



**EUROPEAN COMMISSION**  
DIRECTORATE-GENERAL  
ENVIRONMENT  
Directorate D - Natural Capital  
**ENV.D.2 - Biodiversity**

## Call for proposals

**SECOND YEAR PILOT PROJECT — MAPPING AND ASSESSING  
THE STATE OF ECOSYSTEMS AND THEIR SERVICES IN THE  
OUTERMOST REGIONS AND OVERSEAS COUNTRIES AND  
TERRITORIES: ESTABLISHING LINKS AND POOLING RESOURCES**

Reference: ENV/2019/CFP/MAES-OR-OCT 2

Deadline for submission of proposals:

**30 April 2019 – 17h00, Brussels local time**

## CALL FOR PROPOSALS ENV/2019/CFP/MAES-OR-OCT 2

### **SECOND YEAR PILOT PROJECT — MAPPING AND ASSESSING THE STATE OF ECOSYSTEMS AND THEIR SERVICES IN THE OUTERMOST REGIONS AND OVERSEAS COUNTRIES AND TERRITORIES: ESTABLISHING LINKS AND POOLING RESOURCES**

#### **1. INTRODUCTION – BACKGROUND**

Legal basis: *Pilot project within the meaning of Article 54(2)(a) of Regulation (EU, Euratom) No 966/2012.*

This open Call for Proposals implements the **second year** pilot project on '*Mapping and assessing the state of ecosystems and their services in the outermost regions and overseas countries and territories: Establishing Links and Pooling Resources*'.

Action 5 of the EU Biodiversity Strategy<sup>1</sup> '*Map and assess the state and economic value of ecosystems and their services in the entire EU territory; promote the recognition of their economic worth into accounting and reporting systems across Europe*' is implemented through the MAES initiative<sup>2</sup> which is supported – *inter alia* – by the Joint research Centre (JRC)<sup>3</sup>, the European Environment Agency (EEA)<sup>4</sup> and the co-ordination support action ESMEALDA<sup>5</sup> (Enhancing ecoSystem sERvices mApping for poLicy and Decision mAKing) funded under the Horizon2020. ESMEALDA has delivered a flexible methodology to provide the building blocks for pan-European and regional assessments. In the frame of the BEST initiative<sup>6</sup> regional ecosystem profiles<sup>7</sup> for the EU's Outermost Regions and Overseas Countries and Territories have been developed. NETBIOME<sup>8</sup> a partnership for research and sustainable management of (sub)tropical biodiversity in the European Outermost Regions (ORs) and Overseas Countries and Territories (OCTs) has established, among other, a database of stakeholders involved in biodiversity management and research as well as case studies for biodiversity valuation in, or relevant to, the EU OR/OCTs, with links to the original studies.

#### **2. OBJECTIVE(S) – THEME(S) – PRIORITIES**

The selected project shall provide a further tangible contribution to the EU MAES initiative to support regional policy in overseas Europe by mobilising stakeholders and pooling resources and by demonstrating the feasibility and the added value of a bottom-up approach, involving and empowering local actors.

It shall complement and expand the activities of the on-going project MOVE<sup>9</sup>, strengthening links and capitalising on on-going work allowing further testing and implementation of the MAES methodology in different regions of the world as Outermost Regions and Overseas Countries and Territories are located in the Caribbean,

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<sup>1</sup> [http://ec.europa.eu/environment/nature/biodiversity/strategy/index\\_en.htm](http://ec.europa.eu/environment/nature/biodiversity/strategy/index_en.htm)

<sup>2</sup> <http://biodiversity.europa.eu/maes>

<sup>3</sup> <https://ec.europa.eu/jrc/en/publication/mapping-ecosystem-services-0>

<sup>4</sup> <https://www.eea.europa.eu/>

<sup>5</sup> <http://www.esmeralda-project.eu/>

<sup>6</sup> <http://ec.europa.eu/best>

<sup>7</sup> [http://ec.europa.eu/environment/nature/biodiversity/best/regions/index\\_en.htm](http://ec.europa.eu/environment/nature/biodiversity/best/regions/index_en.htm)

<sup>8</sup> <http://www.netbiome.org/>

<sup>9</sup> The project MOVE <https://moveproject.eu/> is funded under the call for proposals MAES-OR-OCT-2017 implementing the first year pilot project.

Pacific, Indian Ocean, Amazon, South Atlantic, Macaronesian, polar and subpolar regions, providing methodologies and good practice guidelines, testing the IUCN Red list for ecosystems<sup>10</sup> in the EU's ORs and OCTs as a tool and source of information for an operational implementation and contributing to worldwide EU leadership in this area. As ORs and OCTs have important oceans areas, it is expected that the project will advance mapping and assessing marine ecosystem services as well the RED List of ecosystem efforts for marine and coastal ecosystems and the evolution of their valuable services.

It shall involve policymakers, researchers and civil society in the development of methodologies for mapping and assessing the state of ecosystems and their services in outermost regions (ORs) and overseas countries and territories (OCTs).

The selected project is aimed at:

1. supporting regional biodiversity policy in overseas Europe: further mobilising stakeholders, strengthening and pooling resources financed under the first year of the pilot project, the project will aim at assessing the state of the art of the MAES within the participating overseas entities, making an inventory and confirming and substantiating the human and material capacities present in each of them;
2. building on the work carried out in the frame of the NETBIOME networks and the BEST (Biodiversity and Ecosystem Services in Territories of European overseas) initiative and the IUCN Red list for ecosystems;
3. identifying and analysing further case studies in specific regions on which to focus the work of dedicated teams of local experts, policymakers and civil society members pooled from across the OR and OCTs.

### 3. TIMETABLE

	<b>Steps</b>	<b>Date and time or indicative period</b>
(a)	Publication of the call	<i>January 2019</i>
(b)	<b>Deadline for submitting applications</b>	<b><i>Tuesday 30<sup>th</sup> April 2019 17h00 Brussels local time</i></b>
(c)	Evaluation period	<i>May - June 2019</i>
(d)	Information to applicants	<i>July - August 2019</i>
(e)	Signature of grant agreement	<i>October - November 2019</i>

### 4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of projects under this call for proposals is estimated at EUR 1.500.000.

The maximum grant will be **EUR 1.500.000**

The Commission expects to fund **1 proposal**.

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<sup>10</sup> <https://iucnrle.org/>

The Commission reserves the right not to distribute all the funds available.

## **5. ADMISSIBILITY REQUIREMENTS**

In order to be admissible, applications must be:

- sent no later than the deadline for submitting applications referred to in section 3;
- submitted in writing (see section 14), using the application form available at [http://ec.europa.eu/environment/funding/grants\\_en.htm](http://ec.europa.eu/environment/funding/grants_en.htm);
- drafted in one of the EU official languages.

Failure to comply with those requirements will lead to rejection of the application.

## **6. ELIGIBILITY CRITERIA**

### **6.1. Eligible applicants**

Proposals may be submitted by any of the following applicants:

- non-profit organisation (private or public);
- public authorities (national, regional, local);
- international organisations;
- universities;
- educational institutions;
- research centres;
- profit making entities.

Natural persons are not eligible.

### **Country of establishment**

Only applications from legal entities established in the following countries are eligible:

- EU Member States
- EU's Outermost Regions and Overseas Countries and Territories
- Third Countries

### **Multi-beneficiary/Consortium requirements**

In order to be eligible, a proposal must be submitted by a consortium composed of at least two legal entities.

### **Supporting documents**

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

- **private entity:** extract from the official journal, copy of articles of association, extract of trade or association register, certificate of liability to VAT (if, as in certain countries, the trade register number and VAT number are identical, only one of these documents is required);

- **public entity:** copy of the resolution, decision or other official document establishing the public-law entity ;
- **entities without legal personality:** documents providing evidence that their representative(s) have the capacity to undertake legal obligations on their behalf.

NB: **Consortium:** in the event of an application grouping several applicants (multi-beneficiary agreement), the above supporting documents shall apply to each applicant. The consortium members will have to sign a **mandate** between the main applicant (coordinator) and each consortium member (partner/co-beneficiary) that will participate in the project.

**For British applicants:** Please be aware that eligibility criteria must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article II.17 of the grant agreement.

## 6.2. Eligible activities

The following types of activities are eligible under this call for proposals:

- cooperation projects;
- conferences, seminars;
- training activities;
- awareness and dissemination actions;
- actions aiming at the creation and improvement of networks, exchanges of good practices;
- studies, analyses, mapping projects;
- research activities;

### Implementation period

The envisaged implementation period of activities may indicatively be between 36 and 48 calendar months.

## 7. EXCLUSION CRITERIA

### 7.1. Exclusion

The authorising officer shall exclude an applicant from participating in call for proposals procedures where:

- (a) the applicant is bankrupt, subject to insolvency or winding-up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended, or it is in any analogous situation arising from a similar procedure provided for under EU or national laws or regulations;
- (b) it has been established by a final judgment or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;

- (c) it has been established by a final judgment or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful intent or gross negligence, including, in particular, any of the following:
  - (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of eligibility or selection criteria or in the performance of a contract, a grant agreement or a grant decision;
  - (ii) entering into agreement with other applicants with the aim of distorting competition;
  - (iii) violating intellectual property rights;
  - (iv) attempting to influence the decision-making process of the Commission during the award procedure;
  - (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;
- (d) it has been established by a final judgment that the applicant is guilty of any of the following:
  - (i) fraud, within the meaning of Article 3 of Directive (EU) 2017/1371 of the European Parliament and of the Council and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;
  - (ii) corruption, as defined in Article 4(2) of Directive (EU) 2017/1371 or Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997, or conduct referred to in Article 2(1) of Council Framework Decision 2003/568/JHA, or corruption as defined in the applicable law;
  - (iii) conduct related to a criminal organisation, as referred to in Article 2 of Council Framework Decision 2008/841/JHA;
  - (iv) money laundering or terrorist financing within the meaning of Article 1(3), (4) and (5) of Directive (EU) 2015/849 of the European Parliament and of the Council;
  - (v) terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
  - (vi) child labour or other offences concerning trafficking in human beings as referred to in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;
- (e) the applicant has shown significant deficiencies in complying with main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an authorising officer, OLAF or the Court of Auditors;

- (f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;
- (g) It has been established by a final judgement or final administrative decision that the applicant has created an entity in a different jurisdiction with the intent to circumvent fiscal, social or any other legal obligations of mandatory application in the jurisdiction of its registered office, central administration or principal place of business;
- (h) it has been established by a final judgement or final administrative decision that an entity has been created with the intent referred to in point (g);
- (i) for the situations referred to in points (c) to (h) above, the applicant is subject to:
  - (i) facts established in the context of audits or investigations carried out by European Public Prosecutor's Office after its establishment, the Court of Auditors, the European Anti-Fraud Office or the internal auditor, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;
  - (ii) non-final judgments or non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
  - (iii) facts referred to in decisions of persons or entities being entrusted with EU budget implementation tasks;
  - (iv) information transmitted by Member States implementing Union funds;
  - (v) decisions of the Commission relating to the infringement of Union competition law or of a national competent authority relating to the infringement of Union or national competition law; or
  - (vi) decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

## **7.2. Remedial measures**

If an applicant declares one of the situations of exclusion listed above (see section 7.4), it must indicate the measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. This may include e.g. technical, organisational and personnel measures to correct the conduct and prevent further occurrence, compensation of damage or payment of fines or of any taxes or social security contributions. The relevant documentary evidence which illustrates the remedial measures taken must be provided in annex to the declaration. This does not apply for situations referred in point (d) of section 7.1.

## **7.3. Rejection from the call for proposals**

The authorising officer shall not award a grant to an applicant who:

- (a) is in an exclusion situation established in accordance with section 7.1; or
- (b) has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information; or
- (c) was previously involved in the preparation of documents used in the award procedure where this entails a breach of the principle of equal treatment, including distortion of competition, that cannot be remedied otherwise.

The same exclusion criteria apply to affiliated entities.

Administrative sanctions (exclusion) may be imposed on applicants, or affiliated entities where applicable, if any of the declarations or information provided as a condition for participating in this procedure prove to be false.

#### **7.4. Supporting documents**

Applicants and affiliated entities must provide a declaration on their honour certifying that they are not in one of the situations referred to in Articles 136(1) and 141 FR, by filling in the relevant form attached to the application form accompanying the call for proposals and available at [http://ec.europa.eu/environment/funding/grants\\_en.htm](http://ec.europa.eu/environment/funding/grants_en.htm).

This obligation may be fulfilled in one of the following ways:

- (i) the coordinator of a consortium signs a declaration on behalf of all applicants and their affiliated entities; OR
- (ii) each applicant in the consortium signs a declaration in its name and on behalf of its affiliated entities; OR
- (iii) each applicant in the consortium and the affiliated entities each sign a separate declaration in their own name.

### **8. SELECTION CRITERIA**

#### **8.1. Financial capacity**

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the duration of the grant and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents to be submitted with the application:

- a) Low value grants ( $\leq$  EUR 60.000):
  - a declaration on their honour.
- b) Grants  $>$  EUR 60.000:
  - a declaration on their honour, and

EITHER

- the profit and loss account as well as the balance sheet for the last financial year for which the accounts were closed;
- for newly created entities: the business plan might replace the above documents;

OR

- the **Financial Capacity Form** in excel format (provided for in the application form), filled in with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form.
- c) Grants for an action  $>$  EUR 750.000 or operating grants  $>$  EUR 100.000:
    - (i) the information and supporting documents mentioned in point b) above, and
    - (ii) **an audit report** produced by an approved external auditor certifying the accounts for the last financial year available, where such an audit report is available or whenever a statutory report is required by law.

If the audit report is not available AND a statutory report is not required by law, a self-declaration signed by the applicant's authorised representative certifying the validity of its accounts for the last financial year available must be provided.

In the event of an application grouping several applicants (consortium), the above thresholds apply to each applicant.

On the basis of the documents submitted, if the Commission considers that financial capacity is weak, s/he may:

- request further information;
- decide not to give pre-financing;
- decide to give pre-financing paid in instalments;
- decide to give pre-financing covered by a bank guarantee (see section 11.4 below);
- where applicable, require the joint and several financial liability of all the co-beneficiaries.

If the RAO considered that the financial capacity is insufficient s/he will reject the application.

## **8.2. Operational capacity**

Applicants must have the professional competencies as well as appropriate qualifications necessary to complete the proposed action. In this respect, applicants have to submit a declaration on their honour, and the following supporting documents:

- curriculum vitae or description of the profile of the people primarily responsible for managing and implementing the operation (accompanied where appropriate, like in the field of research and education, by a list of relevant publications);
- the organisation's activity reports;
- an exhaustive lists of previous projects and activities performed and connected to the policy field of a given call or to the actions to be carried out;
- an inventory of natural or economic resources involved in the project.

If, during the lifetime of the project, the proposed team should be adapted, the **CVs of new team members** shall be submitted to the Commission before they start working for the project.

A standard model for the curriculum vitae (CV) can be easily downloaded from the following webpage: <http://europass.cedefop.europa.eu/en/documents/curriculum-vitae>.

## **9. AWARD CRITERIA**

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

- **Understanding of the call for proposals and scope of the project (max 50 points):**
  - complementarity and collaboration with the MOVE project;
  - involvement of Outermost Regions and Overseas Countries and Territories (ORs and OCTs), as targeted areas and in terms of participation of relevant authorities;

- contribution to the MAES initiative;
  - involvement of the different stakeholders and/or target groups;
  - synergy with the MOVE project;
  - capitalisation of BEST Ecosystem Profiles;
  - experience in the implementation of IUCN Red List of Ecosystem methodology.
- **Organisation and management of the project (max 40 points):**
- consistency of the expenditures with the foreseen activities and relevance and quality of the means of implementation and the resources deployed in relation to the objectives envisaged;
  - feasibility of the project in terms of coherence of the actions with the expected results, resources and timetable, including measures for quality;
  - cost effectiveness of the proposed action.
- **Control and risk management (max. 10 points).**

***Weighting and thresholds***

In order to evaluate the proposals received, a set of award criteria has been defined in the present call for proposals in order to make it possible to select an action that can guarantee compliance with the policy objectives and can guarantee the visibility of the European Union financing.

The total number of points that can be attributed to a proposal is 100. Proposals have to reach the minimum quality threshold (50 % of the maximum possible mark) for each criterion, as indicated below. Moreover, proposals that, following the evaluation process, do not reach a global score of at least 65 points will not be retained for co-funding.

***Award decision***

The Commission will select, within the limits of the available budget, the application which gets the highest ranking based on the total score.

Applications which pass the minimum sufficiency level but do not achieve enough points to be selected will constitute a reserve list for consideration in case additional funds become available for the project or in case applicants withdraw their (selected) proposals.

The selection of an application by the Commission does not constitute an undertaking to award a financial contribution equal to the amount requested by the beneficiary. The Commission reserves the right to reduce the grant requested, if the proposal includes elements considered too expensive or not eligible. In addition, since there is a limited overall budget for the funding programme, the Commission reserves the right to propose a level of support lower than that requested. Furthermore, under no circumstances can the amount awarded be more than the amount requested.

The Commission may invite applicants to provide a revised budget or application form to ensure compliance with the rules on eligible costs or where the granted amount is different from the amount requested in the application.

## **10. LEGAL COMMITMENTS**

In the event of a grant awarded by the Commission, a grant agreement, drawn up in euro and detailing the conditions and level of funding, will be sent to the applicant, as well as the information on the procedure to formalise the agreement of the parties.

Two copies of the original agreement must be signed by the beneficiary (coordinator on behalf of the consortium) and returned to the Commission immediately.

## **11. FINANCIAL PROVISIONS**

### **11.1. Form of the grant**

#### **11.1.1 Reimbursement of costs actually incurred**

The grant will be defined by applying a maximum co-financing rate of **95%** to the eligible costs actually incurred and declared by the beneficiary and its affiliated entities.

For details on eligibility of costs, please refer to section 11.2.

### **11.2. Eligible costs**

Eligible costs shall meet all the following criteria:

- they are incurred by the beneficiary.
- they are incurred during the duration of the action, with the exception of costs relating to final reports and audit certificates;
  - The period of eligibility of costs will start as specified in the grant agreement.
  - If a beneficiary can demonstrate the need to start the action before the agreement is signed, the costs eligibility period may start before that signature. Under no circumstances can the eligibility period start before the date of submission of the grant application.
- they are indicated in the estimated budget of the action;
- they are necessary for the implementation of the action which is the subject of the grant;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

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

The same criteria apply to costs incurred by the affiliated entities.

Eligible costs may be direct or indirect.

### **11.2.1. Eligible direct costs**

The eligible direct costs for the action are those costs which:

**with due regard to the conditions 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, such as :

- (a) *the costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the action, provided that these costs are in line with the beneficiary's usual policy on remuneration.*

*Those costs include actual salaries plus social security contributions and other statutory costs included in the remuneration. They may also comprise additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used;*

*The costs of natural persons working under a contract with the beneficiary other than an employment contract or who are seconded to the beneficiary by a third party against payment may also be included under such personnel costs, provided that the following conditions are fulfilled:*

- (i) *the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);*
- (ii) *the result of the work belongs to the beneficiary (unless exceptionally agreed otherwise); and*
- (iii) *the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary;*

The recommended methods for the calculation of direct personnel costs are provided in Appendix.

- (b) *costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;*
- (c) *the depreciation costs of equipment or other assets (new or second-hand) as recorded in the beneficiary's accounting statements, provided that the asset:*
  - (i) *is written off in accordance with the international accounting standards and the beneficiary's usual accounting practices; and*
  - (ii) *has been purchased in accordance with the rules on implementation contracts laid down in the grant agreement, if the purchase occurred within the implementation period;*

*The costs of renting or leasing equipment or other assets are also eligible, provided that these costs do not exceed the depreciation costs of similar equipment or assets and are exclusive of any finance fee;*

*Only the portion of the equipment's depreciation, rental or lease costs corresponding to the implementation period and the rate of actual use for the purposes of the action may be taken into account when determining the eligible costs. By way of exception, the full cost of purchase of equipment may be eligible under the Special Conditions, if this is justified by the nature of the action and the context of the use of the equipment or assets;*

- (d) costs of consumables and supplies, provided that they:
  - (i) are purchased in accordance with the rules on implementation contracts laid down in the grant agreement; and*
  - (ii) are directly assigned to the action;**
- (e) costs arising directly from requirements imposed by the Agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with the rules on implementation contracts laid down in the grant agreement;*
- (f) costs derived from subcontracts, provided that specific conditions on subcontracting as laid down in the grant agreement are met;*
- (g) costs of financial support to third parties, provided that the conditions laid down in the grant agreement are met;*
- (h) duties, taxes and charges paid by the beneficiary, notably value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the grant agreement.*

### **11.2.2. Eligible indirect costs (overheads)**

Indirect costs are costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it.

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

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

**Applicants' attention is drawn to the fact that if they are receiving an operating grant financed by the EU or Euratom budget, they may not declare indirect costs for the period(s) covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.**

In order to demonstrate this, in principle, the beneficiary should:

- a. use *analytical cost accounting that allows to separate all costs (including overheads) attributable to the operating grant and the action grant. For that purpose the beneficiary should use reliable accounting codes and allocation keys ensuring that the allocation of the costs is done in a fair, objective and realistic way.*
- b. *record separately:*

- all costs incurred for the operating grants (i.e. personnel, general running costs and other operating costs linked to the part of its usual annual activities), and
- all costs incurred for the action grants (including the actual indirect costs linked to the action)

If the operating grant covers the entire usual annual activity and budget of the beneficiary, the latter is not entitled to receive any indirect costs under the action grant.

### **11.3. Ineligible costs**

The following items are not considered as eligible costs:

- a) return on capital and dividends paid by a beneficiary;
- b) debt and debt service charges;
- c) provisions for losses or debts;
- d) interest owed;
- e) doubtful debts;
- f) exchange losses;
- g) costs of transfers from the Commission charged by the bank of a beneficiary;
- h) costs declared by the beneficiary under another action receiving a grant financed from the Union budget. Such grants include grants awarded by a Member State and financed from the Union budget and grants awarded by bodies other than the Commission for the purpose of implementing the Union budget. In particular, beneficiaries receiving an operating grant financed by the EU or Euratom budget cannot declare indirect costs for the period(s) covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.
- i) contributions in kind from third parties;
- j) excessive or reckless expenditure;
- k) deductible VAT.

### **11.4. Eligible costs that may be covered by the single lump sum**

Not Applicable.

### **11.5. Balanced budget**

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

The budget must be drawn up in euros.

Applicants for whom costs will not be incurred in euros should use the exchange rate published on the Infor-euro website available at:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)

The applicant must ensure that the resources which are necessary to carry out the action are not entirely provided by the EU grant.

Co-financing of the action may take the form of:

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

## **11.6. Calculation of the final grant amount**

The final amount of the grant is calculated by the Commission at the time of the payment of the balance. The calculation involves the following steps:

### **Step 1 — Application of the reimbursement rate to the eligible costs**

The amount under step 1 is obtained by applying the reimbursement rate specified in section 11.1.1 to the eligible costs actually incurred and accepted by the Commission.

### **Step 2 — Limit to the maximum amount of the grant**

The total amount paid to the beneficiaries by the Commission may in no circumstances exceed the maximum amount of the grant as indicated in the grant agreement. If the amount obtained following Step 1 is higher than this maximum amount, the final amount of the grant is limited to the latter.

If volunteers' work is declared as part of direct eligible costs, the final amount of the grant is limited to the amount of total eligible costs approved by the Commission minus the amount of volunteers' work approved by the Commission.

### **Step 3 — Reduction due to the no-profit rule**

'Profit' means the surplus of receipts over the total eligible costs of the action, where receipts are the amount obtained following Steps 1 and 2 plus the revenue generated by the action for beneficiaries and affiliated entities other than non-profit organisations.

In-kind and financial contributions by third parties are not considered receipts.

The total eligible costs of the action are the consolidated total eligible costs approved by the Commission. The revenue generated by the action is the consolidated revenue established, generated or confirmed for beneficiaries and affiliated entities other than non-profit organisations on the date on which the request for payment of the balance is drawn up.

If there is a profit, it will be deducted in proportion to the final rate of reimbursement of the actual eligible costs of the action approved by the Commission.

### **Step 4 — Reduction due to improper implementation or breach of other obligations**

The Commission may reduce the maximum amount of the grant if the action has not been implemented properly (i.e. if it has not been implemented or has been implemented poorly, partially or late), or if another obligation under the Agreement has been breached.

The amount of the reduction will be proportionate to the degree to which the action has been implemented improperly or to the seriousness of the breach.

## **11.7. Reporting and payment arrangements**

### **11.7.1 Payment arrangements**

The beneficiary may request the following payments provided that the conditions of the grant agreement are fulfilled (e.g. payment deadlines, ceilings, etc.). The payment

requests shall be accompanied by the documents provided below and detailed in the grant agreement:

Scenario #1 (duration of implementation period is about 36 months)

<b>Payment request</b>	<b>Accompanying documents</b>
A <b>pre-financing payment</b> corresponding to <b>40%</b> of the maximum grant amount	(a) Signed agreement (b) [financial guarantee (see section 11.7.2)]
A <b>second pre-financing payment</b> corresponding to <b>40%</b> of the maximum grant amount.	(a) technical report on progress (b) statement on the use of the previous pre-financing instalment (c) [financial guarantee (see section 11.7.2)]
<b>Payment of the balance</b> The Commission will establish the amount of this payment on the basis of the calculation of the final grant amount (see section 11.5 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the Commission through a recovery order.	(a) final technical report (b) final financial statement (c) summary financial statement aggregating the financial statements already submitted previously and indicating the receipts (d) [a certificate on the financial statements and underlying accounts]

Scenario #2 (duration of implementation period is about 48 months)

<b>Payment request</b>	<b>Accompanying documents</b>
A <b>pre-financing payment</b> corresponding to <b>30%</b> of the maximum grant amount	(a) Signed agreement (b) [financial guarantee (see section 11.7.2)]
A <b>second pre-financing payment</b> corresponding to <b>25%</b> of the maximum grant amount.	(a) technical report on progress (b) statement on the use of the previous pre-financing instalment (c) [financial guarantee (see section 11.7.2)]
A <b>third pre-financing payment</b> corresponding to <b>25%</b> of the maximum grant amount.	(a) technical report on progress (b) statement on the use of the previous pre-financing instalment (c) [financial guarantee (see section 11.7.2)]
<b>Payment of the balance</b> The Commission will establish the amount of this payment on the basis of the calculation of the final grant amount (see section 11.5 above). If the total of earlier payments is higher than	(a) final technical report (b) final financial statement (c) summary financial statement aggregating the financial statements already submitted previously and indicating the

the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the Commission through a recovery order.	receipts (d) [a certificate on the financial statements and underlying accounts]
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In case of a weak financial capacity, section 8.1 above applies.

### 11.7.2 Pre-financing guarantee

A pre-financing guarantee for up to the same amount as the pre-financing may be requested in order to limit the financial risks linked to the pre-financing payment.

The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the EU Member States. When the beneficiary is established in a third country, the Commission may agree that a bank or financial institution established in that third country may provide the guarantee if it considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. Amounts blocked in bank accounts shall not be accepted as financial guarantees.

The guarantee may be replaced by:

- a joint and several guarantee by a third party or,
- a joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.

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

As an alternative to requesting a guarantee on pre-financing, the Commission may decide to split the payment of pre-financing into several instalments.]

### 11.8. Other financial conditions

#### a) Non-cumulative award

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

Under no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate in the grant application the sources and amounts of Union funding received or applied for the same action or part of the action or for its (the applicant's) functioning during the same financial year as well as any other funding received or applied for the same action.

#### b) Non-retroactivity

No grant may be awarded retrospectively for actions already completed.

A grant may be awarded for an action which has already begun only where the applicant can demonstrate in the grant application the need to start the action before the grant agreement is signed.

In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application.

**c) Implementation contracts/subcontracting**

Where the implementation of the action requires the award of procurement contracts (implementation contracts), the beneficiary may award the contract in accordance with its usual purchasing practices provided that the contract is awarded to the tender offering best value for money or the lowest price (as appropriate), avoiding conflicts of interest.

The beneficiary is expected to clearly document the tendering procedure and retain the documentation in the event of an audit.

Entities acting in their capacity as contracting authorities within the meaning of Directive 2014/24/EU<sup>11</sup> or contracting entities within the meaning of Directive 2014/25/EU<sup>12</sup> must comply with the applicable national public procurement rules.

Beneficiaries may subcontract tasks forming part of the action. If they do so, they must ensure that, in addition to the above-mentioned conditions of best value for money and absence of conflicts of interests, the following conditions are also complied with:

- a) subcontracting does not cover core tasks of the action;
- b) recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation;
- c) the estimated costs of the subcontracting are clearly identifiable in the estimated budget;
- d) any recourse to subcontracting, if not provided for in description of the action, is communicated by the beneficiary and approved by the Commission. The Commission may grant approval:
  - (i) before any recourse to subcontracting, if the beneficiaries requests an amendment
  - (ii) after recourse to subcontracting if the subcontracting:
    - is specifically justified in the interim or final technical report and
    - does not entail changes to the grant agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;
- e) the beneficiaries ensure that certain conditions applicable to beneficiaries, enumerated in the grant agreement (e.g. visibility, confidentiality, etc.), are also applicable to the subcontractors.

**d) Financial support to third parties**

The applications may not envisage provision of financial support to third parties.

## **12. PUBLICITY**

### **12.1. By the beneficiaries**

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

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<sup>11</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65-242)

<sup>12</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243-374)

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

To do this they must use the text, the emblem and the disclaimer available at [http://europa.eu/about-eu/basic-information/symbols/flag/index\\_en.htm](http://europa.eu/about-eu/basic-information/symbols/flag/index_en.htm).

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

Beneficiaries must include the following disclaimer in the publications and deliverables produced by the grant: "The information and views set out in this [report/study/article/publication...] are those of the author(s) and do not necessarily reflect the official opinion of the European Union. Neither the European Union institutions and bodies nor any person acting on their behalf may be held responsible for the use which may be made of the information contained therein".

## 12.2. By the Commission

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

The Commission will publish the following information:

- name of the beneficiary;
- address of the beneficiary when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level<sup>13</sup> if he/she is domiciled within the EU or equivalent if domiciled outside the EU;
- subject of the grant;
- amount awarded.

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

## 13. PROCESSING OF PERSONAL DATA

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, the questions and any personal data requested that are required to evaluate the application in accordance with the call for proposal will be processed solely for that purpose by the **Director of ENV.A in the Directorate-General for Environment**.

Personal data may be registered in the Early Detection and Exclusion System by the Commission, should the beneficiary be in one of the situations mentioned in Articles 136

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<sup>13</sup> Commission Regulation (EC) No 105/2007 of 1 February 2007 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS), OJ L39, 10.2.2007, p.1.

and 141 of Regulation (EU, Euratom) 2018/1046<sup>14</sup>. For more information see the Privacy Statement on:

[https://ec.europa.eu/info/data-protection-public-procurement-procedures\\_en](https://ec.europa.eu/info/data-protection-public-procurement-procedures_en).

## 14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted by the deadline set out under section 3.

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

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

### *Submission on paper*

Application forms are available at

[http://ec.europa.eu/environment/funding/grants\\_en.htm](http://ec.europa.eu/environment/funding/grants_en.htm)

Applications must be submitted in the correct form, duly completed and dated. They must be submitted in **four copies (one original clearly identified as such, plus three copies)** and signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation.

Where applicable, all additional information considered necessary by the applicant can be included on separate sheets.

For economic and ecological reasons, we strongly recommend that you submit your files on paper-based materials (no plastic folder or divider). We also suggest you use double-sided print-outs as much as possible. To help us copy, scan and file your offer, avoid binding or stapling documents.

The application must clearly indicate on the envelope the following call reference:

<b>Call for proposals DG ENV/2019/CFP/ MAES-OR-OCT 2</b>
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### *Electronic copy*

In addition to the submission on paper, the applicant is requested to submit an electronic copy of the proposal and all its annexes (in format MS Word (.doc) / EXCEL (.xls) and/or PDF (.pdf)). It should be saved on a USB-stick to be included in the same envelope as the paper version. The electronic version must contain exactly the same proposal as the paper version enclosed.

Applications must be sent to the following address:

- by post (evidence will be constituted by the postmark):

**European Commission**  
**DG Environment, Unit D.2 - Biodiversity**  
**BU 5 5/142**  
**200 Rue de la Loi**  
**1049 Brussels**  
**Belgium**

**Reminder: Title on the envelope is: Call for Proposals DG ENV:**  
**ENV/2019/CFP/MAES-OR-OCT 2**

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<sup>14</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>

- by hand-delivery, (evidence will be constituted by the acknowledgement of receipt), or by courier service (evidence will be constituted by the acknowledgement of receipt):

**European Commission - DG Environment (Unit D.2)**

**Central Mail Service – OIB.4**

**Avenue du Bourget, 1**

**B-1140 Brussels**

**Reminder: Title on the envelope is: *Call for Proposals DG ENV:  
ENV/2019/CFP/MAES-OR-OCT 2***

*Applications sent by fax or by email will not be accepted.*

### ➤ **Contacts**

All questions related to the call may be sent exclusively by e-mail no later than **Thursday 11<sup>th</sup> April 2019** to the address listed below, indicating clearly the reference of the call for proposals "**ENV/2019/CFP/MAES-OR-OCT 2**".

E-mail address: [ENV-MAES-OROCT@ec.europa.eu](mailto:ENV-MAES-OROCT@ec.europa.eu)

**Replies will be given no later than Wednesday 17<sup>th</sup> April 2019.**

In the interest of equal treatment of applicants, the European Commission cannot give a prior opinion on the proposal. Questions that may be relevant to other applicants, together with the answers, will be published on the internet at the website: [http://ec.europa.eu/environment/funding/grants\\_en.htm](http://ec.europa.eu/environment/funding/grants_en.htm)

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

## **15. HOW TO COMPLETE THE FINANCIAL GRANT APPLICATION FORM (ANNEX C + FINANCIAL CAPACITY FORM)**

The financial application form consists of **10 forms/sheets**. It is available for download as an Excel file.

All forms should be completed, printed out and inserted into the application. The cells marked in yellow contain formulas and therefore should not be completed.

### **General remarks**

The project's budget should be prepared in consideration of the General Conditions of the **Model Grant Agreement**. For information on the different cost categories and on eligible and ineligible costs, please refer to Sections **11.1, 11.2 and 11.3 of the Call for Proposals**. The EU contribution will be calculated on the basis of **incurred** eligible costs. Only costs incurred during the lifetime of the action should be included.

The coordinating beneficiary and associated beneficiaries and/or other companies which are part of the same groups or holdings, cannot act as sub-contractors.

All amounts, where applicable, should be exclusive of VAT, for the activities which fall within one of the following categories:

- taxed activities or exempt activities with right of deduction. For those activities, VAT is deductible, hence ineligible;

- activities engaged in as a public authority by the beneficiary where it is a State, regional or local government authority or another body governed by public law.

In the case where the applicant and/or relevant partner are unable to recover VAT the amount should be inclusive of VAT. All costs should be in Euro (€) and the amounts rounded to the nearest whole Euro (€).

**Indirect costs/overheads** (communication costs, costs related to buildings (and general administrative expenses) are eligible as a **flat rate of maximum 7%** of the total direct eligible costs. They are **not eligible** for organisations that, at the same time, benefit from an operating grant.

- Cover page

Please fill in the acronym of your proposal.

- Form F0 – Budget of the action

The form is filled in automatically, based on the data provided in forms F1, F3 to F7, except for the **Requested EU contribution**: Please specify the amount of financial contribution requested from the European Commission, which shall not exceed **95% of total eligible costs**.

- Form F1 – Project funding breakdown

This form describes the funding of the project by the beneficiaries and/or co-financier(s), as well as the EU contribution requested per beneficiary.

**Beneficiary country**: the applicant's place of establishment or registration

**Beneficiaries' short name (Acronym)**: As in the Grant Application form.

**Total costs of the actions in €**: Indicate the total costs of the actions undertaken by the beneficiaries as in the Grant Application form. The sum of beneficiaries' "total costs of the actions" must equal the total costs of the project as shown in Form F0.

**Coordinating beneficiary/applicant contribution**: specify the amount of financial contribution provided by the applicant, as indicated in the Grant Application form. This amount cannot include contributions by third parties.

**Associated beneficiary/partner contribution**: Indicate the financial contribution from each partner, as indicated in the Grant Application form. This amount cannot include contributions by third parties.

**External funding - third party name**: Same as in the Grant Application form.

**Amount of co-financing in €**: Indicate the financial contribution of each third-party as in the Grant Application form.

**Expected direct revenues**: Revenues generated from the action. Provide description.

- Form F2a – Budget breakdown per activities

Please provide for every action described in the technical forms, a detailed breakdown of costs per cost category should be provided in form **F2**. Please use the same numbers and names for the actions as in the Grant Application form.

Particular attention should be given to the coherence of the presented costs. In particular, please make sure that totals for each cost category are the same as those calculated in forms **F3 to F7**.

Depending on the number activities, rows may have to be added on these tables. Information should be consistent with the contents of the Grant Application form.

In the overhead cell, you should indicate the overheads rate that you wish to charge to the project, bearing in mind that it cannot be more than 0.07 (ie, seven percent) of the costs of each beneficiary.

➤ Form F2b – Budget breakdown per beneficiary

Applicable only for multi-beneficiary agreements (consortiums). Please indicate per cost category the declared costs of each beneficiary participating in the action.

➤ Notes common to Forms F3 to F7

It is required for all reported budget items to provide the beneficiaries' short name and a reference to the activities according to the Grant Application form. Should a budget item refer to more than one action, please indicate each one of them.

➤ Form F3 – Personnel costs (only direct costs)

**General:** *Before filling in this sheet read the Appendix provided below.* The salary costs of personnel of public administration may be considered only to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken.

**Type of contract:** Please indicate the exact legal name of the type of contract (permanent staff, temporary, etc.). Service contracts with individuals ("in-house consultants") may be charged to this category on the condition that the individual concerned works in the beneficiary/ partner's premises and is under its supervision, provided that such practice complies with the relevant national legislation. The time that each individual spends working on the project shall be recorded using time-sheets or an equivalent time registration system established and certified by each of the project beneficiaries.

**Category:** Please identify each professional category or grade in a clear and unambiguous manner to enable the European Commission to monitor the labour resources allocated to the project, analyse cost claims and carry out audits. Examples of staff categories are: project manager, senior engineer, technician/worker, etc. Where known, please indicate the name of the person. In this case you should use one line per person

**Annual gross salary:** Please indicate the gross salary or wages plus obligatory social charges but excluding any other costs. The salary for a category may be based on indicative average rates if they fairly reflect the grades working on the project. In either case, the average must reasonably reflect the personnel cost of the project. Please remember that, should your proposal be financed by the European Commission, only the real costs (e.g. actual salaries) will be considered as eligible costs of the project.

**Annual number of working days:** The total number of person-days should be calculated on the basis of the annual number of working days according to national legislation, collective agreements, employment contracts, etc. An example for determining the total productive 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	21 days
Less statutory holidays	15 days
Less illness/other	<u>10 days</u>
= Total productive days	<u>215 days</u>

**Daily rate:** Is calculated automatically.

The **number of working days assigned to the project** reflects the number of days needed to carry out the project.

If temporary staff is employed, the methodology set out above may not be applicable. In this case, the methodology should be explained and the possible detail on the calculation of the budgeted costs should be provided in the form.

➤ Form F4 – Travel and subsistence costs

*Note: Under this budget category applicants should foresee the travel costs for 2 persons from the project to attend a regional kick-off meeting with the Commission representatives.*

**General:** Only costs for travel and subsistence must be included here. Costs related to the attendance of conferences, such as conference fees, should be reported under other costs. The cost of participation in a conference is only considered eligible if the project is presented at the conference. The number of participants in conferences is limited to those for whose attendance there is a valid technical justification.

**Destination (From / To):** Identify the origin and destination of the trips. Specify the country and city name, if already known.

**Reason for travel and duration:** The purpose of travel must be clearly described, in order to allow an assessment of the costs in relation to the objectives of the project (examples: ‘dissemination event’, ‘technical co-ordination meeting’). Estimate the duration of the travel in days.

You may use more than one line to describe the reason for travel, if necessary, but costs may be presented collectively: e.g. for the total of all technical co-ordination meetings. Please indicate whether the persons travelling are personnel of the coordinator/partner(s)/ affiliated entity, or other persons (e.g. members of a steering committee, experts, people taking part in exercises etc.).

**Number of people:** Indicate the number of people who will be travelling.

**Travel unit costs:** Travel costs shall be charged in accordance with the internal rules of the beneficiary. Beneficiaries shall endeavour to travel in the most economical and environmentally friendly way (video conferencing must be considered as an alternative). Please indicate travel unit costs. For this purpose you may also refer to data from previous experience or to quotes from a travel agent. **Travel costs** will be calculated automatically.

**Subsistence unit costs:** Subsistence costs shall be charged in accordance with the internal rules of the beneficiary (daily allowances or direct payment of meals, hotel costs,

local transportation etc.). Make sure that meals related to travel/meetings of the beneficiaries are not included if subsistence costs are already budgeted as per diem allowances. If there is no such rule, the subsistence costs must not exceed the scales approved annually by the European Commission (see Annex H - Mission Allowances).

**Subsistence costs** will be calculated automatically.

***Important: Subscription fees for conferences or events should be declared under “Other direct costs”.***

➤ Form F5 – Equipment costs (rental or depreciation)

**General:** Please list in this category the costs related to items that according to the accounting rules of the beneficiary in question are treated as durable goods. Please be informed that items which are fully depreciated in the year of purchase, but which are recorded in any registry of durable goods for the purpose of this application should also be listed under this cost category. This often apply to low value electrical consumer goods, such as laptop computers, smart phones, tablets, photo equipment, gps equipment, etc.

**Procedure:** Specify the procedure foreseen to sub-contract the work, e.g. ‘public tender’, ‘direct treaty’, ‘framework contract’, etc. Subcontracts must be awarded in accordance with articles II.10 and II.11 of the General Conditions of the Model Grant Agreement. Please be aware that you should be ready to explain why a 'direct treaty' has been used in particular observing the principles of sound financial management.

**Description:** Provide a clear description of each item, e.g. ‘laptop computer’, ‘database software (off-the-shelf or developed under sub-contract)’, etc.

**Purchase/rental cost:** Full cost of the equipment without applying any depreciation.

**Depreciation:** Total value of the depreciation in the accounts of the beneficiaries at the end of the project. You need to indicate the actual cost as well as the value of depreciation, in accordance with the General Conditions of the Model Grant Agreement. Only the depreciation is an eligible cost for the project and the EU co-financing will be calculated on the basis of this amount.

For the purpose of establishing the budget proposal, the beneficiaries should estimate as precisely as possible the amount of depreciation for each item, from the date of entry into the accounts (if relevant) until the end of the project. This estimation is based on their internal accounting rules and/or in accordance with national accounting rules. This amount represents the eligible cost.

➤ Form F6 – Sub-contracting / external assistance costs

**General:** External assistance costs refer to sub-contracting costs: i.e. services/works carried out by external companies or persons, as well as to renting of equipment. Please justify in detail if the proposed costs of External assistance is above **35%** of the total budget.

For example, the creation of a logo, establishment of a dissemination plan, design of dissemination products, translation services, publication of a book or renting of material should be included in external assistance. Costs related to the purchase or leasing (as opposed to renting) of equipment supplied under subcontract should be budgeted under equipment and not under external assistance.

**Provider / procedure:** Specify the legal name of the service provider (if already known). Specify the procedure followed or planned to sub-contract to the provider, e.g. 'public tender', 'direct treaty', 'framework agreement', etc. Sub-contracts by a "public" beneficiary/partner must be awarded in accordance with the applicable rules on public tendering and in conformity with EU Directives on public tendering procedures.

The "private" beneficiary/partner shall invite competitive tenders from potential sub-contractors and award the contract to the bid offering best value for money; in doing so they shall observe the principles of transparency and equal treatment of potential sub-contractors and shall take care to avoid any conflicts of interest.

**Description:** Give a clear description of the subject of the sub-contract/ service to be provided. For example: 'conducting of impact assessment', 'maintenance of ...', 'renting of ...', 'consultancy on ...', 'web page development', 'intra-muros assistance', 'organisation of dissemination event', etc. You may use more than one line for the description of the subcontract if necessary.

**Important: beneficiary/partner/affiliated entity cannot sub-contract to one another or internally (e.g. between departments or subsidiaries).**

➤ Form F7 – Other direct costs

**General:** Direct costs which do not fall in any other cost category should be placed here. Costs for bank charges, conference fees, insurance costs when these costs originate solely from the project implementation, etc. should be placed here. Also the costs related to the audit report should be classified under this cost category. Consumables, costs which may relate to the purchase, manufacture, repair or use of items, may also be declared here. For example: materials for dissemination, substantial mailing, photocopying, or other communication forms which are not already covered by overheads.

Catering costs/meals/coffees related to dissemination activities, such as presentations of the project, workshops or conferences should be reported here. However, please note that if the whole organisation of the conference is subcontracted, the corresponding cost should all be budgeted under external assistance. Catering costs for normal meeting activities should be covered by the 7% overhead charges.

**Supplier / procedure:** Specify the procedure foreseen to sub-contract the work, e.g. 'public tender', 'direct treaty', 'framework contract', etc. Subcontracts must be awarded in accordance with articles II.10 and II.11 of the General Conditions of the Model Grant Agreement.

**Description:** Give a clear description of the other costs, e.g. type of consumable and supplies, costs arising directly from requirements linked to the action, etc. Costs for **translation** of reports, if needed, must always be reported in this category.

**Bank guarantee:** the European Commission may require the beneficiary to lodge a guarantee in advance in order to limit the financial risks connected with the payment of pre-financing. This does not apply to public sector bodies and International organisations. This guarantee may be replaced by a joint and several guarantee by a third party or by a joint guarantee of the beneficiary and its partners. The guarantee shall be denominated in Euro.

**Auditor costs** related to the auditing of the project's financial reports (required under the agreement) should always be placed under this budget category. These costs will always

be incurred solely by the Coordinating beneficiary. The auditor shall also certify that all costs incurred comply with the provisions set in the Grant Agreement. (NB: For public bodies, the financial audit can be conducted by the appropriate internal audit services of the institution.)

### ***Financial Capacity Form (Form FR09)***

***The Simplified balance sheet and profit and loss account*** has to be completed by **private (commercial and non-commercial) entities only**. Applicants considered as public entities or international organisations do not have to complete this form. Private entities must indicate if they are a profit or a non-profit making company/organisation.

**Country code:** the applicant's place of establishment or registration

**Grant amount (€):** represents the amount requested from the Commission in this application

**External Co-funding (€)** represents the sum up of all external financial sources, i.e. membership fees, co-financing from member organisations, other sources of co-financing, other revenues:

**Co-financing of the applicant (€)** represents the amount of the beneficiary own contribution

**t-0** represents the last certified historical balance sheet and profit and loss account.

**t-1** is the balance sheet prior to the last certified one.

**Closing date t0** is the closing date of the last certified historical balance sheet.

**Closing date t-1** is the closing date of the balance sheet prior to the last one.

**Duration t0** is the number of months covered by the last historical balance sheet.

**Duration t-1** is the number of months covered by the penultimate certified historical balance sheet.

- Balance sheet must be filled in in Euros.
- Closing date must be for the last two financial years.
- Total assets in t0 must be equal to total liabilities in t0 (the same for t-1)

## **16. ANNEXES**

Annex A – **Grant Application Form + Declaration of Honour**

Annex B – **Standard CV Format**, available at the following address:

<http://europass.cedefop.europa.eu/en/documents/curriculum-vitae/templates-instructions>

Annex C – **Financial Application Form + Financial Capacity Form**

Annex D – **Legal Entity Form (up-dated version)**, available at the following address:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/legal\\_entities/legal\\_entities\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm)

Annex E – **Bank Account Form**, available at the following address:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/financial\\_id/financial-id\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial-id_en.cfm)

Annex F – **Model Grant Agreement for an action with multiple beneficiaries + Mandate**

Annex G – **Travel and Subsistence Allowances**

**Reporting templates (currently under revision, to be published soon):**

- Financial reporting templates
- Template of Terms of reference for the certificate on the financial statements

## Appendix

### Specific conditions for direct personnel costs

#### 1. Calculation

The ways of calculating eligible direct personnel costs laid down in points (a) and (b) below are recommended and accepted as offering assurance as to the costs declared being actual.

The Commission may accept a different method of calculating personnel costs used by the beneficiary, if it considers that it offers an adequate level of assurance of the costs declared being actual.

#### a) for persons working exclusively on the action:

*{ monthly rate for the person*

*multiplied by*

*number of actual months worked on the action }*

The months declared for these persons may not be declared for any other EU or Euratom grant.

The **monthly rate** is calculated as follows:

*{ annual personnel costs for the person*

*divided by 12 }*

using the personnel costs for each full financial year covered by the reporting period concerned.

If a financial year is not closed at the end of the reporting period, the beneficiaries must use the monthly rate of the last closed financial year available;

#### b) for persons working part time on the action

(i) If the person is assigned to the action at a fixed pro-rata of their working time:

*{ monthly rate for the person multiplied by pro-rata assigned to the action*

*multiplied by*

*number of actual months worked on the action }*

The working time pro-rata declared for these persons may not be declared for any other EU or Euratom grant.

The monthly rate is calculated as above.

(ii) In other cases:

*{hourly rate for the person multiplied by number of actual hours worked on the action}*

or

*{daily rate for the person multiplied by number of actual days worked on the action}*

(rounded up or down to the nearest half-day)

The number of actual hours/days declared for a person must be identifiable and verifiable.

The total number of hours/days declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive hours/days used for the calculations of the hourly/daily rate. Therefore, the maximum number of hours/days that can be declared for the grant are:

*{number of annual productive hours/days for the year (see below)}*

*minus*

*total number of hours and days declared by the beneficiary, for that person for that year, for other EU or Euratom grants}.*

The '**hourly/daily rate**' is calculated as follows:

*{annual personnel costs for the person*

*divided by*

*number of individual annual productive hours/days}* using the personnel costs and the number of annual productive hours/days for each full financial year covered by the reporting period concerned.

If a financial year is not closed at the end of the reporting period, the beneficiaries must use the hourly/daily rate of the last closed financial year available.

The 'number of individual annual productive hours/days' is the total actual hours/days worked by the person in the year. It may not include holidays and other absences (such as sick leave, maternity leave, special leave, etc). However, it may include overtime and time spent in meetings, trainings and other similar activities.

## **2. Documentation to support personnel costs declared as actual costs**

For **persons working exclusively on the action**, where the direct personnel costs are calculated following **point (a)**, there is no need to keep time records, if the beneficiary signs a **declaration** confirming that the persons concerned have worked exclusively on the action.

For **persons assigned to the action at a fixed pro-rata of their working time**, where the direct personnel costs are calculated following **point (b)(i)**, there is no need to keep time records, if the beneficiary signs a declaration that the persons concerned have effectively worked at the fixed pro-rata on the action.

For **persons working part time on the action**, where direct personnel costs are calculated following **point (b)(ii)**, the beneficiaries must keep **time records** for the number of hours/days declared. The time records must be in writing and approved by the persons working on the action and their supervisors, at least monthly.

In the absence of reliable time records of the hours worked on the action, the Commission may accept alternative evidence supporting the number of hours/days declared, if it considers that it offers an adequate level of assurance.