

Call for proposals VP/2017/004

Improving expertise in the field of industrial relations

Questions and answers

Last update: 09/06/2017

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- Q12 In section 4.1 of the Call, the following sentence is included: "The EU grant requested should indicatively be between EUR 150 000 and EUR 500 000". Are proposals with a higher budget, e.g. where the requested grant is between 500 000 and 600 000 eligible?
- Q13 I would like to know if once the "application form" is closed, the digital form of the legal representative is accepted.
- Q14 We are preparing a proposal and we have a doubt in the summary balance sheet (point H.2 in the application form). In "Grant amount" position, the amount we must fill is the total budget or the budget of the co-applicant? In any case, the amount is before overheads or not, or is the EU co-financing amount?
- Q15 In the checklist on pages 20-23 of the Call for proposal, there is no mention of the Summary Balance Sheet, whereas in the Questions and Answer, Q14 refers to a summary balance sheet. Could you provide clarification about the matter? Is it obligatory to attach the summary balance sheet to the proposal, and if it is, where can the template be downloaded, as in the SWIM application portal, as H.2 point is Budget explanation, not Summary Balance sheet?
- Q16 What is meant by: "The applicant (lead and co-applicants) must have the financial and operational capacity to complete the activity for which funding is requested. Only organisations with the necessary financial and operational capacity may be considered for a grant"? Why does the EC request this 'necessary financial capacity' and how will it be assessed?

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Q1. Does the topic of digital technology related to marketing and marketing practice (branding - online branding) meet the criteria of the call for proposals?

As stated in the call for proposals, *to ensure equal treatment of applicants, the Commission will not give a prior opinion on the eligibility of applicants or affiliated entities, an action or specific activities.* Such opinion will only be established by the Evaluation Committee during the evaluation phase taking place after the submission deadline. However, as an indication and without prejudice to the opinion of the Evaluation Committee, the applicants' attention is drawn to the fact that this call for proposals covers the area of industrial relations, where the definition of 'industrial relations' is – as stated in the call – the following:

"Industrial relations" concern the collective – rather than individual – aspects of the employment relationship between workers, employers and their respective representatives. This includes the tripartite dimension where public authorities (at different levels) are involved. As such, industrial relations refer to the set of rules governing employment and relations at the workplace, together with the ways in which the rules are made, changed, interpreted and implemented by trade unions, employers and the state.

Q2. Can British universities be members of the consortium and can UK countries be accepted as national case studies?

Yes.

Q3. Can non-profit-making organisations different from universities or research institutes be considered eligible applicants under this call?

As stated in the call for proposals, *to ensure equal treatment of applicants, the Commission will not give a prior opinion on the eligibility of applicants or affiliated entities, an action or specific activities.* The call stipulates that *Lead and co-applicants must fall within one of the following categories: non-profit-making organisations such as universities and research institutes; social partners; public authorities; international organisations.*

Universities and research institutes are only provided as examples; other kind of non-profit-making organisations may be part of a consortium.

The applicants' attention is drawn to the fact that a number of other eligibility criteria apply, including with regard to the composition of the consortium.

Q4. Is an organisation established and registered in a country which is neither a EU Member State nor a Candidate Country eligible as lead applicant or co-applicant under this call for proposals?

Based on article 6.1 of the call for proposals, such kind of organisation is not eligible under this call.

Q5. Is a private company registered in a third country eligible for funding by this call for proposals?

Based on article 6.1 of the call for proposals, such kind of organisation is not eligible under this call.

Q6. Is it confirmed that applicants are not obliged to submit documents 8, 11 and 12 of the checklist (Legal entity form; VAT Certificate; Financial identification form) at the application stage?

Yes, this is confirmed. These documents are required only once a proposal is accepted for funding. However, applicants are welcome to join already these documents to the application file where possible.

Q7. If an event within the project takes place in the country of one of the partners, then who should include the travel costs of staff from other partners (including the coordinator) in its budget - the partner/coordinator who is sending the staff, or the local organizer partner?

Both solutions are possible. It is up to the partners to decide how to share costs. However, for practical reasons it might be more convenient for the hosting organization to centralize costs and participants' reimbursement files.

Q8. As regards the audit report in support of requests for payment, the Financial Guidelines state: "It is compulsory for payments of balances in the case of a grant for an action of EUR 750.000 or more, when the cumulative amounts of payment requests is at least EUR 325.000". Do both conditions have to be met? In the case of a request for payment (for all the partners) above EUR 325.000 will an audit report be required even when the total project budget does not reach the EUR 750.000 threshold?

This provision refers to a situation where both conditions are met. Therefore, if the global budget is below EUR 750.000, this obligation does not apply.

Q9. Does the requirement indicated at point 10b of the checklist ("*Research institutes must include as a separate document the relevant excerpt of their statutes or equivalent, demonstrating that their primary missions include pursuing research and analysis*") also apply to universities?

No, as stated in the call for proposals this provision only applies to research institutes.

Q10. Should postdoctoral research personnel costs be included in the staff budget heading or in the external expertise budget heading?

As indicated in the financial guidelines annexed to the call for proposals (section 4.2.2.1), staff costs are defined as "*The costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the action*". As long as the postdoctoral research personnel is employed by the university – including on a temporary basis – and assigned to the project, the relevant costs should be considered as staff costs.

The External Expertise heading should include costs relating to: i) implementing service contracts not covered under the previous sub-headings; ii) costs relating to the subcontracting of tasks forming part of the action. See, with this regard, section 4.2.2.3 of the financial guidelines annexed to the call.

Q11. In the call (4.2 Co-financing rate) it is indicated that "the EU grant may not exceed 90% of the total eligible costs of the action. The applicants must guarantee their co-financing of the remaining amount covered by the applicants' own resources...". Does it mean that each applicant/co-applicant should co-finance with a 10% or this percentage could be calculated on the total of the project? For example could a co-applicant provide 0 € of co-financing?

As noted, in the case of this call for proposals, the Commission will finance maximum 90% of the total (eligible) cost of the action. It will be up to the consortium of applicants to cover the remaining part of the costs.

It is for the consortium to decide how this co-financing is spread over the lead and co-applicants. The Commission does not prescribe any method or formula for this purpose. You can use a formula to

spread the co-financing proportionally over the co-applicants, but you can also decide that one or the other co-applicant makes a bigger or smaller than proportionate contribution.

Therefore, yes, the co-applicant could provide 0 € of co-financing.

Q12. In section 4.1 of the Call, the following sentence is included: "The EU grant requested should indicatively be between EUR 150 000 and EUR 500 000". Are proposals with a higher budget, e.g. where the requested grant is between 500 000 and 600 000 eligible?

Yes, proposals asking for higher than EUR 500 000 grant are eligible as the amounts mentioned are just indicative.

Q13. I would like to know if, once the "application form" is closed, the digital form of the legal representative is accepted.

It is not possible to add any documents once the application form is submitted. However, if you have forgotten to add a document then you can send it to the mailbox related to this call - EMPL-VP-INDUSTRIAL-RELATIONS@ec.europa.eu. Please do not forget to quote the full application reference in the e-mail, explain shortly why the file was not included and give a meaningful name to the attached document.

Q14. We are preparing a proposal and we have a doubt in the summary balance sheet (point H.2 in the application form). In "Grant amount" position, the amount we must fill is the total budget or the budget of the co-applicant? In any case, the amount is before overheads or not, or is the EU co-financing amount?

This position refers to the total grant requested from the Commission (see point I.6, "Union Grant" on the application form)

~~In the project budget the *Total cost of the action* and *Total revenue of the action* must be equal. The *Total cost of the action* consists of *Total eligible direct costs* and *Total eligible indirect direct costs* (Overheads). Overheads are a flat rate of 7% of the *Total eligible direct costs* for the action.~~

~~Meanwhile, the *Total revenue of the action* consists of the Union Grant and your contribution as well (plus revenue generated by the action). Therefore, the overheads will be covered by the Union Grant, but also (partly) by your own contribution.~~

ERRATA CORRIGE:

The wording "Summary balance sheet" is not used as such in the context of this call. A *Balance sheet and profit and loss account* is requested among the supporting documents (see item 17 of the checklist). Please note that point H.2 of the application form refers to Budget explanation.

This question was probably formulated based on a call for proposals different from VP/2017/004.

Q15. In the checklist on pages 20-23 of the Call for proposal, there is no mention of the Summary Balance Sheet, whereas in the Questions and Answer, Q14 refers to a summary balance sheet.

Could you provide clarification about the matter? Is it obligatory to attach the summary balance sheet to the proposal, and if it is, where can the template be downloaded, as in the SWIM application portal, as H.2 point is Budget explanation, not Summary Balance sheet?

Item 17 of the checklist refers to the need for lead and co-applicants (except for public entities) to provide a *Balance sheet and profit and loss account: The most recent balance sheet and profit and loss account, including assets and liabilities, specifying the currency used. Organisations that are not required by law to establish an official balance sheet must nevertheless provide information on their assets and liabilities. A statement of income and expenses is not sufficient.*

There is no compulsory template for such document.

Please note that the wording "Summary balance sheet" is not used as such in the context of this call. The question number 14 had been probably formulated based on a call for proposals different from VP/2017/004. The reply given to that question has been now revised accordingly (see ERRATA CORRIGE above).

Q16. What is meant by: "The applicant (lead and co-applicants) must have the financial and operational capacity to complete the activity for which funding is requested. Only organisations with the necessary financial and operational capacity may be considered for a grant"? Why does the EC request this 'necessary financial capacity' and how will it be assessed?

The European Commission is accountable for the use of EU taxpayers' money. Money used to execute the European programmes and actions must be managed through a series of procedures and rules that ensure maximum impact and minimize the risks of wrong doings; the procedures are based on the financial regulation and the rules of application.

The assessment of the financial viability of the applicant is necessary so as to decide on the need to put in place measures of protection of the EU financial interests, considering that the beneficiary will be bound by the grant agreement and will notably be responsible for the repayment of amounts unduly received.

The financial capacity to complete the activity for which funding is requested means that the applicant must have stable and sufficient sources of funding to maintain his activity throughout the period during which the action is being carried out.

To be financially viable, an applicant must possess:

- Liquidity, i.e. be able to meet its commitments in the short term (pay its debts);
- Solvency, i.e. be able to meet its medium-term and long-term commitments;
- Profitability, i.e. be making a profit or at least be able to finance itself; profitability is a measure of a company's viability and sustainability and should enable it to ensure that an action is successfully implemented.

The assessment is carried out by the EC on the basis of financial ratios calculated from data provided in the application form or extracted from supporting documents, i.e. the balance sheet and profit and loss account. The most important of these are general liquidity and financial independence.

It must be noted that a weak financial capacity does not automatically lead to a rejection of the application. Indeed, the Responsible Authorising Officer of the EC has the possibility to announce in the call for proposals measures to mitigate the financial risk for the EU.

The call for proposals must inform beneficiaries of the various options that may be offered to them if their financial capacity is found to be insufficient.

If, after the in-depth assessment, the applicant's financial capacity is still considered insufficient, the RAO may either reject the application or decide to accept the proposal and:

- offer a grant without pre-financing;
- offer a grant with pre-financing in instalments;
- offer a grant with pre-financing, subject to submission of a pre-financing guarantee;
- impose unconditionally and irrevocably on all beneficiaries, where appropriate, the principle of joint and several financial liability.

Most of these measures are in place for the call for proposals of DG EMPL so even a weak financial capacity will not automatically lead to a rejection of the application but rather to implementing one or more of these measures.