



CALL FOR PROPOSALS N° VP/2011/010

BUDGET LINE 04-04-01-01

PROJECTS CONTRIBUTING TO EXCHANGE OF GOOD PRACTICES

In view of the large number of enquiries, please do not telephone.

Questions should be sent by e-mail only to: EMPL-VP-2011-010@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. Introduction

PROGRESS¹ is the EU 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 as well as to the objectives of the Europe 2020 Strategy. This new strategy, which has a strong social dimension, aims at turning the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. The European Union needs coherent and complementary contributions from different policy strands, methods and instruments, including the PROGRESS programme, to support the Member States in delivering on the Europe 2020's goals.

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 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;

¹ Decision No 1672/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Community Programme for Employment and Social Solidarity — Progress, JO L 315 of 15.11.2006

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Renewed social agenda: Opportunities, access and solidarity in 21st century Europe COM/2008/0412 final of 02.07.2008.

- 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).

The call for proposals is issued in the context of the implementation of the 2011 annual work plan which can be consulted at <http://ec.europa.eu/social/main.jsp?catId=658&langId=en>

2. Context

The European Employment Strategy and the Europe 2020 Strategy

Article 4 of the PROGRESS Decision stipulates that the programme shall support the implementation of the European Employment Strategy among others by "organising exchanges on policies, good practice and innovative approaches, and promoting mutual learning in the context of the EES" (Art. 4(c)) and by "raising awareness, disseminating information and promoting the debate about employment challenges and policies and the implementation of national reform programmes, including among the social partners, regional and local actors and other stakeholders" (Art. 4(d)).

Exchanging good practice and experience is one of the core objectives of the European Employment Strategy (EES), which is now an integral part of the Europe 2020 Strategy³. The two of the seven flagships initiatives of the Europe 2020 Strategy directly in line with the employment area are as follows: 1) An Agenda for New Skills and Jobs and 2) Youth on the Move (the aspects related to young employment).

3. Objective of the call for proposals

The present call for proposals will cover two different policy domains. The main objectives are to encourage mutual learning at all levels and enhance transferability of the

³ See: http://ec.europa.eu/eu2020/index_en.htm

most effective policies to: 1) implement the skills dimension of the flagship initiative "An Agenda for New Skills and Jobs" and 2) implement the flagship initiative "Youth on the Move".

Each proposal must be linked to one domain only. If applicants would like to apply for both domains, 2 different complete proposals need to be submitted.

Domain 1): Implement the skills dimension of the flagship initiative "An Agenda for New Skills and Jobs"

The European Union has agreed on an employment rate target for women and men of 75% for the 20-64 years age group by 2020: an ambitious commitment to the sustainability of Europe's social model, welfare systems, economic growth and public finances.

Bridging the gap to the target will be no easy task. The recent economic crisis has highlighted the crucial need for workers to update their skills in order to be able to adapt and contribute to new patterns of work organisation and to technological change. The current skills gap and skills mismatches observed on our labour markets risk impacting negatively the competitiveness of our economies, jeopardising a sustainable economic recovery based on innovation and job creation. Lack of skilled and qualified professionals in areas such as science, technology, engineering, and mathematics, in green-related activities, in the health sector and in the ICT field are challenges that will need to be addressed now and over the next 10 years.

To meet those challenges, investments in education and training systems, guided by improved monitoring and understanding of present and future skills shortages, are needed. Education and training systems must be able to deliver the right mix of skills to maximise the chance of a smooth and rapid transition to and between employments. Increased cooperation between guidance centres and employment services as well as between employers and education and training institutions should be encouraged and should contribute to more dynamic and responsive interactions between the worlds of work, education and training.

Foreseen results

The objective of the call is to support the implementation of the flagship's objectives and to collect examples of concrete support measures. This can concern inter alia best practices that result in:

- Developing early-warning and forecasting systems to improve the matching of skills supply and demand
- Supporting the development and exchange between public employment services, education and training providers and companies on lifelong learning and guidance to help people make choices regarding careers as well as education & training
- Close involvement of social partners both at EU and national level, in actions that can help equip people for employment with the right skills and help employers to find the skills they need

- Supporting the strategic dialogue with private and third-sector employment services on strategies addressing skills development

The best practices could also integrate the following items:

- Close involvement of regional authorities on strategies addressing skills offer and employment demand
- An understanding of mechanisms which exist at national and regional level to bridge the worlds of labour and of education and training
- An understanding of the transmission mechanisms and use made of skills forecasting/foresight intelligence, in particular by public authorities such as qualification authorities, education and training providers, employers and workers and their representatives
- Strategic human resources development, in particular addressing the specificities of Small and medium sized enterprises
- Supporting effective collaboration between sectors, education and training providers and public authorities in the field of skills transferability
- An understanding of existing co-investment mechanisms between employers and educational and training providers to support activities in the field of education and training.

All applications should clearly identify:

- the overall objective(s) of the project;
- key stakeholders and target groups (in addition to those directly involved in project);
- the roles and division of tasks between partners;
- a dissemination plan for effectively reaching out to target groups;
- expected results and their follow-up.

Domain 2): Implement the flagship initiative "Youth on the Move"

The situation of young people in the EU labour markets constitutes a serious social and economic issue: the crisis has led to a dramatic increase in youth unemployment in the EU, which has reached 21% in the fourth quarter of 2010 from 15.7% in spring 2008.⁴ However, the crisis only exacerbated structural obstacles for young people in accessing remunerative and sustainable employment. This is not productive for the economy and society as a whole and hinders young people in developing their potential.

⁴ Eurostat, Labour Force Survey.

The Europe 2020 strategy wants to respond to these challenges in the framework of a ten-year strategy for growth – smart, sustainable and inclusive – agreed upon by the Member States.⁵ Launched in March 2010, it focuses on growth and job creation through the modernisation of the labour markets in an inclusive perspective: it is essential that nobody is left behind and that everyone can realise their own potential. One of the seven flagship initiatives of the Europe 2020 strategy focuses exclusively on youth. "Youth on the move"⁶ sets out a policy framework including a set of concrete priority actions to reduce youth unemployment and to improve the job prospects of young people.

Foreseen results

Call for proposals VP/2010/005 covered a broad range of activities in the priority areas set out in framework on youth employment in 'Youth on the move'. The objective of the present call is therefore more focused and concentrates on the need to **facilitate the first transition for youth from education to the labour market**.

This would result in the collection of examples of concrete policy measures implemented at local, regional and national level leading to the provision of quality career guidance services and vocational orientation, where possible building upon skills forecasting and anticipation systems.

Projects need to structure the collection exercise so that all involved partners in the different Member States can learn from each other which policies work best, and in what contexts, as well as which measures have proven unsuccessful, and for what reasons.

All applications should clearly identify:

- the overall objective(s) of the project;
- key stakeholders and target groups (in addition to those directly involved in project);
- the roles and division of tasks between partners;
- a dissemination plan for effectively reaching out to target groups;
- expected results and their follow-up.

Priority areas for co-operation for **both domains**:

Among priority areas for cooperation are activities mentioned (the below list is not exhaustive):

- workshops on benchmarks, supporting good practices on equipping people with the right skills for employment addressing different aspects of policy formulation, decision making and policy execution;
- organisation of seminars, round-table events, study visits, staff exchange and communication activities to publicise the results of sharing of experiences in the policy fields covered by this call;

⁵ See: http://ec.europa.eu/europe2020/index_en.htm

⁶ See: <http://europa.eu/youthonthemove/>

- focused information campaigns and awareness raising efforts targeting key stakeholders and other relevant groups;
- reinforcing existing or new networks devoted to the advancement of the targeted policy issues and practices.

These activities may possibly be combined with the following:

- small-scale studies in order to gain greater knowledge on improving the first transition from education to work for young people and supporting good practices on equipping people with the right skills for employment;
- literature and desk reviews in the policy fields covered by this call, where such are not already available.

Participation for both domains:

The present call for proposals will be financed by the PROGRESS Programme, budget heading 04-04-01-01, and is open to participants from PROGRESS participant countries: EU Member States, EFTA/EEA countries (Norway, Iceland and Liechtenstein), EU candidate countries (Croatia, the former Yugoslav Republic of Macedonia and Turkey) and potential candidate countries (Serbia).

Applicants are encouraged to submit proposals that involve different partners coming from different PROGRESS countries.

Applicants are also encouraged to submit proposals that involve different levels of governance, i.e. national, regional and local level.

The European dimension of the actions proposed needs to be ensured through:

- the involvement of a greater number of different partners coming from different PROGRESS participating countries or
- the impact of the actions proposed on different PROGRESS countries.

Such projects are considered as priority within this call.

If the proposal includes partners:

- the application must be submitted by a single applicant. The applicant will sign the grant agreement with the Commission, receive and manage the grant from the Commission and be responsible for the implementation and reporting to the Commission on the progress of the overall project, as well as ensuring on-going monitoring and evaluation. The Commission will only deal with the applicant organisation.
- **the effective contribution of each individual partner, including the amount of its financial contribution, must be clearly described in the project application.**

4. Synergies with other EU Programmes

In promoting exchanges of good practices and transnational networks, the Commission will also ensure consistency, complementarity and absence of duplication between actions supported under this call for proposals and related EU Programmes.

The Commission intends to assist the analytical work of networks by making available the results of analyses, monitoring, surveys and evaluations generated under the EU Programme for Employment and Social Solidarity - PROGRESS. It will facilitate access to the pool of expertise and good practices accumulated under PROGRESS, and support linkages with other networks and partnerships in the policy field concerned. This will stimulate the exploitation of synergies between transnational networks under the European Social Fund (ESF) and PROGRESS.

Transnational cooperation between Managing Authorities and Intermediate Bodies supported under other calls for proposals will also be developed in parallel to, and will complement, the policy initiative "Regions for Economic Change"⁷ which provides financial support for networks under INTERREG IVC, the 2007-2013 ERDF interregional cooperation programme, and URBACT II, the 2007-2013 ERDF cooperation programme on urban issues.

5. Exclusion and Eligibility criteria

Exclusion and Eligibility of applicants:

- applicants must be in conformity with Articles 93(1)⁸, 94⁹ and 96(2)(a)¹⁰ of the Financial Regulation;

⁷ http://ec.europa.eu/regional_policy/cooperation/interregional/ecochange/index_en.cfm

⁸ Situations referred to in Article 93 of the Financial Regulation are the following:

- (a) bankrupt or being wound up, having their affairs administrated by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) convicted of an offence concerning their professional conduct by a judgement which has the force of res judicata;
- (c) guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- (d) not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country where the contract is to be performed;
- (e) the subject of a judgement which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- (f) currently subject to an administrative penalty referred to in Article 96(1): 1. The contracting authority may impose administrative or financial penalties on the following: (a) candidates or tenderers in the cases referred to in point (b) of Article 94; (b) contractors who have been declared to be in serious breach of their obligations under contracts covered by the budget. In all cases, however, the contracting authority must first give the person concerned an opportunity to present his observations.

⁹ Situation referred to in Article 94 of the Financial Regulation are the following:

- (a) are subject of conflict of interest;
- (b) are guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in the contract procedure or who fail to supply this information.

¹⁰ Administrative or financial penalties shall be proportionate to the importance of the contract and the seriousness of the misconduct, and may consist in: the exclusion of the candidate or tenderer or contractor concerned from the contracts and grants financed by the budget, for a maximum period of ten years.

- applicants must be legal persons properly constituted and registered in one of the EU Member States or in the other PROGRESS participating countries¹¹;
- eligible applicants are:
 - public authorities or semi-state agencies at central, regional or local level;
 - non-profit organisations and higher education institutions and research institutes active mainly in the area of employment policy, quality of work or social inclusion. These organisations are encouraged to establish partnerships with other stakeholders including with public authorities or semi-state agencies;
 - in application of Article 114 of the Financial Regulation, social partner organisations without legal personality are also eligible provided that their representatives have the capacity to undertake legal obligations on their behalf and assume financial liability.

Eligibility of the proposal:

The application must be:

- submitted in written following the standard application form;
- submitted electronically on line and by post in 3 hard copies (1 original and 2 copies);
- sent by the deadline indicated in section 10 below;
- complete and include all the documents indicated in the checklist (section 13);
- the application must be linked to the objective of the call as described under section 3 above;
- the application must comply with the European Union co-financing percentage of maximum **80%** and with the rules of start dates and duration of the project defined in section 9 below. It is therefore not possible to use other Union funds, including ESF funds, to cover at least the 20% co-financing obligation.
- each proposal must be linked to one domain only. If applicants would apply for both domains, 2 different complete proposals need to be submitted.

6. Selection criteria

Only organisations with the necessary financial and operational capacity to carry out the actions may be awarded a grant.

6.1 Operational capacity

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. The applicant must have a strong track record of competence and experience in the field and in particular in the type of action proposed.

¹¹ PROGRESS participating countries are: EU Member States, EFTA/EEA countries (Norway, Iceland and Liechtenstein), EU candidate countries (Croatia, the former Yugoslav Republic of Macedonia and Turkey) and potential candidate countries (Serbia).

The operational capacity of the applicant must be confirmed by the provision in the proposal of the following items:

- A list of the main projects carried out in the last three years relating to the objective of the call. In the case of work done for the Commission, applicants must also indicate the reference number of the contract/grant agreement and the department for which the contract/action was performed (see section 13, checklist, point 15).
- The curriculum vitae of the proposed project manager/coordinator and the persons who will perform the main tasks (see section 13, checklist, point 13).
- A declaration of the project manager/coordinator certifying the competence of the team to carry out the required tasks (see section 13, checklist, point 12).
- In the case of proposals with partners: a written confirmation from each partner that they are willing to participate in the project, specifying also the amount of the cash contribution and a description of their role and tasks in the project are needed to be submitted (see section 13, checklist, point 4).

6.2 Financial capacity

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 financial capacity of the applicant must be confirmed by the provision in the proposal of the following items:

- Declaration on honour (includes financial capacity to carry out the activity) (see section 13, checklist, point 3).
- The applicant must provide proof of turnover in the last financial year at least equivalent to 100% of the grant requested (see section 13, checklist, point 14).
- Annual balance sheets and profit and loss accounts available from the last financial year (see section 13, checklist, point 16 and 17).

The verification of financial capacity will not apply to public bodies.

7. Award criteria

Only the proposals which fulfil the eligibility and selection criteria will be taken into account for a comparative assessment of all the proposals according to the following award criteria:

- Best meet the objectives and priorities of the call (**max 15 points**)

Particular attention will be paid to:

- Degree to which the proposal effectively meets one of the objectives and scope set out in section 3 above.
- Policy understanding and direct relevance of the proposal to European Employment Strategy and the EU 2020 Strategy.
- Innovative value of the proposed activity to be carried out.

- Have an adequate cost/efficiency ratio (**max 15 points**)
Particular attention will be paid to:
 - Degree to which the level of output and impact of the project is proportionate to the amount of the grant requested.
 - Adequacy of resources allocated to the project (human and financial) in relation to the objectives foreseen.

- Have a genuine transnational dimension (**max 15 points**)
Particular attention will be paid to:
 - European dimension of the actions proposed involving a greater number of different PROGRESS participating countries or having an impact on different PROGRESS countries.

- Have a high quality of partnership (**max 15 points**)
Particular attention will be paid to:
 - Degree of involvement and commitment of the partners in the project.
 - Structure and coordination of the partnership, including roles of different partners and tasks distribution.

- Have an added value and innovativeness (**max 10 points**)
Particular attention will be paid to:
 - European added value of the activity.
 - Degree to which the activity is innovative.

- Have a lasting impact and/or multiplier effect of the action (**max 10 points**)
Particular attention will be paid to:
 - Potential impact at European level of the operation once funding has ended (sustainability)
 - Potential for uptake or results' transfer to national, regional, local levels (transferability).

- Have arrangements to publicise the operation and envisaged dissemination methods (**max 10 points**)
Particular attention will be paid to:
 - Quality and efficiency of the information dissemination.

- Have an overall quality, clarity and completeness of the proposal and of the budget (**max 10 points**)
Particular attention will be paid to:
 - Clarity and quality of the methodological aspects, work programme and timetable.
 - Quality of the mechanism for ongoing monitoring and final evaluation.

8. Financial conditions¹²

The total available budget for this call is **€2.000.000**. In keeping with the open nature of this call, no minimum and maximum grant amounts are being fixed.

The Union's financial contribution will not exceed **80% of the total eligible costs** of the activities involved. Sources of co-financing can be public or private.

Only costs directly linked to the performance of the action will be accepted.

Contributions in kind are not eligible.

9. Start date and duration of projects

The projects should start after signature of grant agreements, expected within six months of the date of submission. Duration of each project is 12 months maximum, unless specific circumstances require longer duration (to be justified).

10. Date for submission

The proposals must be submitted electronically online and sent by post in 3 hard copies (original + two copies) to the Commission **not later than the 29 July 2011**.

11. Practical modalities

Applicants are invited to fill in the application form and present the project proposal preferably in **English, French or German**, in order to facilitate the treatment of the proposals and carry through the evaluation as soon as possible. However, it should be noted that proposals in other Union languages will be accepted.

The **Application form, the Financial Guidelines for Applicants** and further information related to the call for proposals is provided on the following website: <http://ec.europa.eu/social/main.jsp?catId=630&langId=en> Questions can also be sent by e-mail to EMPL-VP-2011-010@ec.europa.eu.

The Application form is an electronic form which must be filled in online. Annexes, which are compulsory, must be also filled in and uploaded online (see part E of the online Application form). For this purpose, the Internet Web application SWIM must be used. SWIM enables you to introduce, edit and submit a grant application. You can access to SWIM at the web site <https://webgate.ec.europa.eu/swim/external/displayWelcome.do>.

Before starting, please read carefully the "User's guide", which you will find at the top of the page ("Help on SWIM").

¹² For detailed provisions on Community grants, please refer to Title VI of the Council Regulation 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (http://ec.europa.eu/budget/biblio/documents/regulations/regulations_en.cfm#rf_modex) as amended by the Council Regulation no 1995/2006, OJ 2390 of 30/12/2006.

Applications accompanied by the annexes and all the required documentary proof should also be submitted in hard copy in triplicate to the addresses cited below **by the 29 July 2011** (their submission date will be taken as the date of dispatch, as evidenced by the postmark or the express courier receipt date) and proposals submitted after this date will not be eligible:

- a) by post to the following postal address:
European Commission
Employment, Social Affairs and Inclusion DG
Unit C2 – New Skills for New Jobs, Adaptation to Change, CSR, EGF – Call for proposals VP/2011/010
Archives-Courier service J27 0/115
B-1049 Brussels
- b) or by personal delivery against a signed receipt from the Commission's central mail service (direct or through any authorised representative of the applicant, including private messenger service etc.) **by 16.00 hours on 29 July 2011** at the latest to the following address:
European Commission
Employment, Social Affairs and Inclusion DG
Unit C2 – New Skills for New Jobs, Adaptation to Change, CSR, EGF – Call for proposals VP/2011/010
Central Courier Service
Avenue du Bourget, 1
1140 Evere

Failure to submit the application by post and online by **29 July 2011** will entail the ineligibility of the request for subsidy. Complementary documents sent by post, by fax or by electronic mail after the deadline mentioned above will not be considered for evaluation. Please do make sure that the full set of the application form and all accompanying documents as listed above are included in your sending by post by the closing date.

Unsigned application forms, hand-written forms and those sent by fax, will not be taken into consideration.

The **Financial Guidelines for Applicants** annexed to the present call for proposals (Annex I) provides more detailed information for the applicants, especially as regards guidelines for presenting the proposal's provisional budget along with the rules governing which categories of expenditure are eligible and which are not.

The information contained herein together with the **Financial Guidelines for Applicants** provides all the information you require to submit an application. Please read it carefully before doing so, paying particular attention to the priorities that have been set for the programme.

Regarding the presentation of the application file, it is recommended to:

- follow the order of documents as listed in the checklist (section 13, point 14);
- print the documents double-sided, where possible;
- use only 2-hole folders (please do not bind or glue).

12. Progress – additional conditions for calls for proposals 2011

12.1 Guide on how the activities shall be carried out

a) Requirements concerning equal opportunities

The PROGRESS Programme aims to promote gender mainstreaming in all its five policy sections and supported activities. Consequently, the Beneficiary shall 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 proposed activities includes a perspective informed by a systematic consideration of the gender 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 implementing the proposed activities. 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 requirements.

b) Publicity and information requirements

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 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 Programme for Employment and Social Solidarity - PROGRESS (2007-2013).

This programme is implemented by the European Commission. It was established to financially support the implementation of the objectives of the European Union in the employment, social affairs and equal opportunities area, and thereby contribute to the achievement of the Europe 2020 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.
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.

c) Reporting requirements

PROGRESS is implemented through a results-based management (RBM). The Strategic Framework, developed in collaboration with the Member States, social partners 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 PROGRESS website <http://ec.europa.eu/social/main.jsp?catId=659&langId=en> .

The Commission regularly monitors the effect of PROGRESS-supported 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. As a direct contribution to the PROGRESS Annual Performance Monitoring Report, the Beneficiary will be asked to submit a short quantitative questionnaire on the outputs produced over the course of a given calendar year. At the end of the action, the Beneficiary will also be asked to 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.

d) Information on partners in PROGRESS funded projects (when applicable):

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.

e) Communication and dissemination plan

Adequate communication and dissemination of results is essential in ensuring the EU added value of the action and its sustainability after the funding has ended. Information-giving and

awareness raising are key activities to ensure that other interested parties benefit from the project and can create new opportunities to extend it or develop new partnerships. The proposals must therefore include a detailed plan for communication and dissemination of the projects' results. In particular, such a plan must include information on dissemination activities and targeted audiences.

At final report stage, the Beneficiary will be required to provide details about how and to whom the results, best practices and findings have been disseminated and how interested parties have been involved in the project.

13. Checklist of the required documents to accompany your application

Please send in the following documents **in triplicate** (original + two copies). The Application form must be submitted also **electronically**.

	<i>Document</i>	<i>Check</i>
1	Original letter of application quoting the reference of the call (VP/2011/010) duly signed and dated by the legal representative of the applicant organisation.	<input type="checkbox"/>
2	Print-out of the online Application form (https://webgate.ec.europa.eu/swim) duly completed, dated and signed by the legal representative of the applicant organisation. NOTE: The electronic form must be electronically submitted before printing. After the electronic submission no further changes to the application are possible.	<input type="checkbox"/>
3	Printed version of Annex Declaration on honour , duly filled in, dated and signed by the legal representative of the applicant organisation certifying that the applicant organisation is not in one of the situations listed in Articles 93(1), 94 and 96(2)(a) of the Financial Regulation and that it has the financial and operational capacity to complete the activity for which funding is required..	<input type="checkbox"/>
4	Printed version of Annex CO-funding commitment/participation letter(s) from each partner in the project, if any: original(s) signed by the legal representative(s) of the organisation(s), specifying the amount of the cash contribution and the specific tasks to be undertaken by this organisation as well the agreement "that the Commission published the name and address of the partner together with the name and address of the beneficiary, the reference of the call for proposals and the title and description of the project" (see section 12d)).	<input type="checkbox"/>
5	Printed version of Annex Financial identification form original duly filled in, dated and signed by the applicant organisation account holder and either bearing the bank stamp and signature of the bank representative or with a copy of a recent bank statement attached. The Financial identification form must correspond to the Legal entity form (see above).	<input type="checkbox"/>

	<i>Document</i>	<i>Check</i>
6	Printed version of Annex Legal entity form original duly filled in and signed by the legal representative of the applicant organisation. Exclusively in case of <u>social partner organisations without legal personality</u> , applicants must also provide a signed letter of the representative expressing her/his capacity to undertake legal obligations.	<input type="checkbox"/>
7	Copy of the official registration certificate or any other official document attesting to the legal establishment of the organisation (not necessary for public bodies).	<input type="checkbox"/>
8	Copy of articles of association/statutes or equivalent , proving the eligibility of the organisation.	<input type="checkbox"/>
9	Copy of a document confirming the applicant's tax or VAT number, if available.	<input type="checkbox"/>
10	Description of the actions (free format) dated and signed by the legal representative of the applicant organisation.	<input type="checkbox"/>
11	Work Programme of the project (free format) dated and signed by the legal representative of the applicant organisation, including a timetable linking months to activities and outputs.	<input type="checkbox"/>
12	Declaration of the project manager/coordinator certifying the competence of the team to carry out the proposed activities.	<input type="checkbox"/>
13	Detailed CVs (educational and professional qualifications) and job specification of the proposed project manager/coordinator and of persons who will perform the main tasks, with a brief description of their outputs related to the subject of the proposal.	<input type="checkbox"/>
14	The proof of turnover in the last financial year at least equivalent to 100% of the grant requested (not necessary for public bodies).	<input type="checkbox"/>
15	A list of the main projects carried out in the last three years relating to the objective of the call. In the case of work done for the Commission, applicants must also indicate the reference number of the contract/grant agreement and the department for which the contract/action was performed.	<input type="checkbox"/>
16	Annual balance sheet and profit and loss account for the last financial year, duly dated and signed by the legal representative of the applicant organisation (not necessary for public bodies).	<input type="checkbox"/>
17	For grant requests over € 500.000,00 or for organisations subject to statutory audit of their annual accounts, an external audit report produced by an approved auditor, certifying the accounts for the last financial year available.	<input type="checkbox"/>

	<i>Document</i>	<i>Check</i>
18	Others any additional/optional annexes which you may wish to add, e.g. if you wish to provide longer answers to the questions concerning your project under heading B of the online application.	<input type="checkbox"/>
19	<p>In case of subcontracting where the value of the external contracts exceeds EUR 5.000, reasons and tasks to be subcontracted, and information about the selection procedure of the subcontractor must be included in Annex Contracts for implementing the action of the online Application form.</p> <p>Applicants wishing to recruit the services of external experts for an amount above EUR 60.000 must provide a copy of the draft tender specifications. It does not apply to public authorities which are already governed by a system of procurement rules. To assist applicants, a model of tender specifications is included in Annex II of this call. Important additional information concerning the award of contracts can be found in Annex I of this call.</p>	<input type="checkbox"/>

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 towards 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 towards 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: <i>Compliance in Member States with EU law related to PROGRESS areas.</i> Performance Indicators	Shared Understanding Outcome: <i>Shared understanding and ownership among policy/decision-makers and stakeholders in Member States, and the Commission, of objectives related to PROGRESS policy areas.</i> Performance Indicators	Strong Partnerships Outcome: <i>Effective partnerships with national and pan-European stakeholders in support of outcomes related to PROGRESS policy areas.</i> Performance Indicators
<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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 I

FINANCIAL GUIDELINES FOR APPLICANTS

CONTENTS

1	GENERAL PRINCIPLES	22
2	RULES RELATED TO THE GRANT REQUESTED	22
3	THE ESTIMATED BUDGET OF THE ACTION	23
3.1	The budget must be detailed and balanced	23
3.2	Expenditure	24
3.2.1	General criteria for eligibility of costs	24
3.2.2	Eligible direct costs	25
3.2.3	Eligible indirect costs - Overheads	29
3.2.4	Non-eligible costs	30
3.3	Income	30
4	HOW THE GRANT WILL BE CALCULATED	31
5	AGREEMENT GOVERNING THE GRANT	32
6	PAYMENT PROCEDURES	32
7	GUARANTEE	32
8	BANK ACCOUNT AND INTEREST GENERATED BY PRE-FINANCING PAYMENTS	33
9	SUBMISSION OF REPORTS AND OTHER DOCUMENTS	33
10	PUBLICITY	34
11	EVALUATION	35
12	CHECKS AND AUDITS	35
12.1	Audit report in support of grant applications	35
12.2	Audit report in support of requests for payment	35
13	PROCEDURE: ELECTRONIC MEANS OF SUBMISSION - SWIM	36
13.1	Introduction of grant applications	36
13.2	Requests for payments and budgetary modifications	37
14	DATA PROTECTION	37
15	EARLY WARNING SYSTEM AND CENTRAL EXCLUSION DATABASE	37

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 (FR) applicable to the general budget of the European Communities¹³ and its Implementing Rules (IR)¹⁴. 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 non-profit.

Co-financing principle

European 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).¹⁵

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 (running costs).¹⁶

Non-profit rule

The EU 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.¹⁷

2 RULES RELATED TO THE GRANT REQUESTED

¹³ 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>)

¹⁴ 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>)

¹⁵ Art. 113 FR and 172 IR

¹⁶ Art. 111 FR and 173(5) IR

¹⁷ Art. 109(2) FR and 165(1) IR

- The rules on co-financing rates can be found in the text of the call for proposals.
- The grant does not cover ineligible costs (see below for definition).
- Contributions in kind (i.e. contributions for which no financial flow can be traced in the written accounts like 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. No audit report is required from public bodies or international organisations.¹⁸ 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 penalties¹⁹.

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 (OJ) (<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 expenditure²⁰. 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.

¹⁸ Art. 173(4) IR

¹⁹ Art. 175 IR

²⁰ 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 EU funding, costs actually incurred must meet the following criteria²¹:

- (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. Please note that the call might precise a specific reference date for the eligibility of costs.

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.

²¹ 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 are additional and which the relevant public authority would not carry out if the project concerned were not undertaken.

Please fill in the form reserved for these costs in the budget estimate (see application form) 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 225 workable days per year. The determination of the workable days should be made respecting the standard working time either under national laws, collective agreements or under the organisations' normal accounting practice. An example for determining the total workable days per year could be as follows (provided what is established in the appropriate legislation):

Days/year	365 days
Less 52 weekends	104 days
Less annual holidays	25 days
<u>Less statutory holidays</u>	<u>11 days</u>
Total workable days =	225 days

$$\text{Daily rate} = \frac{\text{Gross actual salaries plus social security charges + statutory costs}}{\text{Total workable days}}$$

Should your proposal be financed by the Commission, only the real costs (i.e. actual salaries) will be considered as eligible costs.

The actual time spent on the action must be recorded on a regular basis using timesheets or an equivalent time registration system established and certified by the employer. Timesheets must be dated and signed by the individual concerned and validated by the employer. It is recommended to adopt a single timesheet encompassing the overall time worked by each staff member (not just the time worked by the employee on the particular EU supported action).

Timesheets should not be sent to the Commission, except if specifically requested. For instance, when submitting the request for final payment, the beneficiary might be requested to provide pay slips and timesheets justifying the actual staff costs declared, as well as the basis for the calculation of daily rates and workable days.

Only persons who are directly employed by the promoter and/or the partners and who receive a salary are considered staff. All other persons, i.e. persons who receive a fee and/or submit an invoice for their services are considered external experts and are subject to the rules governing the award of contracts (see subcontracting below). The cost of any work to be performed by external experts 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 in the action are eligible provided that they are in line with the beneficiary's usual practices on travel costs and 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 estimates²². Please note that this is a general list; please check the call for proposals to find out the eligible countries for your specific call.

²² The daily allowance rates are subject to periodic review by the Commission.

Destinations		DSA in EUR	Maximum hotel price in EUR	Destinations		DSA in EUR	Maximum hotel price in EUR
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	SE	Sweden	97,00	160,00
ES	Spain	87,00	125,00	SI	Slovenia	70,00	110,00
FI	Finland	104,00	140,00	SK	Slovakia	80,00	125,00
FR	France	95,00	150,00	TR	Turkey	55,00	165,00
HR	Croatia	60,00	120,00	UK	United Kingdom	101,00	175,00
HU	Hungary	72,00	150,00	IS	Iceland	85,00	160,00
IE	Ireland	104,00	150,00	LI	Liechtenstein	80,00	95,00
IT	Italy	95,00	135,00	NO	Norway	80,00	140,00
LT	Lithuania	68,00	115,00	CH	Switzerland	80,00	140,00
				RS	Serbia	80,00	140,00

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. In such cases, the daily allowance would be reduced by 30% for each meal provided, and by 15% for breakfast.

Costs of services

Information dissemination and 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 action proposed 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 and provision of services

This heading can cover the costs of subcontracting or provision of services by an external party in connection with the implementation of the action (consultancy fees, production of documents, studies, external evaluation etc.).

Work and tasks carried out by the project partners (as described in the letters of commitment) are not subject to these rules of subcontracting. However, it is not permissible to include normal commercial suppliers of goods and services as project partners in order to avoid these rules. By way of example, the Commission does not find it appropriate to include as project partners independent consultants, conference organisers, and so on.

Applicants should have the operational capacity to complete the action to be supported. However, if the staff does not have the skills required, when justified and necessary, parts of the project may be subcontracted to another person or organisation. In this case, the beneficiary shall ensure that²³ the relevant terms applicable to itself under the agreement are also applicable to the subcontractors.

It must be clearly specified which tasks will be subcontracted and why this subcontracting is necessary, in the annex foreseen for this purpose in the electronic application form ("Contracts for implementing the action").

Only contracts that exceed the threshold of €5 000 should be included in this annex. The general rules on subcontracting should however be observed.

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 in writing 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 conflict of interests²⁴.

Sub-contracts by a "public" beneficiary/partner must be awarded in accordance with the applicable national rules on public tendering and in conformity with EU Directives on public tendering procedures.

Where the value of the procurement contract awarded exceeds EUR 60 000, the beneficiary shall, in addition to the above general rules, be able to provide a copy of the draft tender specifications.

²³ The terms related to liability, conflict of interests, confidentiality, publicity, evaluation, assignment and checks and audits

²⁴ Art. 120FR, 184 IR

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 equipment²⁵: 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 EU funding covered by the grant agreement and the rate of actual use for the purposes of the action may be taken into account by the Commission. A justification for the need of purchasing such equipment is to be annexed to the budget estimate.

Other eligible administrative costs are: rental of meeting rooms (coffee breaks included), rental of interpretation booths, communication costs (other than overheads), 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 booth per day; rental of booths with equipment and technical assistance: EUR 1200 (excluding VAT) per booth 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 of 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, such costs do not need to be supported by accounting documents.

²⁵ Art. 172 IR

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

3.2.4 Non-eligible costs

The following expenses are ineligible and therefore 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. VAT paid by public bodies is not an eligible cost.

It should be noted that VAT paid by a public body²⁶ 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 Member State of the public body. Considering this VAT as an eligible cost would lead to double financing (by the EU and by the fiscal revenue).

- excessive or reckless expenditure;
- costs declared by the beneficiary and covered by another action or work programme receiving a EU 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 contribution from the applicant's own resources and/or the contribution from any other fund providers. This means an effective expenditure, i.e. a financial flow that can be traced in the written accounts. Placing a civil servant remunerated by a public administration, or an employee of a company or organisation, at the disposal of the project is treated as a cash contribution since this gives rise to an expense that can be identified in the accounts of these administrations or organisations.

By way of another example, if a meeting room is made available paying the cost of rental, then this is treated as a cash contribution, which can be included in the direct eligible costs of the project and on the income side.

²⁶ In accordance to Council Directive 2006/112/EC of 28/11/06, states, regional and local government authorities and other bodies governed by public law shall not in theory be regarded as taxable persons in respect of the activities or transactions in which they engage as public authorities.

- 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 or conference registration fees).
- The EU 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 EU 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 EU final grant is calculated on the basis of the **actual** eligible expenditure by applying the "double ceiling" rule and verifying compliance with the non-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 EU 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 EU 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 EU 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 **non-profit rule**

The grant may not have the purpose or effect of producing a profit for the beneficiary²⁷.

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 exact amount of the final grant 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

²⁷ Art. 109(2) FR

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 grant agreement 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 procedures 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 30% at the signature of the grant agreement.

- A second pre-financing payment of 40% 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 payment²⁸.

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

7 GUARANTEE²⁹

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.

²⁸ Art. 180(1) IR

²⁹ 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)

The guarantee shall be released as the pre-financing is gradually cleared against interim payment(s) or payment of the balance to the beneficiary in accordance with the conditions laid down in the grant agreement or, in the absence of such clearing, three months after a recovery is notified to the beneficiary by which the Commission asks him to repay the pre-financing. The Commission undertakes to release the guarantee within the following month..

In exceptional cases, 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 PAYMENTS³⁰

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 and the interest yielded by the pre-financing payments.

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.

Interests yielded by pre-financing payments between EUR 50 000 and EUR 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 EU on pre-financing paid to Member States, that is to say, not only the central structure of the State, but also, on the one hand, the regional or local authorities and, on the other hand, the public bodies acting on behalf, under the control or the responsibility of the Member State, 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

Within three months after the closing date of the action, the beneficiary must submit to the Commission the final report on the implementation of the action, along with a final financial statement of all actual expenditure and actual revenue. Both reports

³⁰ Art. 5(a) FR, Art. 3, 4, 4(a) IR

must be submitted on-line via SWIM as well as in paper version (see section 13). The final implementation report must be completed using the template announced in the call that will also be annexed to the grant agreement.

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.

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

10 PUBLICITY

All grant beneficiaries are required to mention clearly the fact that they have received funding from the EU in any publication, in other materials, and during activities (conferences or seminars, etc.), for which the grant is used, using the following wording: "**With financial 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 EU 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 EU³¹:

- 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.

Information on partners in PROGRESS funded projects (when applicable):

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

³¹ Art. 110(2) FR, 169(2) IR

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.

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.

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 applications³².

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 payment³³

An external audit report produced by an approved auditor or in case of public bodies, by a competent and independent public officer may be required by the authorising officer in respect of any interim or final payment request, depending on his assessment of the management risk.

It is compulsory in the case of a grant for an action over EUR 750 000, , when the cumulative amounts per financial year of requests for interim payments and for payment of the balance is at least EUR 325 000. The purpose of the audit report 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

³² Art. 173(4) IR

³³ Art. 180(2) IR

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.

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, submit and print grant applications, as well as requests for payments and modifications on the budget estimate. SWIM can be accessed in the following web address³⁴: <https://webgate.ec.europa.eu/swim>

The final financial statement and the final implementation report will also be submitted via SWIM.

13.1 Introduction of grant applications

The grant application form has to be filled in electronically as follows: first, access the system at the address mentioned above and select the number of the call for proposals you wish to apply for in the box "New grant application", enter your e-mail address and then 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 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.

³⁴ For more technical details on using SWIM, a user's manual is available on-line

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 (if applicable) and for payment of the balance, as well as requests for modifications of the budget estimate to be made by addendum must also be submitted electronically using SWIM, as well as by post duly signed by the legal representative.

To be allowed to log on to SWIM and to access its grant file, the beneficiary will be asked to enter the same application reference number and password assigned by the system to the grant application when it was created.

13.3 Final reports

As mentioned in section 9, the final report on the implementation of the action and the final financial statement of the actual expenditure and actual revenue must be submitted on-line via SWIM as well as by post duly signed by the legal representative.

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.³⁵ 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 EU 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),

³⁵ Official Journal L 8, 12.1.2001.

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.

Annex II

MODEL FOR TENDER SPECIFICATIONS FOR SUBCONTRACTING EXTERNAL EXPERTISE

Tender Specifications –

1. **Background**
2. **Purpose of the Contract**
3. **Tasks to be performed by the Contractor**

Description of tasks

Guidance and indications on tasks execution and methodology

4. **Expertise required**
5. **Time schedule and reporting**
6. **Payments and standard contract**
7. **Price**
8. **Selection criteria**
9. **Award criteria**

(option 1)

The contract will be awarded to the tenderer whose offer represents the best value for money - taking into account the following criteria:

-
-
-

It should be noted that the contract will *not* be awarded to a tenderer who receives less than 70% on the Award Criteria.

(option 2)

The contract will be awarded to the tenderer whose offer represents the lowest price.

10. **Content and presentation of the bids**

Content of the bids

Presentation of the bids