

# AGENCY FOR AGRICULTURE & FISHERIES

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## REGIONAL TERMS AND CONDITIONS OF THE FLEMISH GOVERNMENT/ AGENCY FOR AGRICULTURE AND FISHERIES FOR THE AGROECOLOGY 1ST CO-FUNDED CALL

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## 5 TECHNICAL CONDITIONS

### 5.1 RESEARCH IN ORGANIC FARMING

The projects are written, implemented, and monitored together with the organic sector, concerning both the practical applications and the more fundamental research aspects. Cooperation and partnership between the professional field (applied research centers, organic farmers' networks, etc.) and the submitting institutions is indispensable and a prerequisite for the project. Research in the context of these projects is preferably conducted on-farm.

To be eligible for participation, a certificate is required that the research proposal is supported by the organic sector (e.g. the report of a meeting with farmers, a list of signatures or a written agreement....This should be made available when submitting the pre-proposal.

Key performance indicators must be listed in the application form.

### 5.2 DISSEMINATION OF RESULTS WITHIN FLANDERS

Within the project, the project plan must clearly state how the results of the project are being disseminated to the organic farming and horticulture sector concerned: to both farmers and horticulturists, to advisers and the government. This must be done during the duration of the project. The project is an open knowledge project, in which all results are disseminated in an open knowledge system.

All communications must display the logo of the Agency for Agriculture and Fisheries. The final technical report and/or brochure must be made publicly available at least as a digital document.

### 5.3 ESTABLISHMENT OF THE FLEMISH STEERING GROUP

The aim of this steering group is to collaborate within the Flemish context with as many actors as possible that are relevant for and active on the topic, to guide the project and to help disseminate the results about the Flemish organic agricultural and horticultural sector.

A proposal for the composition of the project steering group should be mentioned in the Dutch project application form, which will be sent after a favourable advice and positive recommendation for financing from the AGROECOLOGY Funder Board. The selection of the final steering committee is made in consultation with the responsible official of the Agency for Agriculture and Fisheries who monitors the project administratively and technically. Attention must be paid to the presence of a sufficient number of participants from the Flemish organic agricultural and horticultural sector, so that they are sufficiently involved and can provide feedback during the course of the project. At the latest one month after the starting date of the project, the responsible official is contacted to determine the date for a first meeting of the steering committee. At least 1 steering committee meeting is organized per year.

## 5.4 COMMUNICATION WITH THE GOVERNMENT INVOLVED

All activities in the context of the project in which the Flemish partners are involved, both in-country and abroad, are reported to the relevant officials of the Flemish government who follows up the project administratively and substantively. They receive an invitation for the activities within Flanders. The coordinates of the people being notified are communicated at the start of the project period.

# 6 FINANCIAL CONDITIONS

## 6.1 GENERAL

The costs must be specified in detail per cost category (investment expenses, personnel costs, operating costs, outsourcing) in the application form. In the case of cooperation between several Flemish partners, this may have to be split per partner.

The division into cost category is important; at the time of financial settlement, shifts between the cost categories (investment costs, operating costs, etc.) are only accepted up to a maximum of **10% of the total approved project amount**. These shifts must be motivated and requested in writing or electronically and must be approved by the Agency for Agriculture and Fisheries.

Only expenses incurred during the project duration are accepted, and for which invoices and proof of payment can be submitted.

Only the following expenses can be submitted:

- expenses related to activities that took place within the project period and
- expenses for which the date of the invoices or other accounting documents concerned, is within the project period, and
- expenses for which proof of payment of the effective payments can be presented. These payments must have been made either within the planned project period or at the latest 30 days after the end date of the project. Costs for which payment is made later are not accepted as eligible costs.

VAT can only be charged for the non-refundable part. Therefore, the current VAT status of the applicant must always be stated and substantiated at the financial settlement. In case of a mixed VAT status, the applicant must state what percentage of the VAT is recoverable.

## 6.2 INVESTMENT EXPENSES

Investment costs are only accepted as costs if:

- made during the course of the project;
- contribute directly and demonstrably to the realization of the project;
- verifiable.

The depreciation period must always be stated and can be proven in the bookkeeping of the organization. The eligible cost is the depreciation cost during the duration of the project and proportional to the deployment of the equipment on the project. For example, if the investment was made in August and the project runs until the end of the year, then only 5/12th of an annual depreciation is acceptable.

In preproposal phase, investments can be listed as 'Consumables / Equipment' in the financial table of the preproposal template.

### 6.3 PERSONNEL COSTS

A subsidized partner can deliver performance in a project in various ways; the following situations are distinguished:

- Situation A: the project employee is an employee in an organization/company
- Situation B: the project employee is self-employed

**Situation A: The project employee is an employee within an organization/(private) company that is a subsidized partner of the project.**

The employee is employed by an organization/company via an employment contract. The wage costs of staff members directly involved in the project can be included as personnel costs. Also the wage costs of personnel who provide specific services for the project, such as project accounting and project administration are eligible. Indirect support staff as well as the wage costs for supervision are not included in personnel costs.

In addition to contractual staff, appointed staff (such as Independent Academic Staff and statutory staff), who contribute directly to the project and whose remuneration is charged to the general operating resources of research institutions and governments, can be financed on the project.

In this respect, the employer is obliged to ensure that the government does not double finance these persons for the same work. This can be done, for example, by means of a statement that they are replaced by others for their regular duties.

For the declaration of personnel costs, one must work by means of a standard hourly rate (SUT).

To calculate the eligible hourly rate, the following formula is applied:  $\text{hourly rate} = 1.2 / 100 \times \text{gross monthly wage}$ . The standard hourly rate for a staff member with a monthly gross wage of, for example, 3,500 euros is:  $3,500 \text{ euros} / \text{month} \times 1.20\% = 42 \text{ euros} / \text{hour}$ .

The gross monthly wage is in proportion to the required qualifications. The eligible standard hourly rate is limited to a maximum of 100 euros / hour.

The basis for calculating the standard hourly rate is the fixed gross monthly salary (without allowances, premiums, ... as these are included in the factor 1.2) as stated on the payslip of January (or the first full month after commencement of employment) of the calendar year in which the hours are performed. For staff members with a part-time employment contract, the full-time gross monthly salary is taken as the basis for calculation. If a staff member has several employment contracts, the basis for calculating the standard hourly rate is the total of the wage, unless the deployment in the project only relates to one employment contract.

The obtained standard hourly rate is then applied to the actual hours worked in the context of the project and applies to the entire calendar year. A new SUT is calculated in January of each year. An interim adjustment of the SUT is only possible based on a new employment contract.

If a person has other income, for example from part-time employment elsewhere, then the acceptable personnel costs can only relate to the remaining time. This means that a person with a full-time professional activity outside the project or a full-time replacement income cannot introduce personnel costs.

If a staff member works part-time on the research project and also part-time on other projects, also indicate how many and for which projects the other man-days of this staff member have been worked.

**Situation B: Project employee is a self-employed person within a company that is a subsidized partner.** Farmers, advisors and other entrepreneurs (e.g. processors, distributors,...) who are a subsidized partner in the project through their company and who take up substantial tasks within the project to achieve the project objectives, can be compensated. Note that in case the self-employed person is a farmer and the related cost is lower than 3000 euro, this can also be included under 'Operating costs' (see 6.4).

In the event that the project employee is the manager of the company, he himself delivers the performance and he receives compensation through funds from his company. The project employee does not have a pay slip as a basis for settling their personnel costs. The costs for performance must be specified in terms of an hourly rate and number of man-hours performed. The eligible rate is limited to 120 euros/hour.

In general, for personnel costs (situation A or B):

- In the project application, you must provide a description of the estimated functions (project coordinator, researcher, worker,...) and the estimated staffing needed in the framework of the project. In addition, you should estimate the number of days each member of staff will work on the project.
- In the reporting the hours worked for the project must be calculated per project employee and registered per day.

The following documents must be submitted with the interim and final reports:

- time registration: for reporting personnel costs, the hours worked for the project are recorded per staff member and per day. The reported project hours may not exceed the number of contractually performed hours for a month. Beneficiaries can rely on their own registration system. If such a registration system does not (yet) exist within the own organization, beneficiaries can rely on the template that is made available.
- if applicable, the January payslip for each year in which the employee participates in the project, or first full-month payslip if the employee was later employed or a pay statement from the social secretariat. This serves as proof of costs and as proof of payment.



With the standard hourly rate method, it is therefore not required to prove the real wage cost. The check will be made on the correct application of this method. Furthermore for situation B, a check will be made of the application of the limited rate of 120 euros/hour. Kilometric allowances for assignments are included in operating costs.

## 6.4 OPERATING COSTS

Only operating costs that are directly related to the project and that are also verifiable are accepted as operating costs. In other words, it are costs and expenses that would not have occurred without the project. The following may be accepted as operating costs:

- the expenditures directly related to the project for consumables, supplies, raw materials and tools, the expected lifetime of which does not exceed the duration of the project;
- allowances to farmers: if less than 3000 euro subsidy, this can be declared under operating expenses under the respective partner; all costs incurred must be proven to be directly related to the project. If it concerns a fee for a time spent, the time spent must be demonstrated in detail. If an invoice is not possible (for the farmer), a cost statement claim can be included
- travel costs for project employee according to the project, to the extent that they do not exceed the amounts accepted for tax purposes (for car costs, the kilometric allowance is used as stated in the annual circular letter in the Belgian Official Gazette);
- rent to be paid to third parties for the use of buildings, premises, equipment and infrastructure, if this rent is necessary and directly linked to the project and for the relevant period of the project duration.

**Internal invoicing** is only **exceptionally possible** (e.g. for analyses in one's own lab), with prior request (with justification of the amounts, e.g. price list) and approval by the Agency for Agriculture and Fisheries. Internal invoicing is acceptable if:

- it concerns purely supporting supplies or services;
- the calculation is made at cost price (no margin); only the costs actually incurred are accepted;
- an internal invoice can be submitted;
- the billing department has complied with the law on public procurement.

The law on public procurement does not apply to invoicing of works/deliveries/services between purely internal departments of the same organization.

The following are not acceptable as operating costs:

- depreciation costs for the use of existing infrastructure (buildings, equipment, installations, furniture and rolling stock, etc.),
- expenditure related to distribution, marketing and advertising, unless explicitly stipulated and justified in the project application,



