Open Call for Proposals

VP/2007/012

Mutual Learning on Social Inclusion and Social Protection

Under Budget Line 04.04.01.02

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

To ensure a more rapid response it would be helpful if applicants sent their queries in English, French or German.

The English version of the call is the original.

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1. Introduction and context

In its Social Agenda (2005-2010), the Union fixed as its overall strategic goal to promote more and better jobs and to offer equal opportunities for all. 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, promotion of partnerships and financial incentives such as the European Social Fund.

Until now, the implementation of the open methods of coordination in the employment and social inclusion/social protection fields relied on two distinct Community programmes. Equally the promotion of gender equality and of the non-discrimination principle was at the core of two distinct Community programmes. And lastly, promotion of labour law including health and safety regulations were dealt with by separate interventions.

With the view of fostering greater coherence and simplification in the way Community programmes are delivered, the Commission proposed that all these separate programmes be now integrated into one framework programme, PROGRESS.

The Decision n°1672/20006 establishing a Community programme for employment and social solidarity – PROGRESS was adopted by the European Parliament and the Council on 24 October and published in the OJ on 15 November.

PROGRESS overall aim is 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. For the Social protection and Social inclusion strand, the common Objectives adopted by the March 2006 European Council constitute the main reference.

It aims at supporting the core functions of the European Community towards fulfilling its Treaty-delegated tasks and powers in its respective areas of competence in the employment and social sphere. It will support initiatives aimed at reinforcing the role of the Community in proposing EU strategies; implementing and following-up EU objectives and their translations into national policies; transposing and following-up of EU legislation's application in a coherent way through Europe; promoting the co-operation and coordination mechanisms between Member States and cooperating with social partners and organisations that represent civil society.

The general objectives of PROGRESS common to all sections have been defined as follows:

- (1) Improving the knowledge and understanding of the situation prevailing in the Member States (and in other participating countries) through analysis, evaluation and close monitoring of policies;
- (2) Supporting the development of statistical tools and methods and common indicators where possible broken down by gender and age group in the areas covered by the programme;

- (3) Supporting and monitoring the implementation of Community law, where applicable, and policy objectives in the Member States and assessing their effectiveness and impact;
- (4) Promoting networking, mutual learning, and identification and dissemination of good practice and innovative approaches at EU level;
- (5) Enhancing the awareness of the stakeholders and the general public about the EU policies and objectives pursued under each of the 5 sections;
- (6) Boosting the capacity of key EU networks to promote, support and further develop EU policies and objectives, where applicable.

With a view to realising objective (4), PROGRESS may support the organisation of exchanges on policies, good practice and innovative approaches and promoting mutual learning in the context of the social protection and inclusion strategy.

The present Call for proposals is issued in the context of the implementation of the 2007 annual plan of work which is consultable at:

http://ec.europa.eu/employment social/progress/docs en.html

2. OBJECTIVES

This call for proposals aims to support exchanges on policies, good practice and innovative approaches and to promote mutual learning in the context of the social protection and inclusion strategy amongst countries participating in the PROGRESS programme. The purpose of promoting mutual learning is to support the implementation of the Open Method of Co-ordination on social protection and social inclusion and in particular the development and implementation of the relevant national strategic reports. In this regard it is important to note that projects selected under this new call will coincide with the implementation of the 2006-2008 strategies of EU-27 Member States. They will also overlap with the preparation of the 2008-2010 new strategies. The Commission will also pay particular attention to the results of the projects funded under this call in preparing the European Year of Combating Poverty and Social Exclusion in 2010.

Applications may be submitted proposing policy co-operation and exchange on innovative initiatives to tackle poverty and social exclusion as provided for under the overarching objectives of the OMC for social protection and social inclusion.

However, the emphasis in this call is on supporting the implementation and further development of National Reports on Strategies for Social Protection and Social Inclusion, and in particular to the Action Plans on social inclusion of the National Strategic Reports. Therefore, special priority will be given to proposals on issues addressed in the National Strategies. Complementarity with other actions carried out under the PROGRESS programme should, where possible, be sought.

The Commission is keen to receive applications which aim to foster co-operation and exchange, both on particular policy areas and on the development of institutional

approaches which can underpin social inclusion and social protection policies. Proposals may be concerned with more than one policy area or institutional mechanism or may combine an interest in both a particular policy area and institutional approach or mechanism. This call aims in particular to contribute to making further progress in ensuring access for all to the resources, rights and services needed for participation in society, preventing and addressing exclusion, fighting all forms of discrimination leading to exclusion; the active social inclusion of all, both by promoting participation in the labour market and by fighting poverty and social exclusion; that social inclusion policies are well-coordinated and involve all levels of government and relevant actors, including people experiencing poverty, are efficient and effective and mainstreamed into all relevant public policies, including economic, budgetary, education and training policies and structural fund (notably ESF) programmes.

To this end, applications should preferably cover areas complementary to those relating to the issues of a) poverty and social exclusion of children and b) active inclusion which, as highlighted in the 2007 Joint report on social protection and social inclusion, have emerged as key priorities and in connection to which a number of initiatives are being undertaken in the course of this year. Thus the Commission proposes to focus in particular on the following areas:

As regards key policy issues:

- increasing access to quality services (access to adequate health and long-term care, social services of general interest, lifelong learning, financial services & transport);
- homelessness and housing (access to decent housing, cost-benefit analysis of policies to fight homelessness, enforceable rights to housing, homelessness monitoring systems);
- preventing and tackling over-indebtedness and financial exclusion;
- ensuring adequate and accessible social protection systems for all while ensuring incentives to work;
- promoting inclusion of vulnerable groups, including people with disabilities, people living in / leaving institutions, homeless people, immigrants and ethnic minorities, including Roma, Gypsies and Travellers, and other groups experiencing extreme poverty and exclusion;
- taking account of serious regional differences in poverty and exclusion and between urban and rural areas;
- role and contribution of the social economy.

As regards mechanisms/working methods:

- strengthening the mainstreaming of social inclusion policies and reinforcing their link to budgetary decisions and Structural Funds, in particular the ESF;
- strengthening the coordination of social protection and social inclusion policies and the involvement of all levels of government and relevant stakeholders in the design, implementation and monitoring of policy;
- developing regional and local strategies on social protection/social inclusion;
- strengthening the participation of those experiencing poverty, NGOs, social partners, service providers and other key actors in the process;
- increasing political leadership and public debate and awareness of the joint EU/Member states commitments and efforts to address poverty and social exclusion;

- improving the quality and timeliness of data and ensuring the development and use of indicators which capture the multi-dimensionality of poverty and social exclusion and the reality of life for those experiencing poverty;
- improving the evaluation and monitoring of policies and their impact.

It is recommended that proposals should focus on the above mentioned areas; however, other themes could be considered provided they clearly respond to the overall political objectives of the social inclusion/social protection process and link to the relevant national strategies. Preference will also be given to particularly innovative approaches when selecting the projects to be funded.

Whatever the particular area for which applicants are submitting a proposal, they are requested to ensure mainstreaming equality between men and women at all stages of the work they are proposing.¹ They are also asked to take into account, as appropriate, the needs of disabled people in terms of the accessibility of activities they will be undertaking and results they will be disseminating when developing their proposal.

3. TIMETABLE

Activities must have a start date between 1st November and 31st December 2007 for a maximum duration of 24 months and minimum duration of 18 months.

4. EXPECTED RESULTS

The purpose of promoting mutual learning as part of the Programme is to support the implementation of the Open Method of Co-ordination on Social Protection and Social Inclusion, and in particular the development and implementation of the national strategies in this area. In this regard it is important to note that projects selected under this new call will coincide with the implementation of the 2006-2008 strategies of EU-27 Member States. They will also overlap with the preparation of the 2008-2010 new strategies.

The Commission expects projects to:

- contribute to new learning on social protection and social inclusion policies and processes (e.g. which policies work/do not work and in which circumstances and which learning is transferable; how to ensure effective implementation; how mainstreaming can be ensured; how effective partnerships can be established for providing the required responses to the most disadvantaged groups; propose ways in which the Commission could contribute to this process);
- to produce accessible and concrete products (e.g. reports, publications, newsletters, CD-ROM, conferences, seminars, workshops);
- to implement effective dissemination strategies and promote value of exchange projects;
- and identify effective ways of operating, and thus to increase understanding and awareness on priority issues and promote the social protection and social inclusion process.

¹ Article 3 par. 2 of the EC Treaty: In all its activities, the Union shall aim to eliminate inequalities and to promote equality between men and women.

Projects can also usefully contribute to a better mobilisation of all actors and their stronger involvement in the elaboration, monitoring and evaluation of national and European policies, and to improve coordination at national, regional and local levels.

Guide on how the actvities shall be carried out

The PROGRESS Programme aimed at promoting gender mainstreaming in all its five policy sections and commissioned or supported activities. Consequently, the Beneficiary will take the necessary steps to ensure that its staff respects the gender balance at all levels. It will also pay due attention, where appropriate, to the gender dimension of the action for which the grant has been awarded as detailed in the action's description.

Equally, needs of disabled people shall be duly acknowledged and met while implementing the action. This means that people with disabilities will have equal access to the facilities or the services provided if and when the Beneficiary organises training sessions, conferences, issues publications or develops dedicated websites.

Finally, the European Commission encourages the Beneficiary to promote equal employment opportunities for all its staff and team. This implies that the Beneficiary shall foster an appropriate mix of people, whatever their ethnic origin, religions, age, and ability.

The Beneficiary will be required to detail in its activity report accompanying the request for the final instalment the steps and achievements it made towards meeting these requirements.

Reporting and information requirements

As a matter of principle, and with a view to favouring appropriate monitoring and valorisation by the European Commission of all results obtained and outputs delivered under PROGRESS programme, the Beneficiary will be required to provide for each of the activities co financed under the present Call:

- Presentation of its key points in one page. Key points should be concise, sharp and easily understandable. They shall be provided in English, French or German. Other Community languages would be welcome, even if not compulsory.
- o An executive summary in 5/6 pages in English, French or German

A progress report on the action's implementation must be submitted at the latest within 2 months following half of the execution period, even if no further pre-financing payment is requested.

5. EXCLUSION AND ELIGIBILITY CRITERIA

In order to be considered for funding under this call, proposals will have to meet the following criteria:

Regarding the lead applicant

- 1. be properly constituted and a registered legal entity established in one of the PROGRESS-participating countries (EU-27 Member States and EFTA/EEA countries) with an established administrative and financial management structure²;
- 2. not be in one of the situations listed in Article 93(1) and Article 94 of the Financial Regulation. Consequently, the legal representative of the applicant organisation should sign a declaration on their honour³ that they are not in one of the situations listed in Article 93(1) and Article 94 of the Financial Regulation applicable to the general budget of the European Communities (Council regulation (EC, Euratom) n° 1605/2002 of 25 June 2002)⁴.

Regarding the proposal

- 3. be complete and comply with the **rules of submission** published in the call for proposals;
- 4. only seek funding for activities in or involving PROGRESS-participating countries (EU-27 Member States and EFTA/EEA countries);
- 5. demonstrate that the proposed actions are not being financed twice from two different sources within the Community budget;
- 6. not seek funding for the operating costs of organisations, nor for their general ongoing activities, or for profit-making purposes;
- 7. not seek funding for actions which would normally be funded at national level or which would be more appropriately funded by other Community instruments (e.g. Structural Funds).

Regarding the action

- 8. have a start date between **November 1**st and **December 31**st, **2007**. Actions must not exceed 24 months and, in all cases, no less than 18 months;
- 9. have clear objectives which address a key aspect relevant to the Open Method of Co-ordination on Social Protection and Social Inclusion;
- 10. involve transnational exchange of learning and co-operation in combating poverty and social exclusion in at **least three PROGRESS-participating countries** (EU-27 Member States and EFTA/EEA countries);
- 11. involve partner organisations from at least three PROGRESS-participating countries (EU-27 Member States and EFTA/EEA countries);
- 12. must not consist of direct action to combat poverty and social exclusion;
- 13. be consistent with other Community policies and, in particular, take due account of the Community's commitment to eliminating inequalities and promoting equality between men and women pursuant to Articles 2 and 3 of the EC Treaty.

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² This call is open to the EU-27. The participation of the EEA/EFTA countries is conditional upon the payment of the corresponding financial contribution to the PROGRESS programme budget for 2007.

³ This declaration by the applicant is annexed to the on-line application.

⁴ OJ, L 248 of 16.09.2002, p. 26

6. SELECTION CRITERIA

In order to receive funding under this call, applicants will have to fulfil the following selection criteria:

Regarding professional capacity

The beneficiary must have the professional competencies and qualifications required to complete the proposed action: organisational and management experience, track record in relation to the issue they propose to exchange information on and the ability to implement the proposed action. To this end, the proposal must include any supporting documents requested as evidence of the beneficiary/partnership's operational capacity, such as:

- 1. the last **annual activity report** from the lead applicant's organisation;
- 2. a list of the main projects carried out in the last three years relevant to this call's objectives. In the case of work done for the Commission, applicants must also indicate the contract reference number and the department with which the contract was signed;
- 3. the **curriculum vitae** of those who will be leading the project (project manager/coordinator from the lead applicant's organisation and the partner organisations).

Regarding financial capacity

The beneficiary must have stable and sufficient sources of funding to maintain its activity throughout the action period and to help finance the project for at least 20% of the total eligible costs. For that purpose, the proposal must include:

- 4. the applicant should also declare on their honour that:
 - they have the financial and operational capacity to carry out the proposed action;
 - they will respect all co-funding commitments included in the budget proposal⁵;
 - where necessary, letters of co-funding commitment produced by partners beneficiaries and/or external sponsors.
- 5. the lead applicant's profit and loss accounts, the **balance sheet** in euros for the last financial year for which the accounts have been finalised, and an "annual income/cost of the action" ratio which is > 0.7;
- 6. the application must be accompanied by an **external audit report** produced by an approved auditor certifying the last available financial year. Public bodies and international organisations do not need to submit an external audit report.

⁵ This declaration is included in the application form and should be dated and signed.

7. AWARD CRITERIA

Applications which satisfy the above exclusion, eligibility and selection criteria will then be assessed on the following award criteria:

Policy criteria

- 1. presentation of a clear-cut and solid analysis of the issue to be addressed, understanding of the importance of the issue and the need for urgency in eradicating poverty and social exclusion;
- 2. outline a clear policy focus demonstrating the relevance of the issue selected in advancing the Open Method of Co-ordination in general, and the National Reports on the Strategies for Social Protection and Social Inclusion, in particular the sections on social inclusion;
- 3. show how the project draws on existing knowledge, including activities carried out under previous Community action programmes in the social field (Trans-national exchange programmes; European networks; thematic studies; awareness-raising activities; Peer Review exercise, etc.); clarifies the issues concerned and has clear objectives which could add to existing knowledge and works on the selected issue and enhance the transfer of knowledge and best practices amongst eligible countries

Organisational criteria

- 4. the quality and appropriateness of the transnational partnership which will be judged by the extent to which it: involves a good mix of eligible countries and its creativity in approach. The action should involve a broad range of relevant actors⁶; involves those who are experiencing poverty and social exclusion; seeks a balanced participation of women and men. Applications with a good mix of different actors at national level are strongly encouraged and will be rewarded accordingly;
- 5. the extent to which the partnership could add value at European level and influence change, particularly by means of the links it has developed with the policy making process. This could be demonstrated by the degree of support and active involvement the proposal has from the national, regional or local authorities of the Member States concerned:
- 6. the clarity and feasibility of the proposed two-year work plan, including timetable and methodology and in particular the capacity to achieve the objectives by means of well defined and planned activities with realistic time-lines and a clear allocation of tasks and responsibilities amongst the partners;
- 7. the scope and effectiveness of the dissemination mechanisms proposed;
- 8. the quality and relevance of the planned monitoring and evaluation strategy and of mechanisms foreseen to ensure the lasting effect of the project.

⁶ Public and/or private bodies and institutions: national, regional or local public authorities, social partners, national or regional organisations, NGOs, research centres and institutes, universities, etc. Specific activities in conjunction with the media will also be of great interest.

Financial criteria

9. The financial quality of the proposal including a reasonable and realistic budget, the likely value for money and a sound cost-efficiency ratio.

Achieving balance

In finalising its list of proposals to be supported the Commission will take into account:

- 10. the need to ensure a balance in the range of issues to be supported;
- 11. the importance of making sure that as many PROGRESS-participating countries as possible are involved in the exchange programme;
- 12. the need to involve a broad range of actors in the programme.

8. INDICATIVE AMOUNT

The total budget should be around \in 5.6 million. According to the quality of applications received, the number of accepted projects should be around 10. Co-financing should consequently be between \in 500,000 and \in 700,000 per project.

9. MAXIMUM PERCENTAGE OF COMMUNITY CO-FINANCING

Community financial aid for each project will not exceed 80% of the total eligible costs. The applicant should guarantee co-financing in cash of the remaining 20%. Contributions in kind are not accepted.

Any application which requests a grant of more than 80% will be automatically excluded from the selection procedure.

Please read with care Annex I of this call for the rules governing eligible and ineligible costs.

10. RULES OF SUBMISSION

The deadline for submitting applications is: 13th July 2007

Only applications submitted on the official forms will be considered.

Applicants are invited to fill in the application form and 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 Community languages will be accepted. In this case, please include an executive summary of 5-6 pages either in English, French or German.

Applicants must complete the online application form (create a "SWIM account") by registering on the following internet site (web gate):

https://webgate.cec.eu.int/swim/displayWelcome.do

Before commencing, please read carefully the User's Guide (click on the "Help on SWIM" button at the top of the page): https://webgate.cec.eu.int/swim/doc/swim-manual_en.pdf

After creating an account, the applicant will receive access details (user name and password) enabling you to access the form (which can be completed at your leisure, saved for future reference and/or printed). A step-by-step online explanation is provided to help users complete the form.

The compulsory annexes must also be filled in online on this site (then printed out for signature of the legal representative of the applicant organisation).

After filling in the form, applicants must submit it in both electronic form and hard copy:

Electronically: validate the request (click on the "send" button). This step is *irreversible*. Forms should be sent before the deadline;

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 the checklist by the deadline to the following address:

Call for proposal VP/2007/012

Application

European Commission – DG EMPL/E.2

Rue Joseph II 27 – 01/33

B-1049 Brussels

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 Commission in cases of doubt regarding date of submission

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

European Commission

Service central de réception du courrier

Call for proposal VP/2007/012 – DG EMPL E/2

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:

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

The Annexes give instructions for presenting the provisional budget for the proposed activity and the main financial provision of the grant agreement and the check-list the documents to be submitted with the application.

If you have any further queries, please contact us quoting the reference "VP/2007/012 your query" 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.

Our contact points are:

- By post to the above address
- By fax to + 32 2 29 98076
- By e-mail to empl-progress-mutual-learning@ec.europa.eu
 - PLEASE DO NOT TELEPHONE -

11. NOTIFICATION PROCEDURE

- 1. **Receipt of applications** will be confirmed to all applicants in the three weeks following the call submission deadline. All applications received will be registered. A reference number will be allocated to each application and should be quoted in any further correspondence regarding the proposal.
- 2. <u>Unless specifically requested by the Commission, complementary documents sent by the applicant by post, fax or electronic mail after the closing date **will not** be <u>considered</u>.</u>
- 3. No information regarding the award procedure will be disclosed until the award decision has been sent to the beneficiaries.
- 4. **Examination of applications:** all applications will be examined. Only proposals which satisfy the *eligibility and selection criteria* will be assessed against the *award*

- *criteria*. An evaluation committee specific to this call for proposals will be set up to evaluate the proposals.
- 5. Upon completion of its work, the evaluation committee will draw up a list of proposals recommended for funding.
- 6. **Rejected applications:** applicants whose proposals have not been selected for funding will be informed of the results of the evaluation process in writing, probably in October November 2007. Reasons for the rejection of the application will be provided.
- 7. **Proposals accepted for funding:** successful applicants will receive two copies of the grant agreement for their prior approval Grant agreements will probably be signed by the Commission between October November 2007.
- 8. In the first semester of 2008 the Commission will publish on the Directorate General for Employment, Social Affairs and Equal Opportunities website the list of grant beneficiaries with the subject of the grant, the amount awarded and the rate of funding of the costs of the action.

12. DATA PROTECTION

Please note that your 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. Your replies to the questions in this form are necessary in order to assess your grant application and they will be processed solely for that purpose by the department responsible for the Community grant programme concerned. On request, you may be sent personal data and correct or complete them. 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.

ANNEX I – MAIN FINANCIAL PROVISIONS

1. General principles related to grants

General principles

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

Co-financing

Community 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 the way of own financial contribution, or in the form of public or private assistance obtained elsewhere.

No double financing

One action may give rise to the award of only one grant, there can be no duplicate European Community funding of the same expenditure.

No-profit rule

The Community 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.

How your grant will be calculated

If your proposal is selected for a grant, the Commission will calculate its contribution as a percentage of the total budgeted eligible costs of 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.

How your final grant will be determined

If your 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 your actual expenditure turns out to be higher than the expenditure budgeted, the Commission's grant will not be increased. It is in the applicant's interest to submit a realistic estimate of expenses.

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 correspond to payments made by the beneficiary, as evidenced by invoices (to be kept by the beneficiary) or equivalent supporting documents, in order to be accepted as actual expenditure. It must also relate to actual rather than inputted costs.

A) GENERAL REMARKS ON THE ESTIMATED BUDGET

- 1. Budget estimates must <u>be in Euro</u>. Organisations established in countries outside the euro zone should be aware that they are solely liable for any exchange rate risk.
- 2. Double Community financing for the same action is not permitted.
- 3. The grants awarded under this call for proposals are intended exclusively for specific activities. Consequently, operating costs will not be considered eligible expenses.
- 4. Budget must indicate the expense for the whole period of the action.
- 5. The estimated budget should be balanced and detailed.

B) IMPORTANT REMARKS ON EXPENDITURE

In order to be eligible for Community funding, costs must:

- be necessary for the implementation of the action, be included in the estimated budget attached to the agreement, reasonable and justified and consistent with the principles of sound financial management, in particular in terms of value for money and costeffectiveness;
- be generated during the lifetime of the action, i.e. during the period of eligibility for Community funding as will be specified in the article I.2 of the grant agreement;
- be actually incurred by the beneficiary, be recorded in his accounts in accordance with the applicable accounting principles, and be declared in accordance with the requirements of the applicable tax and social legislation;
- be identifiable and verifiable. Documentation justifying costs must be kept by the beneficiary for five years following final payment by the Commission.

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 action with the corresponding accounting statements and supporting documents.

Expenditure eligible for financing may not have been incurred before the grant application was lodged. The budget of the action may also contribute to extra costs associated with participation of people with disabilities that requires the use, for example, of special means of transport, personal assistants or sign language interpreters.

An <u>external audit report</u> on the action's accounts should be submitted with the request for final payment. The purpose of the audit is to certify that the financial documents submitted to the Commission by the beneficiary comply with the financial provisions of the agreement, that the costs declared are the actual costs and that all receipts have been declared. The minimum elements of the audit report should be:

- 1. Mention that the accounts have been verified by a **certified auditor**, according to the beneficiary's national law and regulations;
- 2. Reference to the grant agreement with VS number, Si2. number and project title;

- 3. Clear reference and details of the costs audited and income received: if there is only a reference to an attached budget, the attached budget must be stamped and signed by the auditor;
- 4. Reserves expressed must be clearly stated;
- 5. Complete report has to be delivered.

The costs incurred for the audit report on the action's accounts may be included in the budget for the action as eligible direct costs.

<u>In all cases</u>, the beneficiary should certify that the information contained in the requests for payment and accompanying documents are correct, exhaustive, justified and consistent with the terms of the grant agreement.

C) PRESENTATION OF THE BUDGET ESTIMATE

Please use the budget form which may be downloaded from: https://webgate.cec.eu.int/swim/displayWelcome.do

2. Eligible and ineligible costs

A) ELIGIBLE COSTS (SEE ARTICLE II.14.1 OF THE DRAFT AGREEMENT)

Please ensure that all expenses are reasonable, justified and in line with the principles of good and sound financial management, in particular in terms of value for money and cost-effectiveness

As a general rule, expenditure must not exceed the most reasonable rates available on the market, nor be superior to that permitted under the Commission's own rules governing such expenditure (see detailed comments below on individual items).

B) ELIGIBLE DIRECT COSTS (SEE ARTICLE II.14.2 OF THE DRAFT AGREEMENT)

Eligible direct costs are those generated directly by the action and which are indispensable for its execution.

Only expenditure generated during the period of performance, (specified in Article 1.2. of the grant agreement) will be considered eligible.

PERSONNEL COSTS

The gross salaries of **permanent or temporary staff** involved in the project will be considered eligible direct costs. The names, positions and professional status of all the members of staff working on the project must be stated in the detailed description of the action, and the grant beneficiary and its partners must be able to justify these staff costs at the end of the project by means of supporting documents. Costs for **self-employed**, **independent or other categories of staff** involved in the project on the applicant's or partner's premises are also eligible and should be included under the Services heading as "external expertise".

The salary costs must be calculated according to the number of persons/number of days/daily rate applied, and should be based on a maximum total of 220 working days per year⁷. The cost of work to be carried out by subcontracted external experts should not be included in staff costs, but under the relevant special heading (see the section below on subcontracting/external experts).

The remuneration of **civil servants** may be regarded as eligible expenditure if the assignment of the staff in question is genuine, necessary and reasonable in relation to the activity being subsidised. **The salaries paid to civil servants must be completely covered by the equivalent co-funding in cash.**

In all cases, the beneficiary of the grant must keep a record of the amount of time devoted by the staff in question to the subsidised activity in order to assess the total cost. These records must be signed, kept up to date and indicate the number of days/hours actually spent working on the project and the daily/hourly cost.

TRAVEL, ACCOMMODATION AND SUBSISTENCE EXPENSES

Travel expenses: full details must be given of the journeys to be made including motive, origin and destinations, number of journeys, means of transport and the number of persons. These expenses must not exceed the most reasonable rates available on the market nor be superior to those permitted under the Commission's own rules applying to this category of expenditure, as follows: **rail:** first class fare; **air:** only for journeys over 400 km or those which involve a sea crossing, economy class fare (maximum); **car:** on the basis of first-class rail fare.

Subsistence costs: daily subsistence allowances (DSA) are considered to cover breakfast and two main meals, local travel, the cost of telecommunications, including fax and internet, and all other sundries. The maximum amounts authorised⁸ for each country are as follows.

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⁷A table to calculate staff costs is given in Annex F7 of the electronic form

⁸These are for guidance only and may be subject to change.

EU-27 Member States:

Destination	Daily allowance	Hotel (in €)
	(in €)	
AT Austria	95	130
BE Belgium	92	140
BUG Bulgaria	58	169
CY Cyprus	93	145
CZ Czech Republic	75	155
DE Germany	93	115
DK Denmark	120	150
EE Estonia	71	110
EL Greece	82	140
ES Spain	87	125
FI Finland	104	140
FR France	95	150
HU Hungary	72	150
IE Ireland	104	150

Destination	Daily allowan	Hotel (in €)
	ce (in €)	
IT Italy	95	135
LT Lithuania	68	115
LU Luxembourg	92	145
LV Latvia	66	145
MT Malta	90	115
NL Netherlands	93	170
PL Poland	72	145
PT Portugal	84	120
ROM Romania	52	170
SE Sweden	97	160
SI Slovenia	70	110
SK Slovakia	80	125
UK United	101	175
Kingdom		
-		

EFTA/EEA countries:

Destination	Daily	Hotel
	allowance	
IS Iceland	85	160
NO Norway	80	140
LI Liechtenstein	80	95

DSAs should be calculated according to the length of the mission (see below and draft grant agreement):

- 6 hours or less: reimbursement on the basis of a flat-rate amount.
- More than 6 hours: reimbursement on the basis of real costs up to the maximum agreed rates in the grant agreement.
- Deductions applicable to daily allowances: -15% for each breakfast provided and -30% for each meal/dinner provided

Please note that the Commission covers the travel and subsistence costs of its own officials and these should therefore not be included in the project budget estimate.

Catering

The total amount calculated according to the above mentioned rules regarding DSA's shall constitute a maximum. If catering services are provided by the organisers, the DSA's directly paid to participants must be reduced.

COST FOR SERVICES

These costs should not exceed average market rates.

Publications, information and dissemination, including subscriptions, project's website, advertisements, CD ROM, distribution, etc.,, provided that they are directly related to the activities mentioned in the description of the action and are not included under another budget heading.

For each publication and/or other material, please provide a breakdown of costs, estimate of the number of pages and copies planned, the quantity, frequency and language of publication, and an indication of the production costs per copy.

Translation of reports: details of translation costs must include a description of the document, languages translated (to... from...), the number of pages and the rate per page.

Interpretation: interpretation costs must specify the language/number of interpreters/number of days/daily rate. For each working language at the conference(s), two interpreters are allowed.

Subcontracting costs⁹: Any service undertaken by an external party in connection with the implementation of the action is considered to be subcontracting.

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 organisation. In this case, the beneficiary shall ensure that some of the terms applicable to itself under the agreement are also applicable to the subcontractors.

It must be clearly specified in the description of the project which tasks it is intended to subcontract and why this subcontracting is necessary.

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. 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 interests.

⁹ A model detailing the principal headings for tender specifications for subcontracting external expertise is provided in Annex III of this document.

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 having regard 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 winner of the contract 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 him under the agreement are also applicable to the winner of the contract.

Evaluation costs: applicants should include provision for an external evaluation during the action to measure the effectiveness of the strategy and document key findings by the action's various actors. The tasks concerned must be clearly described in the application form.

Please specify the full name and address of the evaluator, number of days/daily rate and enclose a quote.

ADMINISTRATIVE COSTS

Equipment: linear depreciation of new or second-hand hardware is authorised over 3 years. Linear depreciation for new software is 2 years. Depreciation may be claimed only for equipment that is specifically acquired and directly necessary for the implementation of the action.

Immovable property: rent of offices for the duration and the surface explicitly dedicated to the project. The cost of building rental is calculated on the basis of the principles, rules and accounting methods generally accepted within the business branch for items of the same kind.

Audit costs: please read with care Articles I.4.4 and II.15.4 of the draft agreement¹⁰. Since an audit report should be submitted with the request for the final payment, the associated costs may be included in the budget.

Please specify, if possible, the full name and address of the potential external auditor, number of days/daily rate and enclose a quote.

 $^{^{10}}$ To assist the beneficiary, annex IV provides an example of an external audit report.

<u>C)</u> ELIGIBLE INDIRECT COSTS – OVERHEADS (SEE ALSO ARTICLE II.14.3 OF THE DRAFT AGREEMENT)

Indirect costs represent the benficiary's general administrative costs and can be regarded as chargeable to the project for a maximum of 7% of the total eligible direct costs. These costs include: stationery, photocopying, mail, telephone and fax costs, data processing, heating, electricity, office space, internet and any other expenditure necessary for the successful completion of the project.

The final amount of indirect costs to be accepted will be based on the final amount of the eligible direct costs, applying the percentage set in the initial budget (maximum 7%). Supporting accounting documents need not be provided.

If the beneficiary is already receiving an operating grant from the Commission, he/she cannot charge overhead costs to the project co-financed under this call.

D) INELIGIBLE COSTS (SEE ARTICLE II.14.4 OF THE DRAFT AGREEMENT)

In addition to the expenditure specified in Article II.14.4 of the draft agreement, contributions in kind are also considered ineligible for the purposes of this call for proposal. These are contributions that are not invoiced e.g. voluntary work, or equipment or premises made available free of charge.

E) INCOME OF THE ACTION

The income of the action is constituted by:

- 1. Commission grant
- 2. Co-financing by the beneficiary. Details must be given of all contributions by the beneficiary, with signed letters of co-financing commitment stating the amount of each cash contribution:
 - o Contribution in cash of the applicant from its own resources;
 - o Contribution in cash of the partners from their own resources;
 - o Contribution in cash to cover the salaries paid to civil servants;
 - o Co-financing in cash from other sources,
- 3. Revenue generated by the operation is regarded in the calculation of the grant as an own contribution from the beneficiary (e.g. income from sale of products, conference participation fees, membership contributions, etc.).

ANNEX II - OTHER RELEVANT PROVISIONS

1. Rights and obligations

Once the decision to award a grant has been taken, a "grant agreement" will be concluded defining the rights and obligations of the contracting parties, pursuant to Council Regulation (EC, Euratom) n° 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJEC L 248 of 16/09/2002, p.1), the detailed rules of implementation laid down in Commission Regulation (EC, Euratom) n° 2342/2002 of 23 December 2002 (OJEC L 357 of 31/12/2002, p.1), and subsequent amendments: Commission Regulation (EC, Euratom) No 1261/2005 of 20 July 2005 (OJ L 201, 2.08/2005, p. 3), Commission Regulation (EC, Euratom) No 1248/2006 of 07 August 2006 (OJ L 227, 7/8/2006, p. 3), and Commission Regulation (EC, Euratom) No 478/2007 of 23 April 2007 (OJ L 111 of 28.04.2007).

2. Duration of the project

The project start dates indicated in proposals must be <u>prior to 31 December 2007</u>. Actions must not exceed 24 months and, in all cases, no less than 18 months.

The date mentioned in Part I of your application form is the starting date of the action ("period of performance") and of the "period of eligibility of expenditure". This date will be included in the grant agreement if your application is selected. However, the Commission's commitment does not take effect until the agreement is signed by both parties. Successful applicants are informed that in the absence of a formal Commission decision (grant agreement signed) by the start date, the project will start at the applicant's own risk.

The signature of the grant agreements is expected to take place between October and November 2007.

3. Funding - Payment arrangements

The payment arrangement will be set out in the grant agreement (see Articles I.4, II.15 and I.9 of the draft agreement):

- 1. Pre-financing (30% of the grant amount);
- 2. Further pre-financing payments (40% of the grant amount)¹¹;
- 3. Final payment (30% of the grant amount)¹².

The payments will be made to the bank account or sub-account of the beneficiary as specified in the Bank Account Form attached to the on-line application. Please note that this bank account or sub-account must make it possible to identify funds paid by the Commission.

¹² The request for payment of the balance should be accompanied by the final technical implementation report, the financial statement and by an external audit report on the action's account.

¹¹ The request for the second pre-financing should be accompanied by a progress report on the action's implementation, a detailed statement of the eligible costs incurred thus far and any other documents in support of the request.

4. Declaration of interest on pre-financing

Any interest or benefit yielded by the pre-financing must be indicated in a signed declaration when requesting the payment of the balance.

5. Checks and audits

See Article II.19 of the draft agreement.

Original documents must be kept for 5 years from the date of the payment of the balance for the purpose of any on-the-spot inspections.

6. Evaluation

The decision establishing the PROGRESS programme provides that this programme shall be evaluated by the European Commission with the assistance of independent experts.

The purpose of the external evaluation is to assess the relevance, effectiveness and costeffectiveness of these activities. It will also examine the impact of the programme as a whole with a view to proposing adjustments where needed and suggestions aimed at helping shape future programmes in the employment and social field.

The beneficiary undertakes to make available to the Commission and/or the independent experts appointed by it all such documents or information as will allow the evaluation to be successfully completed and to give them the necessary rights of access.

7. Requirements regarding publicity

In accordance with the General conditions (see Article II.5 of the draft agreement), the beneficiary is under the obligation to acknowledge that the present activity is implemented with the support of the Community in all documents and media produced, in particular final delivered outputs, related reports, brochures, press releases, videos, software, etc, including at conferences or seminars, as follows:

"This ... has received funding from the European Community Programme for Employment and Social Solidarity – PROGRESS (2007-2013)".

With regard to publication and any communication plan linked to the present action, the beneficiary will insert the European Union logo and any another logo developed for the employment and social solidarity fields, and refer to the European Community in every publication or related material developed under the present subsidy convention, respecting the indications for the use of text and emblem given at the following web address: http://europa.eu/abc/symbols/emblem/index_en.htm

Failure to respect the above requirements could constitute grounds for penalities.

The beneficiary is invited to post the results of the project on their web site for as long as possible. In all cases, the beneficiary shall clearly state on their website that the project has received Community funding.

ANNEX III - MODEL FOR TENDER SPECIFICATIONS FOR SUBCONTRACTING EXTERNAL EXPERTISE

Tender Specifications
1. General
2. Purpose of the contract
3. Tasks to be performed by the contractor
3.1. Job description
3.2. Information and guidelines on the performance of tasks and methodology
4. Skills and qualifications required
5. Timetable and reports
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:
Tenderers scoring less than 70% on the award criteria will not be considered for the contract.
(option 2)
The contract will be awarded to the tenderer offering the lowest price.
10. Content and presentation of the bid
10.1. Content of bids
10.2. Presentation of tenders

ANNEX IV - EXAMPLE OF EXTERNAL AUDIT CERTIFICATE

I, the undersigned, ..., in my capacity as approved auditor, declare that I have examined the request for payment of an amount of ... and the documents provided in support of this request, produced by the beneficiary ... under the terms of the grant agreement ref. VS/2007012 SI2. ... for

On the basis of the audit I have carried out in accordance with generally accepted professional standards, I certify that this request for payment is reliable, correct and supported by the financial statements drawn up in accordance with the applicable accounting rules and principles and with the provisions of the grant agreement, subject to any corrections made, as referred to below.

The financial statements relating to the operation, audited and, where necessary, corrected as a result of the audit, are annexed to this report. The following corrections have been introduced:

(specify amounts involved and reason for the correction)

In particular, I certify:

- that the eligible costs declared under the operation for which the grant was awarded are genuine and derive from the general accounts of the organisation audited, that they correspond to the performance of the operation and satisfy the eligibility requirements laid down in the grant agreement;
- that the actual expenditure and revenue of the operation for which the grant was awarded have been declared in full.

(Signature of the auditor in all pages)

Annex V – Checklist of the documents to be submitted with applications

Before sending your application, please number the documents as shown below and send in the following supporting documents 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/2007/012), duly signed and dated by the legal representative of the applicant organisation.		NO
2	Print-out of the complete online application form including estimated budget . Both documents should be dated and signed by the legal representative.		YES
3	Print-out of Work programme and timetable.		YES
4	Original version of the co-funding commitment signed by the legal representatives of the organisations concerned and specifying the amount of each cash		
5	contribution. Print-out of Declaration on honour (articles 93 & 94) , signed by the legal representative.		YES YES
6	Print-out of Financial identification form duly completed and signed by the legal representative and bearing the stamp and signature of the bank.		YES
7	Print-out of Legal entity form, completed and signed by the legal representative.		YES
8	Copy of the official registration certificate or any other official document attesting to the establishment of the organisation (not necessary for public bodies).		NO
9	(Where appropriate) Subcontracting for external expertise: a copy of the draft tender specifications.		NO
10	Detailed CV (educational and professional qualifications) and job specification of the person responsible for the project.		NO
11	Last annual report from the applicant's organisation (not necessary for public bodies & international organisations).		NO NO
12	Profit and loss accounts and balance sheets for the last financial year from the applicant's organisation (not necessary for public bodies & international organisations).		NO
13	Audit report for the last financial year from the applicant's organisation (not necessary for public bodies & international organisations).		NO