ✓ There are four sub-items: <ul style="list-style-type: none"> ▪ Expatriate personnel: personnel rendering their services in the country where the intervention is carried out, on condition that this is a developing country, with a relationship subject to the employment legislation of a country other than the implementation country. When this is subject to Spanish legislation, this will be financeable only if the obligations stemming from the Cooperators' Statute have been complied with. ▪ Local personnel: subject to the employment legislation of the country where the intervention is carried out and in which it renders its services, on condition that this is a developing country. ▪ Personnel at the headquarters: rendering their services in the country where the headquarters of the awardee organisation are located, with a relationship subject to the legislation of the country in which this person resides, and whose functions and tasks are those of getting under way and monitoring the intervention covered by the grant. There are two cases: <ol style="list-style-type: none"> a) <u>Development interventions</u> in which the country of residence is other than the one where the intervention is carried out. <u>IN CALLS SINCE 2012</u>: The expense for this personnel is at most 4.5 per 100 of the grant. b) <u>Interventions of Education for Development and Studies and Research for Development, carried out in Spain</u>. ▪ <u>ONLY IN CALLS SINCE 2012</u>: Volunteer personnel: personnel with a relationship based on the Volunteering Law, or its equivalent regional legislation, with a signed cooperation agreement in which it identifies the expenses to be compensated, with tasks in developing countries or Education for Development in Spain. There must be an equivalent cooperation agreement, when the volunteering relationship has been established with a non-Spanish organisation.
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Conditions	In the case of cooperating expatriate personnel (subject to Spanish legislation), the complementary agreements based on the post must have been deposited at the AECID and there must be insurance with the minimum legally established cover.
	If the worker's relationship with the intervention is not stated in the contract through being prior to the grant or being part-time work , the functions and hours allocated must be detailed in the "Personnel relationship" Subsection of the Final and Monitoring reports.
	If a worker's involvement is part-time , the person in charge of the awardee organisation for the grant or its local partner shall draw up a certificate in which it states the amount of the personnel expense to be allocated and the time used in the intervention .
	<p>These do not include:</p> <ul style="list-style-type: none"> ✓ Penalisations or compensations for breaches of contract attributable to the awardee organisation or its partners, ✓ Surcharges through non-payment or delays in withheld taxes or social security, ✓ Expenses incurred by the members of boards of directors or the organisations, in their management functions. ✓ Expenses for staff selection. The AECID rule does not impose any obligation to incur these expenses, which must thus be met by the organisation deciding to incur them. ✓ Personnel expenses after the end of implementation, although these are performing tasks in connection with the submission of the final report. Acceptable personnel expenses are the ones connected with starting up, implementation and monitoring.

Supporting documents required in the account to be submitted to the AECID (as specified in each case):

CC: with full supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)

CR: with abridged supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)

AC: not initially required by the AECID in any kind of supporting account. (To be kept by the organisation: submit only if required during examination)

Documents for economic justification *	CC	CR	AC
<u>Personnel with employment contracts: job contract</u> (and complementary agreement based on the post for cooperators) specifying tasks, form of contracting, professional status and salary and other quantified remuneration, complements and compensation.	X		
<u>Voluntary personnel</u> (IN CALLS SINCE 2012): cooperation agreement , which should specify the tasks to be performed and the expenses to be compensated	X		
<u>Religious personnel: communication, agreement, commitment, letter of understanding or institutional agreement</u> , determining the sums that the implementing organisation will pay to the Congregation for the contribution of their human resources	X		
<p><u>All staff: Pay slips signed</u> by the workers, receipts or invoices for the sums paid, receipts for salaries, forms for payments to Social security, invoices accrediting payment of policies, forms with income tax withholdings, etc. <u>Social Security documents (bulletins and payments) may be replaced by a certification of being up to date issued by that body.</u></p> <p>If the allocation of the pay slips is partial:</p> <p>a) a number of complete pay slips and/or fraction of these could be allocated to the grant up to a total amount equivalent to the one that would represent the sum of their partial allocations.</p> <p>b) a certificate by the person in charge of the organisation, or the local partner, in which it declares the time engaged and the sum to be allocated.</p>			X
	X		

* During examination of the supporting accounts, the AECID could request the provision of documents accrediting compliance with salary obligations or hold interviews with the workers.

TECHNICAL AND PROFESSIONAL SERVICES (R09-VII.3.2.8 and R11-VII.4.2.7)

Description	<p>This includes:</p> <ul style="list-style-type: none"> ✓ The services required for holding training, seminars, reports, publications, management control, legal or financial, notaries or register consultancy or other requirements covered in the formulation or in its duly authorised modifications, which do not imply an employment relationship and cannot be included under other headings. ✓ <u>IN CALLS SINCE 2012</u>, this item includes expenses for identification and formulation of framework agreements when these have been done by means of outsourcing. ✓ Expenses stemming from making certified copies of documents by notaries, local authorities or Spanish consular services, on condition that these documents must compulsorily be submitted, and the expenses of translating documents into Spanish, when their presentation in Spanish is required, or translations of essential materials for implementation of the activities planned in the formulation. The supporting documents for expenditure on certified copies and compulsory translations could be dated after the date on which the implementation period of the intervention ends. ✓ <u>IN CALLS UNTIL 2011</u>: insurance policies for accidents and illness and civil liability signed on behalf of volunteers, stemming directly from their involvement in the intervention. 			
Conditions	<p>This does not include the services which can be allocated to their own headings, such as:</p> <ul style="list-style-type: none"> • Audits and evaluations • Works designs, to be allocated to the item of “Building and alterations” • <u>IN CALLS UNTIL 2011</u>: expenses stemming from outsourcing of identifications and formulations <p><u>IN CALLS UNTIL 2011</u>: In the case of volunteers of local partners, a cooperation agreement equivalent to the one compulsorily required in the case of Spanish volunteering work must have been signed with them to be able to allocate insurance expenses.</p>			
<p>Supporting documents required in the account to be submitted to the AECID (as specified in each case):</p> <p><u>CC: with full supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)</u></p> <p><u>CR: with abridged supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)</u></p> <p><u>AC: not initially required by the AECID in any kind of supporting account. (To be kept by the organisation: submit only if required during examination)</u></p>				
Documents for economic justification		CC	CR	AC
<p>When contracting for over 12,000 €:</p> <ul style="list-style-type: none"> ✓ tenders received, ✓ report supporting the offer selected if this were not the cheapest one, ✓ substantiated report (where applicable) on the failure to have competing tenders, endorsed by the relevant TCO/CC/Antenna or Embassy, and ✓ contract (or certified copy of this). 		X		
<p>Whatever the amount involved, if the contracting is not performed on the local market, approval of the TCO/CC/Antenna or Embassy accrediting its impossibility</p>		X		

<p><i>If the expenses are included in the budget of a Certification of Implementation of Activities whose use was previously approved by the AECID, a document for “Certification of Implementation of Activities” according to the template available on the AECID web page</i></p>	<p>X</p>		
<p><i>If the expenses are not included in the budget of a Certification of Implementation of Activities whose use was previously approved by the AECID:</i></p> <p><i>✓ Invoices or other legally acceptable documents.</i></p> <p><i>And, if receipts are used:</i></p> <p><i>✓ Receipts</i> <i>✓ Authorisation of the AECID prior to making the expenditure</i></p>	<p><i>Framework agreements and projects</i></p>		<p>X</p>
	<p><i>Measures</i></p>	<p>X</p>	
<p><i>If expenses involving insurance for volunteers, cooperation agreements signed with the awardee organisation/group or its local partners are allocated</i></p>	<p><i>Framework agreements and projects</i></p>		<p>X</p>
	<p><i>Measures</i></p>	<p>X</p>	



REVOLVING FUNDS (R09-VII.3.2.9 and R11-VII.4.2.8)					
Description	<p>Includes:</p> <ul style="list-style-type: none"> ✓ economic contribution for loans ✓ expenses of managing and administering the Fund, ✓ financial expenses and all the ones directly associated with the Fund, within the implementation period 				
Conditions	<p>The Fund must have been considered in the formulation by means of submitting the project for regulation of the Fund, which will include the amount of the loans, the number of beneficiaries, the interest rate, the grace period and repayment term.</p>				
	<p>This cannot exceed 10% of the direct expenses financed with the grant</p>				
	<p>For Funds over 50,000 €:</p> <ul style="list-style-type: none"> ○ It is compulsory to submit an external financial-accounting audit ^{v2014} to be contracted with the same requisites and conditions as the other audits allocated to the AECID (see Subsection 9.5 of this Guide) ○ IN CALLS SINCE 2012: specialised micro-financed organisations in the implementation country must preferably be commissioned with management of the fund. 				
	<p>At the end of the intervention:</p> <ul style="list-style-type: none"> ✓ If it were not necessary to continue with the Revolving fund, any surplus balances of capital and interest will be considered as being surplus balances of the grant, and treated in the same way as these (see Subsection 12.2). ✓ If the continuity of the Fund after the end of the intervention's implementation is expected, an agreement must be signed with the organisation to which management of the revolving fund is associated or transferred in which it declares the commitment to continue to assign the profit obtained by the fund to the purpose for which this was created, after the end of the action financed by the AECID, for a minimum period of five years. 				
<p>Supporting documents required in the account to be submitted to the AECID (as specified in each case):</p> <p><u>CC: with full supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)</u></p> <p><u>CR: with abridged supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)</u></p> <p><u>AC: not initially required by the AECID in any kind of supporting account. (To be kept by the organisation: submit only if required during examination)</u></p>					
Documents for economic justification			CC	CR	AC
<i>Lists of loans granted during the period with a statement of borrowers, amounts, interest, terms and destination of the loan.</i>			X		
<i>Bank documents regarding the deposit/s of external or internal transfers of funds from the grant to the Fund.</i>			X		
<i>In the case of Funds over 50,000 €, an external audit.</i>			X		
<i>In the case of Funds up to 50,000 €, an economic report.</i>			X		
<i>If the Fund is to continue, a written commitment signed by the organisation to which the management of the revolving fund is associated or transferred, to continue incorporating the profits obtained by the fund, after completion of the action financed by the AECID, for at least five years.</i>			X		
<i>Loan contracts between the ultimate borrowers and the organisation managing the Fund, as well as receipts for payment of funds.</i>		<i>Framework agreements and projects</i>			X
		<i>Measures</i>	X		

OPERATION IN THE FIELD (R09-VII.3.2.10)

These expenses may only be subsidised in calls until 2011

Description	<p>This includes: Current expenditure for electricity, water, communications, maintenance, security, cleaning, rent of headquarters and other similar expenses arising in the implementation country, on condition that this is a developing country, in the implementation period and connected with maintenance of the headquarters and organisation of the local partner or of the awardee organisation</p>				
Conditions	<p>In all these may not exceed 1% of the grant</p>				
	<p>The invoices and supporting documents for these expenses may be allocated in percentages to several framework agreements and/or projects.</p>				
	<p>Operating costs may only be attributed in the field of the Spanish NGDO if this has a centre in its name in the implementation country.</p>				
	<p>Expenses for headquarters in Spain may not be allocated, although the intervention is implemented there through involving Education for Development, Research or networks.</p>				
<p>Operating expenses for the expatriate's housing cannot be assigned.</p>					
<p>Supporting documents required in the account to be submitted to the AECID (as specified in each case): <u>CC: with full supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)</u> <u>CR: with abridged supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)</u> <u>AC: not initially required by the AECID in any kind of supporting account. (To be kept by the organisation: submit only if required during examination)</u></p>					
Documents for economic justification			CC	CR	AC
<i>Contracts, in the case of renting centres</i>					X
<i>Invoices and other legally acceptable documents</i>					X
<i>In the event of using receipts for certain renting:</i> ✓ Receipts ✓ Authorisation of the AECID prior to making the expenditure					X

TRAVEL, BOARD AND LODGINGS (R09-VII.3.2.11 and R11-VII.4.2.9)

<p>Description</p>	<p>Expenses for trips, travel, board and lodgings, directly linked with the measures planned, and incurred by:</p> <ul style="list-style-type: none"> ○ Personnel with an employment relationship with the interventions. ○ Personnel at the headquarters, when they are working on tasks connected with monitoring the interventions financed with the grant. ○ Volunteers. In the case of volunteers of local partners, a cooperation agreement must have been signed with them equivalent to the one compulsorily required for Spanish Volunteer workers, to be able to allocate travel, board and lodging expenses. ○ The final target collective. ○ Trips required for performing technical and professional services which are sporadic and do not require a written contract (irregular services of teachers, lawyers, notaries or valuers). <p>These are divided into three types:</p> <ul style="list-style-type: none"> ✓ Liquidation of individual per diems and mobility expenses (AECID template available on its web page): Only for personnel with an employment relationship (expatriate, local or at headquarters. <u>IN CALLS SINCE 2012</u> the settlement of per diems shall also be used for voluntary personnel. ✓ Group trips: expenses for transfers made as a group (by personnel, final target collective or others). These are allocated at the real costs with lists of supporting documents and their invoices or receipts. ✓ Others (these are justified with individual supporting documents for expenditure): <ul style="list-style-type: none"> ○ Fuel, insurance and maintenance of vehicles specifically identified and associated with the intervention, i.e. which are registered in the name of the awardee organisation or of its local partner, never of natural persons, and which are assigned to service of the framework agreement, project or measure. Any expenses which the vehicles owned by staff may incur, when these are used for an intervention, shall be compensated by paying the kilometrage included in a settlement of per diems and mobility expenses. ○ IN CALLS UNTIL 2011: trips made by volunteers. ○ Trips of individual final target collective. In this case the system of paying funds to target collective for them to carry out certain activities themselves, as described in Subsection 11.2 Receipts, may be used. ○ Trips needed for rendering technical and professional services not requiring a written contract (sporadic services of trainers, etc.) . ○ Transfers on grounds of work (attending meetings, etc.) at the usual place of residence in the implementation country.
<p>Conditions</p>	<p>On settlements of per diems and mobility expenses:</p> <ul style="list-style-type: none"> ✓ The trips shall have been made on a separate basis and other than any collective trips. ✓ These shall be for specific tasks of short duration (at most thirty days). ✓ These shall always be away from the usual place of residence in the implementation country. ✓ Settlements shall be signed by the interested party and have the approval of the person in charge of controlling these expenses authorised by the organisation or its partner. ✓ No general lump sum settlements shall be acceptable. These will have to refer to specific trips and be made individually for each of these, indicating the route, the dates, the purposes of this and the means of transport used, whose cost where applicable shall be allocated to settlements enclosing the proper supporting documents with them.

**Conditions
(cont.)**

- ✓ **SETTLEMENT OF PER DIEMS:** the maximum full per diem (accommodation plus meals) assignable to the grant is **100 euros/day**. The amount assigned **does not have to be accredited by means of invoices or receipts either for meals or accommodation**. It is the **responsibility of the awardee organisation** for this sum to be in accordance with the real nature of the expenditure incurred and the average prices for the zone in which the transfer is made.
- ✓ **SETTLEMENT OF MOBILITY EXPENSES:**
 - **Hired vehicles:** these are justified with the invoices of the hire car agency and the petrol used, specifying the number of kilometres.
 - If the trips are made in **vehicles assigned to the intervention, the expenses for fuel incurred during this shall be assigned to the settlements.**
 - Trips in **personnel's own vehicles are allocated by kilometres covered**, at a maximum of 0.19 €/kilometre and do not require invoices to be submitted. Petrol, insurance, maintenance costs etc. cannot be assigned to the grant for vehicles owned by the personnel since payment of kilometrage is an average for compensating all kinds of expenses.
 - **Any air, train or bus tickets, etc.** purchased directly or through agencies must be accredited by means of invoices. Receipts can be used if these have been previously authorised by the AECID.
 - For air travel **only trips made in tourist class shall be assignable to the grant.**
- On collective trips**
 - ✓ The justification shall be **accompanied by:**
 - **A summary, per trip or activity, with the sum of the expenses**, broken down by the three items (transport, board and lodgings) in which it specifies the purpose of the trip, the number of persons included, number of days and dates, kilometres covered (if petrol expenses of the vehicles are justified) and means of transport used, with the approval of the person in charge of controlling these expenses authorised by the organisation or its local partner.
 - **The lists of supporting documents for payments** made for transport, board and lodgings.
 - **Invoices or receipts accrediting** expenses and the authorisation of the AECID in the case of the latter.
 - **A list of all the participants duly signed by these.**
 - ✓ The **summary** described is considered to be a **single supporting document** for purposes of its **inclusion in the list of supporting documents** for the expenditure.
- On other expenses for board and mobility**
 - ✓ **These are accredited with each of their individual supporting documents.** Any repetitive expenses of small amounts and with small-sized receipts (bus, supermarket tickets etc.) may be combined in a single one, on condition that these are of the same nature, for purposes of including these in the list of supporting documents for the expenditure.
 - ✓ In supporting documents for **petrol for vehicles** which are specifically **identified in the intervention and associated with this, identification of the vehicle in question must be included.**
 - ✓ If the technical or professional services are **not sporadic**, trips and board **will be included in the price of the contract**, calculated for purposes of the limits applicable in contracting rules and justified in accordance with their relevant subsections, being assigned to the same item as the contract.
 - ✓ **Daily expenses for travel from home to work and vice versa** of personnel working for the framework agreement, project or measure are not financeable from the grant.



Documents for economic justification		CC	CR	AC
If the expenses are included in the budget of a Certification of Implementation of Activities whose use was previously approved by the AECID, a “ Certification of Implementation of Activities ” document according to the template available on the AECID web page		X		
If the expenses are not included in the budget of a Certification of Implementation of Activities whose use was previously approved by the AECID:				
In the case of settlements of per diems and mobility: ✓ Settlement sheets for per diems (template on the AECID web page) ✓ For transport expenses other than kilometrage of staff's own vehicles: - Invoices or other legally acceptable documents - If receipts are used: . Receipts . Authorisation of the AECID prior to making the expenditure	Framework agreements and projects			X
	Measures	X		
In the case of group trips:				
✓ Summary , per trip or activity, with the sum of the expenses, broken down by the three items (transport, board and lodgings) in which it specifies the number of persons included, number of days and dates, kilometres covered (if petrol expenses of the vehicles are justified) and means of transport used, with the approval of the person in charge of controlling these expenses authorised by the organisation or its local partner. ✓ Lists of supporting documents for payments made for transport, board and lodgings. ✓ List of all the participants duly signed by these.		X		
✓ Invoices or other legally acceptable documents. ✓ If receipts are used: - Receipts - Authorisation of the AECID prior to making the expenditure	Framework agreements and projects			X
	Measures	X		
In the case of other expenses for board and mobility: ✓ If expenses of volunteers are assigned, cooperation agreements signed with the awardee organisation or its local partners ✓ Invoices or other legally acceptable documents. ✓ If receipts are used: - Receipts - Authorisation of the AECID prior to making the expenditure	Framework agreements and projects			X
	Measures	X		

FINANCIAL EXPENSES (R09-VII.3.2.12 and R11-VII.4.2.10)

Description	Includes: ✓ Expenses accruing from bank transfers of funds between accounts opened for the intervention ✓ Expenses accruing from maintenance of accounts opened for the intervention
Conditions	In order to be allocated to the grant these must be essential for performance of the intervention and not ensue from bad practice or legal non-compliance by the awardee organisation or its partners as a group or local partners.

Supporting documents required in the account to be submitted to the AECID (as specified in each case):

CC: with full supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)

CR: with abridged supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)

AC: not initially required by the AECID in any kind of supporting account. (To be kept by the organisation: submit only if required during examination)

Documents		CC	CR	AC
<i>Bank certificate or statements of accounts for any financial expenses that have been incurred</i>	<i>Framework agreements and projects</i>			X
	<i>Measures</i>	X		

EXPENSES ASSOCIATED WITH EDUCATION FOR DEVELOPMENT IN SPAIN (R09-VII.3.2.13 and R11-VII.4.2.11)

<p>Description</p>	<p>Expenses stemming from activities in Spain for Education for Development and Social Awareness-raising included in DEVELOPMENT FRAMEWORK AGREEMENTS IN THIRD PARTY COUNTRIES.</p> <p>This could include:</p> <ul style="list-style-type: none"> ✓ Personnel: ✓ Equipment, materials and supplies ✓ Travel, board and lodgings ✓ Technical and professional services ✓ Depreciation of goods and equipment
<p>Conditions</p>	<p>The following are financeable from the grant, but not included in this specific heading:</p> <ul style="list-style-type: none"> ✓ Expenses for framework agreements, projects and measures which are entirely for Education for Development in Spain. Each type of expense for these interventions will be attributed to the corresponding item. <p>The following are not financeable from the grant:</p> <ul style="list-style-type: none"> ✓ Education for Development expenses on projects and measures for development in third countries. Sub-headings of EfD are not acceptable in either projects or measures. <p>This type of expenses may be allocated with the following limits:</p> <p>A) FRAMEWORK AGREEMENTS FROM CALLS UNTIL 2011:</p> <ul style="list-style-type: none"> - Up to at most 48,000 euros for seminars, workshops and dissemination work. - Up to at most 40,000 euros for publications, web pages and other communication supports. <p>B) FRAMEWORK AGREEMENTS FROM CALLS SINCE 2012:</p> <ul style="list-style-type: none"> - Up to at most 90,000 euros. - A separate formulation shall be submitted for these expenses, which will be separately approved by the AECID. In the event of not being approved, these funds would be accumulated for the implementation of the other activities in the agreement. <p>The AECID must be provided, along with the Final Report, with a list of the publications, CD, DVD or other image/audio supports whose production was totally or partly financed with the AECID grant, the latter being able to request to have a copy supplied to it and to freely make use of this material for its dissemination and showing free of charge. Any use or reference to these materials that the AECID might make shall include express mention of the implementing organisation.</p> <p>All the products totally or partly financed with the AECID grant will have to incorporate the name and/or logo of the AECID, along with the statement "With the financing of". All the public announcements made during the implementation shall expressly cite the AECID as contributor or financier.</p> <p>Any documents published as a measure or result of some intervention financed by the AECID, as well as containing the logo or name of the AECID as financier, will have to include the following paragraph, translated into the languages in which the document is published: <i>"This publication (or documentary/announcement/etc.) has been made with the financial support of the Spanish Agency for International Development Cooperation (AECID), charged to the "TITLE" Framework Agreement. The content of this publication is the sole responsibility of "NAME OF ORGANISATION" and does not necessarily reflect the opinion of the AECID".</i></p> <p>Contracting activities in Spain for Education for Development and Social Awareness-raising constitutes subcontracting, meaning that the sum involved will have to be within the 15 % limit which is allowed for all subcontracting charged to the grant.</p>

Supporting documents required in the account to be submitted to the AECID (as specified in each case):
CC: with full supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)
CR: with abridged supporting account (any documents not specified shall be kept by the organisation in case these were requested later on)
AC: not initially required by the AECID in any kind of supporting account. (To be kept by the organisation: submit only if required during examination)

Documents	CC	CR	AC
When subcontracting with companies, professionals or NGDO for over 12,000 € : ✓ tenders received ✓ report supporting the tender selected if this were not the cheapest one ✓ substantiated report (where applicable) on the failure to have competing tenders endorsed by the relevant TCO/CC/Antenna or Embassy, (in the event of any activity having to be contracted in a developing country) and ✓ contract (or its certified copy).	X		
Whichever is applicable, depending on the type of expense (personnel, supplies, travel, etc.). See the relevant subsection.			

12. REIMBURSEMENTS

12.1. GENERAL ASPECTS

❖ Types (R11-VIII.1)

Two types of reimbursements of funds are considered, depending on the cause:

- ✓ **Returns of uninvested surplus balances**, when **the results expected have been accomplished**, and any surpluses which, even though not these results were not attained, stem from **discontinuing the interventions for causes beyond the control of the awardee organisation or its partners as a group**, as well as any **excess financing** through accumulation of grants from several sources (Subsection 12.2).
- ✓ Reimbursements **stemming from infringements** of the applicable regulation (Subsection 12.3).

Reimbursements can also **be made**:

- ✓ **Voluntarily**: The awardee organisation **may voluntarily*** reimburse any sums that for supervening reasons are considered as **surplus balances or not applicable** to the grant to the account of the AECID at the Bank of Spain. The AECID must immediately be informed of any **voluntary reimbursements** with a substantiated report and include this report along with the Final Report.
- ✓ **At the request of the AECID**.

** It is advisable to reimburse any uninvested surplus balances of both the principal and financial returns with the corresponding interest in arrears along with the submission of the supporting account, as this will reduce the amount of the interest in arrears.*

❖ How these are made (R11-VIII.1)

REIMBURSEMENTS ARE ALWAYS MADE BY MEANS OF A **TRANSFER** TO AECID'S ACCOUNT AT THE BANK OF SPAIN, code **9000 0001 20 0200003247**

STATING AT LEAST:

- **Name of the organisation** making the reimbursement and
- **Code** of the framework agreement, project or measure

It is advisable to send a copy of the supporting document for the transfer to the Management Unit for the grant.

❖ Interest in arrears (R11-VIII.2)

PAYMENT OF INTEREST IN ARREARS IS ESTABLISHED IN THE GENERAL GRANTS ACT FOR ALL REIMBURSEMENTS, **WHATEVER THE CAUSE GIVING RISE TO THESE AND WHETHER THEY ARE MADE VOLUNTARILY OR NOT.**

THE IMPOSITION OF INTEREST IN ARREARS **IS NOT A PENALTY**, BUT COMPENSATION FOR THE TIME THAT THE FUNDS HAVE BEEN IN THE CONTROL OF A THIRD PARTY AND NOT THE ADMINISTRATION.

THE **AECID CANNOT ALLOW EXEMPTIONS FROM PAYMENT OF INTEREST IN ARREARS**, SINCE THIS IS A LEGAL REQUIREMENT.

Interest in arrears is the **legal interest of money**, which is published annually in the Law on General State Budgets, **plus 25 %**. This applies to each year elapsing from payment of the grant or fraction of the number of days. For years 2004-2012 this interest is:

Year	Interest + 25%
2004	4.7
2005	5
2006	5
2007	6.25
2008	6.87
2009 (from 1 st January to 31 st March)	6.87
2009 (from 1 st April to 31 st December)	5
2010 to 2014	5

Interest in arrears **applies**:

- ✓ To the amount of the grant to be refunded.
- ✓ From the time when the payment* is made by the AECID.

* In the case of **Framework Agreements**, the interest in arrears will be **calculated separately** for each of the yearly payments from their **respective payment dates**. When repayments are partial, **the funds to be reimbursed will be considered to be the ones received in the last yearly payment; if this were insufficient, the difference will apply to the penultimate yearly payment and so on.**

Interest in arrears **does not apply**:

- ✓ To financial returns generated in the accounts where the AECID funds have been deposited, which have to be reimbursed.

When **reimbursements are partial**, the funds to be reimbursed will be understood **to correspond first of all to financial returns**. If this were insufficient the difference would be for the grant.

THE TOTAL AMOUNT OF THE REIMBURSEMENTS WILL BE:

(A) The sum of the surplus balances of the grant and of any financial returns not applied, excess financing, non-financeable expenses and expenses insufficiently justified or not authorised, or any other cause *
+ the interest in arrears calculated on the difference between A and the total financial returns *, and from the time of paying the grant until the date on which the voluntary reimbursement is made or the AECID issues a Resolution for reimbursement
= SUM TO BE REIMBURSED

* In the case of partial reimbursements, the settlement shall take into account recalculation in respect of the non-reimbursable part of the grant of the percentages established in the regulation as regards the maximum admissible for indirect expenses, operating costs, subcontracting and revolving funds, and of the minimums required for outside financing and own financing.

** If the total financial returns were equal to or over A the interest in arrears would be zero.

Example:

Grant paid on 25th July 2006.

Surplus of grant and uninvested financial returns 4,500 €

Total financial returns accruing 1,000 €

Sum to which interest in arrears has to be applied: 4,500 – 1,000 = 3,500 €

Date of reimbursement 7th May 2009

Year	Days	Interest	Interest in arrears = 3,500 € *days*interest/(365*100)
2006	160	5.000	76.71
2007	365	6.2500	218.75
2008	366	6.8700	241.11
2009 (until 31 st March)	90	6.8700	59.28
2009 (from 1 st April to 7 th May)	37	5.000	17.74
Amount of interest in arrears			613.59
TOTAL AMOUNT OF DEPOSIT (4,500 +613.59 €)			5,113.59

❖ Reimbursement procedure (R11-VIII.1)

The reimbursement procedure involves the following steps:

➤ Reimbursement Procedure Initiation Agreement (RPI):

After examining the supporting accounts submitted with the Final Reports *, and determining the sums to be reimbursed for all items (surplus balances, excess financing, non-financeable or unjustified expenditure, etc.) the Reimbursement Procedure Initiation Agreement (RPI) is issued.

This Agreement **reflects:**

- ✓ The **amount of the principal** to be reimbursed
- ✓ The **interest in arrears from the date of paying the grant to the date of the RPI**, calculated as stated in the previous heading
- ✓ The **daily interest in arrears** that will have to be added to the above **for each day elapsing** from the date of the RPI to that of the voluntary reimbursement (if this takes place prior to issuing the Reimbursement Resolution) or that of the Reimbursement Resolution.

The RPI will be sent to the organisation awarded the grant along with the report issued by the AECID (or the professionals and companies contracted by this for this purpose) based on the Final Report submitted by the organisation.

The awardee organisation may make a voluntary reimbursement or submit allegations in the period stated in the following heading.

* In the case of **agreements with annual economic justification**, the review of the annual monitoring reports will not give rise to reimbursement procedures. Any surplus balances, excess financing, non-financeable or unjustified expenses etc. for the period **will be considered as being uninvested surpluses applicable to implementation in the following periods**. The reimbursement, where applicable, will be determined after the review of the Final Report.

➤ Allegations to the Reimbursement Procedure Initiation Agreement:

Within 45 working days from when notice of the RPI is received, the awardee organisation for the grant may submit allegations as regards any flaws which may have been seen in the report sent along with the Agreement, and send any additional documents for remedying said flaws.

The AECID will examine the new documents and allegations submitted, either partly or fully upholding these or dismissing them.

➤ Reimbursement Resolution:

A Reimbursement Resolution will be issued in the following cases:

- ✓ If the voluntary **reimbursement had not taken place, and allegations had not been submitted** within a period of 45 working days from notification of the RPI.
- ✓ If **allegations** had been submitted and these were **dismissed or partly upheld**. In this last case the Reimbursement Resolution will refer to the part not upheld plus the interest in arrears corresponding to that part.

The following appeals * may be brought against the Reimbursement Resolution:

- ✓ An optional appeal for reversal to the President of the AECID, within one month as from the day after reception of the notification of the Reimbursement Resolution, or
- ✓ A contentious-administrative appeal at the Contentious-Administrative Division of the *Audiencia Nacional* Court, within two months from the day after notice of the Reimbursement Resolution is received.

* Both appeals cannot be lodged at the same time.

NOTIFICATION OF THE REIMBURSEMENT RESOLUTION MARKS THE END OF THE VOLUNTARY PERIOD AND THE START OF ENFORCEMENT PROCEEDINGS

ANY ORGANISATIONS WHICH WERE INFORMED OF A REIMBURSEMENT RESOLUTION, WILL BE EXCLUDED FROM CURRENT CALLS UNTIL THIS IS ACTUALLY PAID, WITH NO DETRIMENT TO ANY POSSIBLE OUTCOME OF ANY APPEAL FOR REVERSAL OR CONTENTIOUS-ADMINISTRATIVE PROCEEDINGS FILED.

➤ **Enforced recovery:**

Any reimbursements for which a **Resolution has been issued will be sent to the Spanish Tax Agency to be handled by enforced recovery proceedings**, if:

- ✓ **The reimbursement had not been made and an appeal for reversal had not been lodged** within one month from the notification of the Reimbursement Resolution.
- ✓ If a **remedy of appeal** had been brought and this were **dismissed or partly upheld**. In this last case, the Resolution on the appeal for reversal and the enforced recovery proceedings will refer to the part not upheld plus the relevant interest in arrears.

AFTER THE ENFORCED RECOVERY PROCEEDINGS HAVE BEEN GOT UNDER WAY, MANAGEMENT OF REIMBURSEMENT IS NO LONGER THE COMPETENCE OF THE AECID, BUT OF THE TAX AGENCY

12.2. RETURN OF UNINVESTED SURPLUS BALANCES AND EXCESS FINANCING (R11-VIII.3 and VIII.4)

❖ Reuse of surplus balances

The AECID may be **requested for surplus balances and uninvested financial returns to be used if the following requisites are met:**

- ✓ If the **objectives** for which the subsidy was granted have been accomplished, and
- ✓ If the surpluses are going to be **used for the same activities or similar ones** which represent a continuation of the previous activities
- ✓ The activities to which the unspent funds are going to be applied are:
 - part of another framework agreement, project or measure * financed by the AECID, and
 - the framework agreement, project or measure* to which the surplus balances are going to be applied is under way
- ✓ And if **the application is made within the period allowed for submitting the final report**

*** IN GRANTS FROM CALLS UNTIL 2011** this rule is **also applicable** to grants obtained through the Permanent Open Call (POC), that is, if the other requisites stated above are met:
- The surplus balances of framework agreements and projects may be reused in POCs.
- The surplus balances of POCs may be reused in framework agreements and projects.

In the application the awardee organisation shall specify **the exact amount** of the surplus balances to be reused and detail **how this affects** the application of these unspent funds **to the objectives and results of the framework agreement, project or measure** to which these are to be applied.

The AECID will resolve either to:

- ✓ **Approve** the application and **modify the resolution for granting** the subsidy to which the surplus is to be applied, establishing where necessary a new period for implementation and justification, or alternatively
- ✓ **Dismiss** the application and resolve on **the repayment** of the surplus balances.

Prior authorisation of the AECID will not be required to use the surplus balances in performing audits which had not previously been budgeted, although it will be necessary to apply the procedure established for that contracting (see Subsection 9.5).

❖ Overfinancing

Likewise, when **the grant, either alone or along with other** grants, aid, income or resources, **exceeds the cost** of the activity subsidised, **the surplus obtained** over the cost of the intervention undertaken shall be returned. This **overfinancing will be distributed proportionally among the different financers**, repaying the AECID the part corresponding to its contribution.

12.3. REIMBURSEMENTS THROUGH NON-COMPLIANCES (R11-VIII.4)

The **total or partial** reimbursement of the grant as well as the requirement of **interest in arrears** calculated as stated in Subsection 12.1, **plus the financial returns** accrued by the grant shall be due in any case of the following non-compliances:

- ✓ **Total or partial non-compliance of the planned objectives and results.**
- ✓ **Non-compliance of the justification obligation.**
- ✓ **Obtaining the grant without meeting the conditions** required for this.
- ✓ **Introduction of substantial modifications** (Subsection 5.1) **without the express authorisation** of the AECID
- ✓ **Non-compliance of the conditions** required of the awardee organisation for granting the subsidy
- ✓ **When the grant is not implemented** for any reason.

Such reimbursements shall be **modulated** in accordance with the **degree of non-compliance** as follows ^{V2014}:

- ✓ **REIMBURSEMENTS OF 100 PER 100 OF THE GRANT COLLECTED**
 - **Total non-compliance** of the purposes for which the subsidy was granted. When **the non-compliance is due to force majeure causes**, in particular in the event of duly accredited exceptional circumstances arising, such as natural disasters, armed conflict or humanitarian crises, making total execution difficult or impossible, the awardee organisation may nevertheless submit a settlement of the expenses which it has incurred, which will have to be **approved by the AECID**, after which the **other funds collected will be reimbursed with the interest in arrears**, and where applicable, any relevant financial returns accruing.
 - **Non-compliance of the justification obligation**
- ✓ **PARTIAL NON-COMPLIANCE**
 - **Partial non-compliance of the planned objectives and results: 100 per 100 of the sums not invested.** When there has been partial non-compliance, the reimbursement shall not affect the sums invested in the objectives partly or fully fulfilled.
 - **Grant partly not executed for any reason: 100 per 100 of the grant not applied.**
- ✓ **NON-COMPLIANCE OF THE CONDITIONS IMPOSED**
 - **Non-compliance of the implementation period of the activity** without the relevant extension having been authorised: **20 per 100 of the expense incurred** after the end of the implementation period.
 - **Delay in submitting the justification or insufficient or deficient justification: 0.1 per 100 of the grant for each full quarter's delay**, up to at most two quarters, what is laid down for infringement of the justification obligation being applicable from that time.
 - **Insufficient or deficient justification:**
 - Supporting documents for the expense **with flaws affecting the accreditation** of their execution: 100 per 100 of the amount involved.
 - **Unjustified expenses:** 100 per 100 of the amount involved.
 - **Receipts without prior authorisation**, which had not been authorised if this had formerly been applied for (see Subsection 11.2 Receipts): 100 per 100 of the amount involved.
 - **Supporting documents without the required stamped certification** on the original: 100 per 100 of the amount involved.

- **Compulsory documents**, other than evidence for the expense, either not submitted or deficient: up to 10 per 100 of the grant, proportional to the documents not submitted.

12.4. LIMITATION PERIODS (R11-VIII.4)

The **AECID's right to claim** reimbursements **lapses** in accordance with the following rules:

- ✓ **Reimbursements based on justification flaws: 4 years** from **submission of the final report, or of the economic monitoring report** in the case of framework agreements with economic justification by annual periods.
- ✓ **Reimbursements based on non-compliance of objectives and results: 4 years** from submission of the **final economic report**.
- ✓ **Reimbursements based on non-compliance** of the **appropriation (application) periods**, on condition that the goods have continued to belong to the awardee organisation or its local partner or partners as a group: on **expiry of the appropriation period**.

Limitation periods **are broken off** when the **AECID takes action** or when **any of the cases for interruption of limitation periods** arises (Art. 39.3 of the LGS¹⁴).

¹⁴ 39.3. The limitation period calculated shall be broken off:

- a) By any action of the Administration, performed with the formal knowledge of the beneficiary or the cooperating organisation, leading to determine the existence of any of the causes for reimbursement.
- b) By filing appeals of any kind, by forwarding the excerpt of the record to criminal courts or by submitting the complaint to the Tax Ministry, as well as for actions performed with the formal knowledge of the beneficiary or the cooperating organisation in the course of said replies.
- c) Through any certifiable action of the beneficiary or the cooperating organisation leading to liquidation of the subsidy or the refund..

13. RESOLUTION ON THE FINAL REPORT

In view of the result of the study and evaluation of the Final Report, the AECID **shall issue a Resolution**, which could be of two types:

- ✓ **For approval of the Final Report**, with no detriment to the financial control measures within the IGAE's competence. This Resolution shall give rise to issuing the certificate of fulfilment of purposes, or termination and filing of the relevant case, or
- ✓ **For non-compliance** or lack of justification of the expenditure **and applicability of reimbursement**. To issue this Resolution the initial procedure shall be as described in Subsection 12.1 Reimbursement Procedure. The Resolution shall be duly substantiated and indicate the sum to be reimbursed, specifying the interest in arrears, calculated in accordance with what is stated in Subsection 12.1 Interest in arrears.

This Resolution marks the end of administrative channels. An optional appeal for reversal may be lodged against the Resolution within one month from the day after notice of this is served, or a contentious-administrative appeal at the *Audiencia Nacional* court, within two months. Both appeals may not be filed at the same time.

14. TEMPLATES (R11-II.1)

The **templates** quoted in this Guide are **available** on the web page of the AECID (for the addresses, see Subsection on LINKS in the introduction to the Guide).

The templates are **regularly updated on the web page**. The updated versions must **compulsorily be used as from four months** after their publication on the web page. Until that time they **coexist with the previous ones**. The updating date is given in the names of the files, so that the latest version can be identified.

Insofar as the AECID does not provide means for electronic submission, **the set of documents required** in the Monitoring, Final and Planning **Reports must be submitted in the form of one hard copy and one copy on I.T. support**, except for appendices with graphic or photographic documents, videos etc., and any which would prove too bulky, which should only be enclosed on an I.T. support. Any which can only be turned into computer-readable supports by scanning may be submitted only on paper.

The templates available are as follows:

REPORTS AND PLANNING

- ✓ Final report on measures
- ✓ Monitoring and final report for projects
- ✓ Monitoring and final report for framework agreements
- ✓ Annual planning document for framework agreements

EVALUATIONS

- ✓ Terms of reference for contracting evaluations

AUDITS

- ✓ Terms of reference for contracting audits, with Templates of audit reports for submission along with the simplified supporting account

JUSTIFICATION OF EXPENDITURE

- ✓ Minutes for transfer and application of goods to the intervention
- ✓ Declaration of implementation of the grant by members of the group
- ✓ Declaration of depreciations allocated to the grant
- ✓ Receipt
- ✓ Settlement of per diems and mobility expenses
- ✓ CEA1- Budget for applying for a Certification of Implementation of Activities
- ✓ CEA2- Certificate TCO/CC/Antenna/Embassy on prices for the application of Certification of Implementation of Activities
- ✓ CEA3- Final Certification of Implementation of Activities



15. APPLICABLE LEGISLATION

- ✓ General Grants Act 38/2003 of 17th November (BOE [*State Gazette*] of 18th November).
- ✓ Royal Decree 887/2006, of 21st July, approving the Regulation of General Grants Act 38/2003, of 17th November.
- ✓ Royal Decree 794/2010, of 16th June, regulating grants and aid in the field of international cooperation.
- ✓ Order AEC/2909/2011, of 21st October 2011, establishing the conditions for granting grants in international cooperation for development, developing Title II of Royal Decree 794/2010, of 16th June, regulating grants and aid in the field of international cooperation (CALLS SINCE 2012).
- ✓ Order AEC/1303/2005 of 27th April, regulating the conditions for grants to NGDO for carrying out interventions in international cooperation for development (CALLS UNTIL 2011).
- ✓ Resolution of 31st October 2011 of the President's Office of the Spanish Agency for International Development Cooperation, approving the rules for managing, monitoring and justifying grants granted for implementing framework agreements, projects and measures for cooperation for development (CALLS SINCE 2012).
- ✓ Resolution of 24th March 2009, of the AECID President's Office, approving the rules for monitoring and accounting for development cooperation projects and framework agreements subsidised for NGDOs (CALLS UNTIL 2011).
- ✓ ^{v2014} Resolution of 19th September 2012, of the President's Office of the Spanish Agency for International Development Cooperation, establishing the requisites for accounting for expenses of grants for international development cooperation, by submitting digitised documents
- ✓ Order EHA/1434/2007, of 17th May, approving the rules for auditors' work in examining supporting accounts of grants, in the field of the State public sector, laid down in Article 74 of the Regulation of General Grants Act 38/2003, of 17th November, approved by means of Royal Decree 887/2006, of 21st July.
- ✓ Act 30/1992, of 26th November, on the Legal System of Public Administrations and Common Administrative Procedure.

APPENDIX

CRITERIA FOR USE OF RECEIPTS BY COUNTRIES

GENERAL INTRODUCTION FOR ALL COUNTRIES

AECID rules as regards supporting documents for expenditure give priority to the use of those which are in legal use in the country where this is incurred. This is the case because legally acceptable supporting documents are the only ones to accredit that tax obligations have been complied with in that country.

Respect for local legislation and failure to cooperate with tax fraud must be priorities in any application of public funds intended for cooperation. The use of receipts must thus be limited to cases in which the country's legislation allows this.

This appendix, based on the information sent by different Technical Cooperation Offices sets forth the rules to be applied for examining cases in which the use of receipts may be authorised and others in which it may not, as well as the circumstances in which receipts can be used with no need for prior authorisation, through being allowed by local legislation.

As well as the ones individually specified in this Appendix, the receipts referred to in Subsection 11.2 may be used **IN ALL COUNTRIES, ALWAYS WITH PRIOR AUTHORISATION for non-refundable cash payments made to final target collective for carrying out certain activities by themselves.**

Criteria for use of receipts are determined and included for the following countries (the appendix will be extended as information becomes available from other countries):

- **Bolivia**
- **Cabo Verde**
- **Colombia**
- **Costa Rica (introduced in September 2014) ^{v2014}**
- **Cuba (modified in September 2014) ^{v2014}**
- **El Salvador (modified in October 2012)**
- **Philippines (modified in October 2012)**
- **Guatemala**
- **Haiti**
- **Honduras**
- **Mexico**
- **Mozambique**
- **Nicaragua**
- **Niger**
- **Panama**
- **Paraguay**
- **Peru (modified in September 2014) ^{v2014}**
- **Dominican Republic**
- **Senegal**
- **Sudan (introduced in September 2014) ^{v2014}**
- **Venezuela**

BOLIVIA

INFORMATION ON LEGISLATION

Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	In all cases	This exception (Note 1) applies to renting in rural areas where there are no SIN (<i>National Tax Service</i>) offices allowing taxpayers to be census-registered. In this case the withholding is 13% VAT and 3% IT (<i>Transaction Tax</i>).
Building and/or alterations	In all cases	This exception (Note 1) could arise when works are contracted with building workers or contractors in rural areas not registered in the SIN. In this case the withholding is 12.5% IUE (<i>Corporate Income Tax</i>) and 3% IT.
Equipment, materials and supplies	In all cases	This exception (Note 1) could arise when purchasing equipment, materials and supplies in urgent situations and in rural areas not registered in the SIN. In this case the withholding is 5% of the IUE and 3% IT.
Technical and professional services	In all cases	In the case of technical or professional services the withholding is 12.5% of the IUE and 3% IT.
Food	In all cases	The withholding (Note 1) by the purchaser is 12.5% for IUE and 3% for IT. There is also what is known as the so-called Simplified Tax System, which allows natural persons engaged in some kind of services (victuallers, craftsmen, retailers) with a working capital not exceeding Bs40,000, to be able to pay a minimum tax every two months, without issuing an invoice and ratifying the transaction only with the payment slip of their two-monthly taxes. This exception could arise when food services are contracted in rural areas which are not registered in the SIN.
Transports	Yes, with some exceptions	The exception is intended for interstate transport and local urban transport (microbuses, <i>trufis</i> , collective systems, taxis), which are covered in a tax system known as the Integrated Taxation System, with quarterly payment and in accordance with tables and weightings of the National Tax Service.
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	Verbal contracts are valid, if they meet the requisites as regards dependency, subordination and regularity	Payment of salaries is not acceptable, as well as for verbal contracts, with only a receipt. This requires including all the items referring to social security payments and which imply the preparation of payment slips and payrolls.

CRITERIA FOR USING RECEIPTS

Authorisations for receipts will not be issued for:

- Renting, building and/or alterations, equipment, materials and supplies, technical and professional services, food services in urban areas, local personnel or running costs. These could be included in the supporting account, with no need for prior authorisation, if they are accompanied by the accreditation of having made the withholding and the payment required by Bolivian legislation (Note 1). They must otherwise always be justified with invoices (or pay slips and accreditation of the payment, in the case of personnel).
- Transports. Receipts can be used without any prior authorisation, since local legislation allows them, due to being covered in the Integrated Tax System.

Receipts could be authorised, after applying for this, for: Food services in rural areas. These could be included in the supporting account, with no need for prior authorisation, if they are accompanied by the accreditation of having made the withholding and the payment required by Bolivian legislation (Note 1).

Note 1: AS AN EXCEPTION it is established on a general basis that the non-existence of an invoice for supporting an expenditure gives rise to the obligation for the purchaser of the good of service to withhold a percentage of the total amount paid, this being in accordance with the service or good transferred. In this case 13% VAT and 3% IT. (Act 843 Title II, III and VI; Supreme Decrees 21531, 21532, 24051 and Administrative Resolutions 05-0040-99, 05-0041-99, 05-0042-99).

CABO VERDE		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	In all cases	In all cases
Building and/or alterations	In all cases	In all cases
Equipment, materials and supplies	In all cases	Except for purchases of inert material for building (stone, gravel, sand) supplied by private individuals
Technical and professional services	In all cases	Except for professionals not registered in any professional association, on condition that the organisation contracting them acts as withholder of IUR (<i>corporate income</i>) tax
Food	In all cases	In all cases, but it is difficult to obtain invoices for informal food services in rural areas
Transports	Yes, with some exceptions	In all cases, but it is difficult to obtain invoices for individual local transport
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	Contracts are not required for household staff or part-time work	Only for contracting household staff or part-time work
CRITERIA FOR USING RECEIPTS		
<p><u>Authorisations for receipts will not be authorised (save the exceptions given in the following paragraphs) for:</u> renting, building and/or alterations, equipment, materials and supplies, technical and professional services, food services, transports, full-time local personnel or running costs. Expenses of this kind will always be accredited with invoices (or pay slips and accreditation of the payment in the case of personnel).</p> <p><u>Neither will authorisations for receipts be issued for:</u></p> <ul style="list-style-type: none"> - Purchases of inert material for building from private individuals. - Technical and professional services rendered by persons not registered in any professional association, on condition that the organisation contracting them acts as withholder of IUR tax. <p>Receipts may be used without authorisation in these cases, since local legislation allows them, although, in the case of technical and professional services, such receipts must go along with an accreditation of the taxes having been withheld and paid into the Local Treasury.</p> <p><u>Receipts could be authorised, after applying for this, for:</u></p> <ul style="list-style-type: none"> - Informal food services in rural areas. - Individual local transport. - Local personnel working on a part-time basis. 		

COLOMBIA		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	<i>Real estate used for housing and real estate used for exhibitions and displays of national crafts, including artistic and cultural events is released from this. Costs and expenses of programmes /projects are exempt from national tax in accordance with what is laid down in Decree 540/2004.</i>	<i>Depending on which system the supplier is working under, the latter must issue an invoice or equivalent document (Note 1), declaring VAT exemption, when this is applicable</i>
Building and/or alterations	<i>AIU (Indirect Overhead, Contingency and Profit Costs) is the tax base for VAT. Programmes/projects are exempt from national taxes in accordance with what is established in Decree 540/2004.</i>	<i>Depending on which system the supplier is working under, the latter must issue an invoice or equivalent document (Note 1), declaring VAT exemption, when this is applicable</i>
Equipment, materials and supplies	<i>Programmes/projects are exempt from national taxes in accordance with what is established in Decree 540/2004.</i>	<i>Persons belonging to the common system (natural or legal persons) must always issue an invoice with all the legal requirements, and exempt from VAT, where applicable, in accordance with Decree 540/04.</i>
Technical and professional services		<i>For those belonging to the simplified system (natural persons) a document equivalent to the invoice (Note 1) has to be drafted which must previously be numbered. It is an essential requisite for the billing statement to be included and for the contracting party to draw up the equivalent document, the expense being properly justified with these two documents.</i>
Food		<i>Any organisations belonging to the special tax system (Note 3) are obliged to issue an invoice when they perform any of the operations in which this obligation has to be complied with by express legal requirement: that is, when they are trading or lending taxed goods and services</i>
Transports	<i>Public passenger transport, either by land or sea, is excluded from sales tax. Programmes/projects are exempt for national taxes in accordance with what is established in Decree 540/2004.</i>	<i>-National transport: an invoice or equivalent document is always required (Note 1), and VAT exemption in accordance with Decree 540/04. -Urban transport: there is no obligation to issue any invoice and the cost and deductions support can be used. (Note 2)</i>
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	<i>Verbal contracts are possible, but permanent employment contracts are covered</i>	<i>Payment must be justified by means of pay slip and respective receipts for payment of the payroll</i>
CRITERIA FOR USING RECEIPTS		
<u>Authorisations for receipts will not be given under any circumstances:</u>		
<i>Except in the cases of urban transports, expenses shall be justified with invoices or equivalent documents (Note 1).</i>		
<i>In the case of equipment, materials and supplies, technical and professional services, and food, billing statements will be acceptable, with their proper equivalent document, without which the billing statement is not valid for tax purposes. This equivalent document must be handled by the contracting organisation, must comply with the minimum legal requisites and previously be numbered.</i>		
<i>For Urban Transports cash receipt documents or cost and deductions support will be acceptable, with no need for prior authorisation.</i>		

Note 1: WHAT IS UNDERSTOOD BY A DOCUMENT EQUIVALENT TO AN INVOICE: one which contains at least:

- a) Surnames, name or company name and Tax Identification Number (NIT) of the party purchasing the goods or services;
- b) Surnames, name and Tax Identification Number (NIT) of the natural person benefitting from the payment or credit;
- c) Number determined by a consecutive numbering system;
- d) Date of the operation;
- e) Description;
- f) Value of the operation;
- g) Itemisation of the tax assumed by the purchasing party in the operation

According to this decree the document equivalent to an invoice is applicable in purchases made by payers under the common system to natural persons not traders or registered in the simplified system. If the organisation is not a payer under the common system this decree will not apply and the cost and deductions support will thus be used.

Note 2: COST AND DEDUCTIONS SUPPORT: Article 771-2 of Act 383 DE 1197, stipulates that when there is no obligation to issue an invoice or equivalent document evidencing the respective transaction, the cost and deductions support may be used, which shall comply with the following requisites:

- a) Surnames and name or company name and tax number (NIT) of the seller or the party rendering the service.
- b) Surnames and name or company name and NIT of the party acquiring the goods or services, along with the itemisation of the VAT paid.
- c) Having a number determined by a consecutive numbering system of sales invoices.
- d) Date of its issue.
- e) Specific or general description of the articles sold or services rendered..
- f) Total value of the operation.

To be valid for costs and deductions the invoices does not have to meet the following requirements:

- a) Being expressly called a sales invoice
- b) The name or company name and the NIT of the printer of the invoice.

Note 3: SPECIAL SYSTEM: Some Organisations paying income tax are given special treatment in view of their nature and due to undertaking activities which the Government considers to be of social interest. As laid down in Article 19 of the Tax Statute, the following organisations are payers under a special taxation system and have to submit a return for income tax and complementary items:

Non-profit-making corporations, foundations and associations whose main corporate purpose and resources are assigned to the activities of health, sport, formal education, culture, scientific or technological research, ecology, environmental protection, social development programmes, which are of general interest and on condition that their surplus balances are totally reinvested in the activity of their corporate purpose, except for the ones considered in Article 23 of the same Statute. Also non-profit-making legal persons performing work in collecting and placing financial resources and subject to Banking Superintendence supervision.

This type of organisations must totally comply with the following conditions:

- a) For the main corporate purpose to be carrying out activities of health, sport, formal education, culture, scientific or technological research, ecology, environmental protection or social development programmes;
- b) For the activities carried out to be of general interest;
- c) For any surplus balances to be totally reinvested in the activity of its corporate purpose and for this to correspond to the activities listed in point a) of this article.

This system similarly covers mutual investment funds and trade union associations which in the performance of their corporate purpose collect income for industrial and/or marketing activities in respect of said income. In the event of trade union and mutual investment funds not carrying out industrial and/or marketing activities they are considered not to be taxpayers for income tax, as laid down in subparagraph two of Article 23 of the Tax Statute.

Cooperatives, their associations, unions, "central leagues", higher financial bodies, mutual associations and auxiliary cooperative institutions, cooperative confederations covered by current cooperative legislation, supervised by a Superintendence or control body.

Note 4: SIMPLIFIED SYSTEM: According to Article 499 of Colombia Tax Statute, natural persons, traders and craftspersons who are retailers, farmers and stockbreeders performing taxed operations belong to this system. Considering that the UVT for 2012 is equivalent to \$26,049, natural persons who may belong to the simplified system shall be those meeting the following requirements:

1. For the income stemming from taxable activities carried out by the [natural person](#) during 2011 to have been under 4000 Tax Value Unit (UVT) (\$100,528,000).
2. Not to have more than one commercial establishment, office, headquarters, premises or business where they carry out their work.
3. For activities as a franchise, concession, royalty, authorisation or any other system implying the exploitation of intangibles to be carried out at the commercial establishment, office, headquarters, premises or business.
4. Not to be a customs user.
5. Not to have entered into contracts for sale of goods or provision of services taxed with an individual value over 3,300 Uvt (\$82,936,000) in 2011.
6. Not to have entered into contracts for sale of goods or provision of services taxed with an individual value over 3,300 Uvt, that is \$85,962,000 in 2012.
7. For the total sum of its banking deposits not to have exceeded 4,500 Uvt, that is \$113,094,000 in 2011.
8. For the total sum of its deposits not to exceed the sum of 4,500 Uvt, that is, the sum of \$117,221,000 in 2012.

Anyone seeking to sign a contract whose individual value is over \$85,962,000 in 2012 must previously be registered in the [common system](#).

9. Indicate the status of withholder of sales tax.

Note 5: EXEMPTION OF NATIONAL TAXES FOR PROGRAMMES/PROJECTS FINANCED WITH OFFICIAL AID FOR DEVELOPMENT.

In Colombia Decree 540/2004 on the exemption of national taxes lays down that any programmes/projects financed with Official Aid for Development are released from national taxes, dues and levies in contracts which have to be entered into for carrying out works or projects for the common good, as well as the acquisition of goods and/or services, national-scale financial transactions which could affect the import and expenditure or investment of funds stemming from aid or donations made under intergovernmental agreements or framework agreements with the Colombian government intended to carry out programmes for the common good.

COSTA RICA ^{v2014}		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	In all cases	In all cases
Building and/or alterations	In all cases	In all cases
Equipment, materials and supplies	In all cases	In all cases.
Technical and professional services	In all cases	In all cases
Food	In all cases	In all cases. There are however problems with obtaining these in small rural villages when private individuals are used for rendering these services
Transports	In all cases	These are difficult to obtain for travel by bus
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	In all cases	Pay slips can always be provided with the worker's receipt or accreditation of their payment
CRITERIA FOR USING RECEIPTS		
<p><u>Authorisations for receipts will not be issued for:</u> renting, building, equipment, materials and supplies or running costs. Neither will these be issued, save the exceptions to be stated below, for technical and professional services, food, transport or local personnel. Any expenses incurred under this heading shall always be accredited with invoices (or pay slips and accreditation of payment for personnel).</p> <p><u>Receipts could be authorised, after applying for this, for:</u></p> <ul style="list-style-type: none"> - Food services in small rural villages, when the service is rendered by private individuals. - Transport by bus. 		

CUBA		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	These are exempt when properties are leased for over 3 months and up to 200 pesos to resident Cuban citizens	The public sector must always issue an invoice. The private sector must use the RECEIPTS BOOK FOR CHARGING RENT FOR HOUSING, ROOMS AND AREAS, according to the official form of the National Tax Administration Office (ONAT)
Building and/or alterations	All legal persons are obliged	Private companies and individuals may issue any payment document or receipt, on condition that the taxpayer number of the ONAT is given on this. National or foreign joint wholesale companies located in Cuba are obliged to issue invoices with a specific form: FORM SC-2-18 – COMMERCIAL INVOICE, according to Instruction No. 15, of the Ministry of Finance and Prices, of 16/06/2006
Equipment, materials and supplies	A tax obligation is incurred whenever the sale involves a commercial activity declared and registered in the ONAT for this purpose. Income for sporadic or casual sales of legal or natural persons is not liable for tax.	It is not compulsory for public bodies, private individuals or non-profit-making organisations which have collected sums through the sale of equipment, materials and supplies to issue an invoice; the purchaser is nevertheless obliged to submit a receipt for transfer of ownership, donation or sale of this equipment
Technical and professional services	Yes, with some exceptions	It is not necessary to have a contract if these are services lasting only a very short time. In all cases, a payment receipt is issued which must include all the data of the provider (ONAT taxpayer number) and of the company receiving the service
Food	In all cases	There are difficulties with issuing invoices or even receipts. The use of cash receipt documents is tolerated
Transports	In all cases	In the case of taxis, difficulties are involved with issuing invoices or even receipts. The use of cash receipt documents is tolerated
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	Contracting may be done verbally on an exceptional basis, in cases of crops and services not exceeding 90 days.	There must always be pay slips, except for the item of gratuities, whose payment may be accredited with receipts ^{v2014}
CRITERIA FOR USING RECEIPTS		
<u>Authorisations for receipts will not be issued for:</u>		
<ul style="list-style-type: none"> - <u>Rentals:</u> these shall be justified with an invoice, when leasing to the public sector, or a receipt conforming to the official form of RECEIPTS BOOK FOR CHARGING RENT FOR HOUSING, ROOMS AND AREAS, when leasing to the private sector. - <u>Building and/or alterations:</u> these shall be justified with an invoice or receipt giving the taxpayer number of the National Tax Administration Office. If the contractor is a national or foreign joint wholesale company, the invoice shall conform to Form SC-2-18, established by the Ministry of Finances and Prices. - <u>Equipment, materials and supplies:</u> receipts will be accepted with no need for prior authorisation. - <u>Technical and professional services:</u> these shall be justified with an invoice or receipt giving the taxpayer number of the National Tax Administration Office. - <u>Transports:</u> these shall be justified by means of invoices, with the sole exception of taxis, for which the AECID may be requested authorisation for the use of receipts. - <u>Food:</u> this shall be justified with invoices, with the sole exception of the services rendered by the private sector, for which the AECID may be requested authorisation for the use of receipts. - <u>Local personnel:</u> to be justified with pay slips and accreditation of payment, except for gratuities, which may be accredited with receipts. ^{v2014} - <u>Running costs:</u> to be justified depending on their type. 		
<u>Receipts could be authorised, after applying for this, for:</u> food services obtained in the private sector, and taxi services.		

EL SALVADOR		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	Leases to private individuals for housing are exempt	Natural persons obtaining INCOME THROUGH LEASING REAL ESTATE INTENDED FOR HOUSING are not obliged to issue an invoice. (ARTICLE 46, point b) Tax Law on transfer of Moveable Goods and Rendering Services. In this case receipts are issued associated with a leasehold contract
Building and/or alterations	In all cases	Persons who are not taxpayers, according to Article 28 of the VAT Law, (who invoice a sum under 50,000 colones (4,300 €) a year, with assets of under 20,000 colones (1,700 €)) are not under any obligation
Equipment, materials and supplies	In all cases	Persons who are not taxpayers, according to Article 28 of the VAT Law, (who invoice a sum under 50,000 colones (4,300 €) a year, with assets of under 20,000 colones (1,700 €)) are not under any obligation
Technical and professional services	In all cases	Persons who are not taxpayers, according to Article 28 of the VAT Law, (who invoice a sum under 50,000 colones (4,300 €) a year, with assets of under 20,000 colones (1,700 €)) are not under any obligation
Food	In all cases	Persons who are not taxpayers, according to Article 28 of the VAT Law, (who invoice a sum under 50,000 colones (4,300 €) a year, with assets of under 20,000 colones (1,700 €)) are not under any obligation
Transports	Public land passenger transport is exempt	These are not compulsory in the case of public land passenger transport
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	In all cases	Receipts are allowed, on condition that these contain the details of withholdings
CRITERIA FOR USING RECEIPTS		
<p>Authorisations for receipts will not be issued for: leases other than the ones intended for housing, for transports other than public land passenger transport, nor in general for any type of expense whose beneficiaries are taxpayers. In these cases the expenses must always be accredited with invoices.</p> <p>Neither will authorisations be issued for receipts for:</p> <ul style="list-style-type: none"> Any expense whose beneficiary does not have taxpayer status, in accordance with El Salvador law, which must be accredited. This exception refers to small expenses in building and/or alterations, food services, supplies of materials and technical and professional services, on condition that there is no instalment payment through systematic repetition of the same beneficiaries. Rented property intended for housing, which will be accredited with a receipt and contract Public land passenger transports, Salaries of local personnel, whose receipts must contain the itemisation of withholdings. <p>In these cases it is not necessary for the AECID to issue any prior authorisation; receipts can be used with no need for this authorisation, as local legislation allows this.</p>		

PHILIPPINES

INFORMATION ON LEGISLATION

Description	Does the country's legislation impose tax obligations on income?(Note 1)	Does the country's legislation impose the obligation to issue an invoice? (Note 2)
Renting	For all transactions over PHP 25.00	In all transactions over PHP 25.00 an invoice or official receipt must be issued (Note 2), but receipts can be accepted when private homes are let in rural zones for activities involved in the intervention
Building and/or alterations	For all transactions over PHP 25.00	In all transactions over PHP 25.00 an official receipt or invoice must be issued (Note 2)
Equipment, materials and supplies	For all transactions over PHP 25.00	In all transactions over PHP 25.00 an invoice or official receipt must be issued (Note 2), but receipts can be accepted for small purchases of raw materials or farming items in rural/provincial areas
Technical and professional services	For all transactions over PHP 25.00	In all transactions over PHP 25.00 an official receipt or invoice must be issued (Note 2), or contract, receipt and accreditation of payment of the tax by the contracting party
Food	For all transactions over PHP 25.00	In all transactions over PHP 25.00 an invoice or official receipt must be issued (Note 2), but receipts can be accepted in rural/provincial areas for <i>carinderias</i> (eating houses) and <i>sari-sari</i> (food) shops
Transports	For all transactions over PHP 25.00	In all transactions over PHP 25.00 an invoice or official receipt must be issued (Note 2), but receipts can be accepted for small "bangka" boats and "habal-habal/sky lab" motorcycles in rural/provincial areas, as well as the usual Philippine transports such as transports and "Jeepneys", and transport on animals
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	Verbal contracts are legal	Receipts are not acceptable. Pay slips must always be used

CRITERIA FOR USING RECEIPTS

Authorisations for receipts will not be issued for:

- Contracting work for building and/or alterations or for local personnel.
- Neither will receipts be authorised for rentals, materials, supplies, technical and professional services, food or transport, unless these are of the type described in the following heading.

The expenses included in this heading, over PHP 25.00, shall always be accredited with invoices or official receipts (Note 2), or with a contract, receipt and accreditation of payment of the tax by the contracting party or pay slips and accreditation of payment in the case of personnel.

Receipts could be authorised, after applying for this, for:

- Rented private houses in rural areas for activities involved in the intervention.
- Materials and supplies, if these involve small purchases of raw materials or farming items in rural/provincial areas.
- Food in rural/provincial areas at *carinderias* (eating houses) and *sari-sari* (food) shops.
- Transport in small "bangka" boats and "habal-habal/sky lab" motorcycles in rural/provincial areas, tricycles and "jeepneys", or transport on animals.

Neither will authorisations for receipts be issued for:

Any expenses for amounts under PHP 25.00. This income does not entail tax obligations according to Philippine legislation.

Note 1: Any duly registered taxpayers/persons who carry out any kind of commercial business are obliged to make or submit a tax declaration. The supplier/provider of services is subject either to VAT – Value Added Tax (when annual gross sales or income is over 1,500,000 Philippine pesos) or to PERCENTAGE TAX- (when annual gross sales or income do not exceed 1,500,000 Philippine pesos).

Note 2: The Philippines Tax Code establishes that the person/company liable for tax on income for each sale/service for a minimum value of twenty-five pesos (PHP 25.00) shall issue an invoice or official receipt (Section 237 of the Tax Code). The issue of a till or sale ticket can be used instead of an official receipt or invoice only if printing these documents complies with the requisites established in Section 238 of the Tax Code (serial number of the receipt or invoice, the name, company name, tax identification –*TIN*- and the business address of the organisation or person to be using this, and any other information which may be necessary).

Note 3: With the exception of: goods and services provided by duly registered cooperatives, in accordance with Republic Law 6939, and the duly registered “*Countryside and Barangay Enterprise Businesses*” - CBBE - in accordance with Republic Law 6810.

GUATEMALA		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	In all cases	In all cases. The use of receipts may nevertheless be authorised when the rental service is provided by churches, non-profit-making trusteeships, associations or foundations and community and municipal assemblies in activities carried out in rural communities
Building and/or alterations	In all cases	In all cases
Equipment, materials and supplies	In all cases	In all cases
Technical and professional services	In all cases	In all cases. The use of receipts may nevertheless be authorised for facilitators, trainers, midwives, monitors and leaders contracted for specific times, and who come from the rural community in which the activity is carried out or from nearby communities
Food	In all cases	In all cases. The use of receipts may nevertheless be authorised for food services required for events, workshops, training and similar in villages, communities, farms and/or cantons in the rural area
Transports	In all cases	In all cases. The use of receipts may nevertheless be authorised for transport to villages, communities, farms and/or cantons in the rural area in buses, minibuses, <i>bicitaxis</i> , <i>tuc-tuc</i> , <i>mototaxis</i> and small boats
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	In all cases	Receipts are not accepted. Pay slips must always be used
CRITERIA FOR USING RECEIPTS		
<p><u>Authorisations for receipts will not be issued for:</u></p> <ul style="list-style-type: none"> - Expenses for building and/or alterations, equipment, materials and supplies and local personnel. - Neither shall receipts be authorised for renting, technical and professional services, food or transport, unless these are of the type described in the following heading. <p>The expenses included in this heading shall always be accredited with invoices (or pay slips and accreditation of the payment, in the case of personnel).</p> <p><u>Receipts could be authorised, after applying for this, for:</u></p> <ul style="list-style-type: none"> - Rentals, when these are provided by churches, non-profit-making trusteeships, associations or foundations and community and municipal assemblies in activities carried out in rural communities. - Technical and professional services, when these are performed by facilitators, trainers, midwives, monitors and leaders contracted for specific times, and who come from the rural community in which the activity is carried out or from nearby communities. - Food, when required for events, workshops, training and similar in villages, communities, farms and/or cantons in the rural area. - Transport to villages, communities, farms and/or cantons in the rural area in buses, minibuses, <i>bicitaxis</i>, <i>tuc-tuc</i>, <i>mototaxis</i> and small boats. 		

HAITI		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	In all cases	In all cases. Difficulties are nevertheless involved in rural areas where invoice books are sometimes not available
Building and/or alterations	In all cases	Receipts may be accepted from building workers and other individual professionals for building, mainly in rural areas where invoice books are not available
Equipment, materials and supplies	In all cases	Receipts may be accepted in rural areas for small purchases of materials for building or farming and stockbreeding supplies, etc.
Technical and professional services	In all cases	In all cases. Receipts may nevertheless be accepted in the case of trainers in rural areas with suitable knowledge and appropriate for the work but not belonging to any organisation
Food	In all cases	Receipts may be accepted from private individuals in rural areas
Transports	In all cases	Receipts may be accepted for transport of persons and materials in groups, taxis and others in the informal sector
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	Verbal contracts are allowed	A pay slip is always required for contracts lasting from three months
CRITERIA FOR USING RECEIPTS		
<p><u>Authorisations for receipts will not be issued for:</u></p> <ul style="list-style-type: none"> - Building contracted with companies, technical and professional services (except for trainers in rural areas) purchase of equipment, local personnel with a contract lasting for over three months, nor running costs. - Neither are receipts authorised for rentals, materials, supplies, food or transport that do not come under the ones described in the paragraph on receipts that "may be authorised, after applying for this". <p>The expenses listed in this paragraph shall always be accredited with invoices (or pay slips and accreditation of the payment, in the case of personnel).</p> <p><u>Neither will authorisations for receipts be issued for</u> services rendered by building workers and other individual professionals used in building, or for local personnel with contracts lasting under three months, as these receipts could be included in the supporting account with no need for prior authorisation.</p> <p><u>Receipts could be authorised, after applying for this, for:</u></p> <ul style="list-style-type: none"> - Rentals in rural areas - Small purchases of building materials or farming, stockbreeding supplies etc., in rural areas - Services of individual trainers in rural areas - Food services rendered by private individuals in rural areas - Transport services of persons and materials in groups, taxis, and others in the informal sector 		

HONDURAS		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	Only in urban areas, and in rural areas to legal persons	The invoice and receipt are legally acceptable documents. An invoice must nevertheless be demanded when dealing with legal persons.
Building and/or alterations	In all cases. Use of the State Contracting Law is promoted for any building; the company doing this work is obliged to issue a legal, not commercial invoice.	Receipts may be authorised only in rural areas for small jobs done by private individuals.
Equipment, materials and supplies	In all cases	Receipts may be authorised only in rural areas for small purchases of materials and supplies provided by private individuals or small businesses which are not tax-declared. (Buying in places and businesses where an invoice is issued is recommended.)
Technical and professional services	Yes, with some exceptions	It is not compulsory to issue invoices in the case of natural persons, but this is indeed required for legal persons.
Food	Not obligatory	Receipts may be used for expenses on food. (It is recommended to always demand an invoice when dealing with legal persons.)
Transports	Not obligatory, only in air transport.	Receipts can be used for all type of transport, except for air transport.
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	Not in all cases	Always
CRITERIA FOR USING RECEIPTS		
<p>Authorisations for receipts will not be issued for: rentals to legal persons, equipment, building work done by companies, materials and supplies provided by companies and commercial establishments, running costs of offices in commercial buildings; public services, internet, cable, telephone, water, electricity, etc., services rendered by legal persons and air transport. Expenses will always be accredited with invoices in the cases covered in this heading.</p> <p>Neither will authorisations for receipts be issued for expenditure on food, transport, except for air transport, and expenses of local personnel. In these cases, receipts can be used without any prior authorisation, since local legislation allows this.</p> <p>Receipts could be authorised, after applying for this, for: minor expenses on:</p> <ul style="list-style-type: none"> - Small building jobs in rural areas done by private individuals. - Minor procurement in rural areas of materials and supplies provided by private individuals or small undeclared businesses. - Services rendered by private individuals. - Lodging expenses in rural areas where there is no business or company giving this service. 		

MEXICO		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	In all cases	Receipts may be authorised only in rural areas
Building and/or alterations	Yes, with some exceptions	In all cases
Equipment, materials and supplies	In all cases	Receipts may be authorised for purchases made on informal markets for sums up to \$17,000 (1,000 €)
Technical and professional services	Yes, with some exceptions	Receipts may be authorised for services for sums up to \$17,000 (1,000 €)
Food	In all cases	In all cases
Transports	Yes, with some exceptions	Receipts may be authorised for taxis and group transport
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	In all cases	A pay slip must always be provided
CRITERIA FOR USING RECEIPTS		
<p>Authorisations for receipts will not be issued for: rentals in urban zones, building, equipment, materials and supplies over \$17,000, technical and professional services over \$17,000, food, local personnel or running costs, with the exception of consumables bought on informal markets and for sums up to \$17,000. In these cases, expenses shall always be accredited with invoices (or pay slips and accreditation of payment, in the case of personnel).</p> <p>Receipts could be authorised, after applying for this, for:</p> <ul style="list-style-type: none"> - Rentals in rural areas. - Equipment, materials and supplies bought on informal markets which do not exceed \$17,000. - Services for sums up to \$17,000. - Group transports and taxis. 		

MOZAMBIQUE		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	Only in the case of private companies	Only in the case of private companies
Building and/or alterations	Only in the case of private companies	Only in the case of private companies
Equipment, materials and supplies	Only in the case of private companies	Only in the case of private companies
Technical and professional services	Companies and professionals are obliged	Only in the case of companies and professionals
Food	Companies are obliged	In all cases, but invoices are hard to obtain
Transports	Public transport is exempt	These are not compulsory in the case of public transport. Invoices are hard to obtain from the private sector.
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	In all cases	Pay slips compulsorily have to be drawn up
CRITERIA FOR USING RECEIPTS		
<p><u>Authorisations for receipts will not be issued for:</u> local personnel or any of the following expenses when the beneficiary is private: rentals, building, equipment, materials and supplies, technical and professional services and running costs. In these cases expenses shall always be accredited with invoices (or pay slips and accreditation of payment, in the case of personnel).</p> <p><u>Neither will authorisations for receipts be issued for</u> any kind of expense, when the beneficiary is public. In this case, receipts can be used without any prior authorisation, since local legislation allows this.</p> <p><u>Receipts could be authorised, after applying for this, for:</u> minor expenses on food and transport.</p> <p>As a general rule, purchases and services must be made with tax-registered companies which issue invoices. As an exception to this, the use of receipts may be accepted for the aforementioned expenses or for some other minor expenditure in rural areas if there are shown to be no companies in the district with a tax registration NUIT number.</p>		

NICARAGUA		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	The exceptions are leases of unfurnished properties intended for living quarters and land for farming and fishing use.	Subjects in the fixed quota system are not obliged to issue an invoice. In this case there must be a contract and the contracting party must act as a withholder of Income Tax.
Building and/or alterations	Exempt under C\$ 1,000 (32 €)	The following are exempt from issuing invoices: - Work for any amount under C\$ 1,000 (32 €) - Work done by small businesses in the fixed quota system. In this case one must have a contract and the contracting party must act as a withholder of Income Tax.
Equipment, materials and supplies	Only educational materials are exempt.	Items obtained at small businesses in the fixed quota system are released from issuing invoices. In this case there must be a contract and the contracting party must act as a withholder of Income Tax.
Technical and professional services	Human health services are exempt	Services given by professionals in the fixed quota system are released from issuing invoices. In this case there must be a contract and the contracting party must act as a withholder of Income Tax.
Food	Exempt under C\$ 1,000 (32 €)	The following are released from issuing invoices: - Those of any amount under C\$ 1,000 (32 €). - Food services rendered by parties in the fixed quota system. In this case there must be a contract and the contracting party must act as a withholder of Income Tax.
Transports	Buses and taxis and other transport under C\$ 1,000 (32 €) are exempt	These are not compulsory in the case of: - Urban passenger transport. - Other transports for an amount under C\$ 1,000 (32 €) - Transport services rendered by parties in the fixed quota system. In this case one must have a contract and the party contracting must act as a withholder of Income Tax.
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	This is always compulsory for organisations or companies	Pay slips must be drawn up
CRITERIA FOR USING RECEIPTS		
<p>Authorisations for receipts will not be given under any circumstances: expenses shall be accredited with:</p> <ul style="list-style-type: none"> - Invoices (or pay slips and accreditation of payment, in the case of personnel). - In the case of beneficiaries in the fixed quota system, a contract and accreditation that the contracting party has withheld and settled Income Tax. The receipt issued by the competent body of Nicaragua's Public Treasury Department will be provided for this purpose. - Receipts only for expenses of an amount under C\$ 1,000 in jobs connected with construction and food services and transport, and taxis and urban buses. In these cases receipts can be used without any prior authorisation, since local legislation allows this. Receipts will also be acceptable, with no need for prior authorisation, for transport expenses in boats (<i>pangas</i>) in RAAN and RAAS regions. 		

NIGER		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	The Law stipulates payment to the treasury of a tax on renting, but in practice this tax is very difficult to collect by the Administration	Yes, in all cases
Building and/or alterations	There is a percentage of 19% tax on invoices issued for this item	Yes, in all cases
Equipment, materials and supplies	VAT tax and customs duty are charged, in the case of imports	Yes, in all cases
Technical and professional services	Yes	Yes
Food	Depending on the type of product (certain basic necessity products such as rice are not liable for tax) and depending on whether this is local or imported	Yes, but depending on the supplier this may involve some difficulty
Transports	Public transport is exempt	It depends on the service provided. For example, taxis do not normally issue invoices
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	In all cases	Pay slips must be drawn up
CRITERIA FOR USING RECEIPTS		
<p>Authorisations for receipts will not be issued for: Local personnel or any of the following expenses when the beneficiary is a private party: renting, building works, equipment, materials and supplies, technical and professional services and running costs. In these cases the expenses must always be accredited with invoices (or pay slips and accreditation of payment, when these are for personnel).</p> <p>Neither will authorisations for receipts be issued for any kind of expenditure when the beneficiary is public.</p> <p>Receipts could be authorised, after applying for this, for: minor expenses on food and transport, and small supplies if these have to be purchased in rural zones.</p> <p>As a general rule, purchases and services must be made with tax-registered companies which issue an invoice. As an exception to this rule, the use of receipts for said expenses or some other minor expenditure may be accepted in rural areas if there are proven to be no companies in the sector able to issue officially controlled invoices.</p>		

PANAMA		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	The natural and legal persons stipulated by Law are released from taxable income liability (Note 1)	Natural or legal persons exempt from income tax (not taxpayers) are not obliged to issue invoices
Building and/or alterations	The natural and legal persons stipulated by Law are released from taxable income liability (Note 1)	Natural or legal persons exempt from income tax (not taxpayers) are not obliged to issue invoices
Equipment, materials and supplies	The natural and legal persons stipulated by Law are released from taxable income liability (Note 1)	Natural or legal persons exempt from income tax (not taxpayers) are not obliged to issue invoices
Technical and professional services	The natural and legal persons stipulated by Law are released from taxable income liability (Note 1)	Natural or legal persons exempt from income tax (not taxpayers) are not obliged to issue invoices
Food	The natural and legal persons stipulated by Law are released from taxable income liability (Note 1)	Natural or legal persons exempt from income tax (not taxpayers) are not obliged to issue invoices
Transports	Those obliged to pay municipal taxes	These are not obligatory under any circumstances
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	If these are local staff serving the awardee organisation or its local partner, only contracts lasting under three months may be verbal	Employers released from payment of Social Security are exempt.
CRITERIA FOR USING RECEIPTS		
<p>Authorisations for receipts will not be given under any circumstances expenses shall be accredited with:</p> <ul style="list-style-type: none"> - Invoices (or pay slips and accreditation of payment, in the case of personnel). - <u>Receipts may be used with no need for prior authorisation</u>, since local legislation allows this (Note 2), in the following cases: <ul style="list-style-type: none"> • Natural or legal persons released from income tax (Note 1). • Transport expenses. • Transactions in cash made in areas with difficult access and with natural persons selling services and goods. In this case it will be acceptable to provide a receipt on ordinary paper made out to the Institution, stating the name of the supplier, and including their signature and I.D. card number. 		

Note 1: Exempt from tax obligations:

- a) natural or legal persons with such exemption pursuant to public agreements or contracts authorised or approved by law;
- b) the State, municipalities, associations of municipalities and autonomous and semi-autonomous state institutions;
- c) churches of any denomination or conciliar seminars and religious or charity associations, when the income is obtained directly through the church or charity. The above institutions and the ones mentioned in point d) below shall accredit their nature as tax-exempt institutions by registering in the General Revenue Directorate, for which purpose they shall submit an

authenticated copy of the authorisation issued by the respective Ministry. Any modification of the social charter or statutes of such institutions must be made known to the General Revenue Directorate within a month of being approved;

ch) asylums, hospices, orphanages, non-profit-making foundations and associations recognised as such, on condition that the revenue is used only for social welfare, public charity, education or sport. For the above purposes, the existence of non-profit-making status shall be acknowledged when, according to their statutes, the income and corporate assets of the entities or institutions are assigned to the purposes for which they were incorporated and under no circumstances directly or indirectly shared out to the partners, shareholders or associates;

d) any foreign personnel from the diplomatic corps accredited in the Republic of Panama

e) any foreign personnel from the consular corps accredited in the Republic of Panama, unless they are from a country in which the staff of Panamanian consulates are charged any tax on their remuneration;

f) official and semi-official institutions of international bodies and foreign governments;

g) foreign investors for the interest received, on condition that the capital on which the interest is paid is assigned exclusively to building housing for people with low income as determined by the Housing Ministry and the loan for the capital is guaranteed by foreign governments or governmental institutions;

h) non-profit-making state and private farming and fishing research and development institutions for any sums donated for furtherance of their programmes which are intended to improve technology transfer systems;

i) classical music artists or ensembles contracted by non-profit-making associations, registered in the register kept for this purpose by the National Culture Institute, which have the sole purpose of promoting, executing and disseminating cultural, musical and artistic values and which dedicate the respective product of their work to these ends, after authorisation issued by the General Revenue Directorate and only for the amount of that remuneration;

j) farming and fishing products which have annual gross income under one hundred thousand Balboas (B/.100,000.00 (8,000 €)).

k) any cooperative associations covered by Law No. 38 of 22nd October 1980, on condition that these comply with the requisites established by Article 89 of Decree No. 31 of 6th November 1981;

The net taxable income of natural persons whose gross income does not exceed eleven thousand Balboas (B/.11,000.00 (8,000 €)) per year is exempt.

Note 2:

Manual of procedures for using and handling the petty cash of public entities of the Comptroller-General of the Republic. The same thing would apply to Cash Advances used by some projects performing activities in areas of difficult access.

PARAGUAY		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	In all cases (V.A.T. and Income)	In all cases
Building and/or alterations	In all cases (V.A.T. and Income)	In all cases
Equipment, materials and supplies	Depending on the goods (some are exempt and some are liable for V.A.T.)	In all cases.
Technical and professional services	In all cases (V.A.T.)	In all cases. It may be hard to obtain these for minor vehicle repairs, for breakdowns on the road in rural areas.
Food	In all cases (V.A.T.)	In all cases. It may be hard to obtain these in small rural villages, when food is purchased to be cooked in the same community.
Transports	In all cases (V.A.T.)	In all cases. It may be hard to obtain these for bus travel.
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	In all cases	Pay slips must always be provided, with the worker's receipt or accreditation of their payment.
CRITERIA FOR USING RECEIPTS		
<p><u>Authorisations for receipts will not be issued for:</u> rentals, building, equipment, materials and supplies or running costs. These shall not be issued either for technical and professional services, food, transport or local personnel, with the exceptions given below. The expenses covered in this heading shall always be accredited with invoices (or pay slips and accreditation of payment, in the case of personnel).</p> <p><u>Receipts could be authorised, after applying for this, for:</u></p> <ul style="list-style-type: none"> - Minor repairs of vehicles due to breakdowns on the road in rural areas. - Food services in small rural villages, when food is purchased to be cooked in the same community. - Bus transport. 		

PERU		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	In all cases	It is compulsory to have the document issued by the Bank when the percentage of tax for the rental is deposited.
Building and/or alterations	In all cases	In all cases
Equipment, materials and supplies	In all cases	In all cases, but invoices are hard to obtain for materials and supplies in rural areas
Technical and professional services	In all cases	In all cases
Food	In all cases	In all cases, but invoices are hard to obtain in rural areas
Transports	In all cases	In all cases, but invoices are hard to obtain for "combis", taxis and "mototaxis" ^{v2014} .
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	Only contracts for an indefinite period can be verbal	Pay slips must be drawn up
CRITERIA FOR USING RECEIPTS		
<p>Authorisations for receipts will not be issued for:</p> <ul style="list-style-type: none"> - <u>Renting</u>: a document issued by the bank accrediting payment of rental tax is required to justify these. - <u>Building, equipment, materials and supplies, technical and professional services, running costs, expenses on food and transport expenses (save the exceptions indicated in the following heading).</u> Expenses of these types shall always be accredited with invoices or other legally acceptable documents (sales ticket, purchase liquidation, tickets or slips issued by tills). - <u>Local personnel</u>, always to be justified with pay slips and accreditation of payment. <p>Receipts could be authorised, after applying for this, for:</p> <ul style="list-style-type: none"> - Materials, supplies and food services in rural areas. - Transports: "combis", taxis and "moto-taxis" ^{v2014}. 		

DOMINICAN REPUBLIC		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	In all cases	In all cases. In certain areas of the country premises or rooms are hired for activities to occasional users unable to accredit the compliance of tax obligations. These are exceptional cases which could either be justified by means of receipts from the Register of Informal Suppliers, which are authorised by the Dominican General Directorate of Internal Taxes. (Note 1)
Building and/or alterations	In all cases	In all cases. Certain smaller works could nevertheless require the use of informal labour unable to accredit compliance of tax obligations. For these cases receipts from the Register of Informal Suppliers could be used, which are authorised by the Dominican General Directorate of Internal Taxes. (Note 1)
Equipment, materials and supplies	In all cases	In all cases. Although it is almost always possible to resort to suppliers who accredit compliance of tax obligations, in some situations it may be necessary to purchase small amounts of supplies and materials from informal suppliers. For these cases receipts from the Register of Informal Suppliers could be used, as these are authorised by the Dominican General Directorate of Internal Taxes. (Note 1)
Technical and professional services	In all cases	In all cases
Food	In all cases	In all cases, but it may be difficult to obtain invoices in rural areas or even in outlying districts of large cities. For these cases supporting documents issued by the Register of Informal Suppliers could be used, as these are authorised by the Dominican General Directorate of Internal Taxes. (Note 1)
Transports	In all cases	In all cases, but it may be difficult to obtain invoices in rural areas or even in outlying districts of large cities. For these cases supporting documents issued by the Register of Informal Suppliers could be used, as these are authorised by the Dominican General Directorate of Internal Taxes. (Note 1)
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	In all cases	Pay slips must be drawn up
CRITERIA FOR USING RECEIPTS		
<p>Authorisations for receipts will not be issued for: any type of expenditure, except for the ones made in rural areas for food and transport. Expenses shall always be accredited with invoices or receipts from the Register of Informal Suppliers or the Register of Minor Expenses (Note 1), or pay slips and accreditation of payment, when this involves personnel.</p> <p>Receipts could be authorised, after applying for this, for:</p> <ul style="list-style-type: none"> - Food services in rural areas. - Transport in rural areas. 		

(Note 1): Supporting documents authorised by the General Directorate of Internal Taxes (DGII):

-Register of Informal Suppliers (Code 11). This supporting document must be issued by the taxpayer when goods or services are purchased from suppliers not registered at the General Directorate of Internal Taxes (DGII) (Natural Persons), identifying in this receipt both the name of the supplier and their identity card number. Issuing this document enables the taxpayer to register costs, expenses and credits for ITBIS [equivalent to Spanish VAT].

-Register of Minor Expenses (Code 13). A receipt issued to cover expenses incurred on the informal market made by personnel authorised by the taxpayer, such as parking, repair of tyres, purchasing food at *frituras*, food stands, and occasional informal accommodation, amongst others. Every day the taxpayer must issue this document to have said expenses registered.

SENEGAL		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	In all cases	In all cases. A contract between parties is acceptable, as an equivalent document.
Building and/or alterations	In all cases	In all cases. A contract between parties is acceptable, as an equivalent document.
Equipment, materials and supplies	In all cases	In all cases. A contract between parties is acceptable, as an equivalent document.
Technical and professional services	In all cases	In all cases. A contract between parties is acceptable, as an equivalent document.
Food	In all cases	In all cases. In all cases. A contract between parties is acceptable, as an equivalent document. It can be hard to obtain invoices for small food businesses
Transports	In all cases	A contract between parties is acceptable, as an equivalent document. It can be hard to obtain invoices for transport in rural, urban and peri-urban areas.
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	In all cases	Pay slips must be drawn up.
CRITERIA FOR USING RECEIPTS		
<p><u>Authorisations for receipts shall not be issued</u> for any type of expense, except for food services given by small businesses and ones made in rural, urban and peri-urban areas for transport. The expenses shall always be accredited with invoices or contracts between parties and accreditation of payment, or pay slips and proof of payment, in the case of personnel.</p> <p><u>Receipts could be authorised, after applying for this, for:</u></p> <ul style="list-style-type: none"> - Food services in rural areas. - Transports in rural, urban and peri-urban areas. 		

SUDAN ^{v2014}

INFORMATION ON LEGISLATION

Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	In all cases	In all cases, but receipts are generally accepted in all cases in which the issuer is not registered with the Ministry of Commerce and thus does not have tax identification.
Building and/or alterations	In all cases	In all cases, but receipts are generally accepted in all cases in which the issuer is not registered with the Ministry of Commerce and thus does not have tax identification.
Equipment, materials and supplies	In all cases	In all cases, but receipts are generally accepted in all cases in which the issuer is not registered with the Ministry of Commerce and thus does not have tax identification.
Technical and professional services	In all cases	In all cases, but receipts are generally accepted in all cases in which the issuer is not registered with the Ministry of Commerce and thus does not have tax identification.
Food	In all cases	In all cases, but receipts are generally accepted in all cases in which the issuer is not registered with the Ministry of Commerce and thus does not have tax identification.
Transports	In all cases	In all cases, but receipts are generally accepted in all cases in which the issuer is not registered with the Ministry of Commerce and thus does not have tax identification.
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	In all cases	Pay slips must always be provided, with the worker's receipt or proof of payment.

CRITERIA FOR USING RECEIPTS

Authorisations for receipts will not be given under any circumstances: expenses shall be accredited with:

- Invoices, on condition that these are natural or legal persons who have tax identification, or pay slips with accreditation of payment in the case of personnel.
- Receipts may be used with no prior authorisation in the case of services given by persons who do not have tax identification.

VENEZUELA		
INFORMATION ON LEGISLATION		
Description	Does the country's legislation impose tax obligations on income?	Does the country's legislation impose the obligation to issue an invoice?
Renting	In all cases, either as a tax on economic activity or as income tax	This is not obligatory in the case of properties rented by private individuals.
Building and/or alterations	In all cases, either as a tax on economic activity or as income tax	This is not obligatory in the case of private individuals working on a piecework basis.
Equipment, materials and supplies	In all cases, either as a tax on economic activity or as income tax	This is not obligatory in the case of retail sales made by private individuals.
Technical and professional services	Any persons whose income from this activity is under 1000 tax units are excepted	Any persons whose income from this activity is under 1000 tax units are excepted
Food	In all cases, either as a tax on economic activity or as income tax	This is not obligatory in the case of private individuals or small family businesses.
Transports	In all cases, either as a tax on economic activity or as income tax	This is not obligatory in the case of private individuals giving transport services on an occasional basis.
Description	Does the country's legislation make it compulsory to sign contracts ?	Is accreditation with receipts acceptable?
Local personnel	In all cases	Pay slips must be drawn up.
CRITERIA FOR USING RECEIPTS		
<p>Authorisations for receipts will not be given under any circumstances: expenses shall be accredited with:</p> <ul style="list-style-type: none"> - Invoices, on condition that these are legal persons, or pay slips with accreditation of payment in the case of personnel. - Receipts may be used with no prior authorisation, since local legislation allows this, in the case of services rendered by natural persons, technical and professional workers or, where applicable, technical services performed by those receiving an annual income for this item of under 1000 tax units. 		