



EUROPEAN COMMISSION

Employment, Social Affairs and Equal Opportunities DG

Social Protection and Integration

Social Protection, Social Services

CALL FOR PROPOSALS

VP/2010/006

Support to PROGRESS participating countries' strategies on health inequalities

In view of the large number of enquiries, please do not telephone.
Questions should be sent by e-mail only to: empl-vp-2010-006@ec.europa.eu

To ensure a more rapid response it is helpful if applicants send their queries in English, French or German.

The English version of the call is the original.

1.	BACKGROUND AND OBJECTIVES OF THIS CALL	3
1.1.	THE PROGRESS PROGRAMME.....	3
1.2.	THE "SOCIAL PROTECTION AND INCLUSION" STRAND OF PROGRESS	4
1.3.	THE LEGAL BASIS, POLICY FRAME AND CONSULTATION PROV. THE FOUNDATION FOR THIS CALL..	5
1.4.	THE SPECIFIC AIMS OF THIS CALL.....	6
1.5.	THE ACTIVITIES ABLE TO RECEIVE FUNDING UNDER THIS CALL	8
1.6.	ENSURING EQUALITY MAINSTREAMING	9
2.	FUNDING	9
2.1.	FUNDING AVAILABLE	9
2.2.	HOW MUCH OF THE ACTIVITY WILL BE FINANCED BY UNION FUNDING AND HOW MUCH MUST BE COFINANCED?	10
3.	ELIGIBILITY, SELECTION AND AWARD CRITERIA	10
3.1.	WHO CAN APPLY FOR THE CALL?.....	10
3.2.	INFORMATION ON PARTNERS IN PROGRESS-FUNDED PROJECTS.....	10
3.3.	MAY PARTS OF THE PROJECT BE SUBCONTRACTED?.....	11
3.4.	HOW WILL THE PROPOSAL BE EVALUATED?	11
4.	INDICATIVE TIMEFRAME.....	13
4.1.	WHAT IS THE TIMING FOR THIS CALL?.....	13
4.2.	WHEN CAN ACTIVITIES START/FINISH?	13
5.	PROCEDURE.....	13
5.1.	SUBMISSION OF THE APPLICATIONS	13
5.2.	WHICH FORMS MUST I FILL IN TO APPLY FOR FUNDING?.....	15
6.	PROGRESS REPORTING & PUBLICITY	17
6.1.	REPORTING REQUIREMENTS	17
6.2.	REQUIREMENTS REGARDING PUBLICITY	17
	ANNEX I: OVERVIEW OF PROGRESS PERFORMANCE MEASUREMENT FRAMEWORK.....	19
	ANNEX II: MAIN FINANCIAL PROVISIONS – FINANCIAL GUIDELINES FOR APPLICANTS	20

1. BACKGROUND AND OBJECTIVES OF THIS CALL

1.1. The PROGRESS programme

This call is financed by the PROGRESS programme¹. PROGRESS is the EU's employment and social solidarity programme, set up to provide financial support for the attainment of the European Union's objectives in employment, social affairs and equal opportunities as set out in the Social Agenda². The realisation of the Social Agenda relies on a combination of instruments comprising EU legislation, the implementation of open methods of coordination in various policy fields and financial incentives such as the European Social Fund.

The PROGRESS mission is to strengthen the EU's contribution in support of Member States' commitments and efforts to create more and better jobs and to build a more cohesive society. To this effect, PROGRESS will be instrumental in:

- providing analysis and policy advice on PROGRESS policy areas;
- monitoring and reporting on the implementation of EU legislation and policies in PROGRESS policy areas;
- promoting policy transfer, learning and support among Member States on EU objectives and priorities; and
- relaying the views of the stakeholders and society at large.

More specifically, PROGRESS supports:

- the implementation of the European Employment Strategy (section 1);
- the implementation of the open method of coordination in the field of social protection and inclusion (section 2);
- the improvement of the working environment and conditions including health and safety at work and reconciling work and family life (section 3);
- the effective implementation of the principle of non-discrimination and promotion of its mainstreaming in all EU policies (section 4);
- the effective implementation of the principle of gender equality and promotion of its mainstreaming in all EU policies (section 5).

¹ <http://ec.europa.eu/social/main.jsp?catId=327&langId=en>

² Decision No 1672/2006

The present call for proposals is issued in the context of the implementation of the 2010 Annual Work Plan which can be consulted at <http://ec.europa.eu/social/main.jsp?catId=658&langId=en> .

1.2. The "Social protection and inclusion" strand of PROGRESS

Section two of the EU's Programme for Employment and Social Solidarity (PROGRESS)³ supports the implementation of the OMC in the field of social protection and inclusion. Article 5 stipulates that this shall be done by:

- a) improving the understanding of social exclusion and poverty issues, social protection and inclusion policies, in particular through analysis and studies and the development of statistics and common indicators, within the framework of the OMC in the field of social protection and inclusion;*
- b) monitoring and evaluating the implementation of the OMC in the field of social protection and inclusion and its impact at national and Community level as well as analysing the interaction between this OMC and other policy areas;*
- c) organising exchanges on policies, good practice and innovative approaches and promoting mutual learning in the context of the social protection and inclusion strategy;*
- d) raising awareness, disseminating information and promoting the debate about the key challenges and policy issues raised in the context of the Community coordination process in the field of social protection and inclusion, including among the social partners, regional and local actors, NGOs and other stakeholders;*
- e) developing the capacity of key European level networks to support and further develop Community policy goals and strategies on social protection and inclusion.*

To this aim, Article 9 of the same Decision allows for the financing of certain types of activities such as:

a) Analytical activities:

- (i) collection, development and dissemination of data and statistics;*
- (ii) development and dissemination of common methodologies and, where appropriate, indicators or benchmarks;*
- (iii) carrying out of studies, analyses and surveys and dissemination of their results;*
- (iv) carrying out of evaluations and impact assessments and dissemination of their results;*
- (v) elaboration and publication of guides, reports and educational material via the Internet or other media.*

b) Mutual learning, awareness and dissemination activities:

- (i) identification of, and exchanges on, good practices, innovative approaches and experiences, and organisation of peer review and mutual learning, by means of*

³ Decision No 1672/2006/EC of the European Parliament and of the Council.

meetings/workshops/seminars at European, transnational or national level, taking account, where possible, of specific national circumstances;

(ii) organisation of Presidency conferences/seminars;

(iii) organisation of conferences/seminars in support of the development and implementation of Community law and policy objectives;

(iv) organisation of media campaigns and events;

(v) compilation and publication of materials to disseminate information as well as results of the Programme.

c) Support for main actors:

(i) support for the running costs of those key European level networks whose activities are lined to implementation of the objectives of the Programme;

(ii) organisation of working groups of national officials to monitor the implementation of Community law;

(iii) funding of specialised seminars addressed to those working in the field, key officials and other relevant actors;

(iv) networking among specialised bodies at European level;

(v) funding of experts' networks;

(vi) funding of European level observatories;

(vii) exchange of personnel between national administrations;

(viii) cooperation with international institutions.

1.3. The legal basis, policy frame and consultation providing the foundation for this call

The purpose of the call is to stimulate activities aimed at reducing health inequalities in the EU.

A legal basis for EU action on health inequalities is provided by the Treaty on the Functioning of the EU (Art. 168). The EU has a responsibility to ensure that all its policies and activities provide a high level of health protection. It also has a responsibility to strengthen economic and social cohesion.

Policy action on health inequalities was already foreseen in the Commission White Paper "Together for Health, a strategic approach for the EU 2008-2013"⁴ of October 2007 (the EU Health Strategy)⁴ which stressed the need to reduce health inequality between and within Member States involving exchange of best practice and health promotion. The European Parliament, the Council and the Committee of the Regions, in their opinions on the Health Strategy, have all underlined the need for EU action to help address inequalities in health.

⁴ http://ec.europa.eu/health/ph_overview/Documents/strategy_wp_en.pdf

In 2006 Member States agreed on the objective of addressing inequalities in access to care and in health outcomes within the Open Method of Coordination for Social Protection and Social Inclusion (social OMC)⁵. Reducing health inequalities within and between Member States was also agreed in 2006 as an operational objective of the renewed EU Sustainable Development Strategy⁶. The persistence of health inequalities has been highlighted in the annual 2008 Joint Report on Social Protection and Social Inclusion (Joint Report SPSI)⁷.

In June 2008 the European Council underlined the importance of closing the gap in health and in life expectancy between and within Member States⁸. In July 2008 the Commission Communication on a Renewed Social Agenda⁹ highlighted the principles of opportunity, access and solidarity and announced an EU initiative on health inequalities for 2009.

In October 2009 the Commission adopted the Communication "Solidarity in Health: reducing health inequalities in the EU"¹⁰. It identifies the need for EU policies to support action by Member States and other stakeholders on this issue. The Communication sets out a number of specific actions including a commitment to provide funding under PROGRESS for peer reviews and a call for proposals in 2010 to assist Member States in developing relevant strategies.

In preparation for the above-mentioned 2009 Communication on health inequalities and its accompanying Impact Assessment¹¹ an extensive consultation¹² of stakeholders took place.

1.4. The specific aims of this call

This call aims to take forward the actions outlined in the Commission Communication on health inequalities, specifically by providing support to national/regional authorities in PROGRESS participating countries to strengthen policies to address health inequalities.

Large and persistent inequalities in health (life expectancy, mortality, diseases) between and within Member States can be observed as confirmed by the 2008 Joint Report on Social Protection and Social Inclusion and the 2009 Communication on Health Inequalities. For example, there is currently an 8 year gap in life expectancy at birth for women and a 14-year gap for men between EU Member States. In all Member States, people with lower education, income or occupation or from certain ethnic groups live shorter lives and spend more time in poorer health. Also, differences in life expectancy at birth between lowest and highest socio-economic groups range from 4 to 10 years for

⁵ See <http://ec.europa.eu/social/main.jsp?catId=753&langId=en>

⁶ Review of the EU Sustainable Development Strategy. Council of the European Union. Document 10117/06. 9 June 2006 <http://register.consilium.europa.eu/pdf/en/06/st10/st10117.en06.pdf>

⁷ <http://ec.europa.eu/social/main.jsp?catId=757&langId=en>

⁸ See http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/101346.pdf, page 13.

⁹ "Renewed Social Agenda: Opportunities, Access and Solidarity". COM(2008) 412 final at <http://ec.europa.eu/social/main.jsp?catId=547&langId=en>

¹⁰ "Solidarity in Health: Reducing Health Inequalities in the EU", COM(2009) 567 final.

¹¹ SEC(2009) 1396.

¹² http://ec.europa.eu/health/ph_determinants/socio_economics/cons_inequalities_en.htm

men and from 2 to 7 years for women. These differences start at a young age and persist and widen in older ages. In some countries the gap has widened in the last decades.

Inequalities in health outcomes are associated with inequalities in the so called social determinants of health: living conditions (housing, environment), health-related behaviour (smoking, alcohol consumption, exercise, nutrition), employment and working conditions, education, and income, access to services including social protection and notably quality health care. Hence, to the extent that these health inequalities are determined by such factors and are thus amenable to a mix of public policies they are unnecessary, avoidable and deemed unfair.

Health inequalities reduce the economic and social capacities of societies and resulting cost are substantial. In the context of population ageing activities aimed at reducing health inequalities become particularly important. Policies to promote working longer and other forms of active and healthy ageing will only be effective with low skilled and low paid workers if their relative health status is improved. Presently the higher erosion of health among these groups as they age often severely restricts their ability to prolong their working career.

While the EU can support and complement the efforts of Member States in addressing health inequalities, it is at national, regional and local level that actions are likely to have the greatest impact in reducing the gap in health outcomes between individuals of different socio-economic background or living in different areas. It is suggested that effective policies are likely to be different from country to country and region to region due to country and region specific circumstances. Several national and international reviews (e.g. "Closing the Gap" or "Determine" coordinated EuroHealthNet¹³) have identified a number of national (especially local) best-practices in addressing health inequalities. Despite that, many Member States have yet to implement well developed strategies to tackle health inequalities. While Member States have subscribed to the principle of reducing health inequalities, the level of awareness and the extent to which action is being taken to achieve it varies substantially. What is more, assessment and evaluation of implemented policies addressed to tackle health inequalities is currently rather limited, contributing to a limited knowledge of which policies are indeed effective.

In this context, this call for proposals aims at financially supporting/ assisting national and regional authorities of PROGRESS participating countries:

- * to improve knowledge of health inequalities, including its extent and determinants;
- * to develop/ plan strategies to tackle/reduce health inequalities including building capacity (such as developing structures for stakeholders involvement at EU level);
- * to monitor the implementation of such strategies;
- * and to assess and evaluate such strategies.

¹³ <http://www.eurohealthnet.eu>

The aim is to stimulate reflection on the issues of health inequalities, to plan policy strategies and possible implementation to tackle them and/or to evaluate such policies.

1.5. The activities able to receive funding under this call

Proposals should take forward work on health inequalities within the framework set out in the Commission Communication on health inequalities COM (2009) 567 by supporting work of national and regional authorities. Activities should contribute to narrowing gaps in health between and within PROGRESS participating countries.

National and regional authorities may submit applications for one or more of the following activities:

a) Activities aimed at raising general awareness, stimulate debate, promote information, best-practice exchange and policy coordination that advocate the tackling of health inequalities, such as:

- Building partnerships between the public and the voluntary/third sector and business to reflect on issues related to health inequalities.
- Initiatives linking cities and regions, effective for the dissemination of information.
- Health inequalities related peer reviews and studies.
- Establishing expert groups (involving administrations of different levels and stakeholders) on social determinants of health and health inequalities.
- Knowledge dissemination and exchange of information to assist stakeholders to take action that contributes to the reduction of health inequalities.

b) Activities aimed at improving data availability and the mechanisms to measure, monitor and report on inequalities in health across the EU (such as quantitative research). Furthermore, activities aimed at improving the knowledge base on the causes of health inequalities and the evidence base for action.

c) Activities aimed at developing policies/strategies to address health inequalities and/or at evaluating/assessing policies implemented that have an effect on them, such as:

- Development of integrated policy approaches involving action on living and working conditions, health related behaviours as well as health and social protection systems.
- Health impact assessments/health inequalities test/health inequalities audit applied to policies across the board as an effective way to generate inter-sectoral awareness.
- Studies to quantify the potential impact of existing policies on health inequalities.

Overall, there should be clear **European added value of the activities**, including the potential of the project to add value to learning by other Member States and regional entities not directly involved in the project (learning effects). The intervention should deliberately support innovation and the transfer of ideas that are subsequently 'rolled out' in different contexts. European added value

may also exist when the intervention addresses groups or policy areas that would not otherwise be addressed.

1.6. Ensuring equality mainstreaming

The PROGRESS Programme aims to promote gender mainstreaming in all its five policy sections and commissioned or supported activities. Consequently, the Beneficiary will take the necessary steps to ensure that:

- Gender equality issues are taken into account when relevant for the drafting of the proposal by paying attention to the situation and needs of women and men;
- Implementation of the proposed activities includes a gender perspective by considering systematically the women and men dimension;
- Performance monitoring includes the collection and gathering of data disaggregated by sex when needed;
- Its proposed team and/or staff respects the gender balance at all levels.

Equally, needs of disabled people shall be duly acknowledged and met while executing the requested service. This will ensure in particular that where the Beneficiary organises training sessions and conferences, issues publications or develops dedicated websites, people with disabilities will have equal access to the facilities or the services provided.

Finally, the Contracting Authority encourages the Beneficiary to promote equal employment opportunities for all its staff and team. This entails that the Beneficiary is encouraged to foster an appropriate mix of people, whatever their ethnic origin, religion, age, and ability.

The Beneficiary will be required to detail in its final activity report the steps and achievements made towards meeting these contractual provisions.

2. FUNDING

2.1. Funding available

The approximate total budget for this call for proposals is **€1 500 000**. Proposals are expected to be approximately **between €100 000 and €500 000**.

2.2. How much of the activity will be financed by union funding and how much must be cofinanced?

Union funding may cover a maximum of 80% of the total eligible costs with regards to any project. The beneficiaries must guarantee **co-financing of the remaining minimum 20%** in cash. Contributions in kind are not accepted. The equivalent amount of not less than 20% of the total eligible cost is to be supported by the applicant's own resources or from other sources.

A letter confirming the amount of co-financing must be submitted with the application. **Failure to provide such a supporting letter will mean that the application will be considered ineligible.**

3. ELIGIBILITY, SELECTION AND AWARD CRITERIA

3.1. Who can apply for the call?

This call is addressed to PROGRESS participating countries.¹⁴

The proposal submitted for funding may be submitted by the responsible national or regional public authority, or a body entrusted by them. Eligible applicants are public authorities or state or semi state agencies at national and regional level, in particular relevant ministries or other governmental bodies at national/regional level with decision making competencies in the area of employment, pension and/or social protection policies. This does not cover public bodies like public universities or research institutes, which, however, may be entrusted to submit a proposal. An official letter from the relevant authorities confirming this must be included with the application(s) from entrusted organisations. Entrusted organisations must fulfil the criteria laid out in the point 3.4 a).

3.2. Information on partners in PROGRESS-funded projects

In order to increase the visibility of transnational partnerships established under PROGRESS and to facilitate networking between organisations involved in actions covered by PROGRESS grants, the Commission intends to publish the name and address of partners in PROGRESS-funded projects together with the name and address of the beneficiary, the reference of the call for proposals and the title and description of the project. To that purpose, the Beneficiary will be asked to seek the partners' agreement to authorise the Commission to publish this data. This written agreement should be included in the letters of commitment sent to the Commission with the application form.

¹⁴ EU Member States, EFTA/EEA countries (Norway, Iceland, Liechtenstein), EU candidate countries (Croatia, the former Yugoslav Republic of Macedonia, Turkey), as well as Western Balkan countries participating in the stabilization and association process providing that the memorandum of understanding for participating in PROGRESS is ratified (Serbia).

3.3. May parts of the project be subcontracted?

If the beneficiary has to conclude contracts in order to carry out the action, it shall justify this working method and duly respect the subcontracting rules set in the financial guide attached to this call for proposals. For further information, please see point 3.2.2 of Annex II.

3.4. How will the proposal be evaluated?

Each of the proposals received under this call which met the requirements laid down in the submission procedure will be assessed by an evaluation committee according to the following criteria:

a) Exclusion and eligibility

Applicants must be in conformity with Articles 93(1), 94 and 96(2)(a) of the Financial Regulation.

The proposal submitted for funding should meet the following eligibility criteria:

- be submitted by the responsible national or regional public authority or a body entrusted by them to apply;
- the proposed activity must fit in with the activities under the PROGRESS Programme;
- must only seek funding for activities in PROGRESS participating countries;
- must not seek funding for the operating costs of organisations, nor for their general ongoing activities, nor for profit-making purposes.

Organisations entrusted to carry out the action **must**:

1. have their own legal status and be registered in one of the PROGRESS participating countries at the time of the submission of the application under the call;
2. be expressly entrusted by the national or regional authority in writing to assume responsibility for implementation of the action;
3. be non-profit bodies or organisations;
4. not have general objectives which, directly or indirectly, conflict with the policies of the European Union or which are linked to an unsuitable image.

b) Selection

Only organisations with the necessary financial and operational capacity may be awarded a grant.

- Financial capacity to carry out the action: the applicant must have access to solid and adequate funding to maintain its activities for the period of the action and to help finance it as necessary. (The verification of financial capacity will not apply to public bodies.)

- Operational capacity to complete the proposed action: the applicant must have the operational resources (technical, management) and the professional skills and qualifications needed to successfully complete the proposed action, as well as the ability to implement it.

c) Award

The grants will be awarded following a comparative assessment of the proposals on the basis of the following criteria:

Policy Criteria

- the extent to which there is a clear description of the issues /problems that are to be addressed by the proposal (background analysis);
- the extent to which the objectives of the proposal are well described/clear and operational and are in line with the issues/ problems that have been identified as in need of addressing;
- the extent to which the proposal (i.e. the methods /processes proposed to address the issues/problems identified) is in line with the issues /problems that have been identified as in need of addressing and effectively meets the objectives of this call for proposals;
- the extent to which the proposal defines clear processes and related milestones in line with expected results as set out in this call for proposals.

Organisational Criteria

- the extent to which the proposal involves a range of relevant actors in the various processes described, promoting inter-sectoral actions and improved governance (national, regional or local as relevant);
- the clarity and feasibility of the proposed work plan, including timetable and methodology, and in particular its capacity to achieve the planned objectives through well-identified and well-planned activities with clear and attainable time-lines, and a clear allocation of tasks and responsibilities among those involved;
- the quality and relevance of the monitoring and evaluation strategy of the project and the mechanisms foreseen to ensure the lasting effect of the project.

Financial Criteria

- the financial quality and clarity of the proposal including a reasonable and realistic budget, and the proposals' value for money.

4. INDICATIVE TIMEFRAME

4.1. What is the timing for this call?

26 March 2010	Publication of the call for proposals.
2 July 2010	Deadline for submitting applications.
July - August 2010	The Evaluation Committee will examine the applications. Only proposals which satisfy the eligibility and selection criteria will be assessed against the award criteria.
September - October 2010	The Commission will draw up a list of selected projects and submit it to the PROGRESS Programme Committee and the European Parliament.
October - December 2010	Applicants whose proposals have not been selected for funding will be informed of the results of the evaluation process and of the reasons for the rejection of the application. Successful applicants will receive the grant agreement for their acceptance and signature.

4.2. When can activities start/finish?

Activities must in any case begin in 2010. They may begin before the signature of the grant agreement in duly justified cases, but only after the date of submission of the related proposal. In this later case, the beneficiary will support the financial risk either of not being selected or having its proposed budget amended. The duration of the project can be between 9 and 24 months.

5. PROCEDURE

5.1. Submission of the applications

The procedure to submit applications is laid out in point 13 of Annex II. **Before commencing, please read carefully the User's Guide** (click on the "Help on SWIM" button at the top of the page):
http://ec.europa.eu/employment_social/calls/pdf/swim_manual_en.pdf

Only applications submitted on the official forms will be considered.

Applicants are invited to submit their project proposal in English, French or German in order to facilitate treatment of the proposals and commence the evaluation process as soon as possible. It should be noted however that applications in all other official languages will be accepted. In this case, please include an executive summary of 5-6 pages either in English, French or German.

Once the application form is filled out, applicants must submit it in both electronic form and hard copy. Applications must be sent electronically before the deadline in **TRIPLICATE** in hard copy and duly signed (one marked "original" and two marked "copy"). Please send your cover letter of application together with all the other documents listed in point 5.2 by the deadline to the following address:

European Commission
Call for proposals VP/2010/006 – DG EMPL E.4
Rue Joseph II 27 – 01/224
B-1049 Brussels

The deadline for the submission of applications electronically on line and by post to the Commission is **2 July 2010** (the postmark or the express courier receipt date serving as proof). Please send your application by **registered mail or express courier** service only. Proof of posting (i.e. the post office stamp date or express courier receipt) should be conserved as it could be requested by the European Commission in cases of doubt regarding the date of submission.

Hand-delivered applications must be received by the European Commission before 4 p.m. on the last day for submission at the following address:

European Commission
Service central de réception du courrier
Call for proposal VP/2010/006 – DG EMPL E.4
Avenue du Bourget, 1
B-1140 Evere

At that time the Mail Service will provide you with a signed receipt which should be conserved as proof of delivery.

If an applicant submits more than one proposal, each application must be submitted separately.

With regard to presentation of applications, please:

1. Follow the order of documents as listed in the checklist.
2. Print the documents double-sided, where possible.
3. Use 2-hole folders (do not bind or glue).

Annex II gives instructions for presenting the provisional budget for the proposed activity and the main financial provision of the grant agreement.

If you have any further queries, please contact us quoting the reference “VP/2010/006/application nr” at the contact points below, allowing a reasonable time for response. Please note that we can only answer questions on the requirements of the call for proposals and the application process. We cannot prejudge the assessment process by offering any opinion on the merits of a particular application. Prior opinions on the merits of particular applications would prejudice the entire call procedure and could lead to its cancellation. No information regarding the award procedure will be disclosed until the award decision has been sent to the beneficiaries.

Our contact points are:

- By e-mail to empl-vp-2010-006@ec.europa.eu
- By post to the above address
- By fax to + 32 2 2998085
- PLEASE DO NOT TELEPHONE -

5.2. Which forms must I fill in to apply for funding?

Before sending your application, please number the following supporting documents as shown below and send them in **in triplicate (original + two identical copies)**. The absence of any of these documents may invalidate your application.

Order	Document	Check	To be downloaded from SWIM
1	Original cover letter of application quoting the reference number of the call (VP/2010/006), duly signed and dated by the legal representative of the applicant organisation.		NO
2	Print-out of the submitted online application form including the estimated budget , duly completed, dated and signed by the legal representative of the applicant organisation.		YES
3	Print-out of Declaration on honour (articles 93 (1), 94 & 96 (2) a) , signed by the legal representative, certifying the financial and operational capacity.		YES (E.1)
4	Print-out of the Letter of commitment for co-financing signed by the legal representatives of the organisations concerned and <u>specifying the amount</u> of each cash contribution. The letters signed by partners need to include their agreement authorising the Commission to publish their data (see point 3.2).		YES (E.2)

5	Print-out of Financial identification form duly completed and signed by the account holder and bearing the stamp and signature of the bank.		YES (E.3)
6	Print-out of Legal entity form , completed and signed by the legal representative.		YES (E.4)
7	Print out of the document Contracts for implementing the action for any subcontracting of costs > 5,000 € (if applicable).		YES (E.5)
8	Print-out of the Description of the action , specifying the information laid out in points B.2 and B.3: <u>objectives</u> of the proposal.		YES (E.6)
9	Print-out of the Detailed work programme , specifying the information laid out in points B.5 and B.6: <u>implementation</u> of the action.		YES (E.7)
10	Summary Quantitative Information on Planned Deliverables / Outputs.		YES (E.8)
11	Copy of the official registration certificate or any other official document attesting to the establishment of the organisation (not necessary for public bodies).		NO
12	Detailed CVs (educational and professional qualifications) and job specifications of the persons responsible for the overall management of the action in the applicant's organisation and in the organisations of other involved actors, if any (project manager/coordinator and main contributors from the applicant's organisation and from the other involved actors). Please refer to CV models on http://www.europass.cedefop.europa.eu .		NO
13	List of the main projects carried out in the last three years relating to the objective of the call by the applicant's organisation and by the organisations of other involved actors, if any.		NO
14	Profit and loss accounts and balance sheets for the last financial year for which the accounts have been closed from the applicant's organisation (not necessary for public bodies).		NO
Additional document only for entrusted applicants:			
15	An official letter from the responsible authority confirming that the applicant is entrusted to submit a proposal.		NO

6. PROGRESS REPORTING & PUBLICITY

6.1. Reporting requirements

PROGRESS is implemented through a results-based management - RBM. Managing for outcomes and results is about working to maximise results for European citizens. This includes:

- Identifying the most important results for European citizens;
- Managing these results, including setting out clearly the desired results, implementing plans based upon these results and learning about 'what works' in the process;
- Seizing opportunities to work together whenever this helps achieve the results.

The Strategic Framework, developed in collaboration with Member States and civil society organisations, sets out the intervention logic for Progress-related expenditure and defines PROGRESS' mandate and its long-term and immediate outcomes. It is supplemented by performance measures which serve to determine the extent to which PROGRESS has delivered the expected results. See in Annex the overview of PROGRESS performance measurement framework. For more information on the strategic framework, please visit the PROGRESS website.

The Commission regularly monitors the effect of PROGRESS-supported or commissioned initiatives and considers how they contribute to PROGRESS outcomes as defined in the Strategic Framework. In this context, the Beneficiary will be asked to dedicatedly work in close cooperation with the Commission and/or persons authorised by it to define the expected contribution and the set of performance measures which this contribution will be assessed against. The Beneficiary will be asked to collect and report on its own performance to the Commission and/or persons authorised by it against a template which will be annexed to the grant agreement. In addition, the Beneficiary will make available to the Commission and/or persons authorised by it all documents or information that will allow PROGRESS performance measurement to be successfully completed and to give them the rights of access.

6.2. Requirements regarding publicity

In accordance with the General conditions, all beneficiaries are under the obligation to acknowledge that the present activity has received funding from the Union in all documents and media produced, in particular final delivered outputs, related reports, brochures, press releases, videos, software, etc, including at conferences or seminars. In the context of the European Union's Programme for Employment and Social Solidarity – PROGRESS, the following formulation shall be used:

This (publication, conference, training session etc) is supported by the European Union's Programme for Employment and Social Solidarity - PROGRESS (2007-2013).

This programme is managed by the Directorate-General for Employment, social affairs and equal opportunities of the European Commission. It was established to financially support the implementation of the objectives of the European Union in the employment and social affairs area, as set out in the Social Agenda, and thereby contribute to the achievement of the Lisbon Strategy goals in these fields.

The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

PROGRESS mission is to strengthen the EU contribution in support of Member States' commitment. PROGRESS is instrumental in:

- *providing analysis and policy advice on PROGRESS policy areas;*
- *monitoring and reporting on the implementation of EU legislation and policies in PROGRESS policy areas;*
- *promoting policy transfer, learning and support among Member States on EU objectives and priorities; and*
- *relaying the views of the stakeholders and society at large*

For more information see: <http://ec.europa.eu/progress>

For publications it is also necessary to include the following reference: "The information contained in this publication does not necessarily reflect the position or opinion of the European Commission".

With regard to publication and any communication plan linked to the present activity, the Beneficiary will insert the European Union logo and mention the European Commission as the Contracting Authority in every publication or related material developed under the present grant agreement.

ANNEX I: OVERVIEW OF PROGRESS PERFORMANCE MEASUREMENT FRAMEWORK

PROGRESS Ultimate Outcome

Member States implement laws, policies and practices in a manner that contributes to the desired outcomes of the Social Agenda

PROGRESS works toward its ultimate outcome by helping strengthen the EU's support for Member States' efforts to create more and better jobs and to build a more cohesive society. PROGRESS seeks to contribute to (i) an **effective legal regime** in the EU in relation to the Social Agenda; (ii) **shared understanding** across the EU with regard to Social Agenda objectives; and (iii) **strong partnerships** working toward Social Agenda objectives.

In operational terms, support provided by PROGRESS facilitates (i) provision of analysis and policy advice; (ii) monitoring and reporting on the implementation of EU legislation and policies; (iii) policy transfer, learning and support among Member States; and (iv) relaying to decision-makers the views of the stakeholders and society at large.

Legal Regime

Outcome:

Compliance in Member States with EU law related to PROGRESS areas.

Performance Indicators

1. Transposition rate of EU law on matters related to PROGRESS policy areas
2. Effectiveness of application in Member States of EU law on matters related to PROGRESS policy areas.
3. EU policies and legislation are grounded in thorough analysis of situation and responsive to conditions, needs and expectations in Member States in PROGRESS areas
4. Extent to which PROGRESS-supported policy advice feeds into the development and implementation of EU legislation and policies
5. Cross-cutting issues are addressed in PROGRESS policy sections
6. EU policies and legislation display a common underlying logic of intervention in relation to PROGRESS issues
7. Gender mainstreaming is systematically promoted in PROGRESS

Shared Understanding

Outcome:

Shared understanding and ownership among policy/decision-makers and stakeholders in Member States, and the Commission, of objectives related to PROGRESS policy areas.

Performance Indicators

1. Attitudes of decision-makers, key stakeholders and general public regarding EU objectives in PROGRESS policy areas
2. Extent to which national policy discourses or priorities reflect EU objectives
3. Extent to which principles of good governance (including minimum standards on consultation) are respected in policy debate
4. Extent to which the outcomes of policy debates feed into the development of EU law and policy.
5. Greater awareness of policy-and decision-makers, social partners, NGOs, networks regarding their rights/obligations in relation to PROGRESS policy areas
6. Greater awareness of policy-and decision-makers, social partners, NGOs, networks regarding EU objectives and policies in relation to PROGRESS policy areas

Strong Partnerships

Outcome:

Effective partnerships with national and pan-European stakeholders in support of outcomes related to PROGRESS policy areas.

Performance Indicators

1. Existence of common ground/consensus among policy and decision-makers and stakeholders on EU objectives and policies
2. Identification and involvement by the EU of key actors in a position to exert influence or change at EU and national levels
3. Effectiveness of partnerships in relation to outcomes related to PROGRESS policy areas.
4. Number of individuals served or reached by networks supported by PROGRESS.
5. Extent to which advocacy skills of PROGRESS-supported networks have improved
6. Satisfaction of EU and national authorities with the contribution of networks
7. Extent to which PROGRESS-supported networks take a cross-cutting approach

ANNEX II: MAIN FINANCIAL PROVISIONS – FINANCIAL GUIDELINES FOR APPLICANTS

CONTENTS

1. GENERAL PRINCIPLES	21
2. RULES RELATED TO THE GRANT AGREEMENTS.....	21
3. THE ESTIMATED BUDGET OF THE ACTION	22
3.1. THE BUDGET MUST BE DETAILED AND BALANCED	22
3.2. EXPENDITURE	23
3.2.1. <i>General criteria for eligibility of costs</i>	23
3.2.2. <i>Eligible direct costs</i>	24
3.2.3. <i>Eligible indirect costs - Overheads</i>	28
3.2.4. <i>Non-eligible costs</i>	28
3.3. INCOME.....	29
4. HOW THE GRANT WILL BE CALCULATED	29
5. AGREEMENT GOVERNING THE GRANT	30
6. PAYMENT PROCEDURES	30
7. GUARANTEE.....	31
8. BANK ACCOUNT AND INTEREST GENERATED BY PRE-FINANCING PAYMENTS.....	31
9. SUBMISSION OF REPORTS AND OTHER DOCUMENTS	32
10. PUBLICITY.....	33
11. EVALUATION	34
12. CHECKS AND AUDITS	34
12.1. AUDIT REPORT IN SUPPORT OF GRANT APPLICATIONS	34
12.2. AUDIT REPORT IN SUPPORT OF REQUESTS FOR PAYMENT.....	34
13. PROCEDURE: ELECTRONIC MEANS OF SUBMISSION - SWIM.....	35
13.1. INTRODUCTION OF GRANT APPLICATIONS	35
13.2. REQUESTS FOR PAYMENTS AND BUDGETARY MODIFICATIONS.....	35
14. DATA PROTECTION.....	36
15. EARLY WARNING SYSTEM AND CENTRAL EXCLUSION DATABASE	36

The purpose of this document is to enable applicants to prepare their grant applications.

Please be sure to read these guidelines carefully before replying to the current call for proposals.

MAIN FINANCIAL AND MANAGEMENT RULES

Disclaimer: This document provides the applicants with a quick summary of the main legal and financial rules contained in the Financial Regulation applicable to the general budget of the European Communities¹⁵ and its Implementing Rules¹⁶. The information given is not exhaustive and beneficiaries are therefore asked to carefully read the agreement sent to them, as it will constitute the legal basis for the grant.

1. GENERAL PRINCIPLES

Grants are subject to the principles laid down in the Financial Regulation, in particular the principles of co-financing, prohibition of double financing and no-profit.

Co-financing principle

Union grants may not finance the entire cost of the action to be subsidised. The applicant must contribute to the implementation of the action either by way of own resources or by financial contribution from third parties (in the form of public or private assistance obtained elsewhere).¹⁷

No double financing rule

Each action may give rise to the award of only one grant, there can be no duplicate European Union funding of the same expenditure. The applicant must indicate the sources and amounts of any other funding received or applied for in the same financial year for the same action or for any other action and for routine activities.¹⁸

No-profit rule

The Union grant may not have the purpose or effect of producing a profit for the beneficiary. Profit is defined as a surplus of total actual receipts over the total actual costs of the action. Any income of the action must be indicated in the estimated budget and the final financial statement. The amount of the grant will be reduced by the amount of any surplus.¹⁹

2. RULES RELATED TO THE GRANT AGREEMENTS

- The Union grant will not exceed 80% of the total eligible costs.
- The applicant organisation and/or other fund providers are required to make financial (cash) contribution(s) to the proposal of at least 20% of the total eligible costs.

¹⁵ Council Regulation (EC, Euratom), n° 1605/2002 of 25.06.2002 (OJ L 248, 16.09.2002), as amended by Regulation n° 1995/2006 (OJ L 390, 30.12.2006) (<http://eur-lex.europa.eu/LexUriServ/site/en/consleg/2002/R/02002R1605-20070101-en.pdf>)

¹⁶ Commission Regulation (EC, Euratom) n° 2342/2002 of 23.12.2002, (OJ L 357, 31.12.2002) and subsequent amendments: Commission Regulation (EC, Euratom) n° 1261/2005 of 20.07.2005 (OJ L 201, 02.08.2005), Commission Regulation (EC, Euratom) n° 1248 of 07.08.2006 (OJ L 227, 07.08.2006) and Commission Regulation n° 478/2007 (OJ L 111, 28.04.2007) (<http://eur-lex.europa.eu/LexUriServ/site/en/consleg/2002/R/02002R2342-20070501-en.pdf>)

¹⁷ Art. 113 FR and 172 IR

¹⁸ Art. 111 FR and 173(5) IR

¹⁹ Art. 109(2) FR and 165(1) IR

- The grant does not cover ineligible costs (see below for definition).
- Contributions in kind (unpaid charity work by a private individual or corporate body, etc.) cannot be accepted.
- Signed letters of commitment from the applicant organisation and/or other sources must be provided stating the precise amount of each financial (cash) contribution to the budget. If other institutions or organisations (partners) are involved in carrying out the project, the letter of commitment/partnership, from each of the partners, should also provide the name, address and person responsible and explain the nature of their involvement.
- An external audit report of the previous accounts of the applicant organisation produced by an approved external auditor must be provided for grant applications where the cost to be financed exceeds EUR 500.000.²⁰ The report must certify the accounts for the last financial year available.
- The partial or total withholding by the applicant of any information that may have an impact on the Commission's final decision concerning the application will entail the automatic disqualification of the application or, if discovered at a later stage, will entitle the Commission to impose financial and administrative penalties²¹.

3. THE ESTIMATED BUDGET OF THE ACTION

3.1. The budget must be detailed and balanced

Grant applications must include a detailed estimated budget presented in Euro (see application form). Applicants established in countries outside the Euro zone must use the conversion rates published in the Official Journal of the European Union (<http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>). Applicants should be aware that they fully carry the exchange rate risk.

The budget estimate must be properly balanced: the two totals (income and expenditure) must be the same, since the available income (including the grant requested from the Commission) will have to finance the planned expenditure²². Please make sure that all the items related to the implementation of the action are included and not just those for which financing is being sought.

²⁰ Art. 173(4) IR (No audit report is required from public bodies or international organisations.)

²¹ Art. 175 IR

²² Art. 173(3) IR

3.2. Expenditure

Expenditure must include the estimated costs exclusively for the implementation of the action.

3.2.1. General criteria for eligibility of costs

In order to be eligible for Union funding, costs must meet the following criteria²³:

- (a) be incurred during the duration of the action, with the exception of costs relating to final reports and audit certificates;
- (b) be indicated in the estimated overall budget of the action attached to the grant agreement;
- (c) be necessary for the implementation of the action which is the subject of the grant;
- (d) be 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;
- (e) comply with the requirements of applicable tax and social legislation;
- (f) be reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

The successful applicant must take care to avoid any unnecessary or unnecessarily high expenditure.

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

Documentation justifying costs must be kept by the beneficiary for **five years** following final payment by the Commission.

Expenditure eligible for financing may not have been incurred before the grant application was lodged.

Extra costs associated with the participation of people with disabilities are also eligible. These costs may be required to cover the use, for example, of special means of transport, personal assistants or sign language interpreters.

²³ Art. 172a IR

3.2.2. Eligible direct costs

The eligible direct costs for the action are those costs which, provided that they satisfy the criteria of eligibility set out above, are identifiable as specific costs directly linked to the performance of the action and which can therefore be booked to it directly.

In particular, the following direct costs may be considered eligible:

Staff costs

The costs of staff (permanent or temporary staff employed by the beneficiary or the partners) assigned to the implementation of the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, are eligible. The salary costs should not exceed the average rates corresponding to the beneficiary's usual policy on remuneration. In addition, they should not be higher than the generally accepted market rates for the same kind of task.

The costs of personnel of national administrations may be considered as eligible 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.

The form reserved for these costs in the budget estimate (see application form) should be completed by indicating the persons to be remunerated (full-time/part-time), the number of days of work to be performed and the daily rate calculated on the basis of an average of 20 days per month, up to a maximum total of 220 working days per year.

When submitting the request for final payment, the beneficiary may have to provide pay slips and timesheets justifying the actual staff costs declared.

The cost of any work to be performed by external experts by means of subcontracting must not be included in staff costs but under services.

Travel, accommodation and subsistence allowances

Travel costs must not exceed the most reasonable rates available on the market. Accommodation and subsistence costs related to the participants to the action are eligible provided that they are in line with the beneficiary's usual practices on travel costs or do not exceed the scales approved periodically by the Commission which are set out in the table below.

Journeys must be carried out by the most direct and economic route. Economy class fares will be used as the benchmark for analysing air travel costs. Air travel is acceptable only for distances

above 400 km, i.e. return flight above 800 km. For other modes of transport, the benchmark is the first-class rail fare. Car journeys: equivalent of corresponding first-class train ticket.

The *Daily subsistence allowances (DSA)* are paid in addition to costs for accommodation as a flat-rate amount and are considered to cover breakfast and two main meals, local transport, the cost of telecommunications and all other sundries. Daily subsistence allowances are to be calculated as follows according to the length of the mission:

- stays less or equal to 6 hours: reimbursement of actual costs (on production of supporting documents);
- more than 6 hours up to 12 hours inclusive: 0.5 DSA;
- more than 12 hours up to 24 hours inclusive: 1 DSA;
- more than 24 hours up to 36 hours inclusive: 1.5 DSA;
- more than 36 hours up to 48 hours inclusive: 2 DSA;
- more than 48 hours up to 60 hours inclusive: 2.5 DSA, etc.

The maximum amounts (in Euro per calendar day) accepted for each country are set out in the table below, and applicants are advised to adhere to these rates in their budget estimates²⁴:

<i>Destinations</i>		<i>DSA in EUR</i>	<i>Maximum hotel price in EUR</i>	<i>Destinations</i>		<i>DSA in EUR</i>	<i>Maximum hotel price in EUR</i>
AT	Austria	95,00	130,00	LU	Luxembourg	92,00	145,00
BE	Belgium	92,00	140,00	LV	Latvia	66,00	145,00
BG	Bulgaria	58,00	169,00	MK	F.Y.R. of Macedonia	50,00	160,00
CY	Cyprus	93,00	145,00	MT	Malta	90,00	115,00
CZ	Czech Republic	75,00	155,00	NL	The Netherlands	93,00	170,00
DE	Germany	93,00	115,00	PL	Poland	72,00	145,00
DK	Denmark	120,00	150,00	PT	Portugal	84,00	120,00
EE	Estonia	71,00	110,00	RO	Romania	52,00	170,00
EL	Greece	82,00	140,00	RS	Serbia	80,00	140,00
ES	Spain	87,00	125,00	SE	Sweden	97,00	160,00
FI	Finland	104,00	140,00	SI	Slovenia	70,00	110,00
FR	France	95,00	150,00	SK	Slovakia	80,00	125,00
HR	Croatia	60,00	120,00	TR	Turkey	55,00	165,00
HU	Hungary	72,00	150,00	UK	United Kingdom	101,00	175,00
IE	Ireland	104,00	150,00	IS	Iceland	85,00	160,00
IT	Italy	95,00	135,00	LI	Liechtenstein	80,00	95,00
LT	Lithuania	68,00	115,00	NO	Norway	80,00	140,00
				CH	Switzerland	80,00	140,00

²⁴ The daily allowance rates are subject to periodic review by the Commission.

Please note that the Commission and the other European Institutions cover the travel and subsistence costs of their own officials when they participate in an event organised by the beneficiary and these should therefore not be included in the budget estimate.

Catering

The total amount calculated according to the above mentioned rules regarding Daily subsistence allowances shall constitute a maximum. If catering services are provided by the organisers, the DSAs directly paid to participants must be reduced accordingly.

Costs of services

Information dissemination, publications costs can be taken into account provided that they are directly related to the action. Please give, for each publication and/or other materials, a description, an estimate of the number of pages and copies planned the frequency and language of publication, an indication of the production costs per copy as well as an estimate of the distribution costs where appropriate.

Translation costs must include the following details: the number of languages, the number of pages to be translated and the rate applied per page. These rates may not exceed the most reasonable market rates.

Interpretation: the different components must be specified. In particular, the number of languages, the number of interpreters, the number of days and the daily rates must be specified. The accepted daily fee of an interpreter may not exceed EUR 700 (including VAT). Interpreters should be hired locally. For their travel and subsistence expenses to be covered by the grant, it must be impossible to hire them locally and it must be explained why this is so.

Evaluation: if the proposal supported requires some form of evaluation, monitoring and evaluation methods must be developed, as well as tools to assess, on an on-going basis, the progress of the action in relation to the objectives defined at the beginning and the results. The cost of such work will be regarded as eligible expenditure.

Subcontracting

Any service undertaken by an external party in connection with the implementation of the action is considered to be **subcontracting**.²⁵

Applicants should have the operational capacity to complete the action to be supported. However, when justified and necessary, parts of the project may be subcontracted to another person or

²⁵ Art. 120FR, 184 IR

organisation. In this case, the beneficiary shall ensure that²⁶ the relevant terms applicable to itself under the agreement are also applicable to the subcontractors. Which tasks will be subcontracted and why this subcontracting is necessary, must be clearly specified in the annex foreseen to this purpose in the application form.

Main rules related to subcontracting activities

When concluding external contracts in order to implement the action, the beneficiary must seek competitive tenders from potential contractors and award the contract to the bid offering **the best value for money, i.e. the best price-quality ratio**. In doing so, the beneficiary shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflicts of interest²⁷.

Contracts as referred above may be awarded only in the following cases:

- a) They may only cover the execution of a limited part of the action;
- b) Recourse to the award of contracts must be justified in relation to the nature of the tasks necessary for the implementation of the action;
- c) The tasks to be subcontracted and the corresponding estimated costs must be set out in detail in the budget estimate;
- d) Any recourse to the award of contracts while the action is underway shall be subject to prior written authorisation by the Commission;
- e) The beneficiary shall retain sole responsibility for the implementation of the action and for compliance with the provisions of the agreement. The beneficiary must undertake the necessary arrangements to ensure that the subcontractor waives all rights in respect of the Commission under the agreement;
- f) The beneficiary must undertake to ensure that the terms, mentioned above, applicable to itself under the agreement are also applicable to the subcontractor.

Administration costs

Depreciation for purchase of equipment²⁸: the purchase cost of equipment (new or second-hand) is eligible provided that it is written off in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the period of eligibility for Union funding covered by the grant agreement and the rate of actual use for the purposes of the action may be taken into account by

²⁶ The terms related to liability, conflict of interests, confidentiality, publicity, evaluation, assignment and checks and audits

²⁷ In addition to these general rules, where the value of the external contract exceeds EUR 60 000, beneficiaries may be required to apply specific rules of procedure which are based on the Financial Regulation and determined with due regard to the estimated value of the contracts concerned, the relative size of the Union contribution in relation to the total cost of the action and the management risk

²⁸ Art. 172 IR

the Commission. A justification for the need of purchasing such equipment is to be annexed to the budget estimate.

Other eligible administrative costs are: rent of meeting rooms (coffee breaks included), rent of interpretation booths, communications' costs, charges for financial services, costs relating to a bank guarantee and to external audits, etc. Indicative amounts for rental of booths, excluding technical equipment: EUR 750 (excluding VAT) per day. Rental of booths with equipment and technical assistance: EUR 1200 (excluding VAT) per day.

3.2.3. Eligible indirect costs - Overheads

Indirect costs are general administrative costs – overhead costs incurred in connection with the eligible direct costs for the action. They are limited to a maximum flat-rate of 7% of the total eligible direct costs for the action. These can include maintenance, stationery, photocopying, mailing postage, telephone and fax costs, heating, electricity or other forms of energy, water, office furniture, insurance and any other expenditure necessary for the successful completion of the project. Postage costs are considered as overhead costs and cannot be accepted under the headings "publications" or "administration".

If the accepted budget includes a provision for flat-rate funding in respect of indirect costs, they need not to be supported by accounting documents.

Indirect costs are not eligible for an action where the beneficiary already receives an operating grant from the Union budget during the period in question.

3.2.4. Non-eligible costs

The following expenses are ineligible and not accepted:

- contributions in kind: these are contributions that are not invoiced, such as voluntary work, equipment or premises made available free of charge;
- return on capital;
- debt and debt service charges;
- doubtful debts;
- provisions for losses or potential future liabilities;
- interest owed;
- exchange losses;
- VAT, unless the beneficiary can show that he/she is unable to recover it according to the applicable national legislation;²⁹

²⁹ It should be noted that VAT paid by a public body to operators who are subject to VAT (when purchasing goods or supplying services within the framework of the implementation of the co-financed action) is not eligible. The VAT thus collected by operators liable for tax will in fact be returned to accounts of the

- excessive or reckless expenditure;
- costs declared by the beneficiary and covered by another action or work programme receiving a Union grant.

3.3. Income

Total income must be identical to total expenditure. The income side of the budget must show:

- The beneficiary's contribution in cash: the direct monetary (cash) contribution from the applicant's own resources and/or the contribution from any other fund providers. This means a financial flow that can be traced in the written accounts of the beneficiary.
- The revenue generated by the action: any income expected to be generated by the implementation of the action should be detailed (such as the yield from sales of publications).
- The Union grant: the grant requested from the Commission.

4. HOW THE GRANT WILL BE CALCULATED

If the proposal is selected for a grant, the Commission will calculate the Union contribution as a percentage of the total eligible costs as shown in the estimated budget for the implementation of the action.

The Commission reserves the right to reduce the grant requested if the proposal is acceptable but considered too expensive, and to reduce individual unit costs if these are estimated to be too high.

Determination of the final amount of the grant

The Union final grant is calculated on the basis of the **actual** eligible expenditure by applying the "double ceiling" rule and verifying compliance with the no-profit rule.

- Application of the "double ceiling" rule limiting the grant both to the percentage of the eligible costs and to the maximum amount mentioned in the grant agreement

The Union final grant is calculated by applying the percentage for the co-financing of the eligible costs laid down in the grant agreement to the total of the actual eligible costs. This amount must not exceed the maximum amount for the Union grant laid down in the grant agreement.

As a result, if the actual expenditure turns out to be lower than the expenditure you budgeted, the actual grant will also be reduced in application of the percentage contribution which will remain the same. If the actual expenditure turns out to be higher than the expenditure budgeted, the Union

Member State of the public body. Considering this VAT as an eligible cost would lead to double financing (by the Union and by the fiscal revenue).

grant will not be increased. It is therefore in the applicant's interest to submit a realistic estimate of expenses.

- Verification of compliance with the **no-profit rule**

The grant may not have the purpose or effect of producing a profit for the beneficiary³⁰.

On the basis of the above rule if the total income of the action is higher than the total costs, the final grant amount will be reduced accordingly so that it will not produce a profit.

A mere forecast of expenditure does not give entitlement to a grant. This is why the final grant amount cannot be calculated until the Commission has received the final activity report and the final statement of expenditure. The expenditure that is committed to the implementation of the action must be justified by invoices or equivalent supporting documents, in order to be accepted as actual expenditure. It must also relate to actual rather than inputted costs.

5. AGREEMENT GOVERNING THE GRANT

Should the Commission award a grant, a standard grant agreement for an action setting out the conditions and maximum level of funding will be concluded with the beneficiary.

Successful applicants will receive two original copies of the grant agreement for acceptance and signature. Both of these copies must be sent back to the Commission, which will then return one of them once it has been signed by both parties.

6. PAYMENT PROCEDURES

The payment arrangements will be laid down in the grant agreement.

Generally, payment of the grant will be made in three instalments (two pre-financing payments and a final payment) under the following conditions:

- A pre-financing payment of 40% at the signature of the grant agreement.

- A second pre-financing payment of 30% of the total amount awarded upon receipt and approval by the Commission of a progress report on implementation of the action and detailed statement of the costs already incurred, showing that at least 70% of the previous pre-financing payment has been used up. Where the consumption of the previous pre-financing is less than 70%, the amount of the new-pre-financing payment shall be reduced by the unused amounts of the previous pre-financing payment³¹.

³⁰ Art. 109(2) FR

³¹ Art. 180(1) IR

- The balance will be paid upon acceptance by the Commission of the final technical implementation report and final financial statement.

7. GUARANTEE³²

The Commission may require the beneficiary to provide a guarantee in advance, in order to limit the financial risk linked to the payment of the pre-financing.

This guarantee shall be denominated in euro and shall be valid for a period sufficiently long to allow it to be activated. The guarantee shall be provided by an approved bank or financial institution established in one of the Member States.

The guarantee shall be released as the pre-financing is gradually cleared against interim payments or payments of balances to the beneficiary in accordance with the conditions laid down in the grant agreement.

The guarantee may be replaced by a joint and several guarantee by a third party or by the irrevocable and unconditional joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.

8. BANK ACCOUNT AND INTEREST GENERATED BY PRE-FINANCING PAYMENTS³³

Payment shall be made to the beneficiary's bank account or sub-account denominated in Euro. The account or sub-account indicated by the beneficiary must make it possible to identify the funds transferred by the Commission.

If the funds paid into the account yield interest or equivalent benefits under the law of the State on whose territory the account is opened, such interest or benefits, if they have been generated by pre-financing payments which remain the property of the European Union, shall not be treated as a receipt for the action.

The beneficiary shall, as specified in the grant agreement, inform the Commission of any interest or equivalent benefits yielded by pre-financing payments higher than EUR 50 000, it has received from the Commission. Notification must be made when the request is introduced for interim payment or for payment of the balance that clears the pre-financing.

³² Compulsory in the case of pre-financing representing over 80% of the total amount of the grant and exceeding EUR 60 000. However, this requirement may be waived for public-sector bodies and international organisations or for beneficiaries who have signed a framework partnership agreement with the Commission. (Art.118 FR and 182(1) IR)

³³ Art. 5(a) FR, Art. 3, 4, 4(a) IR

Interests yielded by pre-financing payments between EUR 50 000 and 750 000 will be directly deducted from payments. Interests generated by pre-financing payments higher than EUR 750 000 will be recovered through a recovery order.

Interests shall not be due to the Union for pre-financing paid to Member States, to their regional or local authorities including organisms and administrative and instrumental structures under their control, or paid in the framework of joint management with international organisations.

All costs related to these requirements (such as the cost for opening and closing accounts) are eligible and may be submitted in the budget estimate.

9. SUBMISSION OF REPORTS AND OTHER DOCUMENTS

The final report on the implementation of the action along with a final financial statement of all actual expenditure and actual revenue are to be sent within three months from the closing date of the action. The final report should answer at least to the following questions:

- 1) *How was the project performed? Was it performed in accordance with the description of the action annexed to the grant agreement? (Describe the project, its results and methodology, planned activities, timetable, partners, participants, etc.).*
- 2) *To what extent did the project meet the objectives set?*
- 3) *What was the added value in national policy making of the action?*
- 4) *What was the European added value of the implementation of the action?*
- 5) *How was the project presented to the public and how were the results disseminated?*
- 6) *What lessons have been learned from this experience?*
- 7) *Describe the results of the evaluation (internal/external) of the implementation of the action.*

The final report must be completed using the template in the grant agreement.

In addition to these requirements, other documents that might be indicated in the text of the call for proposals must also be provided.

Should the final report be deemed to be inadequate or of low quality, the Commission reserves the right to request additional information within 60 days of reception of the final report, and, if necessary, to suspend the final payment until the requested information is provided.

10. PUBLICITY

Beneficiaries of the grant are required to mention clearly the fact that they have received funding from the Union in any publication or in other materials, and during activities (conferences or seminars, etc.), for which the grant is used, using the following wording: "**With support from the European Union**". The logo of the EU, given at the following web address: http://europa.eu/abc/symbols/emblem/index_en.htm should also be visible.

Any communication or publication by the beneficiary, in any form and medium, including the Internet, shall indicate that sole responsibility lies with the author and that the Commission is not responsible for any use that may be made of the information contained therein.

In addition to these minimum requirements, references specified in the text of the call for proposals must also be indicated.

All grants awarded in the course of a financial year shall be published on the Internet site of the Union institutions during the first half of the year following the closure of the budget year in respect of which they were awarded.

By signing the grant agreement for an action, the beneficiary authorises the Commission to publish the following information in any form and medium, including via the Internet site of the Union³⁴:

- the beneficiary's name and the address
- the subject of the grant,
- the amount awarded and the rate of funding of the costs of the action.

Upon a duly substantiated request by the beneficiary, publication of this data can be waived if it threatens the safety of the beneficiary or harms his business interests.

In order to increase the visibility of transnational partnerships established under PROGRESS and to facilitate networking between organisations involved in actions covered by PROGRESS grants, the Commission intends to publish the name and address of partners in PROGRESS-funded projects together with the name and address of the beneficiary, the reference of the call for proposals and the title and description of the project. To that purpose, the Beneficiary will be asked to seek the partners' agreement to authorise the Commission to publish this data. This written agreement should be included in the letters of commitment sent to the Commission with the application form.

³⁴ Art. 110(2) FR, 169(2) IR

11. EVALUATION

If the proposal should include a specific evaluation component for ongoing monitoring and final evaluation of the action, these costs can be taken into account as eligible in the budget estimate.

Successful proposals could be the subject of an ongoing and ex-post evaluation led by the Commission and/or by independent experts selected by the European Commission. Therefore, the beneficiaries of the grant undertake to make available to the Commission and/or persons authorised by it, all necessary documents or information as will allow the evaluation to be successfully completed and give these persons the rights of access required.

12. CHECKS AND AUDITS

An external audit report is required in the following cases:

12.1. Audit report in support of grant applications³⁵

Organisations' proposals for an action for which the grant exceeds EUR 500 000, shall be accompanied by an external audit report produced by a certified auditor. That report shall certify the accounts for the last financial year available.

12.2. Audit report in support of requests for payment³⁶

In the case of a grant for an action over EUR 750 000, requests for payment shall, when the cumulative amounts per financial year of requests for interim payments and for payment of the balance is at least EUR 325 000, be accompanied by an external audit report produced by an approved auditor or in case of public bodies, by a competent and independent public officer. Its purpose is to certify that the submitted accounts comply with the financial provisions of the agreement, that the costs declared by the beneficiary in the financial statements on which the request for payment is based are real, accurately recorded and eligible according to the grant agreement and that all receipts have been declared.

The obligation to provide such a certification of the financial statements and underlying accounts may be waived in the cases of grant beneficiaries that are public bodies or international organisations. If an external audit of the action's accounts is not required, the beneficiary himself shall certify on his honour that information contained in requests for payments is full, reliable and true. He shall also certify that the costs incurred can be considered eligible in accordance with the grant agreement and that requests for payment are substantiated by adequate supporting documents that can be checked.

³⁵ Art. 173(4) IR

³⁶ Art. 180(2) IR

The beneficiary undertakes to provide any detailed information requested by the Commission or by another qualified outside body chosen by the Commission for the purposes of checking that the action and the provisions of the agreement are being properly implemented. The beneficiary must enable the Commission and/or the Court of Auditors to verify the organisation's accounting documents, if they deem this appropriate. To this end, documentation justifying items of expenditure must be retained by the applicant's organisation for five years following final payment by the Commission.

13. PROCEDURE: ELECTRONIC MEANS OF SUBMISSION - SWIM

The Internet Web application called "SWIM" (SAGA Web Input Module) allows applicants/beneficiaries to introduce, edit, validate, print and submit grant applications, request for payments and request for modifications on the budget estimate. SWIM can be accessed in the following web address³⁷: <https://webgate.ec.europa.eu/swim>

13.1. Introduction of grant applications

The grant application form has to be electronically filled in as follows: first, access the system at the address mentioned above and click on the link "New grant application", then, select the number of the call for proposals you wish to apply for and, eventually, fill in your application. Once your application is completed, click on the "submission" button in order to finalise the submission procedure. Please note that after submitting your application form electronically no changes to the application are possible.

After its electronic submission, the application form must also be printed out, signed by the legal representative of the organization submitting the proposal and sent by post to the responsible Unit, as specified in the text of the call for proposals.

Failure to respect this procedure will render the application ineligible.

13.2. Requests for payments and budgetary modifications

In addition to the documents specified in the grant agreement, financial documents required in support of requests for further pre-financing payments and for payment of the balance, as well as requests for modifications of the budget estimate to be made by addendum must also be electronically submitted using SWIM.

³⁷ For more technical details on SWIM utilisation, a user's manual is available on line

To be allowed to log on to SWIM and access its grant file, the beneficiary will be asked to enter in the login page the same File number and Access code assigned by the system to the grant application when it was created.

14. DATA PROTECTION

The grant application will be processed by computer. All personal data (such as names, addresses, CVs, etc.) will be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 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.³⁸ Replies to the questions in the application form are necessary in order to assess the grant application and they will be processed solely for that purpose by the department responsible for the Union grant programme concerned. On request, applicants may be sent personal data to correct or complete. For any question relating to these data, please contact the Commission department to which the form must be returned.

Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.

15. EARLY WARNING SYSTEM AND CENTRAL EXCLUSION DATABASE

Grant applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations mentioned in:

- the Commission Decision of 16.12.2008 on the Early Warning System (EWS) for the use of authorising officers of the Commission and the executive agencies (OJ, L 344, 20.12.2008, p. 125),
or
- the Commission Regulation of 17.12.2008 on the Central Exclusion Database – CED (OJ L 344, 20.12.2008, p. 12),

their personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the EWS only or both in the EWS and CED, and communicated to the persons and entities listed in the above-mentioned Decision and Regulation, in relation to the award or the execution of a procurement contract or a grant agreement or decision.

³⁸ Official Journal L 8, 12.1.2001.