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ANNEX

**to the Commission Decision
amending Commission Decision C(2016) 5104 of 16 June 2016 on the adoption of a
model pillar assessed grant or delegation agreement (PAGoDA 2)**

Annexes 1 and 7 to Commission Decision C(2016) 5104 (PAGoDA 2) are amended as follows:

(1) Annex 1 (European Union Delegation Agreement – Special Conditions) is amended as follows:

(a) Article 3.2 is replaced by the following (including footnotes):

3.2 Remuneration

Select one out of the two options:

For Delegation Agreements outside blending facilities/platforms:

[The remuneration of the Organisation by the Contracting Authority for the implementation of the activities entrusted under this Agreement shall be <enter percentage not exceeding 7%> of the final amount of eligible direct costs of the Action to be reimbursed by the Contracting Authority.]

For Delegation Agreements within blending facilities/platforms include¹:

[By way of derogation from Article 18.3 of Annex II, the Organisation, as lead finance institution, shall be entitled to a remuneration² of an amount of EUR

¹ This remuneration may also apply to blending operations outside blending facilities/platforms and other actions covered by the (old or) new fee methodology.

²Please choose one of the two methodologies:

Option 1: Old methodology laid down in Article 15 of NIF Framework Agreement:

For investment grants, the fee is to be calculated as 2% of the EU Contribution (and/or NIF Trust Fund if applicable) to the project up to a maximum of EUR 750,000, except if the 2% equals EUR 200,000 or less, in which case the fee shall be the lesser of 7% of the investment grant or EUR 200,000.

For technical assistance, the fee is to be calculated as 4% of the EU Contribution (and/or NIF Trust Fund if applicable) to the project up to a maximum of EUR 300,000, except if the 4% equals EUR 150,000 or less, in which case the fee shall be the lesser of 7% of the technical assistance amount or EUR 150,000.

In the case of hybrid projects, the investment grant and technical assistance contributions shall be calculated individually on the above basis and totalled together.

Option 2: New methodology:

A) For investment grants or interest rate subsidies choose one of the following options depending on the estimated amount of eligible direct costs covered by the EU Contribution for the investment grant or interest rate subsidies:

Estimated eligible direct costs covered by the EU Contribution	Remuneration
≤ EUR 5 714 285.71	7%
> EUR 5 714 285.71 and ≤ EUR 20 000 000	EUR 400 000

<xxx>[<if the Currency of the Agreement is not EUR insert>which is estimated at <insert Currency of the Agreement> <insert the amount corresponding to the amount of the remuneration in the Currency of the Agreement at the InforEuro rate of the month of signature of this Agreement by the Contracting Authority>] for the management and administration of the EU Contribution. This remuneration does not need to be supported by accounting documents. The final amount of the remuneration will be established by the Contracting Authority in accordance with Articles 18 to 20 of Annex II, except in case of termination pursuant to Article 13.3 of Annex II. In that case, the Parties shall agree on the final remuneration which shall not exceed 30% of the remuneration laid down in this Article upon submission by the Organisation of adequate justification of the actual cost borne by the Organisation.]

(2) Annex 7 (European Union Delegation Agreement for Financial Instruments– Special Conditions) is amended as follows:

(a) Article 3.2 is replaced by the following (including footnotes):

3.2 Payment arrangements and Remuneration

Payment arrangements

For the Delegation Agreements within blending facilities/platforms include³:

For the Financial Instrument component:

3.2.1

> EUR 20 000 000 and ≤ EUR 50 000 000	2%
> EUR 50 000 000	the aggregate of i) EUR 1 000 000 (which covers the estimated amount up to EUR 50 000 000) and ii) 1% on the portion of the estimated amount > EUR 50 000 000.

B) For technical assistance choose one of the following options depending on the estimated amount of eligible direct costs covered by the EU Contribution for the Technical Assistance:

Estimated eligible direct costs covered by the EU Contribution	Remuneration
≤ EUR 4 285 714.29	7%
> EUR 4 285 714.29 ≤ EUR 7 500 000	EUR 300 000
> EUR 7 500 000 and ≤ EUR 20 000 000	4%
> EUR 20 000 000	the aggregate of i) EUR 800 000 (which covers the estimated amount up to EUR 20 000 000) and ii) 3% on the portion of the estimated amount > EUR 20 000 000.

In the case of hybrid projects, remuneration for the investment grant/interest rate subsidies and Technical Assistance shall be calculated individually on the above basis and aggregated except for the floors. A floor will be applied only once the remuneration for each component has been calculated and only in case the sum of the remuneration for all components does not reach the higher of the floors of the components considered (the remuneration will be EUR 400 000, or 7%, whichever is smaller).

³ This remuneration may also apply to Financial Instruments outside blending facilities/platforms.

Choose one of two options below:

OPTION 1: Old methodology for remuneration. Choose one of the two options below:

[Payments shall be made in accordance with Article 7.1.a) of Annex IIc).
[A first instalment of <insert currency of the agreement><insert amount> (corresponding to 100% of the remuneration related to the Financial Instrument as set out in Article 3.2.x < if advancing any funds on basis of disbursement forecast>[and 100% of the Contracting Authority's part of the disbursement forecast for the subsequent 12-month period]) shall be paid to the Organisation.]

or

[Payments shall be made in accordance with Article 7.1.b) of Annex IIc).

The Organisation shall submit a payment request for a first instalment of <insert Currency of the Agreement> <insert amount> (corresponding to the aggregate of 100% of the remuneration related to the Financial Instrument and set out in Article 3.2.x and 100% of the Contracting Authority's part of the disbursement forecast for the subsequent 12-month period).]

Each further instalment, if any, will be based on a payment request accompanied by the relevant disbursement forecast.

OPTION 2 New methodology for remuneration. Please choose the applicable option depending on the type of Financial Instrument.

A) Guarantees and risk capital: Choose one of the two options below:

Payments shall be made in accordance with Article 7.1.a) of Annex IIc):

A first instalment of <insert currency of the agreement> <insert amount> (corresponding to 100% of the administrative fees paid out of the EU contribution related to the Financial Instrument and set out in Article 3.2.x < if advancing any funds on basis of disbursement forecast> [and 100% of the Contracting Authority's part of the disbursement forecast for the subsequent 12-month period]) shall be paid to the Organisation.]

or

[Payments shall be made in accordance with Article 7.1.b) of Annex IIc).

The Organisation shall submit a payment request for a first instalment of <insert Currency of the Agreement> <insert amount> (corresponding to the aggregate of 100% of the administrative fees paid out of the EU contribution related to the Financial Instrument and set out in Article 3.2.x and 100% of the

Contracting Authority's part of the disbursement forecast for the subsequent 12-month period).]

Each further instalment, if any, will be based on a payment request accompanied by the relevant disbursement forecast.

The final payment shall consist of the performance fees set out in Article 3.2.x if the performance Indicators have been achieved and shall be made in accordance with Article 7.2 of Annex IIc).

B) Structured funds: Choose one of the two options below:

[Payments shall be made in accordance with Article 7.1.a) of Annex IIc):

[A first instalment of <insert currency of the agreement> <insert amount> (corresponding to [if paying more than one kind of fee and/or advancing any funds on basis of disbursement forecast: the aggregate of] 100% of the set up fees [insert in case there are administrative fees:, 100% of the administrative fees for the subsequent 12-month period] related to the Financial Instrument and set out in Article 3.2.x [if advancing any funds on basis of disbursement forecast: and 100% of the Contracting Authority's part of the disbursement forecast for the subsequent 12-month period]) shall be paid to the Organisation.]

or

[Payments shall be made in accordance with Article 7.1.b) of Annex IIc):

The Organisation shall submit a payment request for a first instalment of <insert currency of the agreement> <insert amount> (corresponding to the aggregate of 100% of the set up fees insert in case there are administrative fees:, [100% of the administrative fees for the subsequent 12-month period] related to the Financial Instrument and set out in Article 3.2.x] and 100% of the Contracting Authority's part of the disbursement forecast for the subsequent 12-month period).]

Each further instalment will be based on a payment request accompanied by the relevant disbursement forecast if there are administrative fees: [and will include the administrative fees for the subsequent 12-month period in relation to the Financial Instrument and set out in Article 3.2.x].

In case of Autonomous Technical Assistance

For the Autonomous Technical Assistance component

Select one option:

[3.2.2 Payments shall be made in accordance with Article 19 of Annex II. A pre-financing instalment of <insert currency of the agreement> <insert amount> shall be paid to the Organisation within 30 days of receiving this Agreement signed by both Parties (corresponding to the aggregate of 100% of the Contracting Authority's part of the forecast budget for the subsequent 12-

month period and choose between two options [100% of the remuneration related to the Autonomous Technical Assistance] / in case of structured funds under new methodology> [the remuneration related to the Autonomous Technical Assistance for the subsequent 12-month period] and set out in Article 3.2.x).

Each further pre-financing instalment, if any, will be the aggregate of 100% of the Contracting Authority's part of the forecast budget for the subsequent 12-month period (or of the remaining period if shorter) in case of structured funds under new methodology: [and the remuneration related to the Autonomous Technical Assistance for the subsequent 12-month period and set out in Article 3.2.x)].]

or

[3.2.2 Payments to the Organisation shall be made in accordance with Article 19 of Annex II. The first pre-financing includes choose between two options [100% of the remuneration related to the Autonomous Technical Assistance] / in case of structured funds under new methodology: [the remuneration related to the Autonomous Technical Assistance for the subsequent 12-month period] and set out in Article 3.2.x.

The following amounts are applicable, all subject to the provisions of Annex II:⁴

First pre-financing instalment.....<insert Currency of the Agreement><amount>

Second pre-financing instalment.....<insert Currency of the Agreement><amount>

Third pre-financing instalment.....<insert Currency of the Agreement><amount>

add as many instalments as years

Forecast balance⁵..... <insert Currency of the Agreement><amount>

3.2.x The sum of the payments in the accounting currency of the Organisation shall not exceed the total EU Contribution in EUR.

⁴ The Parties have to agree on a pre-financing rate (X%). The determination of the amount of the first pre-financing corresponds to X% of the part of the forecast budget for the first 12-month period of the Action which is being financed by the EU. If necessary, each further instalment of pre-financing will consist of (1) where applicable, the remaining part of the budget financed by the EU for the previous period and (2) a new pre-financing of a percentage from X% of the part of the forecast budget for the subsequent 12-month period (or of the remaining period if shorter as regard to the last instalment of pre-financing) which is being financed by the EU (excluding contingencies). These are the amounts to be released upon legal commitment of 70% of the immediately preceding instalment. Unless there is an amendment to the budget, only the final payment may require re-calculation. In case of structured funds using the new methodology for remuneration this includes the remuneration for the next 12 month period.

⁵ The forecast balance (final payment), if any, is the difference between the total amount of the EU Contribution and the sum of the previous instalments.

Remuneration

3.2.x Select one of the following options:

OPTION 1: Old methodology:

The Organisation, as lead finance institution, shall be entitled to remuneration⁶ in the amount of EUR <xxx> [insert if the currency of the Agreement is not EUR , which is estimated at <insert Currency of the Agreement> <insert the amount corresponding to the amount of the remuneration in the currency of the Agreement at the InforEuro rate of the month of signature by the Contracting Authority>]. This remuneration does not need to be supported by accounting documents. The final amount of the remuneration shall be established by the Contracting Authority in accordance with Article 7 of Annex IIc) [insert if there is Autonomous Technical Assistance and Articles 18 to 20 of Annex II], except in the case of termination pursuant to Article 13.3 of Annex II. In that case, the Parties shall agree on the final remuneration (which shall not exceed 30% of the remuneration otherwise contemplated by this Article) upon submission by the Organisation of adequate justification.]

In the case of Autonomous Technical Assistance: [The remuneration shall be distributed as follows: EUR <insert amount> for the Financial Instrument, insert if the currency of the Agreement is not EUR > [which is estimated at <insert Currency of the Agreement> <insert the amount corresponding to the amount of the remuneration in the currency of the Agreement at the InforEuro rate of the month of signature of the Contracting Authority>] and EUR <insert amount> for Autonomous Technical Assistance [insert if the currency of the Agreement is not EUR: which is estimated at <insert Currency of the Agreement> <insert the amount corresponding to the amount of the remuneration in the currency of the Agreement at the InforEuro rate of the month of signature by the Contracting Authority>.]

OPTION 2: New methodology. Please choose the applicable option depending on the type of Financial Instrument.

A) Guarantees and risk capital:

The Organisation shall be remunerated for the management of the Financial Instrument as follows:

a) administrative fees made up of the following:

⁶ According to old methodology following Article 15 of NIF FA, for investment grants, the fee is to be calculated as 2% of the EU Contribution (and/or NIP Trust Fund if applicable) to the project up to a maximum of EUR 750 000, except if the 2% equals EUR 200 000 or less, in which case the fee shall be the lesser of 7% of the investment grant or EUR 200 000.

For technical assistance, the fee is to be calculated as 4% of the EU Contribution (and/or NIP Trust Fund if applicable) to the project up to a maximum of EUR 300 000, except if the 4% equals EUR 150,000 or less, in which case the fee shall be the lesser of 7% of the technical assistance amount or EUR 150 000.

In the case of hybrid projects, the remuneration shall be calculated individually on the above basis and totalled together.

- EUR <insert amount>⁷ insert if the currency of the Agreement is not EUR [, which is estimated at]<insert Currency of the Agreement> <insert the amount corresponding to the amount of the remuneration in the currency of the Agreement at the InforEuro rate of the month of signature by the Contracting Authority>, paid out of the EU contribution (for the avoidance of doubt, excluding any Revenues and Repayments). This part of the remuneration does not need to be supported by accounting documents. The final amount shall be established by the Contracting Authority in accordance with Article 7 of Annex IIc) except in the case of termination pursuant to Article 13.3 of Annex II. In that case, the Parties shall agree on the final remuneration, which shall not exceed 30% of the remuneration otherwise contemplated by this paragraph, upon submission by the Organisation of adequate justification of the actual cost borne by the Organisation; and

- up to EUR <insert amount>⁸ if the currency of the Agreement is not EUR insert [, which is estimated at <insert Currency of the Agreement> <insert the amount corresponding to the amount of the remuneration in the currency of the Agreement at the InforEuro rate of the month of signature of the Contracting Authority>], paid out of Revenues pursuant to Article 6.4 of Annex IIc). The final amount of the administrative fees to be paid out of Revenues shall be established by the Contracting Authority in accordance with Article 7 of Annex IIc).

b) performance fees:

- EUR <insert amount>⁹ if the currency of the Agreement is not EUR insert [, which is estimated at <insert Currency of the Agreement> <insert the amount corresponding to the amount of the remuneration in the currency of the Agreement at the InforEuro rate of the month of signature by the Contracting Authority>, paid out of the EU contribution (for the avoidance of doubt, excluding any Revenues and Repayments). pursuant to Article 6.4 of Annex IIc), subject the achievement of the following performance Indicators: <insert relevant performance Indicators>.

For this purpose, in addition to the requirements set out in Article 10.5 of Annex IIc), the Organisation shall include in the final report information on the achievement of these performance Indicators.

⁷ For the Financial Instrument component choose one of the following options depending on the estimated EU contribution for Operations:

Estimated EU contribution for Operations	Remuneration
≤ EUR 30 000 000	3%
> EUR 30 000 000 and ≤ EUR 40 000 000	the aggregate of i) EUR 900 000 (which covers the estimated amount up to EUR 30 000 000) and ii) 2% on the portion of the estimated amount > EUR 30 000 000.
> EUR 40 000 000	the aggregate of i) EUR 1 100 000 (which covers the estimated amount up to EUR 40 000 000) and ii) 1% on the portion of the estimated amount > EUR 40 000 000.

⁸ The administrative fee paid out of Revenues is the difference between the aggregate of the administrative fees paid out of the EU Contribution and the performance fee up to 6% of the EU contribution for Operations.

⁹ 1% of the estimated EU contribution for Operations.

The final amount of the performance fees shall be established by the Contracting Authority in accordance with Article 7 of Annex IIc).

The aggregate of the administrative (paid out of the EU contribution and Revenues) and the performance fees shall not exceed 6% of the part of the EU contribution for Operations.

In the case of Autonomous Technical Assistance, insert [By way of derogation from Article 18.3 of Annex II, the Organisation shall also be entitled to remuneration¹⁰ of an amount of EUR <xxx> [if the currency of the Agreement is not EUR insert , which is estimated at <insert Currency of the Agreement> <insert the amount corresponding to the amount of the remuneration in the currency of the Agreement at the InforEuro rate of the month of signature by the Contracting Authority>], for the management and administration of the EU contribution for the Autonomous Technical Assistance. This remuneration does not need to be supported by accounting documents. The final amount of this remuneration will be established by the Contracting Authority in accordance with Articles 18 to 20 of Annex II, except in the case of termination pursuant to Article 13.3 of Annex II. In that case, the Parties shall agree on the final remuneration, which shall not exceed 30% of the remuneration otherwise contemplated by this Article, upon submission by the Organisation of adequate justification of the actual cost borne by the Organisation].

B) For participation in structured funds:

[The Organisation shall be paid the following remuneration for the management of the EU contribution for the Financial Instrument:

a) set-up fees¹¹: EUR <insert amount>¹² [if the currency of the Agreement is not EUR insert>, which is estimated at <insert Currency of the Agreement> <insert the amount corresponding to the amount of the EU Contribution in the currency of the Agreement at the Euro rate of the month of signature of the Contracting Authority>].

b) administrative fees¹³: no more than EUR <insert amount>¹⁴ [if the currency of the Agreement is not EUR insert> which is estimated at <insert Currency of

¹⁰ Choose one of the following options depending on the estimated amount of eligible direct costs covered by the EU contribution for the Technical Assistance:

Estimated eligible direct costs covered by the EU contribution	Remuneration
≤ EUR 4 285 714.29	7%
> EUR 4 285 714.29 ≤ EUR 7 500 000	EUR 300 000
> EUR 7 500 000 and ≤ EUR 20 000 000	4%
> EUR 20 000 000	the aggregate of i) EUR 800 000 (which covers the estimated amount up to EUR 20 000 000) and ii) 3% on the portion of the estimated amount > EUR 20 000 000.

¹¹ The set up fees cover the work required for preparation of a new participation in the structured fund.

¹² The remuneration results from applying a daily rate of EUR 1 000 to the number of days agreed at Technical Assessment Meeting (TAM).

¹³ The administrative fees cover the trustee participation exclusively related to the additional days necessary to manage the new participation, if any.

the Agreement> <insert the amount corresponding to the amount of the EU Contribution in the currency of the Agreement at the Euro rate of the month of signature of the Contracting Authority>].

For the avoidance of doubt, the remuneration structure set out in this Article 3.2.x does not include the remuneration of Financial Intermediaries that may be remunerated through Revenues pursuant to Article 6.4 of Annex IIc.]

In the case of Autonomous Technical Assistance insert [By way of derogation from Article 18.3 of Annex II, the Organisation shall also be entitled to remuneration in the form of administrative fees in the amount of maximum EUR <insert amount>¹⁵ [if the currency of the Agreement is not EUR insert: which is estimated at <insert Currency of the Agreement> <insert the amount corresponding to the amount of the remuneration in the currency of the Agreement at the InforEuro rate of the month of signature of the Contracting Authority>], for the management and administration of the EU contribution for the Autonomous Technical Assistance.]

The final amount of the administrative fees shall be established by the Contracting Authority based on the number of days worked, as declared by the Organisation in its final report. The final amount must not exceed the amount set out in this Article 3.2.x for administrative fees. For this purpose, in addition to the requirements set out in Article 10.5 of Annex IIc) insert in case of Autonomous Technical Assistance: [and Article 3.8 of Annex II], the Organisation shall include in the final report the number of days worked.

¹⁴ The remuneration results from applying a daily rate of EUR 1 000 to the number of days agreed at Technical Assessment Meeting (TAM).

¹⁵ This remuneration is equivalent to the administrative fees for the financial instrument. It results from multiplying the applying the daily rate of EUR 1 000 to the number of days agreed at the Technical Assessment Meeting (TAM). In case the Autonomous Technical Assistance is not channelled through the Fund Manager, insert the clauses of Autonomous Technical Assistance laid down for risk capital and guarantees, and adapt the article on payments accordingly (Article 3.2.1).