



EUROPEAN COMMISSION

Directorate-General for Competition

Policy and Strategy
Directorate A

GUIDE FOR APPLICANTS

TRAINING OF NATIONAL JUDGES IN EU COMPETITION LAW

Call for Proposals 2016

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

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1. Introduction

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.

2. General rules governing action grants

2.1. Who can apply? - Concept of the action grant

The Commission supports actions aiming to achieve an European added value (see also section 2.1 of the Call). Thus, before submitting a grant application, Applicants should consider whether national or regional sources of funding would be more appropriate than Union funding.

According to Art. 7 of Regulation 1382/2013:

Access to the Programme shall be open to all bodies and entities legally established in:

(a) Member States;

(b) European Free Trade Association (EFTA) countries which are parties to the Agreement on the European Economic Area, in accordance with that Agreement;

(c) candidate countries, potential candidates and countries acceding to the Union, in accordance with the general principles and the general terms and conditions laid down for the participation of those countries in the Union programmes established in the respective Framework Agreements and Association Council decisions, or similar agreements.

2. Bodies and entities which are profit-oriented shall have access to the Programme only in conjunction with non-profit or public organisations.

3. Bodies and entities legally established in third countries, other than those participating in the Programme in accordance with points (b) and (c) of paragraph 1, in particular countries where the European Neighbourhood Policy applies, may be associated to the actions of the Programme at their own cost, if this serves the purpose of those actions.

4. The Commission may cooperate with international organisations under the conditions laid down in the relevant annual work programme. Access to the Programme shall be open to international organisations active in the areas covered by the Programme in accordance with the Financial Regulation and the relevant annual work programme.

2.2. Applicant (Beneficiary, Coordinating organisation or Coordinator)

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 the call notice.

2.3. Partners and other organisations involved

2.3.1. Co-beneficiaries

The Co-beneficiary must be legally established in a country eligible for financing at the time of submitting the application.

Co-beneficiaries are organisations and institutions which, 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, Co-beneficiary must sign a **Letter of Intent** at the stage of submission of the application. They must fill out the form and sign the relevant section (Partner Declaration form). 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.

2.3.2. 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 can be e.g. organisations from countries which are not eligible for funding, but where its participation in the project is justified or simply organisations that will undertake activities that are directly linked to the project, but require no costs (e.g. they will support the Applicant by providing contacts or providing their premises free of charge).

If their participation in the project requires some costs (e.g. for travelling and subsistence), these costs must be incurred by the Beneficiary or a Co-beneficiary.

Associate partners can also be a partner that will sponsor the project with a financial contribution, stated at the moment of the application¹.

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.

2.4. What kind of actions can be financed by the Commission?

Every year, following the call for proposals, the Commission finances a considerable number of projects. The Training of National Judges in EU Competition Law Programme will finance projects that address the right target group and are within the objectives and priorities as set **out in the call for proposals**. It is therefore important that the Applicant reads the details of the call notice very carefully, in order to identify the areas of interest for the Commission.

There can be **only one grant application per project**, and this should be submitted by the Applicant. Each organisation can present more than one project under separate applications and these will be evaluated separately by the Commission. There is no limitation for organisations to participate as Partners or Applicants in more than one project submitted for funding under the same call.

Before submitting an application the Applicant and Partners should always familiarise themselves with the work done and the current state of knowledge in the field in order to create a project that is innovative and can bring an added value. Projects that are merely a repetition of a previous action, or of projects offered by other provider e.g. on national level, or do not take into account the existing knowledge, will score low points when evaluated by the Commission.

Grants may also be awarded to support measures taken by bodies which foster training in EU competition law for national judges called to review national competition authorities decisions and final instance judges dealing with Competition law and the cooperation between them, such as (not exhaustive list):

- the organisation of conferences, seminars, symposia or meetings on EU competition law for national judges;
- short or long-term training in EU competition law as part of study programmes (initial or advanced);
- exchange programs among judges of different nationalities
- cooperation, including the setting-up and/or maintenance of networks and/or databases or monitoring the proper application of EU competition law.

¹ Such amount can change in the course of the project, but any decrease/increase will also have effects on the total contribution of the EU Commission.

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3. Financial aspects of Commission financing

3.1. Financial rules governing grants

Project funding is based on the principle of co-financing. The grants provided by the programme cannot cover the entire cost of the projects.

The EU contribution is limited to maximum 80% and in exceptional and duly justified cases to maximum 90 % of the total eligible cost of the action, notably for: European, national or sub-national entities specifically created with the purpose of training national judges; European, national and sub-national associations of competition law judges; Applicants originating from EU Member States under financial assistance or surveillance (Cyprus, Greece, Hungary, Ireland, Latvia, Portugal, Romania and Spain).

Consequently, at least 20% and in exceptional cases 10% of the total eligible costs must be covered by the applicant, the partners or by another fund provider. The source of this contribution should be different than the budget of the EU.

The minimum of 20% or 10% (if applicable) co-financing should be indicated in the Grant Application Form and in all relevant Annexes (Budget Form, Letter(s) of Intent, etc.). It implies that the funds to be contributed by the Applicant are in the Applicant's accounts and that any funds promised by a Co-beneficiary/Associate Partner can only be subject to the condition of obtaining the grant from the Commission. Any additional condition will render the contribution non-secured. For co-funding from public authorities, an additional condition of compliance with the relevant national budgetary regulations will be accepted.

Contributions in kind can be entered in the specific section of the Budget Form, but are not taken into account as an eligible cost and are not accepted as co-financing, unless falling into the category introduced by recital (7) of Regulation 1382/2013: *"The Union should facilitate training activities on the implementation of Union law by considering the salaries of participating judiciary and judicial staff incurred by the Member States' authorities as eligible costs or co-financing in kind, in accordance with Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (1) (the "Financial Regulation")"*.

If the amount awarded by the Commission is lower than the amount requested by the Applicant, it is the responsibility of the Applicant to find the additional amount required or to reduce the total cost of the project.

Commission grants are awarded for non-commercial purposes only and projects must be strictly non-profit making. Any profit will be deducted by the final amount paid by the EU Commission

The Application Package should contain a budget estimate in Euro, in which revenue and expenditure are in balance.

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.

As a general rule, selected projects will start once the Grant Agreement is signed by both parties. Expenditure is eligible from the starting date of the project. Any costs incurred before that date are not eligible.

The Commission cannot reimburse any costs that have been incurred in non-eligible countries. Please consult the call notice for information on which countries are eligible.

For detailed rules on eligibility of costs please consult section 5 of this Guide.

3.2. Payment Procedures

As a general rule, the co-financing is provided in two installments:

- a **pre-financing payment** of **up to 50%** of the Commission's contribution (amount of the grant) may be made available. If applicable, it is paid after the signature of the Grant Agreement by both parties within thirty calendar days from reception of a pre-financing payment request². On expiry of the time-limit, the beneficiary shall be entitled to late payment interest, which is calculated and generated automatically as a separate payment.
- a **final payment**, that is the payment of the balance to be paid after receipt and approval by the Commission of the final report³ **and** a request for final payment⁴.

Please note however, that based on individual risk assessment the Commission may:

- lower the percentage of the pre-financing,
- introduce an interim payment or
- request additional financial guarantees from the Applicant covering the amount of the pre-financing payment until the final payment is released.

If applicable, these additional conditions will be communicated to the Applicant/Coordinator together with the notification on awarding a grant and also set out in the Grant Agreement.

In no case will the final amount of the grant exceed the maximum amount indicated in the Grant Agreement.

At the time of payment of the balance, the final amount of the grant will be proportionate to the eligible costs of the project and will be reduced proportionally where the total eligible costs turn out to be lower than the total estimated costs.

The Commission may also reduce the final amount of the grant to ensure that the total project income does not exceed the total project costs.

Sums due for the final payment shall be paid by the EU Commission within no more than **sixty calendar days** from receipt of the complete final report and the request for final payment. On expiry of the time-limit, beneficiaries shall be entitled to late payment interest. This only applies to valid complete payment requests.

4. How to prepare an application?

4.1. Submission mode and language

Applications should be submitted following the standard application form accompanied by the required annexes listed in part F of the Application Form.

² The pre-financing payment request is a letter sent by post, with date and signature, containing reference to the number of grant agreement and HT. number, clearly requesting a pre-financing and the total amount in Euro.

³ The final report is complete when it contains all requirements stated in the Annexes of the Grant Agreement.

⁴ The final payment request is a letter sent by post, with date and signature, containing reference to the number of the grant agreement and the HT. number, clearly requesting a final payment and the total amount in Euro.

All supporting documents should be clearly ordered and numbered using the cover pages of annexes contained in the Application form.

Forms can be downloaded from the following website:

http://ec.europa.eu/competition/calls/proposals_open.html

Applications must be submitted in writing and send by post. No other form of submission will be accepted. Applications or annexes sent by e-mail or fax will not be accepted.

Helpdesk: questions regarding the call for proposals may be sent by e-mail to the address COMP-TRAINING-JUDGES@ec.europa.eu.

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).

The application must be signed by the person authorised to enter into legally binding commitments on behalf of the Applicant.

The Application and all annexes may be submitted in one of the official languages of the European Union, but preferably in English. If applications are submitted in another language than English an English summary (part B.2 of the application form) must be included.

4.2. The Application Package

The Application Package is composed of the:

- Application Form (A- F)
- Annexes (1-9)

4.3. 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.

You are advised to read the application carefully.

4.3.1. Promoting organisation – Part A

Please provide data for the promoting organisation (see point 2.2).

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.

Please provide data for Coordination organisation if another organisation than the promoter will manage the project (see point 2.3).

4.3.2. Project Outline – Part B

4.3.2.1. General Information – Part B.1

This part constitutes the main description of activities that will be undertaken by the project. This document will provide the Commission evaluators with the detailed information about the project such as the title, activities, objectives, priorities, number of partners, duration, etc., and will be **the main basis for evaluation**.

Please give your project a specific title that reflects the actions proposed. Please avoid using in the project title the name of the Programme under which you submit your application.

The **full title** of the project should be indicated in the 'Title' field. The abbreviation of the title can be included in the 'Acronym/ short title' field.

Applicants should always be as detailed and specific as possible and avoid presenting information which is not relevant, for example, previous projects, their usual activities and other information not directly linked with the proposal.

Please note that the number/nationalities (even estimations) of partners, participants and speakers should 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 approximately 2-3 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.

IMPORTANT: if you submit a proposal that has already started/finished before the submission deadline, your proposal will be rejected as EU funding cannot be provided retrospectively.

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

4.3.2.2. Summary – Part B.2

The summary must provide the reader with a clear understanding (who, what, where, when, how, why) of the proposal's objectives 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. Furthermore, the Applicant should present why the project is innovative and how the Partnership will build on the existing knowledge and create an added value at European level.

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.

The summary must consist of max. 1 page and must be provided in English.

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 co-ordinator/manager, the person responsible for the financial management and the main experts.

The Commission strongly suggests that these are presented in the EUROPASS CV format; however, organisations are free to submit these CVs in any other format. Any 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.

The EUROPASS CV template can be downloaded from the following webpage: <http://europass.cedefop.europa.eu/europass/home/vernav/Europass+Documents/Europass+CV.csp>

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

Please list the EU grants (both operating and action grants) and tenders obtained by **the Applicant/Co-beneficiary/Associated Partner** organisation **during the previous 3 years**.

Please indicate the role of your organisation in the project covered by the funding (Applicant or Partner).

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.

4.3.3. Justification, Impact and Results of the Project – Part C

4.3.3.1. Justification for the proposal – Part C.1.

In this part you need to justify the needs, the aim and the impact of the project and why it is important that the EU Commission chooses your proposal.

Please also present your marketing strategy (How are you going to attract participants? Do you have a strategic methodology? Do you possess mailing lists?).

4.3.3.2. Results and impact – Part C.2

Please specify in detail the expected results of this project, the concrete outputs and deliverables, as well as the dissemination strategy. The delivery of results strategy should be planned and reflected also in section E (see point 4.3.5). Remember that evaluators will screen this section to assess the award criteria "dissemination and sustainability". Try to be clear and exhaustive and the output you intend to reach and on its lasting effect.

4.3.4. Partners – Part D

4.3.4.1. Overview of Partners – Part D.1.

Under this section of the Application Form you should provide the basic information concerning all the partners implementing the project (including Applicant and Co-beneficiary). The list of partners should also be included in the Financial Plan and Detailed forward budget Form (Annex 3).

4.3.4.1. Characteristics of the Partnership – Part D.2.

Please provide additional information on the Partner organisations and their role in the project (who is who and who does what) and make sure that you list them in the same order as in table D.1.

4.3.5. Organisation and Management of the Project – Part E

4.3.5.1. Work Plan and Implementation Timetable – Part E.1.

This part of the Grant Application Form is intended to allow the Applicant to describe certain aspects of the project which could not be specifically addressed in Part B, but are nevertheless important for the successful implementation of any action. The Applicant should describe the work plan by subdividing it into steps.

The Applicant should present overall duration, number of staff, working methods and provide information on how they are going to address them. Finally, the Applicant should explain the dissemination strategy and quality management plan.

The last part will allow Commission evaluators to see what the chances are that the project (or its effects) will last after the end of the project.

Please avoid describing the project once again, but rather try to answer each specific question in a concise manner.

4.3.6. 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 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.

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

All amounts should have only two decimals.

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.

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, or the co-beneficiary designated to receive payments (usually the coordinator) in case of multi-beneficiary Grant Agreement.
 - 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 simple 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. 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

Staff salary grids may be delivered, for example, in the form of salary slips.

The daily salary of your staff should not overpass the [maximum eligible daily rates for staff cost](#).

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.

5. Eligibility of costs – what kind of costs will be accepted

5.1. Conditions for eligibility

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

- (a) 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;
- (b) they are indicated in the estimated budget. The estimated budget is set out in Annex III;
- (c) they are incurred in connection with the *action* as described in Annex I and are necessary for its implementation;
- (d) 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;
- (e) they comply with the requirements of applicable tax and social legislation; and
- (f) 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.

5.2. Eligible direct costs

To be eligible, the *direct costs* of the *action* must comply with the eligibility conditions set out in section 5.1 above.

In particular, the following categories of costs are eligible *direct costs*, provided that they satisfy the eligibility conditions set out under section 5.1 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); and
 - (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 Article II.10 of the grant agreement.1 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 Article II.10.1 of 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 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;
- (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 Agreement.

5.3. 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*.

5.4. 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 from third parties;
- 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.

6. 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.

6.1. Eligible direct costs - Financial Plan and Detailed Forward Budget

6.1.1. Staff Costs (Part A.a)

6.1.1.1 General principles

To ensure the successful implementation of the tasks related to the project activities, appropriate human resources should be allocated to the project. It is recommended that staff costs 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.

Salary (fees) of non-permanent staff may be charged to this category if the individual concerned works for the Beneficiary and/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.

6.1.1.2 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).

6.1.2. 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.

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.

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. Beneficiaries must use the **unit costs for accommodation, meals and refreshments** established by the European Commission and available under the section "reference documents" published [here](#).

Reimbursement for accommodation and meals/refreshments will not be based on actual costs. It is up to the beneficiaries to ensure that the options they choose for 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.

When filling out costs for accommodation and meals and refreshments in the Financial Plan and Detailed Forward Budget, you should indicate, in consistency with the travel costs, the place of travel, the number and if already known, the names of the people receiving the service (lunch, coffee breaks, dinner etc.) and the reason for travelling (e.g. Second Project Meeting, Study visit, etc.).

6.1.3. 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 hours worked and the amounts paid.

6.1.4. Equipment (Part A.f)

6.1.4.1 Equipment (new or second hand):

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:

(EUR 27,78 x 17 months) x 0,5 = EUR 236,13

6.1.4.2. 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.

When filling out costs for land and immovable property in the Financial Plan and Detailed Forward Budget, you should indicate the duration of the rent (in months/days) and use the respective unit to calculate the cost. The direct link to the project implementation should also be presented.

6.1.5. 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.

6.1.6. Other possible direct costs (Part A.h and A.i)

6.1.6.1. 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.

6.1.6.2. 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;

6.1.6.3. Costs not falling into any of the other Headings

Costs not falling into any of the other Headings may be claimed under this category 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.).

6.2. 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.

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

6.3. 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 permissible 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.

6.4. 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.

7. Prepare the necessary documents

Fill out the Application Form in all its relevant parts, fill the Annexes and order them to make sure to have a complete file.

Once all documents are finalised, **scan them and save them on an electronic support (USB or CD). Save them in their original format (excel, word etc) when possible (ex. No signature needed).**

7.1. 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)**.

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.

YOU SHOULD NOT WAIT UNTIL THE LAST MOMENT TO SUBMIT THE APPLICATION.

No extension to the deadline will be given. No applications submitted by e-mail, or fax will be considered eligible.

8. 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). If you are excluded at this stage, you will receive a letter from the Commission stating the reasons for your ineligibility. If your application is eligible, it will be accepted for further assessment and you will not receive any information at this stage.

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. Unlike at the eligibility assessment stage, if you are excluded during operational and financial capacity verification, you will receive a letter from the Commission rejecting your proposals but only 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 both the eligibility, the exclusion criteria 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 project. Following the evaluation under the award criteria, the Evaluation Committee may suggest corrections or adjustments to the budget of the projects selected for award. 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.