



EUROPEAN COMMISSION

EUROSTAT

Directorate C: National Accounts, Prices and Key Indicators

CALL FOR PROPOSALS

EUROSTAT GRANTS 2018

**Call: Economic governance
(ID: ESTAT-PA20-2018)**

**Topic: Modernisation of public sector accounting on an
accruals basis in support of European Public Sector
Accounting Standards
(ID: B2771-2018-EPSAS)**

TABLE OF CONTENTS

1. Background.....	3
2. Objectives — Priorities — Activities that can be funded — Expected results	4
3. Time-table & available budget	5
4. Admissibility conditions.....	6
5. Eligibility conditions	6
6. Award criteria	7
7. Other conditions	7
8. Evaluation & award procedure	9
9. Legal & financial set-up of the grants	10
10. How to submit an application?	11

1. Background

This is an EU call for grants in the area of Economic governance, for projects to be funded under the European Statistics Programme.

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 MS¹, 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 Group².

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 its annual conclusions on EU Statistics adopted in 2013 and 2014, the ECOFIN Council encouraged the Commission to continue its work on the EPSAS project, while respecting subsidiarity and national competences and the proportionality between potential costs and benefits. More recently, the EFC-SCS issued opinion on EPSAS on 23 October 2017 that was endorsed by the ECOFIN on 7 November 2017. The council acknowledges the work being done on EPSAS principles and standards and on supporting Member States' current efforts to adapt and raise accounting maturity on a voluntary basis. All work in this area should respect the principles of subsidiarity and proportionality and be founded upon a clear legal basis, where relevant. Work on EPSAS should also be informed by a detailed impact assessment, which should provide a comprehensive account of both positive and negative impacts.

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 e.g. 2025.

An Impact Assessment by the Commission is foreseen before entering the Phase 2.

¹ Towards implementing harmonised public sector accounting standards in Member States: The suitability of IPSAS for the Member States, (COM(2013) 114 final.

² <https://circabc.europa.eu/w/browse/8b9f731d-4826-4708-9069-5f65a9edc9bf>

2. Objectives — Priorities — Activities that can be funded — 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.

Priorities

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.

In addition, 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.

Activities that can be funded

- 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

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

Indicators for evaluation of the action

Successful achievement of the objectives will be measured according to the following indicators:

- Timely transmission of the deliverables;
- Clarity and accuracy of the report.
- Content of the work done and results achieved.
- Relevance of the work done with respect to the scope and objectives of the action.

3. Time-table & available budget

Time-table

Timing (planned)	
Call publication	01/03/2018
Deadline for applications	15/05/2018 – 17:00 CET
Evaluation	May - June 2018
Information on evaluation result	June – August 2018
Grant agreement signature	September – October 2018
Starting date	If not agreed otherwise the action shall start on the first day of the month after the entry into force of the Grant Agreement.

Budget

The estimated **available call budget** is **EUR 800.000,00**.

The maximum co-financing rate for this action is **70%**.

The EU reserves the right not to distribute all the funds available and, depending on the quality of the proposals received, to either decrease, or, in case of available budgetary resources, to increase the total budget for this action.

4. Admissibility conditions

Admissibility

Applications must be sent before the call deadline (*see time-table section 3*).

Applications must be submitted electronically via the Participant Portal Electronic Submission System accessible via the Call Topic Page in the [Funding Opportunities](#) section. Paper submissions are no longer possible.

Applications (and annexes & supporting document) must be submitted using the forms provided inside the Electronic Submission System (Documents available on the Call Topic Page are only for information).

Your application must be readable, accessible and printable and contain all the requested information and all required annexes and supporting documents (*see section 10*).

5. Eligibility conditions

Participants

In order to be eligible for a grant, the applicants must be:

- a non-profit organisation (private or public);
- a public authority (national, regional, local);
- established in one of the EU Member States.

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.

To prove eligibility, all applicants must register in the [Beneficiary Register](#) — before the call deadline — and upload the necessary documents showing legal status and origin.

Linked third parties (i.e. affiliated entities³ that participate in the project and receive funding, but do not become beneficiaries) are allowed.

For British applicants: Please note that until the United Kingdom leaves the EU, nothing changes with regard to participation and funding in EU programmes. Please be aware however that the eligibility criteria must be complied with for the *entire* duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to be eligible to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of the termination provisions in the grant agreement.

Activities

Eligible activities are the ones set out in section 2 above.

Financial support to third parties (grants or prizes) is not allowed.

³ See Article 122 of the EU Financial Regulation No [966/2012](#).

6. Award criteria

Admissible and eligible applications will be evaluated and ranked against of the following award criteria:

Criteria	Mark (maximum points)
<i>a) Relevance of application in relation to the objectives of the call and the priorities of the annual work programme</i>	(50 points)
<i>b) Quality of the proposal, on the basis of the following criteria:</i>	(50 points)
Presentation of expected results; Clarity of practical application in terms of how the project's goals and outputs are to be achieved; Expected impact and sustainability of the action	
Time schedule of the action (work plan); Management arrangements	
Level of detail of description of the work; Organisation of methods;	
Technical methodology; Efficiency and effectiveness of approach	
Coherence, relevance and proportionality of the estimated budget in relation with the proposed action	
Maximum total score	100 points

Overall threshold: 60 %

Threshold per each of the award criteria: 50%

Applications that pass the specific threshold (if any) AND the overall threshold will be considered for funding.

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

Other applications will be rejected.

7. Other conditions

Financial capacity

All project participants must have stable and sufficient resources to successfully implement the project and contribute their share. Organisations participating in several projects must have sufficient capacity to implement several projects.

The financial capacity check will be done by us on the basis of the documents you will be requested to upload in the Beneficiary Register (profit and loss account and balance sheet for the last closed financial year, or for newly created entities possibly the business plan; for applicants requesting more than EUR 750 000: audit report produced by an approved external auditor, certifying the accounts for the last closed financial year).

The analysis will take into account elements such as dependency on EU funding and deficit and revenue in previous years).

It will normally be done for all applicants, except:

- public bodies (national, regional or local authorities) or international organisations
- if the requested grant amount is not more than EUR 60 000 (low-value grant).

If needed, it may also be done for linked third parties.

If we consider that your financial capacity is not satisfactory, we may require:

- further information
- an enhanced financial responsibility regime, i.e. full joint and several responsibility for all applicants (see below, section 9)
- pre-financing paid in instalments
- (one or more) pre-financing guarantees (*see below, section 9*)

Or we may:

- propose no pre-financing
- reject your participation or, if needed, the entire application.

Operational capacity

All participants must have the know-how and qualifications to successfully implement the project.

This capacity will be assessed on the basis of:

- 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);
- 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.

Applicants will have to provide such evidence for the above information in the Proposal Form (Part B).

Exclusion

Applicants that are subject to an administrative sanction (i.e. exclusion or financial penalty decision)⁴ or in one of the following situations⁵ are excluded from receiving EU grants and will automatically be rejected:

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures under national law (including persons with unlimited liability for the applicant's debts)
- declared in breach of social security or tax obligations by a final judgment or decision (including persons with unlimited liability for the applicant's debts)
- found guilty of grave professional misconduct⁶ by a final judgment or decision (including persons having powers of representation, decision-making or control)
- convicted of fraud, corruption, involvement in a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including persons having powers of representation, decision-making or control)

⁴ See Articles 131(4) and 106(1) EU Financial Regulation No [966/2012](#).

⁵ See Articles 131(4), 106(1) and 107 EU Financial Regulation No [966/2012](#).

⁶ Professional misconduct includes: violation of ethical standards of the profession, wrongful conduct with impact on professional credibility, false declarations/misrepresentation of information, participation in a cartel or other agreement distorting competition, violation of IPR, attempting to influence decision-making processes or obtain confidential information from public authorities to gain an advantage.

- shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement or grant decision (including persons having powers of representation, decision-making or control)
- found guilty of irregularities within the meaning of Article 1(2) of Regulation No [2988/95](#) (including persons having powers of representation, decision-making or control).

Applicants will also be rejected if it turns out during the grant award procedure that they:

- misrepresented information required as a condition for participating in the grant award procedure or failed to supply that information
- were previously involved in the preparation of grant award documents where this entails a distortion of competition that cannot be remedied otherwise (conflict of interest).



IMPORTANT

- **Coordinator & consortium** — The coordinator represents the consortium towards us. You must have their agreement and mandate to act on their behalf and will have to confirm this in your application. Moreover you will have to declare that the information in the proposal is correct and complete and that all partners comply and agree with the call terms & conditions of the call (especially, eligibility, financial and operational capacity (if applicable), no exclusion, etc.). Before signing the grant agreement, each applicant will have to again confirm this by signing a declaration on their honour. Proposals without full support will be rejected.
- **Linked third parties** — Applicants may participate with linked third parties (i.e. affiliated entities⁷) that receive funding. Linked third parties must comply with all conditions set out in this call (just like applicants), but they do not sign the grant agreement and do not count towards the minimum criteria for consortium composition.
- **Subcontractors** — Subcontracting is allowed but subject to strict limits (*see section 9*).
- **Registration** — All applicants must register in the [Beneficiary Register](#) — before the call deadline — and upload the necessary documents showing legal status and origin. Linked third parties can register later (during grant preparation).
- **Project budget** — Applicants must ensure a balanced project budget and sufficient other resources to implement the project successfully (*e.g. own contributions, income generated by the action, financial contributions from third parties*). You may be requested to lower the estimated costs in the detailed budget table, if they are ineligible or excessive.
- **Double funding** — Any given project may receive only one grant from the EU budget. The project must therefore NOT receive any financial support under any **other EU funding** programme (including EU funding managed by authorities in EU Member States or other funding bodies, *e.g. Regional Funds, Agricultural Funds, EIB loans, etc.*). Cost items may NOT be declared twice under different EU actions.
- **Language** — Applications must be drafted in English.

8. Evaluation & award procedure

This call is subject to the standard submission and evaluation procedure (one-stage submission + one-step evaluation).

Applications will be checked for formal requirements (admissibility and eligibility) and will be evaluated by an evaluation committee against the operational capacity, the financial capacity (if applicable) and against award criteria and then listed in a ranked list.

Unsuccessful applications will be informed about their evaluation result (*see time-table section 3*).

Successful applications will be invited for grant preparation.



IMPORTANT

- **No commitment for funding** — Invitation to grant preparation does NOT constitute a formal commitment for funding. We will still need to make several legal checks before grant award: legal entity validation, financial capacity, exclusion check etc.
- Grant preparation will involve a **dialogue** in order to fine-tune technical or financial aspects of the project and may require extra information from your side.

⁷ See Article 122 of the EU Financial Regulation No [966/2012](#).

9. Legal & financial set-up of the grants

If your project is selected for funding, you will be asked to sign a grant agreement with us.

This grant agreement will set the framework for your grant and its terms and conditions, in particular provisions on deliverables, reporting and payments.

Starting date & project duration

The project starting date and duration will be fixed in Article 3 of your grant agreement. Normally the starting date will be after grant signature. Retroactive application can be granted exceptionally for duly justified reasons — but never earlier than the proposal submission date.

Estimated project duration: 18 months.

Maximum grant amount, reimbursement of eligible costs & funding rate

All grant parameters (maximum grant amount, funding rate, total eligible costs etc.) will be fixed in Article 5 of your grant agreement.

The costs will be reimbursed at the funding rate fixed in the grant agreement.

EU grants may not make a profit. If there is a profit (i.e. surplus of receipts over costs), we will deduct it from your final grant amount. This rule is not applicable for grants below 60 000 EUR.

Cost eligibility rules

For the cost eligibility rules, see Article 6 of the grant agreement and the Guide for applicants.

Special cost eligibility rules for this call:

- indirect costs will be reimbursed with a flat rate of 7% of total eligible costs. However, for entities registered in the list pursuant to Article 5 of Regulation 223/2009 the flat rate for indirect costs will be 30% of total eligible staff costs.

Deliverables

Deliverables will be listed in Article 14 and Annex I of your grant agreement.

Standard deliverables for this call: none.

Specific deliverables for this call:

- Report on the action: This should be a brief report on the results of the action (up to around ten pages) including 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.

All reports and documentation should be provided in English.

All deliverables have to be provided no later than the closing date of the action.

Reporting & payment arrangements

The reporting and payment arrangements will be fixed in Article 15 and 16 of the grant agreement.

At the end of the project, you will be invited to submit a report and we will calculate your final grant amount.

If the total of earlier payments is higher than the final grant amount, we will ask you (your coordinator) to pay back the difference (recovery).

Special provisions

IPR⁸ rules: see Article 19 of the grant agreement

Special conditions for certain project activities: see Article 18a of the grant agreement.

Promoting the project & visibility of EU funding: see Article 22 of the grant agreement.

Cost rejection, grant reduction, recovery, suspension & termination

Chapter 6 of the grant agreement provides for the measures we may take in case of breach of contract (and other violations of law).

Liability regime for recoveries

The liability regime for recoveries will be set out in Article 28 of your grant agreement (either:

- limited joint and several liability with individual ceilings — up to the beneficiaries' maximum grant amounts in Annex 2
- unconditional joint and several liability — up to the maximum grant amount for the action set out in Article 5.1
- individual financial responsibility — each beneficiary only for its debt.

10. How to submit an application?

All applications must be submitted electronically via the Participant Portal Electronic Submission System accessible via the Call Topic Page in the [Funding Opportunities](#) section. Paper submissions are no longer possible.

The **submission process** is explained in the [Participant Portal Online Manual](#) (together with detailed instructions for the IT tool).

Mandatory **annexes & supporting documents** (directly available in the Submission System) for this call:

- Detailed budget.
- Unit costs declaration.
- 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).
- a list of previous projects and activities performed and connected to the policy field of a given call or to the actions carried out in the last 3 years.

⁸ Intellectual and industrial property rights.

- for applicants requesting more than EUR 750 000: audit report by an approved external auditor, certifying the accounts for the last closed financial year.

Contact

For questions on the Participant Portal Submission System, please contact the [IT helpdesk](#).

For other questions, please contact: estat-financial-cell-dir-c-d@ec.europa.eu

For general questions on UNIT COSTS, please contact: estat-unit-costs@ec.europa.eu

Please indicate clearly the reference of the call for proposals and topic.



IMPORTANT

- Consult the Call Topic Page regularly. We will use it to publish updates and additional information on the call.
- **Don't wait** until the end.
We strongly advise you to complete your proposal sufficiently in advance of the deadline, to avoid any last minute technical problems. Any problems due to last minute submissions (*e.g. congestion, etc.*) will be at your risk.
- Before submitting a proposal, all applicants must be **registered** in the [Beneficiary Register](#) and obtain a participant identification code (PIC) (one for each applicant).
- By submitting their proposal, all applicants **accept**:
 - the terms and conditions of this call (as described in this call document and the documents it refers to)
 - to use the electronic exchange system in accordance with the [Participant Portal Terms & Conditions](#).
- After the call deadline, the proposal is locked and can no longer be changed.
- You may be contacted later on if there is a need to **clarify** certain aspects of your **proposal** or for the correction of clerical mistakes.
- The EU is committed to **transparency**. Each year, information about the grants awarded is published on the [Europa website](#). This includes:
 - the beneficiaries' names
 - the beneficiaries' addresses
 - the purpose for which the grant was awarded
 - the maximum amount awarded.The publication can exceptionally be waived (on reasoned and duly substantiated request), if there is a risk that the disclosure could jeopardise the rights and freedoms under the Charter of Fundamental Rights of the European Union or harm the beneficiary's commercial interests.
- **Data privacy** — The submission of an application under this call involves the recording and processing of personal data (such as name, address and CV). This data will be processed in accordance with Regulation No 45/2001. Unless indicated otherwise, it will be processed solely for the purpose of evaluating your proposal. Details are available in the [Participant Portal Privacy Statement](#).