

CALL FOR PROPOSALS – MARE/2014/22

Projects on Maritime Spatial Planning

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1. INTRODUCTION

1.1. Regulation (EU) No 508/2014 on the European Maritime and Fisheries Fund (EMFF)

The Regulation (EU) No 508/2014 of the European Parliament and of the Council on the European Maritime and Fisheries Fund [and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council] defines the legal basis for this call for proposals.. On 4 July 2014 the Commission adopted the Annual Work Programme 2014 in the area of Integrated Maritime Policy (IMP). This work programme for 2014 sets out details of the financing mechanisms and of the priority areas for actions fostering the development and implementation of the Union's Integrated Maritime Policy under the EMFF.

1.2. General information concerning the call for proposals

The European Commission, referred to as "the Commission", in particular the Directorate-General for Maritime Affairs and Fisheries (DG MARE) is launching a call for proposals with a view to concluding a grant agreement valid for a period of 24 months from its starting date.

The action that is covered by this grant agreement forms part of a Programme whose implementation has been delegated to the European Agency for Small and medium sized Enterprises (EASME). The delegation is ongoing and EASME is in the process of establishing the organisational structures required for the programme management.

This Agreement will be signed either by the European Commission or by EASME depending on the state of readiness of EASME to manage the grant. In the event that the grant agreement is signed by the Commission, it will be transferred to EASME as soon as EASME is in a position to assume its management.

In this event the transfer of the management of the grant agreement to EASME will be notified in writing to the beneficiary by the European Commission.

By submitting a proposal the applicant accepts the terms and conditions of the annexed draft grant agreement, including those concerning the transfer of the grant management to EASME.

The Call for proposals is divided in three Lots (North Sea, Baltic Sea and Black Sea). Applicants should note that the same organisation/public authority cannot be involved in more than one application within a Lot, but may be included in proposed partnerships for one, two or all three Lots. When applying for more than one Lot, applicants must submit a separate proposal for each Lot, which will be evaluated individually.

1.3. Background

1.3.1. *The concept of Maritime Spatial Planning*

The use of Europe's sea-areas is increasing and gives rise to potential conflicts and competition for maritime space, both between different users, and between maritime uses and the preservation of the marine environment. This development increases the demand

for Maritime Spatial Planning (MSP), an instrument that is essential for resource efficiency in maritime activities. MSP provides a framework for the management of human sea uses in a context of intensifying economic activity in sea basins around Europe. As such, it has a vital role to play both in terms of maximising the development potential for crucial activities, such as offshore renewable energy production, and of arbitrating between human activities to ensure that the cumulative impact of ongoing activities is sustainable. By providing long-term stability, predictability and transparency, MSP encourages investments for sustainable growth and jobs and secures ongoing activities.

In a similar vein, the impact on the marine environment of economic activities needs to stay within clear boundaries. MSP supports sustainable use of marine resources in line with the EU Sustainable Development Strategy and the requirement of the Marine Strategy Framework Directive on the application of the ecosystem approach by providing the means to effectively control human use of the marine space.

1.3.2. Action on MSP at EU level

The European Commission's intention is to support the development of MSP processes throughout the EU, by facilitating cooperation between Member States in the management of the maritime space in sea basins surrounding the EU. To this end, the Communication "Roadmap for Maritime Spatial Planning: Achieving common principles in the EU"¹ was adopted by the Commission in 2008. In this Communication the Commission brought forward a set of 10 key principles for applying MSP, based on common practices on MSP found in the EU Member States and in third countries around the world. These principles were subject to discussions at a series of workshops with stakeholders representing Member States, maritime sectors, NGOs and researchers. In a Communication adopted in December 2010², the Commission reported on the outcome of those discussions, as well as other developments on MSP. The stakeholder consultation revealed broad agreement on the need for a common approach on MSP and confirmed an interest to develop MSP further at EU level.

The Commission has also initiated a number of studies on various aspects of MSP:

- A study on the legal aspects of MSP (2008)³;
- A study on the economic effects of MSP (2010)⁴, which concluded that economic effects of MSP are reduced transaction costs for new maritime activities and an improved investment climate;
- A study looking into the potential of MSP in the Mediterranean (2011)⁵.

On the basis of those preparatory actions, the Commission proposed legislative action on Maritime Spatial Planning in 2013⁶. The main purpose of the Directive is to promote the sustainable growth of maritime and coastal activities by establishing a framework for the implementation of maritime spatial planning in EU waters. The Directive was adopted by the European Parliament on 17 April 2013 and by the Council on 23 July 2014. Until its entry into force the text of the Directive can be found here:

¹ [COM \(2008\) 791final](#)

² [COM\(2010\) 771 final](#)

³ http://ec.europa.eu/maritimeaffairs/pdf/legal_aspects_msp_report_en.pdf

⁴ http://ec.europa.eu/maritimeaffairs/study_msp_en.html

⁵ http://ec.europa.eu/maritimeaffairs/study_msp_med_en.html

⁶ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0133:FIN:EN:PDF>

<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P7-TA-2014-0449>

The Directive is not sector-specific, but covers policy areas of the Treaty on the Functioning of the European Union (TFEU) with an impact on coasts, seas and oceans. It supports on-going implementation of sea-related policies in Member States through more efficient coordination and increased transparency. At an early stage, maritime spatial plans can improve the articulation of, and reduce conflicts between, economic objectives and environmental legislation.

The operational objectives of the Directive are procedural in nature. Member States are required to develop and implement coherent processes to plan human uses of maritime space, and to establish appropriate cross border cooperation among them. A key added value of the proposal is support for the inclusion of land-sea interactions in MSP processes. Planning details and the determination of management objectives are left to Member States.

1.3.3. Cross-border cooperation on MSP

Through its legislative proposal, the Commission has emphasised the advantage of a common framework to MSP within the EU. However, it is clear that the specific approach chosen in various sea basins or relevant institutional set-up within regions and individual Member States should be taken into account.

Practical experience on cross-border application of MSP, based on the principles of the 2014 Directive, is necessary to ensure that all Member States develop the capacity to apply MSP, and exchange best practices. This type of experience should also be a significant factor for the on the ground development of a common approach to MSP that is required by the Directive for cross-border/sea-basin level. Although the Commission considers that cooperation at sea-basin level allows for a better adaptation of the planning process to marine regions' political and environmental characteristics, the Directive will leave to Member States the decision to choose the mechanism they consider more adapted to allow cross-border planning with their neighbours.

Cross-border cooperation presents a challenge for sea basins where such experience does not exist. It also requires financial and human resources to ensure its success. For those reasons, the EU has already co-financed four projects on MSP in the Baltic Sea⁷, in the North Sea⁸ in the Atlantic⁹ and is currently co-financing a project on MSP in the Adriatic Sea¹⁰, involving bodies from several Member States in each project.

The Commission now aims to expand this work by supporting three new projects to launch the establishment of lasting mechanisms for cross-border cooperation in EU, closely linked to the role played by, and the legal obligations required of, relevant national and governmental authorities in charge of MSP. The Commission is therefore launching this Call for Proposals for cross-border MSP projects respectively in the Black Sea, Baltic Sea and North Sea.

⁷ <http://planbothnia.org/>

⁸

http://www.google.be/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&ved=0CD0QFjAB&url=http%3A%2F%2Fdtvirt35.deltares.nl%2Fproducts%2F30020&ei=0AIMU6DdOunG0QXypoCoBg&usq=AFQjCNE6rFPyN5WVN2-j3fypdR__ssMJsw&sig2=x4I49dierlC5eduh8uqxLw&bvm=bv.64542518,d.d2k&cad=rja

⁹ <http://www.tpeamaritime.eu/wp/>

¹⁰ <http://adriplan.eu/>

As much as possible, the projects should build on the results of the first 4 cross-border projects and on the results of BaltSeaPlan¹¹.

1.3.4. *MSP in the Black Sea, Baltic Sea and North Sea*

1.3.4.1. Lot 1: Black Sea

The Black Sea is of a strategic importance given its location and its role as a hub or key area of origin for energy and transport flows. Energy export, transit and transport are among the main economic activities related to this basin. A major challenge for MSP in the Black Sea is the limited number of Member States around the sea-basin and the difficulty to involve third parties, characterised by structures of governance and standards of environmental management that differ strikingly from the EU's.

A number of national projects on ICZM have already been implemented in the Black Sea coastal Member States, financed by both the EU and international organisations, such as the World Bank. However, no application of Maritime Spatial Planning has been developed yet. Work on ICZM is on-going within the Bucharest Convention, notably the Advisory Group on the Development of Common Methodologies for Integrated Coastal Zone Management, based in Russia. The Black Sea and the Mediterranean Sea are covered by the PEGASO project on ICZM aimed at developing common approaches to support integrated policies for the coastal, marine and maritime realms. The Black Sea hosts 3 of the 10 pilot cases of the project which test and validate the assessment tools developed during the project at different spatial scales.

1.3.4.2. Lot 2: Baltic Sea

The Baltic Sea is among the busiest seas in the world. It is a heavily trafficked sea with 2,000 ships at sea every day. Traffic is expected to increase further in the years to come. Other economic activities are also developing at a rapid pace: in the last years offshore wind has increased in the region by 20%, cruise tourism by 11% and marine aquaculture by 13%. At the same time, the Baltic Sea ecosystem is unique and faces serious challenges of eutrophication.

This called for the development of ecosystem based Maritime Spatial planning at national level and for cross-border cooperation. To ensure cooperation and coherent implementation of MSP across the Baltic Sea Region countries, a joint HELCOM-VASAB working group has been established and a regional set of MSP principles has been adopted. A series of Interreg projects, such as BaltSeaPlan, PlanCoast, East-West Window, BaltCoast and DG MARE funded preparatory action PlanBothnia have been completed. In 2012, a project PartiSeaPate – Multilevel governance in MSP was launched. Maritime Spatial planning is a horizontal action of the EU Strategy for the Baltic Sea region and drawing up and application of trans boundary, ecosystem based Maritime spatial plans by 2020 has been identified as a target for the Strategy. This has been further reconfirmed in 2013 HELCOM Copenhagen Ministerial Declaration.

¹¹ <http://www.baltseaplan.eu>

1.3.4.3. Lot 3: North Sea

The North Sea region is a densely used maritime space surrounded by densely populated, highly industrialised countries. The Southern North Sea and English Channel are under heavy pressure from intense human activities, with various uses such as shipping, fisheries, pipelines and electricity grids having impacts across boundaries. Two of the world's largest ports are situated on the North Sea coast, and the coastal zone is used intensively for recreation. It is therefore an area of particular interest for the implementation of cross-border MSP.

The main characteristic of the North Sea concerning the governance of MSP is that it gathers Member States which have already developed MSP thoroughly. Belgium, the Netherlands and Germany are the only three EU Member States where maritime spatial plans cover the entirety of the Exclusive Economic Zones. (In 2014, Belgium even produced a revised version of their marine plan.) England is implementing MSP gradually. The first plans to be finalized are the plans for the East Inshore and East Offshore areas, in the North Sea. They were published on 2 April 2014. It should be noted that Sweden has a regime for marine planning in its territorial waters and that a comprehensive MSP legislation is under discussion in their Parliament should be adopted in 2014.

From 2010 to 2012 DG MARE funded the MASPNOSE pilot projects on cross-border cooperation on MSP in the North Sea waters of Belgium, the Netherlands, Germany and Denmark for the Dogger Bank and the on Belgium and the Netherlands for the Thornton Bank.

2. OBJECTIVES – THEMES – PRIORITIES

2.1. Objective of the projects

The objective of the projects is to support Member States start implementing cross-border planning in their sea-basin and gather practical knowledge and experience in the implementation of MSP. Despite the ongoing activities of EU Member States in implementing MSP at national or regional level, cross-border cooperation between Member States remains limited at this point in time. This project therefore seeks to stimulate the development of a cross-border, ecosystem-based approach towards MSP on the basis of the requirements of the Directive on Maritime Spatial Planning adopted by the European Parliament and the Council.

More specifically, the objectives of this project are to:

1. Support the implementation of the Directive on Maritime Spatial Planning in Member States and in cross-border settings;
2. Launch and carry out concrete, cross-border MSP cooperation between Member States in the Black Sea, Baltic Sea and North Sea, involving at least two Member States and the relevant authorities responsible for MSP in the selected area(s);
3. Identify potential barriers and formulate recommendations on the application of MSP in cross-border areas, to the benefit of cross-border MSP application throughout the EU.

2.2. General guidelines

Considering that one of the objectives of the projects is to launch the implementation of the Directive on MSP in Member States, the involvement in the project of national authorities in charge of MSP is of essential added-value.

When applying MSP, certain framework conditions and legal aspects must be considered. Once it will enter into force, the Directive on Maritime Spatial Planning will frame national MSP processes. The core elements of the Directive are:

- Acknowledgement of maritime spatial planning as a cross-sectoral tool to analyse and organize human activities in marine areas to achieve ecological, economic and social objectives;
- Transposition of the Directive into national law, and creation of competent authorities to put it into effect, within 2 years;
- EU Member States (except land-locked ones) are to prepare cross-sectoral maritime spatial plans by 2021.
- The plans should:
 - apply the ecosystem-based approach;
 - contribute to the preservation, protection and improvement of the environment;
 - contribute to the sustainable development of energy sectors at sea, maritime transport, and fisheries and aquaculture;
 - allow Member States to pursue additional objectives such as sustainable tourism or the extraction of raw materials;
- Take into account land-sea interactions and promote coherence between MSP and Integrated Coastal Zone Management;
- Cross-border cooperation:
 - Member States sharing a sea should cooperate to ensure that their MSP are coherent and coordinated across the marine region. Means of cooperation are left to Member States to decide.
 - Member States should cooperate with third countries on their actions with regard to maritime spatial planning (where geopolitically possible).
- Public information from an early stage and participation of relevant stakeholders, authorities, and public concerned;
- Use of best available data and organisation of the sharing of information between stakeholders. http://www.ioc-unesco.org/index.php?option=com_content&task=view&id=147&Itemid=76

At EU level, other relevant EU policies and legislation must be taken into account. This includes the Marine Strategy Framework Directive (MSFD), Natura 2000 and related legislation¹², the Common Fisheries Policy (CFP), the Recommendation on ICZM¹³, the

¹² http://ec.europa.eu/environment/nature/natura2000/index_en.htm

renewable energy Directive, the INSPIRE Directive, etc. The studies initiated by the Commission on various aspects of MSP could provide useful knowledge and information. The results of relevant INTERREG¹⁴ projects as well as projects funded by other European means (e.g. via the Research Framework Programmes¹⁵) or by other international organisations should also be taken into account. Due regard should be given to EU and international obligations of Member States to establish Marine Protected Areas.

Applicants should take into account the work done by the European Commission to assemble marine data, data products and metadata from diverse sources in a uniform way through the European Marine Observation and Data Network (EMODnet). Especially, the development of EMODnet through sea-basin portals should help coordination on MSP at the level of marine regions.

UNCLOS is globally the legal basis for all human activity in the maritime area. The relevant regulations of UNCLOS, particularly regarding the rights to use maritime resources, must therefore be respected. The guidelines that have been developed by [UNESCO IOC](#)¹⁶ might provide useful guidance and should therefore be considered for the project.

2.3. Project components

2.3.1. *Component 1: Set up of MSP coordination*

2.3.1.1. Initial assessment

1. Choose, specify and describe the area(s) identified: geographical position, habitat description, assessment of both ongoing human activities, as well as foreseeable future demands by maritime sectors and future maritime uses. Define why cross-border planning is considered relevant and necessary for the area(s) and which States are involved.
2. Describe the current state of the area(s) - an overview in factual and "physical" aspects. Here it would be useful to make references to the developments under the MSFD, the CFP, the Birds and Habitats Directives and the TEN-T networks; ports and land/sea interactions; development of offshore energy production (including from renewable sources) and other existing and planned economic offshore activities. Such a description would include:
 - marine space needed for human activity;
 - requirements in relation to environment or other human activity, including cross-border activities/habitats;
 - indication of conflicts and synergies between maritime uses;
 - considerations on marine space required for future maritime uses.

¹³ [Recommendation of the European Parliament and of the Council of 30 May 2002 concerning the implementation of Integrated Coastal Zone Management in Europe \(2002/413/EC\), OJ L 148, 6.6.2002](#)

¹⁴ Now [European Territorial Cooperation](#)

¹⁵ See the [Commission's Research website](#)

¹⁶ http://www.ioc-unesco.org/index.php?option=com_content&task=view&id=147&Itemid=76

2.3.1.2. Development of cooperation on maritime spatial planning

1. Agree on common objectives for cross-border cooperation on MSP for the specified area(s), taking into account the ecosystem approach.
2. Start developing a mechanism for cross-border cooperation based on the elements of the MSP Directive. This could give an overview of the planning system and could describe the instruments used for the cooperation process. In this context, it is useful to be aware of the three dimensions of the marine environment (sea bed, water column and water surface) and timing as a fourth dimension (particularly relevant for the compatibility of uses). Land-sea interactions should also be taken into consideration in this context.
3. Set up a structure and procedures to be used for the development of cooperation on MSP and the potential production of a plan itself, including relevant stakeholder involvement.
4. Launch the establishment of a maritime spatial plan for the area(s) identified, focusing especially on cross-border aspects, with involvement of stakeholders.
5. Elaborate potential further developments needed for new, innovative instruments that are tailor-made for cross-border spatial planning at sea.

2.3.1.3. Evaluation of the maritime spatial planning process

1. Identify the most important aspects of the MSP process that could be reviewed in the course of monitoring and evaluation.
2. Provide appropriate indicators and criteria that could be applied during an evaluation of MSP process (NB: please note that these indicators are different from the ones mentioned in 2.4.2, which are used for the purpose of evaluating the management of the project itself). Suggest a concept for a suitable monitoring and evaluation process, including recommendations for appropriate timing of evaluation, the appropriate governance structures for such a process, as well as an indication of the financial resources that would be needed to carry out the monitoring and evaluation in a meaningful way.

2.3.2. Component 2: Project management and coordination

This component encompasses the activities related to the physical, administrative, legal and financial activities which are necessary to implement the project. This includes how the internal management of the project will be set up (e.g. monitoring and control of the incurred expenditure and preparation of Interim and Final Reports) and how the project Partners coordinate their work throughout the project's duration (e.g. organisation of coordination meetings between the project Partners and setting up working groups).

This component includes activities between the project Partners to set up and execute an exchange of information mechanism at a cross-sector and cross-border level that is viable and durable in time for this project.

2.3.3. Component 3: Communication and Dissemination

Activities carried out under this component could be aimed at disseminating the project's activities and achievements outside the project to the relevant stakeholders in Europe (e.g. neighbouring States, Regional Sea Conventions, specialised agencies, etc). This could include the following activities:

- Organisation of launching and closing conferences;
- Development of a project website and regular update of this website according to intermediate project results;
- Publication and dissemination of leaflets or other information material supported in any format;
- Development of maps, tables, plans etc. to support the visualisation and dissemination of project results, possibly feeding into the Maritime Forum and/or the European Atlas of the Seas.

2.3.4. Component 4: lessons learnt

Deliverables on lessons learnt/guidance could focus on:

1. process and the experiences gained, for the steps defined under section 2.3.1.
2. best practices in terms of cross-border cooperation.
3. practical experience of integrating land-sea interactions in MSP.
4. practical experience of applying an ecosystem-based approach to MSP.
5. best practices for the use and exchange of data and on the usefulness of EMODnet as a support for MSP implementation
6. the technical, administrative and legal barriers identified in developing cross-border MSP, as well as proposing solutions to overcome these difficulties.
7. how the methodology was developed.
8. any other relevant observations about MSP.
9. Overall conclusions and recommendations.

2.4. Conditions for the project

2.4.1. Relevance to the Call

All activities proposed within a project should be in line with the overall objective of the Call and the respective Lots should clearly contribute to the improvement of the European, national, regional or local policies concerned by the project.

1. Cross-border character. The project should aim to achieve cross-border cooperation. The cross-border character of the activities must be demonstrated in the application form.
2. Link with national MSP process. The project(s) should aim to support the actual implementation of MSP in Member States and therefore not be disconnected from

the role played by, and the legal obligations required of, relevant national and governmental authorities in charge of MSP.

3. Additionality. The added value of the proposed project has to be clearly demonstrated. The activities proposed have to be different from the regular way the Partners involved in the project fulfil their tasks and present added-value to ongoing MSP processes in Member States.
4. Non-cumulation of financing. Activities included under this project should not benefit or have benefited from other European Union funding and not hinder or interfere with other projects or programmes, such as, for example, projects funded under the territorial cooperation objective of the structural funds. The project should also not hinder or interfere with the competences of European Union Agencies.

2.4.2. *Monitoring of the project's activities and its achievements*

Project outcomes should be measured against a certain number of pre-defined output and result indicators. Outputs and indicators as listed below are suggestions and non-exhaustive. Applicants should consider the appropriate indicators suitable for their proposed project and include a list of relevant indicators in their application (section 2.1 of the application form).

N.B. The indicators below are used for evaluating the performance of the project as such. They should not be confused with any indicators to be developed for the MSP evaluation and monitoring process described under section 2.3.1.3 in this Call.

Examples of pre-defined indicators¹⁷

1/ Set up of Maritime Spatial Planning in the selected cross-border area(s)

¹⁷ Outputs are the tangible deliverables of the project. They directly result from the activities carried out in the project. They report on 'what' the main 'products' delivered by the project are. They do not lead to a qualitative judgment of the project's outcomes. In other words, it is not because the project organises a high number of workshops that it will necessarily be successful. Output indicators are typically measured in physical units such as the number of seminars, site visits, conferences, participants, publications, good practices identified, or policies addressed.

Results are direct and clearly identifiable. They are a product of the project and its outputs. Outputs, such as the organisation of events, the identification and dissemination of good practices, the production of policy recommendations etc., are carried out in order to achieve specific effects that the result indicators should be able to assess and measure, preferably in quantified terms.

Output indicators

- Delivery of rationale and description of selection process for chosen sea area(s)
- Number of coordination meetings between governmental bodies of different Member States.
- Production of a description of human activities (both present and predictable future) assessed and analysed in the chosen sea area(s)
- Delivery of model maritime spatial plan produced
- Number of relevant and high quality maps produced
- Number of coordination meetings with stakeholders
- Delivery of concept for a suitable monitoring and evaluation process

Result Indicators

- Delivery of high quality recommendations for set-up of Maritime Spatial Planning in the cross-border area(s)
- Delivery of a model test case of the function and usefulness of a maritime spatial plan in the cross-border area(s) Involvement of relevant ministries/authorities
- Development of a vision and definition of a set of common objectives for Maritime Spatial Planning in the sea basin
- Carrying out of an analysis of (interaction of) human activity in a cross-border context
- Suggestion for a monitoring and evaluation process, including estimation of resources needed
- Delivery of a lasting mechanism to exchange information between Member States.
- Involvement of relevant stakeholders/stakeholder groups
- Description of the experience gained in the development of a common approach to Maritime Spatial Planning in a cross-border context

2/ Report on the process of developing cross-border Maritime Spatial Planning

Output indicators

- Description of specific needs and challenges of the MSP process in the cross-border area(s)
- Accurate description of procedural steps followed within the development of cross-border MSP
- Description of methodology developed
- Description of experience and best practice in applying the requirements of the Directive on Maritime Spatial Planning.

<u>Result indicators</u>	<ul style="list-style-type: none"> • Set-up of consistent and lasting mechanism to ensure cross-border planning at sea-basin level • Carrying out of an evaluation of best practices for MSP in the cross-border area(s) • Description of the effectiveness of the applied methodology to develop MSP. • Description of stakeholder involvement in cross-border MSP • Delivery of the identification of additional requirements and gaps
3/ Management and coordination	
<u>Output indicators</u>	<ul style="list-style-type: none"> • Number of coordination meetings organised by project Partners for the period of the project • Production of adequate documentation of organisation and cooperation mechanisms.
<u>Result indicators</u>	<ul style="list-style-type: none"> • Description of strengthened cross-border cooperation on MSP
4/ Communication and Dissemination	
<u>Output indicators</u>	<ul style="list-style-type: none"> • Number of reports about model cross-border maritime spatial plans • Number of articles in relevant media • Number of relevant events participated in (with presentations/stands about the project activities)
<u>Result indicators</u>	<ul style="list-style-type: none"> • Description of knowledge and experience that can be transferred from the project results • Number of results discussed in the relevant international fora (e.g. Regional Sea Conventions other than project Partners, RAC)

2.4.3. *Durability and visibility of the project's results*

One of the basic requirements of any public funded project is to demonstrate at the application stage that the planned results to be achieved within the project will not be lost at the end of the funding period. Therefore, it is suggested that applicants explain how they envisage the durability of their project's achievements in section 2.1 of the application form. In that context, due consideration should be given to the requirements of the Directive and how the project will help implementation in the long term.

For communication and dissemination of information, the project may have a website where core information on the project is available (e.g. objective, Partners, activities, main outputs, such as good practice guides).

2.5. Partnership

2.5.1. *Steering Committee*

The proposed governance structure should include a Steering Committee chaired by the Lead Partner which will provide the overall steering of the project. It will review the work plans and report, review the progress, accept deliverables and take decisions regarding the implementation. The European Commission and representatives of Member States where the project takes place should participate in the Steering Committee, as well as an adequate representation of the Partners involved.

Ideally, it should meet at least three times during the duration of the project at intervals of no more than 6 months.

The steering committee usually sets up and implements a monitoring and evaluation system in order to carry out its tasks. The progress towards the achievement of the project's objectives is assessed mainly through the output and result indicators. The monitoring system can also cover the following issues:

- Effectiveness and efficiency of implementation: is the project progressing in line with the initial time plan presented in the application form? Is the budget plan being implemented and are allocations per budget categories being observed? How do the project's achievements relate to the encountered expenditure (costs/benefits)?
- Quality of the management and coordination: are management and coordination procedures efficient and are the resources used in this process sufficient?

In parallel to the steering committee, other coordination bodies (e.g. task forces, advisory groups) may also be established to coordinate the day-to-day running of the project, to fulfil specific tasks or to carry out certain activities. It is, however, recommended that the coordination and management procedures remain as transparent and simple as possible.

The above monitoring and decision-making processes must be clearly documented in the project application. The inclusion of a chapter describing specific working arrangements is recommended. In order to allow for appropriate discussion and feedback on the project execution, the Lead Partner may want to include provisions for regular contact with the Commission, including a kick-off meeting.

2.5.2. *Partnership composition*

For the purpose of this Call, in Lot 1, the Black sea is understood as the area covered by the Convention on the Protection of the Black Sea against Pollution. In Lot 2, the Baltic Sea is understood as the area covered by the Convention on the Protection of the Marine Environment of the Baltic Sea Area. In Lot 3, the North Sea is understood as the Greater North Sea as defined by Convention for the Protection of the Marine Environment of the North-East Atlantic.

The project must be managed in a Partnership where the Partners are public authorities or bodies of at least two coastal EU Member States. The Partnership may also include the relevant regional sea conventions as Lead Partners or Partners. Applicants need to demonstrate their public status in the application on the basis of a legal document.

Participation of Partners which are relevant for the implementation of the Directive on Maritime Spatial Planning is recommended, as well as a balanced representation of Member States involved. This should be reflected in the involvement of Partners in the project's activities and through their respective financial contribution. The budget of a Partner must also be in line with the level of costs in the relevant country. Any major differences between the budgets of the Partners must be clearly justified in the application form.

The core project Partnership can only involve contributing Partners. However, it is possible for other relevant parties to participate with an observer status, e.g. public authorities or bodies from non EU Member States, EU Member States from different sea basins than the Mediterranean Sea or the Black Sea or other regional or international organisations active in the area. Observer status in this context means that participation in any project activity or project meetings will be on observers' own expenses (e.g. travel costs for observers are not eligible under this project). Furthermore, observers will not receive any European Union co-financing and will not join or sign any statements.

Any organisation that contributes to the implementation of the project and receives European Union funding has to be listed as a formal Partner of the project. In all other cases, any form of participation in the project would be considered as sub-contracting by one of the formal Partners and therefore requires the respect of national and European procurement rules and a full payment from the Partner on the basis of a contract and invoices (see further details on external expertise and services in section 11.4.3.5 below).

2.5.3. Role of the Lead Partner

The project must follow the so-called Lead Partner principle, which means that among the number of Partners who carry out the project, one is appointed to act as Lead Partner and thus forms the link between the project Partners and the European Commission.

Moreover, the Lead Partner is responsible for management, communication, implementation and coordination of activities amongst the Partners.

In particular, the Lead Partner:

- a. Signs and submits the application form on behalf of the Partnership,
- b. Should the project be approved, signs a Grant Agreement with the European Commission for the total amount of the grant;
- c. Obtains a power of attorney in writing from each project Partner (see further details in section 2.5.5. below);
- d. Has full responsibility for ensuring that the project is implemented in accordance with the agreement;
- e. Agrees the grant rules with the other Partners, respecting the EU grant rules established under the call and under the Grant Agreement;
- f. Is responsible for the division of tasks among the Partners involved in the project and ensures that these tasks are subsequently fulfilled in compliance with the application form and the Grant Agreement;

- g. Is the intermediary for all communication between the Partners and the European Commission. Any claims that the Commission might have in respect of the Grant Agreement shall be addressed to, and answered by, the Lead Partner, save where specifically stated otherwise in the Grant Agreement;
- h. Ensures an efficient internal management and control system;
- i. Is responsible for supplying all documents and information to the Commission which may be required under the Grant Agreement, in particular in relation to the requests for payment. The Lead Partner shall not delegate any part of this task to the Partners or to any other party. Where information from the Partners is required, the Lead Partner shall be responsible for obtaining and verifying this information and for passing it on to the Commission;
- j. Informs the Partners of any event of which the Lead Partner is aware that is liable to substantially affect the implementation of the project;
- k. Makes certain that the project reports timely and correctly to the European Commission;
- l. Makes the appropriate arrangements for providing the financial guarantee or the joint guarantee of the Partners participating in the project, when requested;
- m. Informs the Commission of transfers between headings of eligible costs;
- n. Establishes the payment requests on behalf of the Partners, detailing the exact share and amount assigned to each Partner, in accordance with the agreement, the estimated eligible costs as foreseen in the agreement, and the actual costs incurred;
- o. Where designated the sole recipient of payments on behalf of all of the beneficiaries, ensures that all the appropriate payments are made to the Partners without unjustified delay and shall inform the Commission of the distribution of the Commission's financial contribution between the Partners and of the date of transfer;
- p. Is responsible, in the event of audits, checks or evaluations, for providing all the necessary documents, including the accounts of the Partners, the original accounting documents and signed copies of sub-contracts, if any have been concluded by the Partners.

The full administrative responsibility for the project therefore lies with the Lead Partner. In order to ensure the implementation of these tasks, the Lead Partner has to set up an efficient and reliable management and coordination system. For this purpose, it is recommended that the following be appointed:

- a coordinator

The coordinator is responsible for the organisation of the project's work. The coordinator should be qualified in European project management, as well as in the thematic priority of the project. The coordinator should be able to act as a driving force in the Partnership and to mobilise the Partners in order to achieve the objectives laid down in the application within the given time.

– a financial manager

The financial manager is responsible for the accounts, financial reporting and the internal handling of EU funds and national co-financing. The financial manager should work in close contact with the coordinator, the controllers and the Partners in order to enable efficient financial management of the project. The financial manager should be familiar with accounting rules, international transactions, EU and national legislation for the management of EU funds, public procurement and financial control.

The coordinator and financial manager should be fluent in English which should be used for all communication with the European Commission and other bodies involved in the programme management.

2.5.4. *Role of the Partners*

The Partners shall:

- a) Provide the Lead Partner with a power of attorney in writing (see further details in section 2.5.5. below);
- b) Forward to the Lead Partner the data needed to draw up the reports, financial statements and other documents eventually provided for in the Grant Agreement including its Annexes;
- c) Ensure that all information to be eventually provided to the Commission is sent via the Lead Partner, save where the Grant Agreement specifically stipulates otherwise;
- d) Inform the Lead Partner immediately of any event liable to substantially affect or delay the implementation of the project of which they are aware;
- e) Inform the Lead Partner of transfers between headings of eligible costs;
- f) Provide the Lead Partner with all the necessary documents in the event of audits, checks of evaluations.

2.5.5. *Arrangements between Partners*

The Partners shall agree upon appropriate arrangements between themselves for the proper performance of the project. At the time of submission of the application, the Partners are deemed to have concluded an internal cooperation agreement regarding their internal operation and coordination. The cooperation agreement shall include all

aspects necessary for the management of the Partners and the implementation of the project.

The Grant Agreement binds the Lead Partner and the Partners in the terms expressed under the power of attorney provided by each Partner to the Lead Partner and inter alia in the terms and conditions expressed in the application form and in accordance with the provisions of the present Call.

All Partners shall confer powers of attorney to the Lead Partner through a Mandate signed for that purpose¹⁸. The mandate shall empower the Lead Partner to act on the Partners' behalf in the context of the Grant Agreement with plenipotentiary powers.

The empowerment Mandate shall not compromise or change in any manner the Lead Partner's and the Partners' rights and obligations, notably including those of a financial nature, within the context of the Call.

3. TIMETABLE

	Stages	Date and time or indicative period
a)	Publication of the call	August 2014
b)	Deadline for submitting applications	14/11/2014 – 16.00
c)	Evaluation period	November-December 2014
d)	Information to applicants	January 2015
e)	Signature of grant agreement or notification of grant decision	January 2015
f)	Starting date of the action/ work programme	February 2015
g)	Duration of the project	24 months

4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of projects is estimated at 6,370,000€.

This Call is subdivided in three lots. The budget earmarked for the co-financing of each Lot is estimated as follows:

- Lot 1, Black Sea: 2,123,000€
- Lot 2, Baltic Sea: 2,123,000€
- Lot 3, North Sea: 2,124,000€

¹⁸ A template for this Mandate is included as Annex IV to the draft grant agreement published together with this Call.

Only one project per Lot will be awarded a Grant in the context of the present Call.

The Commission reserves the right not to grant a financial contribution for proposals deemed not to comply with the exclusion, selection, eligibility and/or award criteria as set out in chapter 5, 6, 7, 8 and 9 in this Call.

5. ADMISSIBILITY REQUIREMENTS

- Applications must be sent no later than the deadline for submitting applications referred to in section 3.

Failure to comply with that requirement will lead to the rejection of the application.

6. ELIGIBILITY

6.1. Eligibility criteria

Proposals will only be evaluated if they comply with the following eligibility criteria:

- All documents mentioned in section 14 of this Call are submitted.
- The project must address the objectives defined in section 2.1 above and meet the requirements of this Call.
- Proposals must be submitted and implemented by Partners who are public authorities or bodies of at least two coastal Member States, possibly including Regional Sea Conventions.
- Only a proposal submitted by one Lead Partner will be considered eligible.
- Proposals should involve relevant authorities at the appropriate level (international, national and/or regional) engaged in marine activities that involve spatial implications in the selected sea area(s).
- Proposals should demonstrate their added-value in terms of supporting the implementation of the Directive on Maritime Spatial Planning adopted by the European Parliament and the Council.
- Proposals should demonstrate their added-value in launching or developing cooperation on MSP at sea-basin level. They should demonstrate the cross-border nature of the proposed project, inter alia through the proposed Partnership composition and the selected sea area(s) which must be characterised by multiple and cross-border maritime uses (existing or potential).
- Proposals should demonstrate the quality of the partnership composition in involving authorities in charge of the implementation of MSP in their Member State and related to the proportionate involvement of the partners from the Member States covered by the proposal.

6.2. Eligible applicants

Applications under this Call will only be accepted if submitted by a Lead Partner and Partners which are public authorities or bodies of Member States. Applications submitted by one or more Partners that are not a public authority or body shall not be considered eligible for a European Union Grant under this Call.

Authorities and public bodies of Member States refer to organisations that are part of the administrative structure of Member States. Each Member State is responsible for confirming the legal status of Partners located on its territory.

In order to assess the applicants' eligibility, the following supporting documents are requested:

- copy of the resolution or decision establishing the public company, or other official document establishing the public-law entity;
- in addition to the supporting documents referring to their legal status, consortium members will submit letters confirming their participation to the project.

Furthermore, and subject to European Union procurement rules (cf. Art.184 §1 and §2 of Commission Regulation No. 2342/2002 of 23 December 2002), the private sector can be sub-contracted by Partners to provide services or to assist in the implementation of certain limited activities (see further details on external expertise and services in section 11.4.3.5 below).

7. EXCLUSION CRITERIA

7.1. Exclusion from participation:

Applicants will be excluded from participating in the call for proposals procedure if they are in any of the following situations:

- (a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) they or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of res judicata;
- (c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify including by decisions of the EIB and international organisations;
- (d) they are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the RAO or those of the country where the grant agreement is to be performed;
- (e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of res

judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such an illegal activity is detrimental to the Union's financial interests;

- (f) they are currently subject to an administrative penalty referred to in Article 109(1).

7.2. Exclusion from award:

Applicants will not be granted financial assistance if, in the course of the grant award procedure, they:

- (a) are subject to a conflict of interest;
- (b) are guilty of misrepresentation in supplying the information required by the Commission as a condition of participation in the grant award procedure or fail to supply this information;
- (c) find themselves in one of the situations of exclusion, referred to in section 7.

Administrative and financial penalties may be imposed on applicants, or affiliated entities where applicable, who are guilty of misrepresentation.

7.3. Supporting documents¹⁹

Applicants must sign a declaration on their honour certifying that they are not in one of the situations referred to in articles 106(1) and 107 to 109, filling in the relevant form attached to the application form accompanying the call for proposals.

8. SELECTION CRITERIA

Applicants must have the economic, financial, technical and professional capacity required to implement and complete the proposed project. The application must demonstrate the legal status of the applicants and their combined economic, financial, technical and professional capacity to carry out the proposed project.

9. AWARD CRITERIA

Eligible applications/projects will be assessed on the basis of the following criteria:

The Grant will be awarded to the proposal which reaches the highest score on the basis of the following award criteria and which demonstrates efficiency and cost-effectiveness. A maximum of 100 points will be awarded for the quality of the proposal. The minimum overall score required is 60 points. The criteria for the assessment of the quality are:

- **Relevance** (minimum required 10 points - maximum 20 points): Applicants should describe how they understand the objectives of the project, how their proposal addresses these objectives and to which extent the project will have an impact in relation to existing and future implementation of MSP in the sea

¹⁹ Art. 197 RAP

basin and at national level. In that context, proposals involving a maximum of Member States bordering the same sea-basin will be considered particularly relevant.

- **Added value** (minimum required 10 points - maximum 20 points): Applicants should demonstrate that the project would add to the existing knowledge and experience relevant for the development of an efficient mechanism for MSP within the EU. Applicants should also demonstrate the added-value brought by the project to the implementation of the Directive on Maritime Spatial Planning in the Member States where the project takes place. The involvement of the authorities in charge of implementing MSP and/or the Directive on MSP is a clear added-value.
- **Methodology** (minimum required 7.5 points - maximum 15 points): Applicants should describe their proposed working methodology to achieve a timely and successful implementation of the project. In particular, applicants should provide a detailed timetable/work plan. Applicants should give particular consideration to the set-up of a lasting mechanism for cross-border cooperation and to the issue of data and describe how they will ensure:
 - access to the data necessary to implement their planning;
 - long-term use of the data collected through the project
 - exchange of data required for MSP between the participants in the project
 - an analysis of the main challenges for such data exchange (e.g. legal, administrative or technical obstacles).
- **Means of implementation of the project** (minimum required 7.5 points - maximum 15 points): Applicants should demonstrate that the resources (personnel, equipment, financing, etc.) that will be mobilised are adequate to achieve a timely and successful implementation of the project. In particular, applicants should demonstrate that their implementation means are cost-effective.
- **Project management** (minimum required 7.5 points - maximum 15 points): Applicants should demonstrate that the organisation and management structure proposed for the project are sufficient to achieve the required quality, meet the deadlines, establish a real Partnership and bring added-value to Member States' implementation of MSP.
- **Dissemination and visibility** (minimum required 7.5 points - maximum 15 points): Applicants should describe their dissemination plan and how they intend to ensure that the results of the project are used optimally by others not participating in it.

10. LEGAL COMMITMENTS

In the event of a grant awarded by the Commission, a grant agreement, drawn up in euro and detailing the conditions and level of funding, will be sent to the beneficiary, as well as the procedure in view to formalise the obligations of the parties. The 2 copies of the original agreement must be signed by the beneficiary on behalf of the consortium and returned to the Commission immediately. The Commission will sign it last.

Submission of a grant application implies acceptance of these General Conditions. These General Conditions bind the beneficiary to whom the grant is awarded and shall constitute an annex to the Grant Decision.

Please note that the award of a grant does not establish an entitlement for subsequent years.

11. FINANCIAL PROVISIONS

11.1. General Principles

a) Non-cumulative award

An action may only receive one grant from the EU budget.

In no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate the sources and amounts of Union funding received or applied for the same action or part of the action or for its functioning during the same financial year as well as any other funding received or applied for the same action.²⁰

b) Non-retroactivity²¹

No grant may be awarded retrospectively for actions already completed.

A grant may be awarded for an action which has already begun only where the applicant can demonstrate the need to start the action before the grant agreement is signed or the grant decision is notified. In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application

c) Co-financing

Co-financing means that the resources which are necessary to carry out the action or the work programme may not be entirely provided by the EU grant.

Co-financing of the action or of the work programme may take the form of:

- the beneficiary's own resources,
- income generated by the action or work programme,
- financial contributions from third parties.

²⁰ Art. 196.4 RAP.

²¹ Art. 130 FR

d) Balanced budget

The estimated budget of the action or work programme is to be attached to the application form. It must have revenue and expenditure in balance.

The budget must be drawn up in euros.

11.2. General information on budget and eligibility

Eligible costs shall comply with general eligibility criteria for European Union Grants, i.e. costs shall be:

- Actually incurred by the Partners during the duration of the project,
- Properly budgeted and included in the estimated budget of the project,
- Necessary to the fulfilment of the project's objectives and
- Identifiable and verifiable.

It is important that projects consider financial issues from the very beginning. This approach requires the involvement of all project Partners in the preparatory work during the development phase of the project application. Time invested prior to the submission of the application results in strong Partnerships with clear responsibilities and well-justified budget allocations. Good preparation is fundamental to ensuring a prompt start to the project's activities after approval, as well as smooth project implementation thereafter.

It is useful to estimate the funds potentially available and to take into account the recommendations for a reasonable project budget. The overall budget should be reasonable compared to the activities planned, the project's duration and the number of Partners involved. In particular, this implies that the detailed budget should always be prepared on the basis of the activities needed to meet the project's objectives and the resources required to carry out these activities within the time allowed.

The application form only requires a budget to be presented by budget line and component and a payment forecast for the whole Partnership. However, the European Commission recommends every project to develop a split by budget line, component and six-month period by each Partner, as several countries will require these details for first level control purposes. In addition, it will then be easier for the Lead Partner to construct the budget for the whole Partnership for the application form and to monitor Partners' performance throughout the implementation phase.

11.3. Eligibility period

The project's duration for each Lot is 24 months after the signature of the Grant Agreement by the last party. The project shall start and costs are eligible from the first day following the date when the last party signs the Agreement (see article I.2 of the Grant Agreement).

It is important to take into consideration that products and/or services must be delivered within the duration of 24 months in order to be eligible. Certain costs related to the closure of the Grant Agreement – such as those incurred on final reports and audit certificates – may be incurred after the duration of the Agreement.

Applications for projects scheduled to run for a longer period than that specified in this call for proposals will not be accepted.

11.4. Financing

Mixed financing grants are calculated on the basis of a detailed estimated budget indicating clearly the costs that are eligible for EU funding. The grant amount may neither exceed the eligible costs nor the amount requested. Amounts are indicated in euros.

11.4.1. *Maximum amount requested*

The EU grant is limited to a maximum co-funding rate of 80 % of **eligible costs** taking into account the maximum grant amount referred to in section 4.

Consequently, part of the total eligible expenses entered in the estimative budget must be financed from sources other than the EU grant (see section 11.1c).

Only one co-financing rate will be applicable for the entire Grant, which shall be agreed between the European Commission and the Lead Partner. The Lead Partner shall have powers of attorney granted from all Partners, this meaning that legal and financial commitments entered into by the Lead Partner shall be binding to all Partners.

11.4.2. *The budget lines*

The budget table in the application form (Annex 6) provides for a sub-division into the following budget lines for the direct eligible costs:

- staff
- equipment
- external experts
- other implementation contracts
- other eligible costs (publication, travel, subsistence and accommodation, translation and interpretation, and other costs to be specified by the applicants).

It is possible to share costs between the Partners. However, **it is important to note that the procedure for sharing costs and reporting them should always be checked with the controllers of each individual Partner concerned (who will certify these costs).** Moreover, reporting shared costs has sometimes proved to be difficult. Some national auditors may refuse to accept the sharing of staff and administration costs. **It is therefore**

recommended to limit the shared costs to the costs falling within the scope of the budget line “external expertise and services” which can be more easily reported in a transparent way. (Cf. section 12.3.3 below for further details on reporting shared costs.)

11.4.3. Eligible costs

Eligible costs are costs actually incurred by the beneficiary of a grant which meet all the following criteria:

- ✓ they are incurred during the duration of the action or of the work programme, with the exception of costs relating to final reports and audit certificates;

The period of eligibility of costs will start as specified in the grant agreement or the grant decision.

If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the grant is awarded. Under no circumstances can the eligibility period start before the date of submission of the grant application (see section 11.1b).

- ✓ they are indicated in the estimated budget of the action or work programme;
- ✓ they are necessary for the implementation of the action or of the work programme which is the subject of the grant;
- ✓ they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- ✓ they comply with the requirements of applicable tax and social legislation;
- ✓ they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action/project with the corresponding accounting statements and supporting documents.

11.4.3.1. Eligible direct costs

The eligible direct costs for the action are those costs which, **with due regard for the conditions of eligibility set out above**, are identifiable as specific costs directly linked to the performance of the action or the work programme and which can therefore be booked to it directly, such as :

- the costs of personnel working under an employment contract with the applicant or equivalent appointing act and assigned to the action, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in line with the applicant's usual policy on remuneration. Those costs may include additional remuneration, including payments on the basis of supplementary contracts regardless of their nature, provided that it is paid in a consistent manner whenever the same kind of work or expertise is required and independently from the source of funding used;

- costs of the personnel of national administrations to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken;
- subsistence allowances (for meetings, including kick-off meetings where applicable, conferences etc) provided that these costs are in line with the beneficiary's usual practices,
- costs of travel (for meetings, including kick-off meetings where applicable, conferences etc), provided that these costs are in line with the beneficiary's usual practices on travel,
- costs of consumables and supplies, provided that they are identifiable and assigned to the action/project;
- costs entailed by implementation contracts awarded by the beneficiaries for the purposes of carrying out the action/project, provided that the conditions laid down in the grant agreement or grant decision are met;
- costs arising directly from requirements linked to the implementation of the action/project (dissemination of information, specific evaluation of the action, translations, reproduction);
- costs relating to a pre-financing guarantee lodged by the beneficiary of the grant, where required;
- costs relating to external audits where required in support of the requests for payments;

11.4.3.2. Eligible indirect costs (overheads)

A flat-rate amount of 7% of the total eligible direct costs of the action, is eligible under indirect costs, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action/project.

Indirect costs may include may include items such as:

- stationery
- photocopying
- mailing
- telephone, fax and Internet
- heating, electricity
- office furniture, maintenance
- office rent
- other administration expenditure absolutely necessary for the successful completion of the project and clearly resulting from project implementation.

Indirect costs may not include costs entered under another budget heading.

Applicants's attention is drawn to the fact that in the case of organisations receiving an operating grant, indirect costs are not eligible under specific actions.

11.4.3.3. Contributions in kind

Contributions in kind are not considered as eligible expenditure.

11.4.3.4. Staff costs

This section concerns the cost of staff assigned to the project, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the beneficiary's usual policy on remuneration (see article II.14.2 of the Grant Agreement).

Staff costs must be calculated on the basis of the actual daily salary/fee of the employee/service provider, multiplied by the number of days worked on the project. Where applicable, this figure must include all the usual contributions paid by the employer, such as social security contributions, but must exclude any bonuses, incentive payments or profit-sharing schemes. Data have to be given for each person working on the project either for the Lead Partner or for a Partner.

Expenses relating to civil servants and personnel employed by public authorities in general are not considered eligible costs. This is also the case for any such person employed on a permanent basis by the applicant Partner and who contributes to the project implementation by accomplishing for tasks that are part of his/her normal routine.

Exceptions:

However, the costs of personnel in charge of implementing the project or parts of it may be considered eligible, if:

- A person is contracted by the Lead Partner or by one of the Partners solely for the purpose of implementing the project (part of the eligible costs);
- A person is employed on a permanent basis by the Lead Partner or by one of the Partners, and will fulfil tasks specifically linked to the implementation of the project on the basis of overtime remuneration (part of the eligible costs);
- A person is employed on a permanent basis by the Lead Partner or by one of the Partners, seconded by a duly documented decision of the organisation to tasks that are specifically linked to the implementation of the project and do not form part of his/her normal routine (part of the eligible costs);
- A person is employed on a permanent basis by the Lead Partner or by one of the Partners, seconded by a duly documented decision of the organisation to tasks that are specifically linked to the implementation of the project and that will be allocated to the project on the basis of a clear and verifiable method (timesheets).

The salaries and working conditions of the personnel engaged in this project shall respect EU labour and social legislation. Costs deemed to be excessive or reckless will not be considered eligible.

11.4.3.5. External experts and other implementation contracts

The term “external experts and other implementation contracts” is applied to expenses paid by the Partners on the basis of:

- contracts, and
- invoices/request for reimbursement

to external service providers who carry out certain tasks or assist in the implementation of certain limited activities for the project because the Partners lack the resources to carry them out themselves. These might include, for example:

- External project coordination or financial management;
- External independent financial control (in compliance with country specific control requirements);
- Website design and hosting;
- Drafting, lay out, printing of promotion material such as newsletters;
- External event organisation;
- Meeting room rental and catering;
- Interpretation/translation;
- Studies and surveys.

It may also include the cost of external speakers in project meetings and events if:

- the added-value of their participation and payment of their costs by the Partners can be clearly demonstrated and
- the cost will be definitively paid and borne by Partners officially listed in the application form.

There are no fixed rates or ceilings established for budgeting and reporting external expertise and service costs. Sub-contracting, must satisfy the conditions applicable to any implementation contract:

- In the event of procurement exceeding € 60 000, the beneficiary must abide by special rules as referred in the grant agreement annexed to the call. Moreover the beneficiary is expected to clearly document the tendering procedure and retain the documentation for the event of an audit.
- Entities acting in their capacity of contracting authorities in the meaning of Directive 2004/18/EC²² or contracting entities in the meaning of Directive

²² Directive 2004/18/EC on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts.

2004/17/EC²³ shall abide by the applicable national public procurement rules.

It should be noted that the main beneficiaries of the project must be the Partners themselves (i.e. the organisations listed in the application form). **Therefore, it is recommended that the budget dedicated to external expertise and services does not exceed 25% of the total eligible budget.** If there were compelling reasons to exceed this threshold, they should be properly documented in the application.

The external expertise or service has to be justified and specified as precisely as possible in the application form. Obviously these costs must also be clearly in line with the activities described in the work plan. In particular, the following elements should be described: the nature of the expertise or service (see examples in the list above), the Partner responsible for sub-contracting, the budget and the Partners with whom the costs are to be shared (if applicable).

11.4.3.6. Equipment

This budget line refers to the purchase by the Partners of equipment necessary for the successful implementation of the project. In the context of this Call, this category refers to IT equipment such as a computer or a printer necessary for project coordination and financial management purposes. These purchases must respect public procurement rules. The most economic type of equipment should be chosen. The equipment features/functions should be in line with the actual context of use. Eligible equipment costs shall be calculated by depreciating the cost of the equipment, by applying national accounting regulations (see article II.14.2 of the Grant Agreement).

As the purchase of equipment cannot be a core element in this project, it should remain exceptional and, if it is necessary, **it should not exceed 5% of the total eligible costs.**

²³ Directive 2004/17/EC coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

Reporting equipment costs

For equipment items that have been initially planned in the application form it must be ensured that the items:

- have not already been financed by other subsidies (e.g. EU, national or regional),
- have not already been depreciated and
- are not already included as indirect costs in another category such as the administration budget line.

Generally, the purchase should be made well before the end of the project.

The amount for equipment must reflect the actual use of these items in the context of the project. If it is not exclusively used for project purposes, only a share of the actual cost can be allocated to the project. This share shall be calculated according to a fair, justified and equitable method.

An inventory of the purchased items, as well as the documentation of the method for reporting them (single declaration or depreciation, full or partial use for the project) shall be kept for accounting, control and audit purposes.

The equipment budget must be specified as precisely as possible in the application form. In particular, the nature of the equipment to be purchased, the Partner responsible for this purchase and the budget must be provided.

11.4.3.7. Travel and subsistence costs for project staff

This section concerns costs incurred on project staff and excludes costs related to conferences and seminars.

Only travel and subsistence costs directly linked to the project and relating to specific and clearly identifiable activities are eligible for European Union funding. Any travel to places other than those where the members of the Partnership are located must be relevant to the project.

Potential travels outside the European Union are subject to a prior written authorisation by the Commission, except when it has been included in the application.

Allowable travel costs under the agreement will be the real travel costs. It is required to use the cheapest means of travel, and to make every effort to use the most economical fare.

Expenses for car travel, where substantiated and where the price is not excessive, will be refunded as follows:

- For private vehicles: on the basis of the declaration with a maximum corresponding to 1st class rail fare (only the price of one ticket will be reimbursed, regardless of the number of people travelling in the same vehicle).

- For hired cars (maximum category B or equivalent) or taxis: the actual cost where this is not excessive compared with other means of transportation.

The subsistence allowances for staff taking part in the project shall be calculated on the basis of daily allowances or real costs. They should be in line with the beneficiary's usual practices on travel costs. The subsistence costs (i.e. per diem expenses) may not exceed the daily allowance or per diem per person set and applied by the organisation to which the person travelling belongs or the maximum per diem expenses per person applied in the framework of EC-funded external aid contracts, whichever is the lowest. The latter maximum per diem expenses, covering accommodation, meals, local travel within the place of mission and sundry expenses, can be consulted using the following link:

http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm

11.4.3.8. Other eligibility considerations

The following points should be highlighted (see article II.14 of the Grant Agreement).

a) VAT

VAT does not constitute eligible expenditure unless the Partner/beneficiary can show that he is unable to recover it according to the applicable national legislation. VAT paid by public bodies is not an eligible cost.

b) Financial Charges

Charges for transnational financial transactions are eligible but interest on debt is not. If the implementation of the project requires a separate account to be opened, the bank charges for opening and administering the account shall also be eligible. Fines, financial penalties and foreign exchange losses are not eligible.

c) Revenue

If the project generates revenue for example through services, conference participation fees, sales of brochures or books, it must be deducted from the European Union Grant (*non profit rule*) in full or pro-rata depending on whether it was generated entirely or only partly by the co-financed project.

d) Expenditure already supported by other EU or other national or regional subsidies

Expenditure which is already co-financed from another EU-funding source is not considered to be an eligible cost in the context of the project. If an expenditure item is already fully supported by another national or regional subsidy, it is also not considered eligible as it would result in double-financing. In the case of partial subsidy by national or regional sources, the cost can be considered as eligible only if the national or regional subsidy does not exceed the national co-financing share for that expenditure. In this case, the national or regional funding institution should also be notified to ensure compatibility.

11.4.4. *Ineligible costs*

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;
- costs of transfers from the Commission charged by the bank of a beneficiary;
- costs declared by a beneficiary and covered by another action receiving a European Union grant. In particular, indirect costs shall not be eligible under a grant for an action awarded to a beneficiary who already receives an operating grant financed from the Union budget during the period in question;
- excessive or reckless expenditure.
- others (in accordance with the relevant legal base).

11.4.5. *Calculation of the final grant amount*

The final amount of the grant to be awarded to the beneficiary is established after completion of the action or work programme, upon approval of the request for payment containing the following documents²⁴:

- a final report providing details of the implementation and results of the action;
- the final financial statement of costs actually incurred.

11.5. *Payment arrangements*²⁵

11.5.1. *Pre-financing payment*

A pre-financing payment²⁶ corresponding to 30% of the grant amount will be transferred to the beneficiary within 30²⁷ days of the date when the last of the two parties signs the agreement.

11.5.2. *Interim payments*

Any request for interim payment shall be accompanied by the Interim Report (cf. section 12.2.1) and by a financial statement, including a consolidated statement and a breakdown between each Partner, as specified in Article II.15.3 in the Grant Agreement, and by the controller's confirmation of expenditure.

²⁴ Art. 135 FR

²⁵ Art. 90, 135 FR, 207 RAP.

²⁶ Art. 109, 110 RAP

²⁷ Art. 92 FR

11.5.3. Final payment

The Commission will establish the amount of the final payment to be made to the beneficiary on the basis of the calculation of the final grant amount (see section 11.4.5). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the Commission through a recovery order²⁸.

12. PROJECT IMPLEMENTATION

12.1. Grant Agreement and Financial Liability

12.1.1. Grant Agreement

Should the project be selected for funding, a Grant Agreement between the European Commission and the project's Lead Partner will be concluded. The Grant Agreement shall determine the tasks and responsibilities of Partners and the rights and responsibilities of the Lead Partner and the European Commission, the scope of activities to be carried out, the terms of funding, the requirements for reporting and financial controls, etc.

A model of the Grant Agreement is available on the relevant Commission website: http://ec.europa.eu/dgs/maritimeaffairs_fisheries/contracts_and_funding/calls_for_proposals/index_en.htm

12.1.2. Financial liability

The Partners agree to be irrevocably and unconditionally, jointly and severally liable for any amount due to the Commission by one of them which could not be honoured by the latter. The amount due to the Commission will not exceed the maximum value of the contribution that could be granted to the Partners, increased where applicable by interest on late payment.

The Partners are not jointly responsible for financial penalties which could be imposed on any defaulting Partner.

12.1.3. Start date of the project

The projects should be ready to start implementation on the first day following the date when the last party signs the Grant Agreement. As an indication, the project should be able to start **by 1 March 2015**; however, the exact timing can only be fixed once the Grant has been awarded.

²⁸ Art. 109, 110 RAP

12.2. Reporting

12.2.1. *Deadlines and contents of reports*

Project implementation is subdivided into six-month reporting periods running from the date of the signature of the Grant Agreement:

- After each of the first, second and third six-month periods, an Interim Report must be submitted to the European Commission.
- At the end of the project, a Final Report covering the whole period of the project must be submitted to the European Commission.

Interim Reports and the Final Report must be sent to the Commission both electronically as well as in paper form within three months after the end of the reporting period.

Interim Reports and the Final Report must be self-standing and easily readable documents that enable the Commission to verify the progress in reaching the objectives of the project and to learn about difficulties encountered. It should be clear from the report where the project stands in relation to the initial planning, what actions have been carried out, what the results from these actions have been and, in the case of interim reports, what are the planned next steps. Given that one of the objectives of the project is to identify potential barriers to cross-border MSP, it is essential that the reports also explain difficulties and obstacles in the implementation of the project. It is recommended to use the elements that are listed in section 2.3. for structuring the Reports, as well as the indicators in section 2.4.2.

In addition, the Lead Partner must submit on behalf of project Partners a monthly two-page progress report, summarising actions taken in the previous month and the ones foreseen in the next month. For these monthly progress reports, electronic submission to the Commission is sufficient.

12.2.2. *Financial reporting procedure*

If accompanied by a request for payment, the Interim and Final Reports shall include a financial statement, containing financial information related to the project's implementation and shall also include the **controller's confirmation of expenditure**. The paper version has to carry the signature and stamp of the Lead Partner.

The reporting procedure can be summarised as follows:

- a) Each Partner sends a report to the Lead Partner within the deadlines agreed with the Lead Partner and ensures that their part of the reported activities and expenditure has been independently verified by a duly qualified auditor in compliance with the Member State's specific requirements.
- b) On the basis of each individual report, the Lead Partner compiles the joint Interim Report for the whole Partnership.
- c) The Lead Partner's auditor performs the checks on the Lead Partner's activities and expenditure, and verifies that the information provided by the Partners has

been checked and confirmed by an independent body in compliance with the Member State's specific control requirements and that the Partner's information has been accurately reflected in the joint Interim Report.

- d) For the audit trail, the Lead Partner retains the input to the Interim Report received from the Partners.
- e) The Lead Partner submits the Interim Report and a request for payment to the European Commission, which checks it and if necessary sends clarification requests to the Lead Partner. Once all points have been clarified, the Interim Report is approved.
- f) The Lead Partner transfers the funds to the Partners.

12.2.3. *Accounting for project expenditure*

Financial reporting from the Lead Partner to the European Commission must be made in EUR. Any conversion of actual costs into EUR shall be made at the monthly accounting rate established by the Commission and published on its website²⁹ applicable on the day when the cost was incurred.

The Lead Partner and the Partners must ensure that all accounting documentation related to the project is available and filed separately, even if this leads to a dual treatment of accounts (for example, if it is necessary to file accounting documents centrally). It is the Lead Partner's responsibility to ensure an adequate audit trail which implies that the Lead Partner has an overview of:

- who paid
- what was paid and
- who verified
- where the related documents are stored

The Lead Partner must ensure that all Partners store the documents related to the project in a safe and orderly manner for a minimum period of five years after the payment of the final balance by the European Commission. Other, possibly longer, statutory retention periods, as might be stated by national law, remain unaffected. The documents are archived either as originals or as certified copies on commonly used data media (in compliance with national regulations). If deemed appropriate, the Lead Partner may ask for copies of accountancy documents from the Partners.

²⁹ http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm

Accounting documents

The following list gives an overview of the documents that should be available for financial control and audit purposes and retained for a minimum period of five years after the payment of the final balance by the European Commission:

- approved application form
- Grant Agreement, Partnership agreement
- relevant project correspondence (financial and contractual)
- Interim Reports
- details on budget by Partner, list of declared expenditure by Partner
- Partners auditors' confirmations (and checklists/control reports)
- bank account statements proving the reception and the transfer of EU funds
- invoices
- bank account statements / proof of payment for each invoice
- method used by Partners outside the eurozone for converting national currency into EUR
- staff costs: calculation of hourly rates, information on actual annual working hours, labour contracts, payroll documents and time records of personnel working for the project
- list of subcontracts and copies of all contracts with external experts and/or service providers
- calculation of administrative costs, proof and records of costs included in overheads
- documents relating to public procurement, information and publicity
- public procurement notes, terms of reference, offers/quotes, order forms, contracts
- proof for delivery of services and goods: studies, brochures, newsletters, minutes of meetings, translated letters, participant lists, travel tickets, etc.
- record of assets, physical availability of equipment purchased in the context of the project.

A follow-up of the amounts of expenditure reported in the context of the project must exist in computerised form. It must be possible to clearly identify which expenditure has been allocated and reported in the context of the project and to exclude that expenditure is reported twice (in two different budget lines, reporting periods, projects/funding schemes). This clear identification is usually ensured through:

- the opening of a specific bank account for the project payments and/or
- the introduction of project specific cost-accounting codes to record project costs by budget line, component and payment date/reporting period in the accounting system and/or

- recording costs in expenditure lists by budget line, component and reporting period and/or
- noting the allocation (project title, cost share, budget line and component) on the invoices.

Expenditure can only be reported if the following principles are fulfilled:

- The calculation is based on actual costs;
- The costs are definitively borne by the Partner and would not have arisen without the project; and
- The expenditure is directly linked to the project. Costs related to activities that are not described in the application form are generally ineligible.

12.2.4. Reporting shared costs

In some cases, Partners may exceptionally decide to share costs within the Partnership (e.g. external project coordination, conference organisation, room rental, catering, website design and hosting, thematic studies, etc.). With regards to financial reporting and control of shared costs, the following procedure has to be followed:

1. Each Partner should check beforehand that their controllers agree with the foreseen shared costs.
2. One of the Partners takes on the responsibility, on behalf of the Partnership, for ordering and contracting in compliance with European, national and internal public procurement rules and for paying the expenditure on the basis of invoices or equivalent accounting documents.
3. After payment, the responsible Partner asks the own controller to confirm the total amount of shared costs (100%).
4. Upon receipt of the controller's confirmation, the responsible Partner sends a letter to the other Partners with whom costs are shared. The letter
 - Shall list the total amount paid out by the responsible Partner, each Partner's share of the cost and the calculation method used to obtain the Partners' shares.
 - Shall be accompanied by
 - the auditor's confirmation for the total amount of the shared costs (100%) paid by the responsible Partner
 - A copy of the relevant documentation* proving the eligibility and payment of the expenditure.

* For example:

- for external expertise and service costs, copies of the public procurement documentation, the

contract/agreement, the experts or service provider's invoice and a proof of payment (bank statement) for the amount paid by the Partner to the expert or service provider should be provided to each Partner sharing the cost.

- For staff costs, copies of the pay slips, information about time recording and copies of timesheets may be requested by each Partner's controllers.

5. There are then two possible ways of reporting shared costs:

- The Partners pay their shares of the cost to the Lead Partner and after reimbursement include the expenditure (the related share) in their financial report, which is then validated by their controller. This option is the most transparent one.
- The Lead Partner deducts the Partners' national co-financing share for the common cost from the EU amount after receipt of the EU funding from the European Commission and before transfer to the Partners. This is only possible if the Partners agree with their controllers and the responsible Partner that the expenditure is validated and reported by the Partners and their controllers, although the Partners have not yet paid their share to the Lead Partner.
- In both cases, it is the responsibility of each Partner to include their share of the common costs in their own financial report and to obtain confirmation from their own controllers (who can accept the shared costs by basing their opinion on the responsible Partner controller's confirmation). The European Commission strongly recommends that the Partners contact their controllers for further information and agreement on the exact procedures and on the costs that can be shared.

6. Project Partners who intend to share costs have to put down in the Partnership agreement (or in any other formal written document) the type of costs to be shared, the Partner responsible for contracting/ordering and the related payment and reporting procedure.

If Partners consider using another method for reporting shared costs, they should always consult their controllers beforehand.

12.3. Payments (see article I.5 of the Grant Agreement)

12.3.1. Controls

The main aim of the controls is to provide a guarantee for the European Commission and, importantly, to the project itself, that costs co-financed are accounted for and claimed in accordance with the legal and financial provisions of the Grant Agreement (especially the approved application form, national rules and EU regulations). It ensures that problems are spotted and dealt with before they become too important.

12.3.2. Designation of the controller

It is the responsibility of the Lead Partner to ensure that they and each project Partner designate the controllers for verifying the legality and regularity of the expenditure declared by each Partner participating in the project. In practice, this means that each Partner, including the Lead Partner must seek confirmation of the reported expenditure from a controller who is authorised by the Member State on whose territory the respective Partner is located. The controllers have to be independent and qualified to carry out the control of project expenditure.

The controllers must fulfil certain criteria in order to be considered independent. An internal controller, if admitted by the Member State, must belong to a unit which is organisationally separated from the units dealing with project activities and finances. An external controller can only be considered independent if there are no other contractual relationships with the Partner that could lead to a conflict of interest.

Concerning the qualification of the controllers, the Partners must bear in mind that the task of controlling project expenditure co-financed by the European Union goes far beyond checking the accounts: it also involves a judgment on the compliance with European Union and national legislation. In principle, there are four general models:

- I. Centralised control at MS level through a public administrative body,
- II. Centralised control at MS level through a private audit firm,
- III. Decentralised control through controllers selected by the Partner from a central short list,
- IV. Decentralised control through an internal or external controller selected by the Partner and approved at national level.

12.3.3. Role of the controller

The controllers' task is to verify that the expenditure reported by the Partner in each Interim Report fulfils the following conditions:

- The costs are eligible,
- The conditions of the programme, approved application form and Grant Agreement have been observed and followed,
- The invoices and payments are correctly recorded and sufficiently supported,
- The related activities, sub-contracted supplies and services are in progress or have been delivered or carried out
- The European Union rules have been respected especially with regard to information and publicity, public procurement, equal opportunities and protection of the environment.

The controller is responsible for the methods and techniques of the control in accordance with international and national audit standards. The controllers must be familiar with the content of the following documents in order to be able to confirm the strict compliance with the provisions laid down in:

- EU Regulations and Directives, i.e. in particular with [Directive \(EC\) No. 2004/18/EC](#) (on public procurement/the award of public works contracts, public supply contracts and public service contracts),
- Further national rules and guidance (e.g. national public procurement rules),
- The text of the Call,
- The application form,
- The Grant Agreement,
- Internal arrangements between the Partners.

The controllers must bear in mind that, when signing the control report for a certain reporting period, they are confirming the full amount of eligible expenditure. In order to have sufficient reassurance, the controllers are thus expected to check 100% of the expenditure. In only very well justified cases is sampling allowed and under the condition that the method, the scope and the results are fully documented and give sufficient evidence and reassurance to confirm the full expenditure.

The controllers must also verify that the reported activities have taken place and that the delivery of sub-contracted supplies, works and goods is in progress or has been completed. On-the-spot checks are therefore usually required in order to gain sufficient evidence and to be able to give a reasonable opinion on this matter.

12.3.4. *Specific role of the Lead Partner’s controller*

The Lead Partner’s controller must confirm that:

- Based on his/her and the project Partners’ examination the reported expenditure for the whole Partnership is correct from an accounting point of view, actually paid and eligible,
- The project expenditure is related to the project and the activities foreseen in the application form and corresponds to the delivery status of the project Partner as described in the Interim Report,
- The figures in the financial statement coming from the individual project Partners are correctly summed up,
- The input provided by the Partners was confirmed by an independent controller in respect of country specific control requirements.

On the one hand, the Lead Partner’s controller must therefore check the Lead Partner’s own direct expenditure. On the other hand, the Lead Partner controller is also asked to formulate an opinion on the other project Partners’ expenditure. This opinion can be based on the input provided by the project Partners if the Partner control confirmation has been signed off by the project Partner controller, in compliance with the Member State’s specific control requirements.

12.3.5. *Timing of control*

The Lead Partner must ensure that project expenditure can be reported within the timeframe set out in the Grant Agreement. In order to ensure timely submission, the controls at project Partner and Lead Partner level must be scheduled carefully according to the submission deadlines. In this context, the following should be taken into consideration:

- Expenditure must be reported regularly, i.e. in the reporting period where it arose³⁰,
- The project Partner's controller can only carry out the control after receipt of the complete set of documents from the Partners,
- Some project Partners' controllers have fixed time limits for carrying out the control which must be respected when the documentation is submitted (and for potential clarifications),
- The Lead Partner's controller can only carry out the work after having received the signed and stamped control documents from the Partners reporting expenditure
- The financial statements must be submitted within 3 months after the end of each reporting period and the internal reporting process therefore has to be adapted to this deadline.

12.3.6. *Control costs*

Control costs are considered to be eligible costs. Internal independent control should be included under the budget line 'staff costs' (cf. section 11.4.3.4 above); external independent control in the budget line 'external expertise and services' (cf. section 11.4.3.5 above). It is therefore advised to foresee a budget for these controls depending on the control arrangements applicable in the relevant Member State for each of the project Partners.

It is important to note that certain costs related to the closure of the project (such as costs related to final reports and audit certificates) which are incurred after the end of the finalisation month, as indicated in the approved application form, may be eligible (cf. section 11.3 above on eligibility period).

12.4. *Changes in project implementation*

According to the Grant Agreement, the Lead Partner is obliged to request approval from the European Commission if the Partnership, the activities, the duration or the budget of the project changes (see article II.13 of the Grant Agreement).

The co-finance rate cannot be modified after the Grant Agreement has been signed.

³⁰ Except in duly justified cases.

All minor changes (e.g. change in contact information, rescheduling of activities, small budget deviation) can be reported as ‘deviations’ to the European Commission through the six-month Interim Report.

Any major changes related to Partnership (e.g. drop out or replacement of Partners), to activities (e.g. extension of duration) and to budget should be avoided as far as possible. However, when duly justified, these changes may be approved by the European Commission through a ‘request for changes’ procedure (see text box below).

As a basic rule, the Lead Partner should inform the European Commission as soon as it is aware of a possible major change in their project.

‘Request for changes’ procedure

For all major changes, a ‘Request for Change’ letter has to be sent. In this letter, the Lead Partner is asked to describe briefly the requested change and provide justification. In addition, a revised version of the application form (with updates in the respective parts) must be attached.

Depending on the extent of the changes, a decision will be taken by the European Commission. The change enters into force only when the corresponding amendment to the Grant Agreement has been signed both by the Commission and the Lead Partner.

Specific flexibility rule for budget modifications: The budget in the application form should, of course, be as precise as possible. However, as projects are not static entities, changes may become necessary during project implementation. The Commission therefore accepts the following rule for budget reallocations in order to allow some budget flexibility:

The Lead Partner may, in agreement with the co-beneficiaries, when carrying out the action, adjust the estimated budget by transfers between headings of eligible costs, provided that this adjustment of expenditure does not affect implementation of the action and the transfer between headings does not exceed 10% of the amount of each heading of estimated eligible costs for which the transfer is intended, and without exceeding the total eligible costs of the action. The Lead Partner shall inform the Commission in writing (see article I.4.4 of the Grant Agreement).

12.5. Audit

The Lead Partner undertakes to provide any detailed information, including information in electronic format, requested by the Commission or by any other outside body authorised by the Commission to check that the project and the provisions of the Grant Agreement are being properly implemented. Where the Commission so wishes, it may request such information to be provided directly by a Partner.

The Partners shall keep at the Commission's disposal all original documents, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents relating to the agreement, stored on any appropriate medium that

ensures their integrity in accordance with the applicable national legislation, for a period of five years from the date of payment of the balance.

The Partners agree that the Commission may have an audit of the use made of the Grant carried out either directly by its own staff or by any other outside body authorised to do so on its behalf. Such audits may be carried out throughout the period of implementation of the Grant Agreement until the balance is paid and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Commission.

The Lead Partner and the Partners undertake to allow Commission staff and outside personnel authorised by the Commission the appropriate right of access to sites and premises where the project is carried out and to all the information, including information in electronic format, needed in order to conduct such audits. It is incumbent on both the Lead Partner and on the other project Partners to cooperate with the auditing bodies, present any documentary evidence or information deemed necessary to assist with the evaluation of the accounting documents, as well as to give access to business premises.

By virtue of Council Regulation (Euratom, EC) No 2185/96 and Regulation (EC) No 1073/1999 of the European Parliament and the Council, the European Anti-Fraud Office (OLAF) may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by European Union law for the protection of the financial interests of the European Union against fraud and other irregularities. Where appropriate, the inspection findings may lead to recovery decisions by the Commission.

The European Commission's audit services and the European Court of Auditors or national bodies may carry out audits to check the quality of the project implementation and in particular its financial management regarding compliance with EU and national rules. Projects may be selected for checking even after the project has ended.

These checks will be done under the responsibility of the duly qualified auditor assisted by a Group of Auditors with one representative from each participating country. The actual checks will be sub-contracted and carried out by an outside audit firm. The purpose of these checks is to detect mistakes in the accounting records at the level of individual projects and on that basis to obtain an overall picture of whether the management and control procedures and documents set up at programme level are being applied and that they allow the prevention and correction of potential weaknesses and errors.

12.6. Publicity

12.6.1. *By the beneficiaries*

Beneficiaries must clearly acknowledge the European Union's contribution in all publications or in conjunction with activities for which the grant is used.

In this respect, beneficiaries are required to give prominence to the name and emblem of the European Commission on all their publications, posters, programmes and other products realised under the co-financed project.

If this requirement is not fully complied with, the beneficiary's grant may be reduced in accordance with the provisions of the grant agreement or grant decision.

12.6.2. *By the Commission*³¹

With the exception of scholarships paid to natural persons and other direct support paid to natural persons in most need, all information relating to grants awarded in the course of a financial year shall be published on an internet site of the European Union institutions no later than the 30 June of the year following the financial year in which the grants were awarded.

The Commission will publish the following information:

- name of the beneficiary
- address of the beneficiary when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level³² if he/she is domiciled within EU or equivalent if domiciled outside EU,
- subject of the grant,
- amount awarded.

Upon a reasoned and duly substantiated request by the beneficiary, the publication shall be waived if such disclosure risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the beneficiaries.

12.7. **Project closure**

With regards to project closure, it is important to be aware of the following points:

- End date for the eligibility of expenditure: as a general rule, all expenditure must be incurred before the end of the month stated as the finalisation month in the application form in order to be eligible. However, certain costs related to the closure of the project (such as costs related to final reports and audit certificates) may be considered eligible even if incurred after the expiry of the duration of the Grant Agreement.
- Final Report: After finalisation of the project a Final Report must be submitted to the European Commission. The Final Report must provide information about the outputs, results and possible impacts of the project. It must be submitted within three months after the end date of the project.
- Last financial statement: As for all other reporting periods, projects also must submit an audited financial statement for the last reporting period. This last financial Statement must be submitted within three months following the finalisation month.
- Archiving of documents: All Partners are at all times obliged to retain for audit purposes all files, documents and data about the project on standard data storage media in a safe and orderly manner at least until five years after the final payment. Other possibly longer statutory retention periods, as might

³¹ Art. 35, 128.3 FR, 21, 191 RAP.

³² European Union Official Journal L 39, of 10 February 2007.

be stated by national law, remain unaffected. Project Partners are also requested to maintain their project website accessible online for two years following the end of the project. The Lead Partner should bear this cost, which is not eligible for EU co-financing.

13. DATA PROTECTION

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, the questions and any personal data requested are required to evaluate the application in accordance with the specifications of the call for proposal will be processed solely for that purpose by [entity acting as data controller]. Details concerning the processing of personal data are available on the privacy statement at: http://ec.europa.eu/dataprotectionofficer/privacystatement_publicprocurement_en.pdf.

Personal data may be registered in the Early Warning System (EWS) only or both in the EWS and Central Exclusion Database (CED) by the Accounting Officer of the Commission, should the beneficiary be in one of the situations mentioned in:

- the Commission Decision 2008/969 of 16.12.2008 on the Early Warning System (for more information see the Privacy Statement on:

http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm),

or

- the Commission Regulation 2008/1302 of 17.12.2008 on the Central Exclusion Database (for more information see the Privacy Statement on

http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm)

14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted in accordance with the formal requirements and by the deadline set out under section 3.

No modification to the application is allowed once the deadline for submission has elapsed. However, if there is a need to clarify certain aspects or for the correction of clerical mistakes, the Commission may contact the applicant for this purpose during the evaluation process³³.

Applicants will be informed in writing about the results of the selection process.³⁴

Proposals may be submitted in any official EU language; however applications in English will be highly valued from a practical point of view.

³³ Art. 96 FR

³⁴ Art. 133 FR, 205 RAP

Proposals shall be submitted through one application form which must be presented (signed, dated and stamped) by the Lead Partner on behalf of all project Partners. The application form shall be submitted together with all documents referred to in this section, and must include the names of the main contact person for each Partner.

The application form and templates of the documents to be included in the application are available on the relevant Commission website:

http://ec.europa.eu/dgs/maritimeaffairs_fisheries/contracts_and_funding/calls_for_proposals/index_en.htm

The application form must be submitted in an unbound hard copy with the original signature (not faxed, scanned or otherwise duplicated), as well as on CD ROM. The paper version of the application form has to be identical to the electronic version and must include:

- The estimated budget (Annex 6 of the application form)
- The financial identification form for the Lead Partner
- The legal entity form for all Partners, including the Lead Partner
- A copy of the VAT registration document if applicable

The paper version of the application will legally constitute the application. The envelope of the paper version must clearly state the reference of the Call and for which of the three Lots the proposal applies. It must be submitted in a sealed envelope and must be either:

- sent by registered mail or by courier service, posted or dispatched no later than **14 November 2014 at 16.00** (as evidenced by the postmark or by the date of the deposit slip) to the address indicated below;
- received by hand-delivery (in person or by an agent) at the address indicated below not later than **14 November 2014 at 16.00 (Brussels time)**, in which case a **receipt must be obtained** as proof of submission, signed and dated by the official who took delivery. The department is open from 08.00 to 17.00 from Monday to Thursday, and from 8.00 to 16.00 on Fridays. It is closed on Saturdays, Sundays and Commission holidays (see second last paragraph of this section for details).

Applications must be sent to the following address:

Post:

European Commission

Directorate-General for Maritime Affairs and Fisheries

Unit MARE-E-1 (Ref. MARE/2014/22)

Lot:

B – 1049 BRUSSELS

Courier service / Hand delivery:

European Commission

Directorate-General for Maritime Affairs and Fisheries

Unit MARE-E-1 (Ref. MARE/2014/22)

Lot:

Avenue du Bourget 1

B – 1140 BRUSSELS (Evere)

Applications sent by fax or e-mail will not be accepted.

Any application posted, dispatched or hand-delivered after the deadline will be automatically rejected.

Contacts

All questions related to the call may be sent by electronic means (e-mail) to: MARE-E1@ec.europa.eu no later than 15 October 2014, indicating the subject title ‘Project on Maritime Spatial Planning. Such questions, together with their answers, if of a general interest, will be published on:

http://ec.europa.eu/dgs/maritimeaffairs_fisheries/contracts_and_funding/calls_for_proposals/index_en.htm.

In addition, important information for the applicants may, if need be, be published on this website. Applicants are thus strongly recommended to consult this website regularly.

➤ Annexes:

- Application form
- Checklist of documents to be provided
- Model agreement
- Financial and technical report template