



## **CALL FOR PROPOSALS 2023CE16BAT083 FOR CIVIL SOCIETY ORGANISATIONS**

### **European Integrity Pacts: Support to Managing Authorities, Contracting Authorities and Civil Society Organisations acting as Monitors**

#### **1. INTRODUCTION – BACKGROUND**

**Cohesion Policy is one of the EU's main investment policies** and its overall objective is to reduce economic, social and territorial disparities between regions. It is implemented through several specific Funds in financial cycles of seven years (programming periods), reflecting the EU's multiannual financial framework. For the period 2021-2027, the legal framework for Cohesion Policy consists of the Common Provisions Regulation for the period 2021-2027 (CPR)<sup>1</sup> as well as the fund specific regulations<sup>2</sup>.

The **Directorate-General for EU Regional and Urban Policy** (DG REGIO) is responsible for the European Regional Development Fund (ERDF), the Cohesion Fund, and the Just Transition Fund (JTF). These are implemented through programmes, negotiated with Member States (MS), and implemented under shared management, which means that Member State authorities and the Commission share responsibility for running specific funds.

Under the **financial perspective of 2021-2027** and Next Generation EU more than EUR 372.52 billion will be invested through the EU Cohesion policy.<sup>3</sup> In addition, funding under the Just Transition Fund (EUR 8.45/10.87 billion) and ReactEU (EUR 50.6 billion) will be channelled through cohesion policy programmes. These are significant amounts

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<sup>1</sup> Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy.

<sup>2</sup> Regulations of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund ((EU) 2021/1058); establishing the Just Transition Fund ((EU)1056); establishing the European Social Fund Plus ((EU)2021/1057); and the specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financial instruments ((EU)2021/1059).

<sup>3</sup> During the period 2014-2020, the EU is investing EUR 454 billion – almost a third of the total EU budget – in Europe's regions through the European Structural and Investment (ESI) Funds, which aim to promote economic growth, job creation and competitiveness and to reduce development disparities.

of money that form a large proportion of total public investment in Europe. Almost half of these funds are spent via Public Procurement, whereas public procurement represents roughly 14% of the EU GDP.

It is crucial to **make sure that this money is invested effectively** and achieves the greatest possible impact. Yet, few government activities create greater temptations or offer more opportunities for fraud and corruption than public sector procurement.<sup>4</sup> Thus, fraud and corruption can cause great damage to the public purse and significantly harm the public interest. Potential corruption in procurement also risks to severely undermine public trust. As for shared management, the Commission and the Member States share the responsibility to counter fraud and any other illegal activities affecting the EU's financial interests.

The Commission uses a variety of IT systems to **manage and monitor procurement**. Member states are responsible for developing and maintaining their own IT systems for the management of EU funds.<sup>5</sup> However, these systems and control systems face challenges. Similarly, while managing authorities have improved the way they assess fraud risks and design preventive measures, they still need to **strengthen fraud detection**, response and coordination, and improve their antifraud strategies.<sup>6</sup> They can therefore greatly benefit from **complementary and innovative approaches to monitoring** of fraud and corruption, in particular using civil society monitoring.

This initiative seeks to ensure that **EU funds are safeguarded by setting up civil control mechanisms** to monitor how the funds are used, in cooperation with government authorities and companies involved in EU-funded procurement contracts. The mechanism to be implemented in this project follows the Integrity Pact model and is the continuation of the Pilot Project “**Integrity Pacts - civil control mechanisms for safeguarding EU funds**”, running from 2015 to 2022. The current project seeks to promote and mainstream Integrity Pacts and similar procurement monitoring and safeguarding methods in a number of EU countries.

An **Integrity Pact (hereafter IP)** is a tool which increases transparency and accountability, enhances trust in authorities and government contracting, contributes to a good reputation of contracting authorities, brings cost savings and improved competition through better procurement. IPs are essentially an agreement between the government agency offering a contract and the companies bidding for it that they will abstain from bribery, collusion and other corrupt practices for the extent of the contract. To ensure accountability, IPs also include an **independent monitoring system led by civil society organisations (hereafter CSOs)**.

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<sup>4</sup> A study published in 2013 on corruption in public procurement in the EU concluded that in 2010 the overall direct costs of corruption in public procurement for only five sectors in eight Member States ranged from EUR 1.4 billion up to EUR 2.2 billion. European Commission, *Report from the Commission to the Council and the European Parliament - EU Anti-Corruption Report* (pp.21). Brussels, 3.2.2014 COM(2014) 38 final. Accessed online on 2/12/2014 at: [http://ec.europa.eu/dgs/home-affairs/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr\\_2014\\_en.pdf](http://ec.europa.eu/dgs/home-affairs/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf)

<sup>5</sup> European Court of Auditors 2023 report: “Digitalising the management of EU funds”:  
[https://www.eca.europa.eu/ECAPublications/RV-2023-04/RV-2023-04\\_EN.pdf](https://www.eca.europa.eu/ECAPublications/RV-2023-04/RV-2023-04_EN.pdf)

<sup>6</sup> European Court of Auditors 2019 Special report no 06/2019: “Tackling fraud in EU cohesion spending: managing authorities need to strengthen detection, response and coordination”:  
[https://www.eca.europa.eu/Lists/ECADocuments/SR19\\_06/SR\\_FRAUD\\_COHESION\\_EN.pdf](https://www.eca.europa.eu/Lists/ECADocuments/SR19_06/SR_FRAUD_COHESION_EN.pdf)

**“Integrity Pacts - civil control mechanisms for safeguarding EU funds”** is an initiative phased in three steps. The methodology proposed aims to contribute to safeguarding integrity in EU-funded procurement within the framework of the whole project:

- **Phase 1 (2014-2015)** was the initial phase aiming to ensure that the necessary conditions are in place to implement civil control mechanisms. Preparatory activities took place to review the IP model focusing on its application in the EU and for Structural Funds, to secure the participation of governments and CSOs for Phase 2 of the project and to identify a portfolio of procurement projects in several EU countries to pilot these tools during Phase 2.

*Phase 1 was implemented via a direct award to Transparency International which, at the time, was the only organisation holding both the technical and organisational expertise to complete the proposed action/ work programme.*

- **Phase 2 (2015-2022)** was the actual piloting of IPs in 11 Member States<sup>7</sup>, during which procurement processes in 18 public sector projects<sup>8</sup>, financed by the European Regional Development Fund (ERDF), Cohesion Fund (CF) and/ or the European Social Fund (ESF), were independently monitored. This phase was aiming to test the approach and to create a momentum by which IPs can be subsequently scaled up or mainstreamed in phase 3.

*Phase 2 was implemented via a multi-beneficiary grant agreement following two parallel calls for interest, respectively, to CSOs and to Managing Authorities. 15 CSOs<sup>9</sup> were selected for the pilot project and were coordinated by Transparency International Secretariat.*

- **In Phase 3, (i.e. this action)**, the IPs are being mainstreamed in even more Member States and over numerous programmes. 15 Member States<sup>10</sup> committed to implement and support IPs in their Partnership Agreements for the programming period 2021-2027. Building on the learnings of the first two phases, this action aims to provide support and accompany stakeholders in the Member States (Managing authorities, Contracting Authorities and CSOs) in their preparations for setting up and implementing IPs, notably build their capacity,

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<sup>7</sup> The Member States participating in the 2016-2022 Pilot Project: BG, CZ, EL, HU, IT, LT, LV, PL, PT, RO, SI.

<sup>8</sup> Full list of projects and publications: [https://ec.europa.eu/regional\\_policy/policy/how/improving-investment/integrity-pacts\\_en](https://ec.europa.eu/regional_policy/policy/how/improving-investment/integrity-pacts_en)

<sup>9</sup> The CSOs participating in the 2016-2022 Pilot Project: Transparency International Bulgaria, Transparency International Czech Republic, Transparency International Greece, Transparency International Hungary, Action Aid Italia, Amapola impresa sociale srl, Transparency International Italy, Sabiedriba par atklatību – Delna, Transparency International Lithuania, Stefan Batory Foundation, Transparency International Portugal, Romanian Academic Society, Transparency International Romania, Institutul pentru Politici Publice, Transparency International Slovenia, coordinated by Transparency International Secretariat.

<sup>10</sup> The 11 Member States already participating in the previous Pilot (BG, CZ, EL, HU, IT, LT, LV, PL, PT, RO, SI) and 4 new ones (ES, SK, HR, MT) included commitments in their Partnership Agreements to implement Integrity Pacts for relevant key procurements and integrated in their Partnership Agreements references to certain other anti-fraud elements. Cf. SWD “Cohesion 2021-2027: forging an ever stronger Union Report on the outcome of 2021-2027 cohesion policy programming”, [https://ec.europa.eu/regional\\_policy/sources/reports/2021-2027-programming-outcome/report-outcome-2021-2027-cohesion-policy-programming-part1.pdf](https://ec.europa.eu/regional_policy/sources/reports/2021-2027-programming-outcome/report-outcome-2021-2027-cohesion-policy-programming-part1.pdf)

provide them with technical expertise for the implementation of the IPs, and help them communicate the results of the IPs.

*Phase 3 is implemented via a call for proposals open to CSOs with relevant experience with monitoring of public procurement and commitment to ensure its integrity.*

## **2. OBJECTIVES AND EXPECTED OUTPUTS**

### **General objective:**

The general objective of the project is, **by involving the civil society through the Integrity Pacts tool, to achieve a reduction in fraud and corruption risks and an increase in transparency and accountability**, thus to enhance trust in authorities and government contracting, to contribute to a good reputation of contracting authorities, and to bring cost savings and improved competition through better procurement.

### **Specific objective:**

**The specific objective of the current project, Phase 3 of the Integrity Pacts Project, is to support the deployment of Integrity Pacts (hereafter “IPs”), in the Member States interested, by the public authorities responsible for managing or implementing the ERDF, CF or JTF (managing authorities, intermediate bodies or beneficiaries), as well as the CSOs involved in the monitoring (hereafter “IP stakeholders”).**

**The call for proposals concerns the selection of a Civil Society Organisation (CSO)<sup>11</sup>, or a consortium of CSOs, in order to develop and provide a support function (hereafter “IP helpdesk”) for the various stakeholders involved in the implementation of IPs on projects funded by cohesion policy funds in the EU Member States.**

### **Expected outputs**

The expected **outputs** of the project should **contribute to the uptake and successful implementation of IPs** in the Member States that committed to implement IPs, through the following activities aiming to support them in their objectives:

- 1) **Facilitating access, for example through a webpage, to knowledge and tools supporting the implementation of IPs** (such as existing materials, guides, good practices, videos, practical examples and templates collected from the monitoring projects as the IPs are being implemented, as well as new materials and tools produced when needed and relevant);
- 2) **Contributing to the capacity building of the various IP stakeholders**, such as: contributing to existing (European, national or regional) or initiating own training or other capacity building initiatives when needed, based on identified needs of the IP stakeholders in the Member States;
- 3) **Providing advice and assistance to IP project stakeholders** for the performance of their monitoring projects, such as: Q&As or direct assistance on

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<sup>11</sup> A CSO is a non-profit organisation (private or public).

issues of concern submitted by the IP stakeholders, for example in areas like identification, selection, preparation and implementation of IPs;

- 4) **Facilitating knowledge sharing and community building between IP stakeholders**, for example by promoting exchanges and peer learning, through a network and/or a community of practice and related activities (such as: online or physical meetings, webinars, workshops, other events), as well as participating in the wider debate and cooperation with other CSOs and independent experts active in the field of PP monitoring and integrity;
- 5) **Communicating and awareness raising on the IPs through various media channels and events**, with a view to attract more projects to be monitored with the IP tool and raise awareness of policy makers and practitioners, and to promote and publicise the results of the monitoring projects, through a communication strategy that could include actions such as: workshops, conferences, media and social media campaigns, and providing input to such activities at Member State or Commission level.

### **Geographical area**

The **geographical area for the project corresponds to the Member States that have committed to implement and/or encourage Integrity Pacts** in their programmes (15 Member States at the time of launching this call<sup>12</sup>). The number of IP projects to support, as well as the intensity of the support needed, are unknown at the time of launching this call and may vary over time (some Member States may implement only one or two projects, some have committed to implement one IP per programme), a rough estimate being around 30 IPs to be supported in total.

### **Organisational aspects during project implementation**

**The beneficiary is expected to work in close contact with the European Commission** throughout the implementation process of the grant, by providing a work plan, consulting and validating the main elements of the project, ensuring regular contacts by email or meetings, collecting IP related information, and providing updates to ensure the project is on track and that the activities are coordinated across the various IP projects and related initiatives at EU or national level, and finally providing an interim and a final report drawing lessons from the project and recommendations for the future.

**The support activities of the IP helpdesk should start as soon as possible after the signature of the grant agreement.**

### **3. TIMETABLE**

	<b>Steps</b>	<b>Date and time or indicative period</b>
(a)	Publication of the call	31/01/2024
(b)	Deadline for submitting applications	02/04/2024 – at 18:00 Central European Time

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<sup>12</sup> Bulgaria, Czechia, Greece, Spain, Croatia, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovenia, Slovakia.

		(CET)
(c)	Evaluation period	02/04/2024 to 24/05/2024
(d)	Information to applicants	as of 24/05/2024
(e)	Signature of grant agreement(s)	as of 29/07/2024

#### **4. BUDGET AVAILABLE**

The total budget earmarked for the co-financing of projects under this call for proposals is estimated at **EUR 300 000**.

The maximum grant will be **EUR 300 000**.

The Commission expects to fund one proposal.

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 [https://ec.europa.eu/regional\\_policy/whats-new/tenders-and-grants/calls-for-proposal\\_en](https://ec.europa.eu/regional_policy/whats-new/tenders-and-grants/calls-for-proposal_en); and
- drafted in one of the EU official languages.

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

#### **6. ELIGIBILITY CRITERIA<sup>13</sup>**

##### **6.1. Eligible applicants**

Proposals may be submitted by any of the following applicants :

- Civil Society Organisations, i.e. non-profit organisations (private or public), or a
- consortium of Civil Society Organisations.

Academic institutions, universities, educational institutions, research centres, may be part of a consortium, provided the coordinator (leader of the consortium) is a Civil Society Organisation.

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<sup>13</sup> Articles 194(1)(b) and 197 FR

Natural persons are not eligible.

Given that the nature of this action is to provide support towards IP projects in the Member States, candidates should be aware that:

- applying and **participating in this action does not preclude them from applying and/or participating in IP monitoring projects** themselves in the Member States or any related initiatives;
- they should pay close attention and ensure that there is **no double funding of any related activities** that might overlap between the projects (such as capacity building or promotion).

### **Country of establishment**

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

### **Consortium requirements**

In order to be eligible, a proposal must be submitted by a consortium composed of at least one Civil Society Organisation acting as the coordinator (leader of the consortium).

### **Supporting documents**

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

- (a) **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);
- (b) **public entity**: copy of the resolution, decision or other official document establishing the public-law entity.

## **6.2. Eligible activities**

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

- knowledge dissemination and production;
- advice and technical support;
- capacity building and training activities;
- workshops, conferences, seminars;
- communication, 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 expected duration of the project is 36 months, with a minimum duration of 30 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<sup>14</sup>**

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:

- is in an exclusion situation established in accordance with section 7.1; or
- has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information; or
- 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.<sup>15</sup>

Administrative sanctions (exclusion)<sup>16</sup> 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.

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<sup>14</sup> Article 136(7) FR

<sup>15</sup> Insert if affiliated entities are not excluded from participating to the Call for proposals

<sup>16</sup> Article 138 FR

#### **7.4. Supporting documents<sup>17</sup>**

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 [https://ec.europa.eu/regional\\_policy/en/newsroom/funding-opportunities/calls-for-proposal/](https://ec.europa.eu/regional_policy/en/newsroom/funding-opportunities/calls-for-proposal/).

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

Option 1 – for mono-beneficiary grants:

- the applicant signs a declaration in its name and on behalf of its affiliated entities; OR
- the applicant and its affiliated entities each sign a separate declaration in their own name.]

Option 2 – for multi-beneficiary grants:

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

### **8. SELECTION CRITERIA<sup>18</sup>**

#### **8.1. Financial capacity<sup>19</sup>**

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

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<sup>17</sup> Article 137 FR

<sup>18</sup> Article 198 FR

<sup>19</sup> Article 198 FR.

EITHER

- the profit and loss account as well as the balance sheet for the last 2 financial years for which the accounts were closed;
- for newly created entities: the business plan might replace the above documents;

OR

- the table 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<sup>20</sup>:
- (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 2 financial years 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 2 financial years 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.

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<sup>20</sup> Article 196(d) FR.

## 8.2. Operational capacity<sup>21</sup>

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:

- proof of experience with civic monitoring (such as the Integrity Pact approach), and with monitoring of public procurement; in case of a consortium, this applies to the consortium as a whole, not each entity separately.
- curriculum vitae or description of the profile of the people primarily responsible for managing and implementing the operation;
- the organisation's activity reports;
- an exhaustive 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.

## 9. AWARD CRITERIA<sup>22</sup>

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

- a. the relevance of the action: to which extent the objective(s) of the action correspond to the general and specific objectives of the Call, what needs and challenges/problems will be addressed, the geographical coverage and target groups to be reached, as well as the expected impact and results of the action (**30 points** with a minimum 15 points threshold),
- b. the effectiveness and rationale of the proposed methodology: including a description of the main outputs and activities, how the geographical coverage and reach out to the target groups will be ensured, the organisation of the project (including a timetable), , as well as the plan for dissemination of the expected results and potential for sustainability beyond this action (**40 points** with a minimum 20 points threshold).
- c. the cost effectiveness of the proposed action, monitoring and quality control: in particular the relevance and quality of the means and the resources deployed in relation to the objectives envisaged (including potential subcontracting), the timeliness of implementation and the coordination with the Commission, monitoring, including what will be the indicators and milestones to monitor and assess the achievements and impact of the action, as well as measures envisaged for quality control and risk assessment (**30 points** with a minimum 15 points threshold).

Based on the above, a maximum of 100 points may be awarded for the quality of the overall proposal. The required minimum overall score is 50 points out of 100. Furthermore, each award criterion has a minimum threshold indicated. Only the

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<sup>21</sup> Article 196 and 198 FR.

<sup>22</sup> Article 199 FR

proposals meeting the above-mentioned quality thresholds will be put onto the ranking list. Reaching the threshold does not automatically imply award of the grant.

## **10. LEGAL COMMITMENTS<sup>23</sup>**

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 first by the beneficiary or coordinator on behalf of the consortium and returned to the Commission immediately. The Commission will sign it last.<sup>24</sup>

## **11. FINANCIAL PROVISIONS**

### **11.1. Forms of the grant<sup>25</sup>**

#### 11.1.1 Reimbursement of costs actually incurred

The grant will be defined by applying a maximum co-financing rate of 100% 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.

#### 11.1.2 Reimbursement of eligible costs declared on the basis of a flat-rate(s)-<sup>26</sup>

The grant will be defined by applying a maximum co-financing rate of 100% to the eligible costs declared by the beneficiary and its affiliated entities on the basis of a flat rate of 7% of the eligible direct costs ('reimbursement of flat-rate costs') for the following categories of costs: Indirect costs.

The flat rate will be paid following acceptance of the costs to which the flat rate is to be applied.

### **11.2. Eligible costs<sup>27</sup>**

Eligible costs shall meet all the following criteria:

- they are incurred by the beneficiary;

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<sup>23</sup> Article 201 FR.

<sup>25</sup> Articles 125 and 194(1)(c) FR

<sup>27</sup> Article 186 FR

- 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)<sup>28</sup>

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 %<sup>29</sup> 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:
  - (i) 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
  - (ii) 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;

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<sup>28</sup> Insert if indirect costs are eligible under the Call for proposals. Otherwise, replace the text of the section by 'Not applicable'. Please note that indirect costs do not apply to operating grants.

<sup>29</sup> Unless otherwise indicated in a basic act or authorised by a Commission decision, the flat-rate for indirect costs is up to a maximum of 7% (Article 181(6) FR).

- 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 <sup>30</sup>.

#### **11.4. Balanced budget<sup>31</sup>**

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 in the Official Journal of the European Union 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)

#### **11.5. 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, including costs declared in the form of flat rates to which the co-financing rate applies in accordance with section 11.1.2.

Step 2 — Limit to the maximum amount of the grant

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<sup>30</sup> Choose "deductible VAT" if non-deductible VAT remains eligible. Choose "VAT" if the nature of the action implies full ineligibility of VAT, e.g. if the basic act provides for such ineligibility or if all applicants are public bodies implementing the respective actions in their capacity of public authorities. In this case, the special condition on ineligibility of VAT provided in the model grant agreement on BudgWeb should be included in the grant agreement.

<sup>31</sup> Article 196(1)(e) FR

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.

## 11.6. Reporting and payment arrangements<sup>32</sup>

### 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:

Payment request	Accompanying documents
A <b>pre-financing payment</b> corresponding to 40 % of the maximum grant amount.	financial guarantee (see section 11.7.2)

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<sup>32</sup> Articles 115, 202 and 203 FR.

<p><b>Two interim payments:</b></p> <p>For the purpose of determining the amount due as interim payment, the reimbursement rate to be applied to the eligible costs approved by the Commission shall be 100 %.</p> <p>Each interim payment shall not exceed 20% of the amount of the maximum grant amount.</p> <p>The total amount of pre-financing and interim payments shall not exceed 80 % of the maximum grant amount.</p>	<p>(a) interim technical report (b) interim financial statement</p>
<p><b>Payment of the balance</b></p> <p>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<sup>33</sup>.</p>	<p>(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</p>

In case of a weak financial capacity, section 8.1 above applies.

### 11.7. 11.7.2 Pre-financing guarantee<sup>34</sup>

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.

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<sup>33</sup> Article 115(2) FR

<sup>34</sup> Articles 152 and 153 FR

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<sup>35</sup>**

For action grants:

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<sup>36</sup>**

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<sup>37</sup>**

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>38</sup> or contracting entities within the meaning of Directive 2014/25/EU<sup>39</sup> must comply with the applicable national public procurement rules.

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<sup>35</sup> Article 191 FR

<sup>36</sup> Article 193 FR

<sup>37</sup> Article 205 FR

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:

- subcontracting does not cover core tasks of the action;
- recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation;
- the estimated costs of the subcontracting are clearly identifiable in the estimated budget;
- 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:
  - before any recourse to subcontracting, if the beneficiaries requests an amendment
  - 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;
    - 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.
- Financial support to third parties<sup>40</sup>

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.

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.

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<sup>38</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>39</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)

<sup>40</sup> Article 204 FR

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

## **12.2. By the Commission<sup>41</sup>**

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:

- 1) name of the beneficiary;
- 2) 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>42</sup> if he/she is domiciled within the EU or equivalent if domiciled outside the EU;
- 3) subject of the grant;
- 4) 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 (EU) No 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC. 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 DG REGIO – Budget and 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 Articles 136 and 141 of Regulation (EU, Euratom) 2018/1046. For more information see the Privacy Statement on:

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<sup>41</sup> Articles 38 and 189 FR.

<sup>42</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.

[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<sup>43</sup>.

Applicants will be informed in writing about the results of the selection process.<sup>44</sup>

Application forms are available at:

[https://ec.europa.eu/regional\\_policy/en/newsroom/funding-opportunities/calls-for-proposal/](https://ec.europa.eu/regional_policy/en/newsroom/funding-opportunities/calls-for-proposal/)

Applications must be submitted using the correct form, duly completed and dated. They must be 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.

Applicants are requested to submit their applications by email in pdf format to the following email address: REGIO-INTEGRITY-PACTS-CALL@ec.europa.eu

All documents must be provided in pdf format (not in pdf.p7m format, no link to Drive or WeTransfer or any other platform). The estimated budget must also be provided in Excel format.

Please note that you will receive an automatic reply confirming receipt notification which will be followed by an official receipt notification after opening of proposals.

Please also note that the maximum size of an email accepted to this email address is 25 MB. If one email is not sufficient to send all the required documents, applicants may send more than one email which should then be numbered.

Please note that in the case that you have sent several emails, you will receive only one automatic receipt notification. Applications sent by post or by fax will not be accepted.

### **Contacts**

Any questions related to this call may be addressed to [REGIO-CONTRACTS@ec.europa.eu](mailto:REGIO-CONTRACTS@ec.europa.eu). In order to ensure an efficient handling of any enquiry, please indicate clearly the reference of this call for proposals in the subject or in the text of the email. The answers to the questions submitted will be published in the Q&A list at

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<sup>43</sup> Articles 151 and 200(3) FR

<sup>44</sup> Article 200 FR



[https://ec.europa.eu/regional\\_policy/en/newsroom/funding-opportunities/calls-for-proposal/](https://ec.europa.eu/regional_policy/en/newsroom/funding-opportunities/calls-for-proposal/) to ensure equal treatment of all potential applicants.

Questions may be sent by applicants to the above address no later than 10 days before the deadline for the submission of proposals.

**Annexes:**

- Application form
- Checklist of documents to be provided
- Model grant agreement

## 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.