



EUROPEAN COMMISSION
EUROSTAT

Directorate C: National Accounts, Prices and Key Indicators

2017 CALL FOR PROPOSALS

PREPARATORY WORK FOR THE MODERNISATION OF PUBLIC SECTOR FINANCIAL ACCOUNTING SYSTEMS ON AN ACCRUALS BASIS¹

¹ Commission Decision of 21.12.2016 on the adoption of the work programme and financing decision for 2017 for the implementation of the European Statistical Programme 2013-2017
Regulation (EU) No 99/2013 of the European Parliament and of the Council of 15 January 2013 on the European statistical programme 2013-17

1. BACKGROUND AND PURPOSE OF THIS CALL

Fiscal transparency, i.e. the regular reporting by Member States (MS) and public sector entities of complete, reliable and accurate fiscal data is crucial to the proper functioning of the EU multilateral and budgetary surveillance framework and to the functioning of the single market. Macro (statistical) data and fiscal coordination at EU level are already based on accruals data, but government accounting practices vary widely both across and within the MS, and there are also MS and government entities therein that still operate on a cash-only basis.

Accruals accounting is the only generally accepted information system that provides a complete and reliable picture of the financial and economic position and performance of a government entity, by capturing in full its assets and liabilities as well as its revenue and expenses, over the period covered by the accounts and at the moment they are closed.

Following the Commission report to the Council and the European Parliament on the suitability of IPSAS for the MS², as requested by Council Directive 2011/85/EU, a project was launched in 2013 aimed at harmonising public sector accounting standards across the Union in order to increase financial transparency and ensure the comparability of primary accounting data. The IPSAS report was endorsed by the College on 6 March 2013. It concluded that: "The Commission will further develop the strategy outlined in this report, taking into account resource constraints, in line with its responsibilities under the Treaties". Information on progress to date can be found on the CIRCABC EPSAS Interest Group³.

The primary objective of implementing harmonised European Public Sector Accounting Standards (EPSAS) is to increase fiscal transparency and achieve comparability of public sector accounting and reporting systems within and across MS. In November 2013 the ECOFIN Council encouraged the European Commission to continue its work on the EPSAS project, while respecting subsidiarity and national competences and the proportionality between potential costs and benefits.

Meanwhile a progressive and more voluntary approach to EPSAS seems the most appropriate way forward, focusing firstly on increased fiscal transparency in the short to medium term and then on comparability in the medium to the longer term:

- Phase 1: Increasing fiscal transparency in the Member States in the short to medium term by promoting accruals accounting, e.g. IPSAS, in the period 2016 to 2020, and in parallel developing the EPSAS framework (i.e. EPSAS governance, accounting principles and standards).
- Phase 2: Addressing comparability within and between the Member States in the medium to longer term, by implementing EPSAS by 2025.

² Towards implementing harmonised public sector accounting standards in Member States: The suitability of IPSAS for the Member States, (COM(2013) 114 final.

³ <https://circabc.europa.eu/w/browse/8b9f731d-4826-4708-9069-5f65a9edc9bf>

2. OBJECTIVES AND EXPECTED RESULTS

OBJECTIVES

This action aims at providing financial support for MS, under phase 1 above, to carry out work linked to the modernisation of their public sector financial accounting systems under the accruals basis of accounting with a view to the eventual implementation of EPSAS.

The call for proposals is aimed primarily at MS that do not as yet apply accruals accounting across public sector and that are working towards introducing internationally accepted accruals-based accounting standards, or equivalent national accruals accounting standards. Applications are also invited from MS already using accruals, which are moving towards harmonised financial accounting systems across government, or are preparing for such a reform.

The proposal could cover all or some of the following tasks:

- 1) Scoping of modernisation needs: Assess data collection needs and procedures in view of producing the opening balance sheet. Analyse the necessary re-organisation needs of the IT environment to support implementation of accruals-based financial accounting, including identifying system requirements, the structure and ownership of the proposed systems, and necessary control and interfaces requirements. Analyse the needs for expert staff and its professional development. Perform a gap analysis of the modernisation needs by comparing the actual state of the financial accounting system against the desired future accruals-based state of the system. Document the universe of entities that would need to modernize their financial accounting systems and which fall within the scope of the objectives of this call for proposals.
- 2) Developing the organisation of the project to implement changes: Develop the organisation of the project to plan, coordinate and deliver the project and to provide technical support and advice to the preparers of accounts, including for example setting up steering bodies, advisory bodies and project teams.
- 3) Developing an approach to implementation: Develop an implementation ('change management') strategy, including the different steps involved in implementing the project (e.g. move all the subsectors to accruals at the same time or by stages). Prepare a roadmap with the project plan identifying the main obstacles, timetable, staffing and training needs, legislative requirements and expected costs. Explain why the selected approach would be efficient and effective. Applicants may consider identifying possible experience from other MSs' government entities that have already implemented accruals accounting.
- 4) Developing a stakeholder communication plan: Develop a communication plan addressed to all stakeholders involved in the project, including both internal and external stakeholders, taking into consideration that the transition to accruals accounting is a major project for most governments.
- 5) Exchanging knowledge and best practices: Arrange up to five visits to Member States including maximum five participants per visit, in order to exchange knowledge and best practices concerning in particular change management.
- 6) Building on existing analyses: take steps to implement accruals-based financial accounting systems across public sector.

EXPECTED RESULTS AND DELIVERABLE

The expected results: The action is expected to bring the following results:

- Analysis of modernisation needs.
- Organisational mechanisms to implement changes.
- Approach to implementation.
- Stakeholder communication plan.
- Knowledge and best practices exchanged.
- Steps taken to to implement accruals-based financial accounting systems.

Deliverable to the Commission:

A brief report on the results of the action⁴ should be provided in English to the Commission (translation costs are in principle eligible). The length of such report should be for instance up to around ten pages and include as a minimum:

- 1) Objectives of the project;
- 2) Description of the activities undertaken;
- 3) Outputs of the project;
- 4) Sustainability of the project's achievements.

The deliverable should be provided by email no later than on the closing date of the action in appropriate electronic formats. Preferably, texts in Word and data in Excel formats.

For the sake of transparency and with a view to exchanging knowledge and good practices, Eurostat intends to publish the full report on the results of the action in its dissemination platform CIRCABC⁵ with either public or restricted access. Applicants not willing to have their report published should provide a summary report for publication.

A detailed timetable including results, deliverable and reports accompanying requests for payment should be provided in the application as per table 2a of Annex I.

⁴ Please note that the report on the results of the action is not the same as the final report on the implementation of the action.

⁵ CIRCABC - Communication and Information Resource Centre for Administrations, Businesses and Citizens. Website <https://circabc.europa.eu/w/browse/1f5a5ca0-b797-4d3f-b4bb-8adc9bf48177>

3. TIMETABLE

The final deadline for the submission of proposals is 16/06/2017.

	Stages	Estimated date and time or indicative period
a)	Publication of the call	April 2017
b)	Deadline for submitting applications	16/06/2017
c)	Evaluation period (indicative)	July – September 2017
d)	Information to applicants (indicative)	October 2017
e)	Signature of grant agreement (indicative)	October – November 2017
f)	Starting date of the action (indicative)	If not agreed otherwise the action shall start on the first day following the date of the last party has signed the grant agreement.

4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of projects is estimated at EUR 900,000. EC contributions below EUR 25.000 per grant agreement will not be awarded. The Commission reserves the right not to distribute all the funds available.

5. ADMISSIBILITY REQUIREMENTS

- Applications must be sent no later than the deadline for submitting applications referred to in section 3.
- Applications must be submitted in writing (see section 14), using the application form.
- Applications may be submitted in any official language of the European Union. However, in order to facilitate assessment by the evaluators, and since the working language of the project is English, at least the technical part has to be submitted in English.

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

6. ELIGIBILITY CRITERIA⁶

6.1. Eligible applicants

Grant applications are eligible if submitted by:

- A non-profit organisation (private or public);
- A public authority (national, regional, local).

⁶ Art. 131 FR, 201 RAP

Moreover, eligible beneficiaries must be Member States' public sector accounting regulators, in particular public sector standard-setting authorities and those public entities which have a responsibility for leading or coordinating the implementation of public sector accounting standards across or between general government sub-sectors. In line with ESA2010, general government comprises central, state and local governments, and social security funds.

Legal entities having a legal or capital link with applicants, which is neither limited to the action nor established for the sole purpose of its implementation, may take part in the action as affiliated entities, and may declare eligible costs as specified in section 11.2.

For that purpose, applicants shall identify such affiliated entities in the application form.

The application shall state the legal status of the applicant.

Only applications from legal entities established in the EU Member States are eligible.

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

- Appropriate documents demonstrating that beneficiaries must be Member States' public sector accounting regulators, in particular public sector standard-setting authorities and those public entities which have a responsibility for leading or coordinating the implementation of public sector accounting standards across or between general government sub-sectors.
- **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**⁷: copy of the resolution or decision or other official document establishing the public-law entity;
- **consortium**: in addition to the supporting documents referring to their legal status, consortium members will submit letters confirming their participation to the project,

6.2. Eligible activities

Project proposals may be submitted for the activities described in Part 2. Objectives. Proposals should match the specific description of the action.

Implementation period

- If not agreed otherwise activities shall start the first day following the date of the last party has signed the grant agreement.
- The estimated duration of projects is up to 18 months.

The compliance with the eligibility criteria will be assessed based on the application content.

⁷ These supporting documents are not requested for public bodies included on Article 5 of Regulation N°223/2009 of the European Parliament and of the Council of 11/03/2009 on European Statistics.

7. EXCLUSION CRITERIA

7.1. Exclusion

Applicants will be excluded from participating in the call for proposals procedure if they are in any of the following situations:

(a) the applicant is bankrupt, subject to insolvency or winding-up procedures, where its assets are being administered by a liquidator or by a court, where it is in an arrangement with creditors, where its business activities are suspended, or where it is in any analogous situation arising from a similar procedure provided for under 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 law of the country in which it is established, with those of the country in which the authorising officer is located or those of the country of the performance of the contract;

(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 conduct which has an impact on its professional credibility where such conduct denotes 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 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 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 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, and in Article 2(1) of Council Framework Decision 2003/568/JHA, as well as corruption as defined in the law of the country where the contracting authority is located, the country in which the applicant is established or the country of the performance of the contract;
- (iii) participation in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA;

- (iv) money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;
 - (v) terrorist-related 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 forms of trafficking in human beings as defined 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) for the situations of grave professional misconduct, fraud, corruption, other criminal offences, significant deficiencies in the performance of the contract or irregularity, the applicant is subject to:
- (i) facts established in the context of audits or investigations carried out by the Court of Auditors, OLAF or internal audit, 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 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) decisions of the ECB, the EIB, the European Investment Fund or international organisations;
 - (iv) decisions of the Commission relating to the infringement of the Union's competition rules or of a national competent authority relating to the infringement of Union or national competition law.
 - (v) 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, it should 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 prevent further occurrence, compensation of damage or payment of fines. 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**

A grant will not be awarded to an applicant who:

- a. is in an exclusion situation established in accordance with section 7.1⁸;
- b. has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information;
- c. was previously involved in the preparation of calls for proposal documents where this entails a distortion of competition that cannot be remedied otherwise.

The same exclusion criteria apply to affiliated entities.

Administrative and financial penalties may be imposed on applicants, or affiliated entities where applicable, who are guilty of misrepresentation.

7.4. Supporting documents⁹

Applicants and affiliated entities must sign a declaration on their honour certifying that they are not in one of the situations referred to in articles 106(1) and 107 FR, by filling in the relevant form attached to the application form accompanying the call for proposals and available at <http://ec.europa.eu/eurostat/about/opportunities/grants> .

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

a) for mono beneficiary grants

- (i) the applicant signs a declaration in its name and on behalf of its affiliated entities

OR

- (ii) the applicant and its affiliated entities sign each a separate declaration in their own name

b) for multi beneficiaries grants

- (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 its affiliated entities

OR

- (iii) each applicant in the consortium and the affiliated entities sign each a separate declaration in their own name

⁸ Article 106 FR

⁹ Art. 197 RAP

8. SELECTION CRITERIA¹⁰

8.1. Financial capacity¹¹

The verification of the financial capacity **does not apply to public bodies.**

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 \geq 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;
- c) Grants for an action \geq EUR 750 000¹²:
 - the information and supporting documents mentioned above in point b) above and
 - **an audit report** produced by an approved external auditor certifying the accounts for the last financial year available.
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 financial capacity is considered weak, the Commission may:

- request further information;
- decide not to give pre-financing if foreseen, or to pay it in instalments, or request a bank guarantee;
- where applicable, require the joint and several financial liability of all the co-beneficiaries.

The application will be rejected if the financial capacity is considered insufficient.

8.2. Operational capacity¹³

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:

¹⁰ Art. 132 FR, 202 RAP

¹¹ Art. 131, 132 FR, 202 RAP.

¹² Article 131.3 FR.

¹³ Art. 131 FR, 202 RAP.

- 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 organisations' activity reports¹⁴;
- a list of previous projects and activities performed and connected to the policy field of a given call or to the actions to be carried out in the last 3 years.

9. AWARD CRITERIA¹⁵

Only proposals that meet the eligibility, exclusion and selection criteria will be further assessed based on the award criteria.

The description of the action in the grant application form must be sufficiently detailed to enable the proposal to be assessed on the basis of the award criteria mentioned below. It should meet the technical specifications of the action and address all matters laid down therein.

The degree to which the criteria are met will be measured by a mark for each criterion.

The technical quality of the proposal will be assessed on the basis of the following criteria:

Criteria	Mark (maximum points)
<i>a) Relevance of application in relation to the objectives of the invitation and the priorities of the annual work programme</i>	(30 points)
<i>b) Quality of the proposal, on the basis of the following criteria:</i>	
<i>Presentation of expected results; expected impact and sustainability of the action</i>	(15 points)
<i>Time schedule of the action (work plan); Management arrangements</i>	(15 points)
<i>Scope of the workplan in terms of its coverage of government entities, as outlined in section 2, and expected results. Proposals for actions that will be of general benefit to either government accounting as a whole or bring benefits to a range of government entities will have priority over ones which may bring benefit for a single entity or small number of entities.</i>	(25 points)
<i>Coherence, relevance and proportionality of the estimated budget in relation with the proposed action</i>	(15 points)
Maximum total score	100 points

The applications will be evaluated and marked against above award criteria.

Only applications having obtained a total score of at least 60 points (out of a maximum of 100 points) will be considered for funding. At the end of the evaluation, applications will be ranked on the basis of the evaluation results.

Funding decisions, i.e. co-financing rate, will be made on the basis of this ranking in line with the objectives of the action and within the limits of the available budget.

¹⁴ Not applicable for public bodies included on Article 5 of Regulation N°223/2009 of the European Parliament and of the Council of 11/03/2009 on European Statistics.

¹⁵ Art. 132 FR, 203 RAP

10. LEGAL COMMITMENTS¹⁶

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.

11. FINANCIAL PROVISIONS

11.1. General Principles

Grants must comply with the following principles:

a) Non-cumulative award¹⁷

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

In no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate the sources and amounts of Union funding received or applied for the same action or part of the action or for its functioning during the same financial year as well as any other funding received or applied for the same action.¹⁸

b) Non-retroactivity¹⁹

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 the need to start the action before the grant agreement is signed or the grant decision is notified.

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

c) Co-financing²⁰

Co-financing means that the resources which are necessary to carry out the action or the work programme may not be entirely provided by the EU grant.

Co-financing of the action or of the work programme may take the form of:

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

d) Balanced budget²¹

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

The budget must be drawn up in euros.

¹⁶ Art. 121 FR, 174 RAP.

¹⁷ Art. 129 FR

¹⁸ Art. 196.4 RAP.

¹⁹ Art. 130 FR

²⁰ Art. 125 FR, 183 RAP.

²¹ Art. 196.2 RAP

e) Implementation contracts/subcontracting²²

Where the implementation of the action requires the award of procurement contracts (implementation contracts), the beneficiary must award the contract to the bid offering best value for money or the lowest price (as appropriate), avoiding conflicts of interests and retain the documentation for the event of an audit.

In the event of procurement exceeding € 60 000, the beneficiary must abide by special rules as referred in the grant agreement annexed to the call. Moreover the beneficiary is expected to clearly document the tendering procedure and retain the documentation for the event of an audit.

For public bodies: Entities acting in their capacity of contracting authorities in the meaning of Directive 2004/18/EC²³ or contracting entities in the meaning of Directive 2004/17/EC²⁴ shall abide by the applicable national public procurement rules.

Sub-contracting, i.e. the externalisation of specific tasks or activities which form part of the action as described in the proposal must satisfy the conditions applicable to any implementation contract (as specified above) and in addition to them the following conditions:

- it may only cover the implementation of a limited part of the action;
- it must be justified having regard to the nature of the action and what is necessary for its implementation;
- it must be clearly stated in the proposal.

11.2. Funding forms²⁵

Mixed financing grants are calculated on the basis of a detailed estimated budget indicating clearly the costs that are eligible for EU funding. The grant amount may neither exceed the eligible costs nor the amount requested. Amounts are indicated in euros.

➤ **Maximum amount requested**

The EU grant is limited to a **maximum co-funding rate of 70% of eligible costs**.

Consequently, part of the total eligible expenses entered in the estimative budget must be financed from sources other than the EU grant (see section 11.1c).

➤ **Eligible costs**²⁶

Eligible costs are costs actually incurred by the beneficiary of a grant which meet all the following criteria:

- they are incurred by the beneficiary;
- they are incurred during the duration of the action or of the work programme, 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 or the grant decision.

²² Art. 137 FR, 209 RAP

²³ Directive 2004/18/EC on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts.

²⁴ Directive 2004/17/EC coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

²⁵ Art. 123 FR, 181 RAP.

²⁶ Art. 126 FR

If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the grant is awarded. Under no circumstances can the eligibility period start before the date of submission of the grant application (see section 11.1b).

- 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 requirements 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 the affiliated entities.

Eligible direct costs

The eligible direct costs for the action are those costs which, **with due regard for 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 :

- *the costs of personnel working under an employment contract with the applicant or equivalent appointing act and assigned to the action, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in line with the applicant's usual policy on remuneration. Those costs may include additional remuneration, including payments on the basis of supplementary contracts regardless of their nature, provided that it is paid in a consistent manner whenever the same kind of work or expertise is required and independently from the source of funding used;*

According to the COMMISSION DECISION C (2014)6332 of 11/09/2014 all beneficiaries of Eurostat grants **shall declare eligible personnel costs on the basis of unit costs**. Please refer to the Guidelines to unit costs for establishing and implementing unit costs in the applications and grant agreements.

- *costs of the personnel of national administrations 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;*
- *subsistence allowances (for meetings, including kick-off meetings where applicable, conferences etc.) provided that these costs are in line with the beneficiary's usual practices,*
- *costs of travel (for meetings, including kick-off meetings where applicable, conferences etc.), provided that these costs are in line with the beneficiary's usual practices on travel,*
- *depreciation cost of equipment (new or second-hand): only the portion of the equipment's depreciation corresponding to the duration of the action/project and the rate of actual use for the purposes of the action may be taken into account by the Commission;*
- *costs of consumables and supplies, provided that they are identifiable and assigned to the action/project;*

- *costs entailed by implementation contracts awarded by the beneficiaries for the purposes of carrying out the action/project, provided that the conditions laid down in the grant agreement or grant decision are met;*
- *costs arising directly from requirements linked to the implementation of the action/project (dissemination of information, specific evaluation of the action, translations, reproduction);*
- *costs relating to a pre-financing guarantee lodged by the beneficiary of the grant, where required;*
- *costs relating to external audits where required in support of the requests for payments;*
- *non-deductible value added tax (VAT) paid by beneficiaries which are not public bodies.*

Eligible indirect costs (overheads)

- a flat-rate amount of 7%²⁷ of the total eligible direct costs of the action, is eligible under 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's attention is drawn to the fact that in the case of organisations receiving an operating grant, indirect costs are not eligible under specific actions.

Ineligible costs

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;
- costs of transfers from the Commission charged by the bank of a beneficiary;
- costs declared by a beneficiary and covered by another action receiving a European Union grant. In particular, indirect costs shall not be eligible under a grant for an action awarded to a beneficiary who already receives an operating grant financed from the Union budget during the period in question;
- contributions in kind;
- excessive or reckless expenditure;
- amounts of value added tax (VAT) paid by public bodies or other entities governed by public law;
- deductible VAT paid by private bodies.

➤ **Calculation of the final grant amount**

The final amount of the grant to be awarded to the beneficiary is established by Eurostat after completion of the action, upon approval of the requested documents as indicated in the grant agreement.

EU grants may not have the purpose or effect of producing a profit within the framework of the action or the work programme of the beneficiary. **Profit shall be defined as a surplus of the receipts over the eligible costs incurred by the beneficiary**, when the request is made for payment of the balance. In this respect, where a profit is made, the Commission shall be

²⁷ According to Commission Decision of 23 May 2013 the public bodies identified in Article 5 of Regulation (EC) No 223/2009 shall declare eligible indirect costs on the basis of a flat rate of 30% of the total eligible direct personnel costs.

entitled to recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the action.

11.3. Payment arrangements²⁸

Please note that for this action, no pre-financing payment is proposed.

Eurostat will establish the amount of the final payment to be made to the beneficiary on the basis of the calculation of the final grant amount (see section 11.2 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 Eurostat through a recovery order²⁹.

Reports:

1. Final report on implementation of the action (Annex IV of the grant agreement)³⁰ and
2. Final financial statement.

accompanying Request for payment of the balance to be submitted by e-mail³¹ only **within 60 days** following the closing date of the action. The implementation report should be concise and its expected content is described in Annex IV of the grant agreement template.

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.

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.

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

12.2. By the Commission³²

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

²⁸ Art. 90, 135 FR, 207 RAP.

²⁹ Art. 109, 110 RAP

³⁰ *This report, which accompanies the request for payment of the balance, should give an overview of the results and deliverables provided and of the time spent for each task in order to justify the eligible costs declared. Information on subcontracting (e. g. tasks subcontracted in line with Annex I, in particular changes (Art II.10.2 d) and difficulties encountered) has to be included.*

³¹ *The following e-mail address is to be used: ESTAT-GRANTS-PAYMENT-REQUEST@ec.europa.eu*

³² Art. 35, 128.3 FR, 21, 191 RAP.

- address of the beneficiary when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level³³ if he/she is domiciled within EU or equivalent if domiciled outside 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 are required to evaluate the application in accordance with the specifications of the call for proposal will be processed solely for that purpose by Head of Eurostat Unit A4 – Financial Management.

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 Article 106(1) and 107 of the Financial Regulation 966/2012³⁴ (for more information see the Privacy Statement on:

http://ec.europa.eu/budget/library/explained/management/protecting/privacy_statement_edes_en.pdf).

14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted in accordance with the formal requirements and **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 for the correction of clerical mistakes, Eurostat may contact the applicant for this purpose during the evaluation process³⁵.

Applicants will be informed in writing about the results of the selection process.³⁶

➤ Submission on paper

Application forms are available at <http://ec.europa.eu/eurostat/about/opportunities/grants>.

Applications shall be submitted on the correct form, duly completed, dated, showing a balanced budget (revenue/expenditure), submitted in one copy signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation.

³³ European Union Official Journal L 39, of 10 February 2007.

³⁴ <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32012R0966>

³⁵ Art. 96 FR

³⁶ Art. 133 FR, 205 RAP

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

Applications must be sent to the following address:

European Commission
For the attention of Mr Alexandre Makaronidis
EUROSTAT - Unit A.5 - (CAD) BECH F2/907
Bâtiment Ariane 00/B063 – Tri central
Route d'Esch 400
L-2920 LUXEMBOURG

- by post, date as postmark;
- in person, date as receipt;
- by courier service, date of receipt by the courier service.

Applications sent by fax or e-mail will not be accepted.

➤ Contacts

Possible questions can be submitted **in writing** by sending an e-mail to the following address:

Contact for technical and financial issues: estat-financial-cell-dir-c-d@ec.europa.eu

General questions on UNIT COSTS: estat-unit-costs@ec.europa.eu

Questions will be answered by the Commission in writing and published on Eurostat website; no answers, explanations or clarifications will be given by telephone.

Annexes

1. Grant application form
2. Template for Estimated budget and Final Financial Statement
3. Template of grant agreement for an action
4. Guide for applicants Open Call for Proposal 2017
5. Guidelines Unit costs and Unit costs Declaration template

Adapted documents for applicants intending to apply for a multi-beneficiary grant are available on request.