



EUROPEAN COMMISSION

COMPETITION DG

Policy and Strategy

## **GUIDE FOR APPLICANTS**

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## **TRAINING OF NATIONAL JUDGES IN EU COMPETITION LAW**

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### **Call for Proposals HT.5112**

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Please read this Guide carefully before you start preparing your application!

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## 1. INTRODUCTION

This Guide is designed as the main reference document to help you prepare the proposal. It provides all the necessary information for preparing and submitting your application and answer questions you may have in this process.

Please note that this Guide does not supersede the rules and conditions laid out in the following documents which should be consulted in case of doubt:

- Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012.
- Regulation (EU) No 1382/2013 of the European Parliament and of the Council of 17 December 2013 establishing a Justice Programme for the period 2014 to 2020, hereafter referred to in this document as Regulation No 1382/2013.
- Commission Implementing Decision of 19.12.2017 concerning the adoption of the work programme for 2018 and the financing for the implementation of the Justice Programme, hereafter referred to in this document as the “Work Programme 2018”.
- The call for proposals HT.5112 “Training of National Judges in EU Competition Law”.

The purpose of this Guide is to assist Applicants in preparing a successful project application and help them to understand administrative and financial rules governing Commission's Training of National Judges in EU Competition Law Programme.

It also aims at explaining technicalities of the submission process providing detailed information on how to fill in the Grant Application Form and other relevant annexes mentioned in the call for proposals.

Applicants are therefore requested to read this Guide carefully before they start preparing the Application Package.

Questions regarding the call for proposals may be sent by e-mail to the address:

[COMP-TRAINING-JUDGES@ec.europa.eu](mailto:COMP-TRAINING-JUDGES@ec.europa.eu).

## **2. ACTIONS THAT WILL BE FUNDED**

The type of actions that will be funded are set out in the Work Programme 2018 and in the call for proposals HT.5112 “Training of National Judges in EU Competition Law”. Eligibility conditions, admissibility requirements, exclusion grounds, operational and financial capacity requirements and award criteria are explained in the call document.

## **3. GENERAL RULES GOVERNING ACTION GRANTS**

Grants awarded under the EU Justice Programme must comply with the following principles:

### ***Principle of non-cumulative award***

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

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

### ***Principle of non-retroactivity***

No grant may be awarded retrospectively for actions already implemented.

### ***Principle of co-financing***

The funding under the Justice Programme is based on the co-financing principle (see section 9.2 of the Call for Proposals). The beneficiaries should ensure that the outstanding balance is covered from sources other than the EU budget such as: i) the beneficiary's own resources, ii) income generated by the action, iii) financial contributions from third parties.

### ***No-profit principle***

Profit is defined as a surplus, calculated at the payment of the balance, of receipts over the eligible costs of the action or work programme, where receipts are limited to the Union grant and the revenue generated by that action or work programme. Any profit identified will entail an equivalent reduction in the final amount of the grant. The no-profit principle does not apply to low-value grants, defined as grants of EUR 60 000 or less.

### ***Financial support to third parties***

Projects through which the beneficiaries use the budget of the project to award grants to other organisations under their own procedures and authority (Financial support to third parties) cannot be financed under the Justice Programme.

### ***Form of the grant***

The grant is a partial reimbursement of the action's total eligible costs. The grant is expressed both as a maximum amount and also as a pre-defined percentage of the eligible costs. In other words, the grant has a double ceiling: the maximum amount and the

maximum reimbursement rate to the total eligible cost.

### ***Payment Scheme***

Payments will be made to the beneficiary. The coordinator must distribute the payments between the co-beneficiaries without unjustified delay. The following payments will be made to the coordinator:

- *Pre-financing payment*

The aim of the pre-financing (up to 50% of the total grant) is to provide the beneficiaries with a float. It remains the property of the EU until the payment of the balance. The pre-financing will be paid to the beneficiary within 30 days from the signature of the grant agreement upon request from the beneficiary.

- *Payment of the balance*

The payment of the balance should take place within 60 days from the date of receipt by the Commission of a complete and receivable final technical and financial report and request for final payment. The payment of the balance reimburses the remaining part of the eligible costs incurred by the beneficiaries for the implementation of the action. The amount due as the balance is calculated by deducting the total amount of pre-financing, if any, from the final grant amount. The final payment is subject to the approval of the technical and financial report with the corresponding deliverables, supporting documents and the declaration of actual costs incurred by the beneficiaries during the entire project duration. If the total amount of earlier payments is greater than the final grant amount, the payment of the balance takes the form of a recovery. If the total amount of earlier payments is lower than the final grant amount, the Commission will pay the balance.

## **4. PARTICIPANS: ROLES AND RESPONSABILITIES**

### ***Applicant***

The Applicant (also referred to as Beneficiary, Coordinating organisation or Coordinator in this Guide) can decide to put together a team of partners. Depending on the level of involvement of these partners, we will define them as Co-beneficiaries or Associate Partners.

The Applicant is responsible for the project conception and development and for submitting the application. Moreover, the Applicant will be responsible for the overall management of the project, coordination of tasks, *liaison* with the Commission and management of the budget. The Applicant will be the only point of contact for the Commission and will be responsible for all the communication between the Commission and the partners.

The Applicant will act as the coordinating organisation and, if selected, as the Beneficiary that will sign the Grant Agreement. The Beneficiary accepts legal and financial liability for the implementation of the project in line with the provisions of the Grant Agreement.

In case of a multi-beneficiary Grant Agreement, either all Beneficiaries sign the Grant

Agreement, or one of the beneficiaries signs the Grant Agreement on behalf of the co-beneficiaries, but only after having received all the required powers of attorney from the co-beneficiaries ("mandate"). All grant amounts will be transferred to the account of the designated Beneficiary, who will be responsible for passing funds to Co-beneficiaries of the project. The Coordinator will also be responsible for all the reporting and will prepare final financial statements and reports requested by the Commission. For the specific criteria regarding the eligibility of an Applicant, please refer to section 6.1 of the call for proposals.

### ***Co-beneficiaries***

The Co-beneficiary must be legally established in a country eligible for financing at the time of submitting the application and they are subject to the same eligibility criteria specified in section 6.1 of the call for proposals.

Co-beneficiaries are organisations and institutions that, in cooperation with the Coordinating organisation, participate in designing and implementing project activities, share the relevant tasks and finance. Both the Coordinator and the Co-beneficiary form parties to the multi-beneficiary Grant Agreement and share legal and financial responsibility towards the Commission for the proper and timely implementation of the project. The costs a Co-beneficiary incurs are eligible in the same way as those incurred by the Coordinator.

Nevertheless, the Coordinator always remains the sole point of contact for the Commission and, as stated above, is responsible for the reporting and for providing the necessary information regarding the project.

To prove their involvement in the project, the Co-beneficiary must sign a **Letter of Intent** at the stage of submission of the application. A Letter of Intent shall indicate the intention of a partner to participate in the project, form of the participation (Co-beneficiary partner) and the eventual financial contribution. Co-beneficiaries will also sign a mandate granting power of attorney to the Coordinator to receive the payment, and to conclude a Grant Agreement with the Commission, if the project is selected. Alternatively, the Grant Agreement can be signed by all Co-beneficiaries, but only one Beneficiary will be mandated to receive payments.

All co-beneficiaries are jointly and severally responsible for carrying out the action in accordance with the provisions of the Grant Agreement. The shared legal and financial responsibility for the project also means that the organisations will have to agree on their cooperation among themselves. This is usually done in the form of a **Partnership Agreement for the specific project**. The Commission neither intervenes in, nor is party to this Partnership Agreement. The Commission respects different management styles of organisations, but emphasises that the provisions of such an agreement should not be discriminatory and should comply with national legal requirements and the Grant Agreement governing the project. It should be noted that in case of discrepancy, the provisions of the Grant Agreement take precedence over any other agreement concluded among the members of the partnership.

**ATTENTION:** Since all the Co-beneficiaries share legal and financial responsibilities, some annexes contained in the application form should be also provided by all co-beneficiaries. Use the check list for Applicants as reference.

### *Associate partners*

Third parties, which either do not comply with the criteria for an Applicant/Beneficiary or Co-beneficiary organisation or will not incur costs may participate in the project as Associate Partners.

Associate Partners will sign the **Letter of Intent** at the stage of submission of the application. If the Associate Partner wishes to co-finance the project, the amount of financial contribution should be indicated in the **Letter of Intent and be reflected in the forward budget.**

Nevertheless, it is the Beneficiary and Co-beneficiaries who are responsible for ensuring that the activities of Associate Partners are implemented as their involvement forms part of the project proposal and, later on, part of the conditions of the Grant Agreement.

## **5. DRAFTING THE APPLICATION**

Before drafting the application, please read carefully all documents published with the call for proposal, including the guide: *European judicial training – Advice for training providers.*

To give your application the best chance of being selected for funding, make sure it is:

- **Relevant** - address the relevant thematic priorities of the call for proposals.
- **Complete** - applications should be complete (including all documents specified in Annex "Overview of required annexes"), signed, dated and shall be submitted in duplicate (one signed original and one copy in electronic format) by post or express courier or hand delivery (as evidenced by the postmark or by the acknowledgement of receipt of the express courier service).
- **Clear and concise** - don't interpret completeness as a requirement to include as much information (and words) as possible. Your application must also be easy to understand, precise and focused on substance. Respect the page limit. Do not repeat information.
- **Management-focused** - clearly indicate the resources you will allocate to managing the intended activities, especially financial management (ensuring the funding you are requesting will be adequate to finance the planned activities).
- **Results/impact-oriented** - clearly show the results that will be achieved, and how you intend to disseminate/use them.
- **Readable** - ask an outsider to proofread your application and to provide feedback.
- **Prepared in advance:** - don't wait the last day to submit your application. No extension of the deadline will be granted and the applications not compliant with section 10 of the Call for proposals will be rejected.

The application is composed of:

- Application Form (A- F)

- Annexes (1-9)

In principle, project proposals may be submitted in any official language of the European Union. However, for reasons of efficiency, the Commission advises Applicants to use English.

### **5.1. Application Form**

The Application Form is a Microsoft WORD document (doc) where the basic data about the Applicant, the Project and partnership (if any) should be included.

The Application Form starts with the title of the Project and the Acknowledgement of Receipt and is reserved for the European Commission.

#### ***Applicant – Part A***

All communication/correspondence related to the project will be sent to the person whose name appears in the section 'Contact person' and the contact details indicated here will be also entered in the Grant Agreement. Please take note that the Commission would appreciate that all communication between the Commission and the contact person can be carried out in English for the sake of efficiency. The contact address may differ from the Official Address of the Applicant/Coordinator organisation.

Please indicate the name and the title of the legal representative, sign, date and stamp. This person should be authorised to enter into financially and legally binding commitments on behalf of the Applicant/Coordinator organisation. Please note that the Commission may request a copy of the authorising decision.

If the proposal is awarded a grant, the Commission services will automatically prepare the Grant Agreement for the signature of the person named under this section, unless otherwise notified.

#### ***Project Outline – Part B***

- General Information – Part B.1

The content of this section will provide the Commission evaluators with the basic information about the project such as the title, activities, objectives, priorities, number of partners, duration, etc.

**ATTENTION:** Please note that the estimated number of participants by country must be clearly inserted here. These numbers will be the benchmark for every next step: check of the eligibility of your proposal, evaluation of the proposal by experts and-if applicable- final evaluation of objectives achieved.

The projects cannot have duration of more **than 2 years (24 months)**. When you plan your project you should take into account that as a general rule the projects cannot be extended beyond this limit during the implementation. Therefore, please plan your activities accordingly.

Please indicate when you intend to start the proposed project. For planning purposes you should take into account that the evaluation of the proposals takes up to 6 months after the submission deadline. Normally Grant Agreements are signed 9 months after the deadline of the Call, therefore takes this in consideration when planning your activities.



**The amounts indicated in this section should be identical to the ones indicated in the Financial Plan and Detailed forward budget - Annex 3 of your Application Form – therefore, we suggest that you fill in these fields **only after the budget estimate has been finalised.****

- Summary – Part B.2

The summary must provide the reader with a clear understanding of the proposal and its compliance with the objectives of the Call for proposals, under which it is submitted, as well as the content and activities to be carried out to achieve those objectives.

Remember that the experts evaluating your proposal do not know who you are, what you have done in the past and what is the peculiar situation of your country concerning training needs for judges. Try to be clear and exhaustive and highlight the peculiarity of your proposal.

Please note that other key elements such as expected results, marketing strategies etc. are requested in section C, therefore try not to repeat yourself. This section, together with section C, will be your project's "business card" and will be used for publication/dissemination purposes, if your project is awarded a grant.

Please include CVs (Annex 7), which will be used during the evaluation of the selection criteria (operational and professional capacity). You should attach recent Curriculum Vitae (CV) of the members of the project staff. Only CV of the **key staff** should be attached including the project operative coordinator/manager, the person responsible for the financial management and the main experts. The annexed CVs should be detailed enough to allow the assessment whether the person is qualified for the proposed position and sufficiently experienced in the subject/role.

- Other Projects directly related to this Proposal – Part B.3

Please list other projects funded by the EU directly related with the proposal obtained by **the Applicant/Co-beneficiary organisation during the previous 3 years.**

The Applicant organisation is required to inform without any delay DG Competition of any further application for funding made to other EU institutions or agencies, and/or of any funding approved by other EU institutions or agencies, after the submission of the application.

- Justification, Impact and Results of the Project – Part C

In this part you need to justify the needs, the aim and why it is important that the EU Commission chooses your proposal. Please also explain how you are going to reach and ensure the participation of the target audience as defined in section 2.2 of the call for proposal.

**ATTENTION:** Please note that reaching the right audience for this kind of training it is often challenging for the beneficiaries therefore **it is important to present in this section an effective and realistic strategy.** (Do you possess mailing lists and useful contacts? Is your organisation member of a relevant network? Is your organisation associated with an official provider of judicial trainings?).

In section C.2, please specify the expected results of this project, the impact, the concrete

outputs and deliverables, as well as the dissemination strategy.

- Partners – Part D

Under this section of the Application Form you should provide the basic information concerning all the partners implementing the project. In section D.2, please provide additional information on the Partner organisations and their role in the project (who is who and who does what).

- Organisation and Management of the Project – Part E

In this section, the Applicant should describe the work plan by subdividing it into activities. The Applicant should present overall duration, number of staff, expected outcomes and working methods. Finally, the Applicant should provide an overview of the resources needed to implement the action and achieve the expected outcomes.

Please avoid describing the project once again, but rather try to provide to provide key information in a concise manner.

## 5.2. Annexes – Part F

All necessary annexes are listed in part F of the Application Form. The Applicant will need to fill out and attach these files to the Application Form in their original format (Excel and Word) - when in electronic format - and in paper - when a signed original version is required.

### **ANNEX 1. Overview of required annexes**

The checklist will provide assistance in completing the file. **Once you finalise your application you can fill and sign this list to check completeness.**

### **ANNEX 2. Electronic copy of the complete application**

In order to complete the submission the Applicant needs to provide an electronic copy (CD or USB flash drive) of the Grant Application Form with all completed Annexes (**when necessary stamped, dated, signed**). To ensure the completeness of the electronic version we highly recommend preparing it only when you possess a complete application form with its annexes that you are ready to submit.

### **ANNEX 3. Financial Plan and Detailed Forward Budget - How to fill in the budget**

Under this section of the Grant Application Form you should present the budget estimate of the project per category of costs and incomes. All amounts should be indicated in EURO.

**The total budget estimate indicated here should be the same as the one indicated in the Application Form – Project Outline (B.1)**

The **Financial Plan and Detailed Forward Budget** should include specific and clear financial information which will facilitate the evaluation of your proposal. It will be read

together with the Grant Application Form and its Annexes, so please note that inconsistencies between the forms, either in the planning of the action (e.g. number or place of meetings, etc.), or in the terms used to describe each activity, will be evaluated unfavourably. In order to achieve coherence and consistency among the Application form and its annexes, a narrative description of the project costs has been introduced in the application form.

The **Financial Plan and Detailed forward budget** is an Excel document that is meant to be used during the whole lifetime of the project (application, evaluation, selection for funding, implementation, final reporting). Please make sure to include an excel version (not scanned) in your electronic copy to simplify corrections.

This sheet should include **all specific and detailed costs** necessary for the implementation of the **project. It should also include all sources of project income** (funds), both the amounts contributed by the beneficiaries (Applicant and Co-beneficiary) and the funds contributed by any other third party (Co-financer and Associate partners).

The Financial Plan and Detailed Forward Budget consist of 15 worksheets:

- Financial plan (summary of forward budget);
- Part A.a) – Staff by Category;
- Part A.b) - Travel and accommodation expenses for staff involved in the operation;
- Part A.c) - Travel and accommodation expenses for speakers; Travel and accommodation for participants
- Part A.d) - Costs for meals and refreshments for staff involved in the operation as well as for participants, speakers and interpreters;
- A.e) - Interpreters' fees;
- A.f) - Costs of equipment, land and immovable property;
- A.g) - Cost of consumables and supplies;
- A.h) - Cost of publications and reports;
- A.i) - Other direct costs
- A.j) - General costs charged to the operation
- Contributions in kind
- Income table (other contributions)
- Signature
- Staff category

**The Budget Form is only accepted for evaluation if:**

- the standard Budget Form template is used;
- the Sheets are filled in providing a detailed breakdown in Euro of the project's estimated expenditure.

#### **ANNEX 4. Financial Identification**

Please provide the details of the Bank Account that should be used for this project, in case it is selected and fill out all foreseen fields:

- the *legal name of beneficiary*. which will be coordinating the project (this information should be the same as in Part A of the Application Form);
- the *legal address* of the Applicant organisation which will be coordinating the project;
- the *bank details* of the beneficiary;
- Stamp and date of the bank OR a bank statement clearly mentioning IBAN code, BIC code and name of the bank.

#### **ANNEX 5. Legal Entity Form**

Please note that the information should be provided for both, beneficiary and co-beneficiary (if any), one for each, but not for associate partners.

- the *legal name of the beneficiary* (this information should be the same as in Part A of the Application Form) or possible co-beneficiary;
- the *legal address of the beneficiary/co-beneficiary*;

Supporting documents as indicated at the top of the form (official document of registration and (if applicable) the VAT registration.

#### **ANNEX 6. Declaration on honor and financial capacity assessment**

Applicants are required to sign and date the declaration regarding the exclusion criteria and no conflict of interest.

The Applicant needs to sign a declaration on its honor regarding the exclusion criteria and its financial capacity of implementing the project during the whole duration of the action.

In case of multi beneficiaries grants, the declaration must be submitted by:

- The Coordinator signing the declaration on behalf of all co-beneficiaries or;
- The Coordinator and each co-beneficiary.

The declaration should reflect the fact that the Applicant has stable and sufficient sources of funding to maintain their activity throughout the duration of the project and they must participate in its funding.

If the total requested Grant is lower than EUR 60 000, no supporting documents need to

be submitted.

If the total requested Grant is equal or higher than EUR 60 000, the Applicant needs to provide official annual financial statements (Balance sheet and/or Profit and loss account) for the last closed year that demonstrate the Applicant's financial capacity. For newly created entities, the business plan might replace the above documents. **The financial capacity assessment does not apply to public bodies** (e.g. ministry, local, regional, national or federal government authority, municipality or other public body or a public university) or to international organisations.

#### **ANNEX 7. Operational capacity assessment**

Please submit information about projects you have accomplished in the past and other information in accordance with section 6.3.2 of the Call. If you have already listed them in Part B.3 in the Grant Application Form you may add here the supporting documents and relevant additional information.

#### **ANNEX 8. Staff salary grids**

The staff rates must correspond to the Beneficiary's actual remuneration policy and they should be indicated in salary grids and annexed to the application. There is not a standard template for the salary grids, they may be delivered, for example, in the form of salary slips.

#### **ANNEX 9. Partner(s) documentation**

If applicable, please provide letters of intent from all partners attesting their participation in the project. If your partner will incur costs (stated in your budget) as co-beneficiary, please attach also their Annex 5, 6 and 7.

### **6. ELIGIBILITY OF COSTS – WHAT KIND OF COSTS WILL BE ACCEPTED**

#### **6.1. Conditions for eligibility**

*Eligible costs* of the *action* are costs actually incurred by the beneficiary and which meet the following criteria:

- they are incurred within the implementation period, with the exception of costs relating to the request for payment of the balance and the corresponding supporting documents;
- they are indicated in the estimated budget. The estimated budget is set out in Annex III of the Grant Agreement;
- they are incurred in connection with the action as described in the Annex I of the grant agreement and are necessary for its implementation;
- they are identifiable and verifiable, in particular they are recorded in the beneficiary's accounting records and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the beneficiary's usual cost accounting practices;
- 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.

Costs budgeted should not include **VAT**, unless the organisation that incur the costs cannot recuperate VAT paid on the costs on goods and services to be charged to the project. VAT paid by public bodies is eligible if the activity falls out of the scope of the normal activity of the public body. Please note that under the Grant Agreement, VAT is not eligible for the national training authorities designated by national law.

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.

## **6.2. Eligible direct costs**

The following categories of costs are eligible *direct costs*, provided that they satisfy the eligibility conditions set out under section 6.1 above as well as the following conditions:

(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);

(iii) the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary.

(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 relevant provision of the grant agreement, 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 are:

(i) purchased in accordance with the relevant provision of the grant agreement;

and

(ii) 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 Article II.10.1 of the grant agreement;

(f) costs entailed by *subcontracts* within the meaning of Article II.11 of the grant agreement, provided that the conditions laid down in Article II.11.1 (a), (b), (c) and (d) of the grant agreement are met;

(g) costs of financial support to third parties within the meaning of Article II.12 of the grant agreement, provided that the conditions laid down in that Article are met;

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

To be eligible, *indirect costs* of the *action* must represent a fair apportionment of the overall overheads of the beneficiary and must comply with the conditions of eligibility set out in Article II.19.1 of the grant agreement.

Eligible *indirect costs* must be declared on the basis of a flat rate of up to 7 % of the total eligible *direct costs*.

### **6.4. Ineligible costs**

In addition to any other costs which do not fulfil the conditions set out in section 5.1, the following costs may not be considered eligible:

- return on capital and dividends paid by the beneficiary;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;

- costs of transfers from the Commission charged by the bank of the beneficiary;
- 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, if the beneficiary receives an operating grant financed by the EU or Euratom budget, it may not declare indirect costs for the period(s) covered by the operating grant, unless it can demonstrate that the operating grant does not cover any costs of the action.;
- contributions in kind;
- excessive or reckless expenditure;
- deductible VAT;
- VAT of activities designated under National legislation to a Public authority as the sole entity having such a competence.

## **7. DETAILED RULES CONCERNING ELIGIBLE COSTS**

Below you will find a detailed description of eligibility rules for each category of costs that you could enter in the Budget. Please make sure that your costs comply with these rules as otherwise they may be rejected by the Commission at a later stage.

### **7.1. Eligible direct costs - Financial Plan and Detailed Forward Budget**

#### *7.1.1. Staff Costs (Part A.a)*

##### ***General principles***

To ensure the successful implementation of the tasks related to the project activities, appropriate human resources should be allocated to the project. Staff costs should remain below 50% of the total projects costs in order to have a reasonable level of cost efficiency. Projects with very high costs for staff will score low under the cost effectiveness criterion.

##### ***Remuneration rates***

The costs shall be calculated on the basis of the actual gross salary or wages plus obligatory social charges and any other statutory costs included in the remuneration.

#### **ATTENTION !**

The rates at which staff is charged to the project must correspond to the relevant Beneficiaries' normal remuneration policy (documented by salary grids, long-term work contracts, etc.) and should not significantly exceed the rates generally applicable in the relevant area, both geographically and with respect to the profile of the staff concerned (and necessary for the project). Failure to respect this principle may lead to the costs being classified as reckless and excessive expenditure at any moment. The difference between the current market rates/rates documented as compliant with the Beneficiary's long-term remuneration policy and the higher rates actually paid may be considered as ineligible cost.



Salary (fees) of non-permanent staff may be charged to this category if the individual concerned works for the Beneficiary or Co-beneficiary with a contract or individual sub-contract explicitly linking the person to the project and provided that such practice complies with the relevant national legislation.

**When filling out Staff costs in the Financial Plan and Detailed Forward Budget**, you should indicate at least the following information:

- the name of the project staff member (if known),
- *his/her function in the project*,
- the staff member's working status: if he/she will be recruited specifically for the project or is already employed by the organisation, if he/she is self-employed, if he/she will be working part-time or full-time for the project, etc.

#### ***Costs for permanent staff of a public organisation***

This section refers to costs of permanent staff of a public organisation. **It is not applicable to staff costs of universities, regardless of their status.**

The salary cost of permanent staff of a public organisation may be funded only to the extent that they relate to the costs of project activities that the public organisation would not have carried out had the project concerned not been undertaken. Those activities must represent an additional cost for the organisation.

Salary costs of **permanent staff** of a public organisation are eligible only in the following cases:

##### **a) Remuneration for overtime work**

Only the cash compensation for overtime/additional hours remuneration paid for the permanent staff of a public organisation may be considered eligible, under the condition that the staff member is seconded/assigned to the project in conformity with relevant national rules.

When filling out this type of Staff costs in the **Financial Plan and Detailed Forward Budget**, you should indicate at least the following information:

- "overtime" as key-word,
- the name of the employee,
- the total number of overtime hours required to carry out the tasks linked to the project,
- the unit rate (amount of hourly remuneration). The overtime unit rate is estimated on the basis of the overall remuneration for the normal working hours plus cash compensation for the overtime work and divided by the total number of working hours (hours of normal work + hours of overtime work).

##### **b) Costs for replacing the staff concerned for his/her usual tasks**

Costs of permanent staff of a public organisation may be considered eligible in full under

the condition that the person concerned is seconded/assigned in conformity with relevant national rules to tasks that are specifically linked to the implementation of the project, and that another person is specifically recruited to replace him/her for his normal tasks for the duration of the project.

When filling out this type of staff costs in the Budget Form, you should indicate at least the following information:

- "replaced" as key-word,
- the name of the employee,
- his/her function in the project.

c) Other permanent staff cost of a public organisation

With the exception of cases a) and b), the cost of permanent staff of a public organisation will be considered eligible within the limit of the amount necessary to co-finance the project. **In no case** can the total cost of permanent staff of public organisations be higher than the total co-financing from the Applicant, the Partners/Associate Partners and from third parties. The Commission will ensure that this ceiling is respected before awarding the grant and may reduce the corresponding costs accordingly.

When filling out this type of staff costs in the Budget Form, you should indicate at least the following information:

- "covered by co-financing" as key-word,
- the name of the employee,
- his/her function in the project.

Please note that in absence of a clear indication in the Financial Plan and Detailed Forward Budget on whether the costs for permanent staff of a public organisation fall under case a), b) or c), it will be automatically considered that they fall under case c).

*7.1.2. Travels, accommodation (Part A.b and A.c), meals and refreshments (A.d)*

Cost for travels, accommodation, meals and refreshments of participants, speakers and interpreters should be included under Part A.c.

**Reimbursement of travel costs**

Only travel costs directly linked to the project and relating to specific and clearly identifiable actions are eligible for Union funding. Any travel to places other than those where the members of the Partnership are located must be shown to be relevant to the project. Travel costs should be reasonable and in line with the beneficiary's usual practices on travel costs.

Beneficiaries are required to use the least expensive means of travel, and every effort should be made to use the most economical fare.

Any travel expenses incurred outside of the countries which can participate in this call for proposals will be rejected as non eligible.

For travel by rail, first class fares are accepted, whilst for air travel it is the most economical fare.

However, where air/rail travel is not economical or not possible, cost for the use of a car will be refunded as follows:

- for private vehicles (own and company cars): on the basis of the corresponding (or an equivalent) rail fare - the price of one ticket only will be reimbursed, even where several people are travelling in the same vehicle); evidence of the corresponding rail fare should be sought at the time of travel and documentation evidencing this (e.g. declaration of costs from a travel agent; on-line quote) should be readily available;
- for hire cars (maximum category B or equivalent) or taxis: the actual cost where this is not excessive compared with other means of travel (also taking account of any influencing factors i.e. time, excessive luggage);
- only where none of the above-mentioned means of calculation can be applied, will a 'rate per mile/km' be considered; where this is the case, a full explanation should be provided as to the reason for the non-application of the above-mentioned means of calculation and full documentation should be readily available to substantiate the rate applied (to include evidence of the 'organisational' or 'national' rates per mile/km and support documentation evidencing payment of the applied rate).

When filling out Travel costs in the Financial Plan and Detailed Forward Budget, please indicate the places of origin and destination, the number and, if already known, the names or nationalities of the people travelling, the reason for travelling (e.g. Second Project Meeting, Study visit, etc.) and you should calculate using the appropriate unit.

The possible participation (in particular as speakers) of members or staff of the Union institutions (officials, judges, commissioners, etc.) in the co-financed projects shall not give rise to the declaration of eligible costs linked to their participation (e.g. travel, accommodation, meals/refreshments costs). The purpose of this provision is to prevent double financing, but it does not mean that EU staff cannot participate as speakers.

### **Reimbursements based on unit costs**

Cost related to accommodation and meals/refreshments are reimbursed in accordance with the unit costs established by the European Commission.

**ATTENTION:** Applicants **must use the unit costs for accommodation, meals and refreshments** established by the European Commission and available under the section "reference documents" published on the call webpage:  
[http://ec.europa.eu/competition/calls/proposals\\_open.html](http://ec.europa.eu/competition/calls/proposals_open.html)

Please note that the unit cost is not a price ceiling, the amounts inserted here must be equal (and it cannot be higher or lower) to the ones indicated in the call for proposals. If the unit costs are not applied as specified in the call for proposals they will be corrected by the Commission and consequently the percentage of the EU contribution will be adjusted.

**Reimbursement for accommodation and meals/refreshments will not be based on actual costs.** It is up to the beneficiaries to choose accommodation, meals and refreshments do not exceed the unit costs per country calculated by the Commission.

The established unit costs are based on the scale for missions of the staff of the European Commission. 50% unit costs for meals and refreshments will apply for half day seminars.

#### 7.1.3. *Costs of Interpreters and Speakers (Part A.e)*

Cost of interpreters and speakers should be listed per each individual. Evidence for such costs must be provided at the end of the project with contracts stating the exact days worked and the amounts paid.

#### 7.1.4. *Equipment (Part A.f)*

Cost of depreciation of pre-existing equipment is **in principle considered as part of the indirect project costs.** However, if the Applicant or Co-beneficiary has bought the equipment specifically for the project, they can charge as direct costs (computer, audiovisual equipment, etc.), but must respect the following rules:

- compare the prices of different suppliers to see who offers the best value for money (taking into account price and quality);
- charge against the project only the cost of equipment purchased or rented during the eligibility period, at a rate that reflects the degree and duration of use within that period;
- only the cost depreciated in accordance with the national depreciation rules will be considered eligible;
- the equipment purchased must be then itemised in the organisation in which it is installed and bear an inventory number.

When filling out Equipment costs in the Financial Plan and Detailed Forward Budget, you should indicate the kind of equipment to be purchased, as well as the full price of purchase. However, you can only charge to the project the equipment's depreciated value. The direct link to the project implementation should also be presented. In the case of purchase of hardware costing over EUR 1.000 per item, please indicate the depreciation rate.

**Example of calculation of depreciation :**

*Total value of equipment purchased: EUR 1000*

*Assumed service life: three years (36 months)*

*Permissible monthly depreciation will then be  $EUR\ 1000/36 = EUR\ 27,78$*

*Duration of the eligibility for cost in Grant Agreement: 1/09/2014 to 31/08/2016 (24 months)*

*Date of purchase (= date of invoice): 30/03/2015*

*The period of use for the project will then be not more than 17 months.*

*Supposing the equipment is used on a half-time basis for the project, the utilisation rate will be 50%.*

*The total amount payable for depreciation under the grant will then be:*

$$\underline{(EUR\ 27,78\ x\ 17\ months)\ x\ 0,5 = EUR\ 236,13}$$

Land and immovable property:

Costs of purchase of land and immovable property are not eligible.

Rental costs of premises will normally be considered as an indirect project cost. However, if renting of premises is directly and exclusively linked to the implementation of the project (for example, renting of a room for a conference), such a cost can be accepted as a direct cost.

#### *7.1.5. Consumables and Supplies (Part A.g)*

The costs of consumables and supplies are eligible, provided that they are identifiable and exclusively used for the purpose of the project. They must be identifiable as such in the accounts of the beneficiary. Consumables and supplies are real costs necessary to produce the outputs and strictly related to the activities of the project.

General office supplies (pens, paper, folders, ink cartridges, electricity supply, telephone and postal services, Internet connection time, computer software, etc.) are considered as indirect costs.

When filling out costs for Consumables and Supplies in the Financial Plan and Detailed Forward Budget, you should calculate them by using the appropriate unit (lump sums should be avoided). The direct link to the project implementation should also be presented.

#### *7.1.6. Cost of publication and reports (Part A.h)*

In order to be eligible for Union funding, publications must be produced specifically for the project.

In case activities related to publication, reports and dissemination are subcontracted, the subcontracting rules mentioned below are applicable.

When filling out these costs in the Financial Plan and Detailed Forward Budget, the type of publication, report, the number of pages and the number of copies should be clearly indicated. Separate entries should be included for translations, costs of editing and printing, etc. For translations you should also indicate the languages that you are translating from and into.

### *7.1.7. Other direct costs (Part A.i)*

Specific costs relating to conferences, seminars organised as part of the implementation of the project should be included under this heading.

In case activities related to conferences and seminars are subcontracted, the subcontracting rules mentioned below are applicable.

When filling out these costs in the Financial Plan and Detailed Forward Budget, detailed calculations for the relevant costs should be provided, e.g. for renting a room, indicate the number of participants and number of days/hours;

### *7.1.8. Costs not falling into any of the other Headings*

Costs not falling into any of the other Headings may be claimed under **Other direct costs** provided they are considered necessary for the proper performance of the work specified in the agreement. Typical expenses under this heading include:

- Charges for financial services (fees for bank guarantee, charges for bank transactions; the insurance premium against risk of exchange rate losses is excluded);
- Costs of services relating to eligible costs;
- Other costs stemming from obligations under the grant agreement which are not budgeted for under another budget heading (reports, translations, audit certificates, etc.).

## **7.2. Eligible indirect costs (General costs charged to the operation – Part A.j)**

These are costs which relate to categories of expenditure that are not identifiable as specific direct costs. They cover general indirect costs needed to employ, manage, accommodate and support directly or indirectly the personnel working on the project.

Typically, they include administration and financial management fees, depreciation of buildings and existing equipment, rents, maintenance costs, telecommunication and postal fees, heating, water supply, electricity or other forms of energy, office furniture, office stationery, and insurance policies.

Flat-rate funding in respect of indirect costs (up to the percentage foreseen in the grant agreement with a maximum of 7% of the total eligible direct costs), does not need to be supported by accounting documents unless specifically requested by the Commission.

**ATTENTION:** Organisations receiving an operating grant from the EU budget cannot include indirect costs in their budget for an action grant.

### 7.3. Subcontracting rule

For any external contract for the purposes of carrying out the action, the beneficiary shall award a contract offering best value for money and without conflict of interest.

For **contracts exceeding EUR 15 000**, the beneficiary shall also seek competitive tenders from minimum three potential contractors in order to prove that the bid offering best value for money was chosen. In doing so, they will observe the principles of transparency and equal treatment of potential contractors and take care to avoid any conflict of interests.

**It is not permitted to subcontract all project activities**, as this would distort the concept of the grant agreement. For this reason, the Applicant may not subcontract the management and general administration of the project and the co-beneficiaries may not subcontract all or most of the activities for which they are responsible.

Typically, a subcontracting agreement should include the following terms:

- Service to be provided and its links with the project (it is advisable to include a reference to the project);
- Dates on which the agreement begins and ends;
- Price to be paid (breakdown and description of the costs);
- Work schedule/completion phases;
- Payment arrangements (one or more advance payments, staggered payments, etc.);
- Clauses in respect of non-performance or late completion.

The **Commission is NOT party to the subcontracting agreement** between the beneficiary and the subcontractor/service provider and is not liable towards any of the parties under such agreement. Thus, the beneficiary will retain sole responsibility for the implementation of the grant agreement and for compliance with its provisions. The beneficiary must undertake the necessary arrangements to ensure that the subcontractor/service provider waives all rights in respect of the Commission under such agreement.

### 7.4. Contribution in kind

Contribution in kind refers to **non-cash inputs**, such as:

- any donation of materials (i.e. paper and ink for publication purposes);
- unpaid volunteer work by a private, individual or corporate body.

Contribution in kind **shall not be calculated as actual project expenditure and shall not constitute an eligible cost.** However, should be included in the budget in order to contribute to the proper implementation of the project. The beneficiary undertakes to obtain this contribution.

The contribution in kind will be taken into account by the Commission when assessing the activities and level of engagement and commitment of the Applicant and Partners.

**Contribution in kind** does not constitute an eligible cost **for the project.**

## **8. MODIFYING AN APPLICATION PACKAGE**

If you want to modify your application or an attachment, it is possible to do so only **until the deadline of the call.** You need to make the necessary modifications to the Application Form and/or the relevant document(s) **and send them to us within the deadline of the Call.**

After having made the necessary modifications, attach again **ALL requested** documents to the new Application Form and **save the new version (complete with all other annexes) on an electronic support (USB or CD).**

**ATTENTION: ONLY the last sent version of the Application Form and the attachments appearing on it will be considered valid for the evaluation. If requested documents are not attached to this last version, previously uploaded versions will not be considered for evaluation.**

## **9. SELECTION PROCESS**

The application will be subject to different stages of selection and evaluation process. Firstly, the Commission will check whether your submission complies with all the formal requirements (eligibility criteria mentioned in the call).

Secondly, all applications that successfully pass the eligibility evaluation will be subject to the verification of operational and financial capacity (selection criteria mentioned in the call). The Commission evaluators will check whether your organisation has enough financial, technical and professional resources to carry out the project, based on the documents you submitted.

Please note that at this stage, you might be requested to provide additional documents. If you are excluded during operational and financial capacity verification, you will receive a letter from the Commission rejecting your proposals at the end of the whole evaluation process when the final award decision is taken. This means that neither successful nor rejected Applicants will receive information at this stage.

If your proposal complies with the eligibility, the exclusion and the operational/financial capacity criteria, it will be evaluated on its merits based on each of the **award criteria (as mentioned in the call)** and a ranking of the proposals will be established based on the points attributed to each application. Following the evaluation under the award criteria, the Evaluation Committee may suggest corrections or adjustments to the proposed action, including on its estimated budget. The Commission will adopt a formal award decision based on the ranking list and send letters to Applicants informing them about the results of the evaluation process.