



**EUROPEAN COMMISSION**  
**Service for Foreign Policy Instruments**

**CIVIL SOCIETY DIALOGUES ON  
SUSTAINABLE DEVELOPMENT IN THE  
REPUBLIC OF KOREA**

**GUIDELINES FOR APPLICANTS\***

**2011**

*\*These Guidelines have been prepared by Unit FPI-4 in the Service for Foreign Policy Instruments for the general guidance of applicants. Nothing herein supersedes the legal documents regulating the award and implementation of grants from the European Commission. The legal principles can be found in the Financial Regulation (Council Regulation 1605/2002 amended by Council Regulation 1995/2006) and its Implementing Rules (Commission Regulation 2342/2002 amended by Commission regulation 478/2007).*

## Table of Contents

<b>1.</b>	<b>ELIGIBILITY OF APPLICANTS, ACTIVITIES AND COSTS</b> .....	<b>3</b>
1.1	ELIGIBILITY OF APPLICANTS: WHO MAY APPLY ? .....	3
1.2	PARTNERSHIPS AND ELIGIBILITY OF PARTNERS .....	3
1.3	ELIGIBLE ACTIVITIES .....	4
1.4	ELIGIBILITY OF COSTS, COSTS WHICH MAY BE TAKEN INTO CONSIDERATION FOR THE GRANT .....	4
<b>2.</b>	<b>HOW TO APPLY, AND THE PROCEDURES TO FOLLOW</b> .....	<b>10</b>
2.1	APPLICATION FORM AND SUPPORTING DOCUMENTS .....	10
2.2	WHERE AND HOW TO SEND THE APPLICATIONS .....	11
2.3	DEADLINE FOR RECEIPT OF APPLICATIONS .....	11
2.4	FURTHER INFORMATION.....	11
<b>3.</b>	<b>EVALUATION AND SELECTION OF PROPOSALS</b> .....	<b>11</b>
3.1	ELIGIBILITY CRITERIA.....	11
3.2	SELECTION CRITERIA.....	11
3.3	AWARD CRITERIA .....	12
<b>4.</b>	<b>NOTIFICATION OF THE EUROPEAN COMMISSION'S DECISION</b> .....	<b>12</b>
<b>5.</b>	<b>CONTRACTUAL ASPECTS OF PROJECT IMPLEMENTATION</b> .....	<b>12</b>
5.1	FINAL AMOUNT OF THE GRANT .....	12
5.2	FAILURE TO MEET THE OBJECTIVES .....	13
5.3	AMENDMENTS TO THE GRANT AGREEMENT AND VARIATIONS WITHIN THE BUDGET .....	13
5.4	REPORTING.....	13
5.5	PAYMENTS .....	13
5.6	RECORDS AND ACCOUNTS OF THE OPERATION .....	14
5.7	AUDIT AND INSPECTIONS.....	14
5.8	PUBLICITY .....	14

This document provides technical guidelines and advice to organisations interested in applying for a European Commission grant in the framework of the EU-Korea relations. It covers issues related to eligibility of candidates, activities and costs; it also describes the application method and outlines how proposals will be selected for funding.

***The document should be read in conjunction with the text of the Call for Proposals, the Grant Application Form and the Model Grant Agreement.***

## 1. ELIGIBILITY OF APPLICANTS, ACTIVITIES AND COSTS

The eligibility criteria determine the basic requirements concerning the applications that are eligible for financial support from the European Commission. However, **not** all the projects satisfying the eligibility criteria will receive a grant as calls for proposals are often over-subscribed and only the best quality proposals can be financially supported.

There are three sets of eligibility criteria, relating to:

- **Organisations** which may request a grant;
- **Activities** for which the grant may be awarded;
- **Types of cost** which may be taken into account in setting the amount of the grant.

### 1.1 ELIGIBILITY OF APPLICANTS: WHO MAY APPLY ?

The Call for Proposals lists the kinds of organisations which are invited to submit a project proposal and you should only apply if you fall into of the categories listed (section 5. of the call for proposals).

In addition, in order to qualify for a European Commission grant, applicants must also meet the following criteria:

**(1) In order to be eligible for a grant, the applicant must:**

- demonstrate its status as a legal person, as documented by Articles of Incorporation or other proof as applicable;
- provide a signed Applicants' Declaration (Part 5 of the Grant Application Form)<sup>1</sup>;

**(2) Grounds for exclusion - potential applicants may not participate in Calls for Proposals or be awarded grants if they don't fulfil the exclusion criteria as referred to under Point 8.2 of the call for proposals.**

### 1.2 PARTNERSHIPS AND ELIGIBILITY OF PARTNERS

Applicants may act individually or in consortium with partner organisations. Proposals involving EU and Korean partner institutions are encouraged. Activities may take place in Korea and in the EU.

Applicants' partners are those which actively participate in implementing the project. The costs they incur are eligible if they meet the requirements indicated in section 1.4 of these Guidelines. They must satisfy the same eligibility criteria as the leading applicant, referred to in section 1.1 above and must not be the subject of grounds for exclusion referred to in the same section. The partners should therefore submit the Declaration (Part 5 of the Grant Application Form) and the co-financing letter (where applicable).

The applicants can also use external services - subcontractors - to carry out a minor part of the project. The subcontractors do not need to provide the same supporting documents as applicants and partners. However, they should be clearly mentioned in the Grant Application Form (Part 2.3.) together with the description of their tasks, the amounts and the selection procedure. If the beneficiary wants to subcontract during the course of the grant agreement (and it was not foreseen in the budget and in the Grant Application Form), approval of the Commission is required. As mentioned in point 1.4.3.d). of these Guidelines, applicants are

---

<sup>1</sup> The Commission may request additional evidence confirming the Declaration.

reminded that the purchase of equipment and external services using the Grant is subject to public procurement legislation as it applies in the EU. Applicants are advised to consider carefully Article II.9 of the Grant Agreement – General Conditions before they complete the application form.

### **1.3 ELIGIBLE ACTIVITIES**

A list of eligible activities is provided in the Call for Proposals.

The maximum duration of the project is **24 months** and proposed activities must occur in their entirety between **1 January 2012 and 31 December 2013**.

Examples of projects financed under earlier Calls for Proposals can be found on the following website:  
[http://www.eeas.europa.eu/grants\\_contracts/grants/awards/index\\_en.htm](http://www.eeas.europa.eu/grants_contracts/grants/awards/index_en.htm).

### **1.4 ELIGIBILITY OF COSTS, COSTS WHICH MAY BE TAKEN INTO CONSIDERATION FOR THE GRANT**

When preparing an application package, it is important to be aware of a number of rules and principles which apply to projects financed by the European Commission. Applying these principles when preparing your application will increase your chances of being selected for a grant.

A project may include any costs, which are relevant to and necessary for its implementation. However, only “eligible costs” can be taken into account when calculating the value of a grant. There are costs which the Commission does not consider as eligible and which therefore cannot be taken into account when calculating the value of a grant. Eligible and non-eligible costs are specified in detail below.

Eligible costs must be itemised costs and not lump sums. For instance, when calculating travel budgets, the costs must be based on the expected number of passengers and the costs of travel to a specific location (e.g. three round-trip flights Korea-EU @ €1500 each). Only overhead costs (or “indirect costs”) can be accounted for as a lump sum – see below section f).

Before awarding a grant, the European Commission reviews the budget proposed in the application. This can lead to a revision of the budget and sometimes to a reduction of the maximum eligible costs of a project. You might therefore not necessarily be awarded the full amount you have requested in your application.

Under this program, it is compulsory to provide a level of co-financing to match the grant awarded by the European Commission. The maximum rate of financing provided by the European Commission (and, consequently, the minimum level of co-financing required from the applicant) is stipulated in the Call for Proposals.

If you are successful, the total eligible costs and the co-financing ratios will be specified in the Grant Agreement and will be binding once the Agreement is signed.

It is in the interest of the applicant to submit a realistic and cost-effective budget in order to obtain the requested grant. In addition, the quality and the clarity of the budget proposed are taken into account when evaluating the applications during the selection process.

#### **1.4.1. Financial procedure**

##### *a) Budget proposal in the application form*

The budget proposal must be submitted in a structure<sup>2</sup> that includes the following main categories of:

- Activity costs
- Staff costs
- Travel costs
- Equipment costs
- Cost of consumables and supplies
- any other direct costs

---

<sup>2</sup> See annex 2 - budget

- Indirect costs - Overheads

#### *b) Financial analysis of proposals*

The budget proposed by the applicant is analysed by the Commission in order to:

- assess whether it is consistent with the proposed project and decide whether the budget is sufficiently detailed to consider funding the project;
- assess whether the proposed budget matches the concrete objectives / expected results of the project;
- eliminate any item of expenditure or operational cost which cannot be accepted according to the rules on eligible expenditure;
- if necessary, propose a downward revision of the budget in relation to some items of expenditure considered as being excessive compared to the nature of the project and/or to the volume of work that has to be implemented in order to achieve the planned results.

That analysis is made in accordance with the rules on eligible expenditure described in this section.

At the end of that analysis, an approved budget for the project is drawn up by the Commission. If the proposed budget is realistic and acceptable in relation to Community rules, the proposed budget and the approved budget will be identical, and the Community grant may correspond to the contractor's application. In some cases, however, the analysis will result in reductions consequent. In such cases, the proposed budget will be the subject of a downward revision so that an approved budget is obtained based solely on eligible costs and eligible or reasonable levels of expenditure compared to project objectives.

#### *c) Determination of Community funding*

Once the approved budget has been defined, funding is calculated according to:

- the application: the total amount of funding may in no way be greater than the amount applied for by the applicant;
- the specified co-financing: the total amount of funding may not normally exceed 75% of the approved budget. In most cases, it is likely to be fixed at an appreciably lower level;
- the policy for awarding grants, the maximum contribution will not exceed the amount mentioned in section 6 of the call for proposals;
- the available EC budget.

#### *d) Payments in Euro*

Please note that payments shall be made by the Commission in Euro. Conversion of actual costs into Euro shall be made using the average, during the reporting period concerned, of the monthly official rates published by the European Commission on its InforEuro website (<http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>).

### **1.4.2. Rules on eligibility**

#### *a) General Principles*

The beneficiary must ensure that:

- all costs presented in the proposed Budget are necessary for the performance of the project and are not unnecessarily high;
- no member organisation of the partnership may derive a profit from financial assistance awarded by the European Community;
- each item of expenditure is only included under one heading of the proposed Budget.

All costs must be actual expenses, except for lump sums allowed under these rules (overheads). At the end of the project, expenditure, except for items based on lump sums, shall be justified by receipted invoices or accounting documents for an equivalent value.

Value Added Tax may be included as an item of expenditure if it represents a final cost and is not recoverable under the national VAT system.

### *b) Eligible costs*

Costs incurred by applicant organisations and, where applicable, its partner / collaboration institutions if they are:

- directly related to the implementation of approved activities, according to the project work plan and must be provided for in the agreed estimated budget;
- reasonable and justified and in accordance with the principles of sound financial management, in particular in terms of value for money and cost-effectiveness;
- generated during the life time of the action;
- actually incurred by the beneficiary and recorded in his accounts in accordance with the applicable accounting principles, and be declared in accordance with the requirements of the applicable tax and social legislation;
- they must be identifiable and verifiable.

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action with the corresponding accounting statements and supporting documents.

### *c) Non-eligible costs*

Some costs are considered to be ineligible by the European Commission. This does not mean that these costs cannot be incurred. It means that they cannot be taken into account when establishing the total eligible costs of any given project and, consequently, cannot be co-financed by the grant. Such costs cannot be financed by the Commission's contribution and will not be considered in the calculation of co-financing provided by the applicant.

The following items of costs shall not be eligible and should therefore not be included under any headings in the Budget:

- entertainment or representation expenses;
- replacement costs of persons involved in the project;
- expenses for travel to countries other than EU Member States, unless explicit prior authorisation is granted by the Commission;
- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- VAT, unless the beneficiary can show that he is unable to recover it according to the applicable national legislation;
- costs declared by the beneficiary and covered by another action or work programme receiving a Community grant;
- excessive or reckless expenditure.

### *d) Contributions in kind*

It is possible that a project includes costs of a non-monetary nature. For instance, an applicant might make use of premises free of charge for the organisation of events, or there might be voluntary workers involved in a project (please note that staff costs for personnel involved in the implementation of the project are not considered as in-kind contribution and are therefore eligible costs). Even though these costs are part of the project value, they are not considered by the European Commission as eligible costs, nor may they be treated either as co-financing of the project by the applicant or its partners.

### 1.4.3. Principles applied to the different categories and types of costs

#### a) *Personnel costs*

Staff assigned to the action is understood to mean permanent or temporary staff employed by the beneficiary. If they are service providers, the corresponding costs must be presented under the heading of implementing contracts or subcontracting.

The cost of staff assigned to the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the beneficiary's usual policy on remuneration.

The corresponding salary costs of personnel of national administrations are eligible to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken.

#### b) *Travel, accommodation and subsistence costs*

Only travel directly related to the project and concerning precise activities, which must be clearly identifiable, shall be funded.

Travel and insurance costs are based on the actual costs incurred. The most economical fares must be used.

Rail travel (first class if the participant prefers and if allowed by its institution) must be used for journeys of up to 400 kilometres, except in an emergency or where a sea crossing is involved.

For journeys of more than 400 kilometres (or less where a sea crossing is involved or in an emergency), air travel may be used. Apex tickets or special fares must be used as far as possible. Air travel costs higher than an economy class fare are not allowed.

In the case of travel by car, these costs shall be eligible but shall be calculated according to the following conditions:

- in the case of a private car or taxi: the amount to be considered eligible shall be limited to the cost of one equivalent first class rail fare (regardless of how many people are travelling in the car);
- in the case of a hired car (class A except where more than two persons are travelling, in which case maximum class B may be used), the actual costs shall be applied. However, a hired car may only be used if no other suitable transport is available.

Travel insurance cost shall be eligible.

Accommodation and subsistence costs shall be eligible provided:

- they are indispensable and reasonable taking into consideration the place of the stay;
- they are calculated in accordance with the internal regulations of the institutions concerned;
- they do not exceed the maximum amounts per person detailed in the annex 5.

Provided these limits are respected, the reimbursement of subsistence expenses may be made on an actual or fixed cost basis. However, when the internal regulations of the institution of the person making the journey impose a lower limit than those amounts detailed in the table in annex 5, these must be used as a basis of calculation.

Subsistence allowances shall be calculated in accordance with the following rules:

Missions of 24 hours or less:

- Six hours or less: reimbursement of actual expenses up to a quarter of the daily subsistence allowance;
- 12 hours or less, but more than six hours: half the daily subsistence allowance;
- 24 hours or less, but more than 12 hours: a whole day's subsistence allowance;

Missions of more than 24 hours:

- For each period of 24 hours: a whole day's subsistence allowance;
- For any further period of six hours or less: no subsistence allowance;
- For any further period of 12 hours or less, but more than six hours: half the daily subsistence allowance;
- For any further period of more than 12 hours: a whole day's subsistence allowance.

Where the person on mission has a meal or accommodation provided for or reimbursed by one of the institutions of the Communities or by a national or international administration or organization, he/she shall declare it.

The daily subsistence allowance shall be reduced with 16% for each meal provided; the allowances will be reduced with 34% for each day's accommodation provided. Where the person on mission has all his/her meals and accommodation provided or reimbursed by one of the institutions of the Communities or by a national or international administration or organisation, he/she shall receive, in place of the daily subsistence allowance for missions provided for above, an allowance of 17% of the amounts provided for above.

*c) Costs related to the purchase, leasing or rental of hardware and equipment*

The purchase cost of equipment (new or second-hand) is written off in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the duration of the action and the rate of actual use for the purposes of the action may be taken into account by the Commission, except where the nature and/or the context of its use justifies different treatment by the Commission.

Therefore, the costs relating to the acquisition of hardware and equipment, whether by purchase, leasing or rental, shall only be eligible if such acquisition is strictly necessary for the performance of the project.

Whether it is decided to opt for leasing, rental or purchasing of hardware or equipment, that choice must be based on the least expensive method. Member organisations of the partnership must contact several suppliers in order to obtain the most economic terms.

If it is decided to opt for rental or leasing, the cost of any buy-out option at the end of the lease or rental period shall not be eligible.

Where the purchase of hardware and equipment is allowed, installation, maintenance and insurance costs may also be included, limited to the proportional use of the equipment for the project. Only the portion of the equipment's depreciation corresponding to the duration of the action and the rate of actual use for the purpose of the action may be taken into account by the Commission.

*d) Cost of subcontracting*

Any amount paid to an outside body, **which is not part of a member organisation of the partnership** and which carries out **specific and limited work** for the project are to be regarded as "subcontracting cost". Work such as translation, interpretation and printing, for instance, carried out by bodies outside the partnership organisations, is considered as subcontracting costs.

The only subcontracting expenditure allowed concerns costs in accordance with the provisions of the Agreement. If a member of the partnership is required to conclude a subcontracting contract, that member will draft an agreement which assures that the subcontractor will comply with the main Agreement concluded with the Commission.

Subcontracting agreements must contain at least the following information:

- subject of the subcontracting;
- dates of start and end of subcontracting;
- amount to be paid;
- detailed description of costs;
- work schedule or phases;
- payment procedures (one or more instalments, staggered payment, etc.);

- penalty clause(s) in the event of non-fulfilment of the agreement or delays in the performance of work.

**None of the basic activities of the project may be subcontracted**, in order not to denature the partnership concept. That is why the beneficiary may not subcontract the management and general administration of the project and no member organisation of the partnership may subcontract the whole or the greater part of the activities which were assigned to it.

If the subcontracting agreement exceeds 5,000 EUR, the beneficiary must issue an invitation to tender and the partnership has to indicate its agreement on the concluding of the subcontracting agreement. Where implementation of the actions requires the award of procurement contracts, the contract must be awarded to the tender offering best value for money, in compliance with the principles of transparency and equal treatment for potential contractors, care being taken to avoid any conflict of interest.

The total amount devoted to subcontracting may not exceed **25% of the total cost** of the project.

For translations, only expenditure directly related to translations from and into Korean language and the official languages of the European Union is accepted, unless explicit prior authorization is granted by the Commission. Translation costs may not be higher than the market prices in the country where the translation is done.

### Procurement

Applicants are reminded that the purchase of equipment and external services using the Grant is subject to public procurement legislation in force in the EU. Applicants are advised to read Article II.9 of the Grant Agreement – General Conditions carefully before completing the application form.

In practical terms, this means that any purchase with a value between €5,000 and €25,000 must be made on the basis of an open and fair negotiation with at least three candidates. Purchases of a value between €25,000 and €60,000 must be made with adequate publication whereby at least 5 candidates must be consulted.

This process can have an impact on the timetable for the implementation of certain activities (i.e. purchases need to be planned well in advance of when the product is needed). Bear them in mind when preparing your application.

### *e) Other costs*

Other costs, not covered by those indicated above, may be allowed, provided they are:

- necessary for the performance of the project;
- reasonable in amount;
- fully documented and clearly itemised in the application;
- not indicated under another category or item of expenditure;
- as cost, recorded in the beneficiary's or partner institution's accounts or tax documents and be identifiable and controllable.

Specific expenditure eligible under this category include:

- bank charges relating to the opening or maintaining of an account established especially for the project, as well as bank transfer and exchange costs relating to receipts and payments for eligible expenditure under the project. However, charges relating to establishing or maintaining lines of credit, overdraft or guarantee facilities are not eligible;
- the hiring of conference halls or training premises, provided that it is necessary for achieving the objectives of the project;
- Scholarships and other types of research and study bursaries;
- costs incurred in producing, translating and publishing documents, when those activities are performed by one of the member organisations of the partnership;
- communication costs (e.g. connection to the Internet) in duly justified cases for projects where activities require very intensive use of communications.

### *f) Overheads*

Overheads (or general costs) are all administrative costs directly related to project management:

- communication costs (postage, fax, telephone, mailing, etc.);
- office maintenance;
- office supplies;
- photocopies.

The item “General costs” may in no way cover personnel costs or any other costs already declared for another item. Furthermore, rent costs, heating, electricity, water and other rental charges usually borne by the partnership organisations together with costs relating to the purchase of office equipment are not accepted in any way.

General administrative costs shall be calculated on the basis of an estimate of the actual costs borne by the beneficiary (all the member organisations of the partnership) as a fixed percentage of the total cost of the budget. This fixed percentage may not exceed a maximum of **7% of the total cost** of the project.

## 2. HOW TO APPLY, AND THE PROCEDURES TO FOLLOW

### 2.1 APPLICATION FORM AND SUPPORTING DOCUMENTS

Applications comprise the following **three elements** :

- **A SIGNED** and dated Grant Request Letter (no specific template);
- Detailed Project Proposal (no specific template is provided for this. However, the basic informations to be covered in this document is set out in detail in the Call for Proposals);
- **A FILLED-IN** Application Form as per given template (with all supporting documents being provided, where appropriate – see below).

Only complete applications can be taken into account by the European Commission. You may check if your application is complete by using the checklist provided in the Application Form (Annex 4).

Applicants are strongly advised to complete all the necessary documents carefully and as clearly as possible so that the Evaluation Committee can assess their application properly. Applicants should be precise and provide sufficient detail to ensure that the application is clear, particularly as to how the aims of the project will be achieved, the benefit that will flow from it and how it is relevant to the programme's objectives.

Projects which are coherent, clear, well justified, include a clear and feasible implementation plan as well as presenting a detailed and realistic budget, are likely to score higher points in the evaluation process.

#### Supporting documents

The third part of the Application must be accompanied by the following **supporting documents**:

- Signed Legal Entity Identification Form (Annex to the Grant Application Form or available electronically from [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/legal\\_entities/legal\\_entities\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm));
- Articles of Association/Statutes;
- Official registration certificate;
- Signed Financial Identification Form certified by the bank to which payments will be made (Annex to the Grant Application Form or available electronically from [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/financial\\_id/financial\\_id\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm) );
- VAT Certificate (where appropriate).
- Annual accounts for the last two financial years which have been closed;
- Signed Applicants' Declaration (Part 5 of the Application Form);
- Curriculum vitae of individual(s) responsible for the project and persons to be performing work in connection with the operation;
- List of principal related projects undertaken in the last two years;
- Signed undertaking by each co-financing organisation to provide the amount of funding indicated in Part 4 of the grant application.

## 2.2 WHERE AND HOW TO SEND THE APPLICATIONS

Applications must be submitted in a sealed envelope to the address indicated below. The application and its annexes must be typed. Hand-written applications will not be accepted.

All application documents must be submitted in English. Applicants should send one original of their completed application package and two (4) copies, by registered mail or by courier service to:

Mr Oliver NETTE  
European Commission  
C-80 01/005  
(Ref.: Call Civil Society Dialogues on Sustainable Development in the Republic of Korea 2011)  
Avenue du Bourget n°1  
1049 Brussels, Belgium  
e-mail [oliver.nette@ec.europa.eu](mailto:oliver.nette@ec.europa.eu)

**Applications sent by any other means (e.g. by fax or by e-mail) or delivered at other addresses will be rejected.** An electronic version of the application form, proposal and budget must also be available (e-mail, on USB key or CD) and should be sent to the European Commission with the grant application form.

## 2.3 DEADLINE FOR RECEIPT OF APPLICATIONS

**Applications should be submitted at the earliest date possible, but must be postmarked no later than 15 September 2011.**

Any application received with a later postmark will be automatically rejected. The applicant is responsible for the clear identification of the date to which the application has been postmarked.

## 2.4 FURTHER INFORMATION

Individual applicants should submit any questions regarding the Call for Proposal in writing only to Mr Reginald Soenen (e-mail [reginald.soenen@ec.europa.eu](mailto:reginald.soenen@ec.europa.eu)) **and** Ms Reka Gorombey (e-mail: [reka.gorombey@ec.europa.eu](mailto:reka.gorombey@ec.europa.eu)). Please bear in mind that the **last date** to send in your questions will be **31 August 2011**.

A "Frequently Asked Questions" (FAQ) will be posted on the Commission's website, summarising responses to technical questions asked by individual applicants.

## 3. EVALUATION AND SELECTION OF PROPOSALS

Applications will be examined and evaluated by an Evaluation Committee established by the European Commission. All project proposals submitted by applicants will be assessed using three sets of criteria, applied in a chronological order. The Evaluation Committee may disqualify any application at any of the three stages of the evaluation and selection process.

### 3.1 ELIGIBILITY CRITERIA

Checking eligibility means verifying whether the application is complete and in accordance with the requirements of the Call for Proposals and Guidelines for Applicants. This process is based on the checklists provided in Annex 4 of the Grant Application Form.

The applications which fail to pass the eligibility criteria will be considered as ineligible and will not be considered further.

### 3.2 SELECTION CRITERIA

The Commission will consider all eligible applications in order to assess the applicants' technical and economic capacity to undertake the proposed project. This assessment is carried out on the basis of the selection criteria outlined in the Call for Proposals.

Applicants who do not meet the technical and financial capacity criteria will not be considered further.

### **3.3 AWARD CRITERIA**

The Commission will assess all the applications which meet the eligibility and selection criteria on the basis of the award criteria defined in the Call for Proposals.

These award criteria allow the Evaluation Committee to assess the quality of the eligible proposals in relation to the objectives and priorities in the call for proposals. They cover three specific aspects: the quality of the project, its expected impact, and its cost-effectiveness.

The Evaluation Committee will score applications and the highest ranking projects will be selected for funding.

## **4. NOTIFICATION OF THE EUROPEAN COMMISSION'S DECISION**

All applicants will be informed in writing of the European Commission's decision concerning their application.

A decision to reject an application or not to award a grant can be based on the following grounds:

- The application was received after the closing date;
- The application is incomplete or otherwise non-compliant with the stated administrative conditions;
- The applicant or one or more of its partners was not eligible;
- The project was ineligible (e.g. the proposal exceeds the maximum duration allowed, the requested EC contribution is higher than the maximum allowed, the co-financing rate is insufficient, etc);
- The applicant's or its partners' financial and operational capacity was not sufficient;
- The proposal was considered technically inferior to the proposals selected.

The European Commission's decision to reject an application or not to award a grant is final.

The European Commission may contact successful applicants asking them to revise the budget proposed in the application. There may be a period of negotiation during which the applicant is asked to revise its proposal. Upon completion of these negotiations, the successful applicants will receive a Grant Agreement for them to sign. It is important to note that costs cannot be incurred before the Grant Agreement has become effective (i.e. the day after both parties have signed the agreement). Applicants are also reminded that in the event that a grant is awarded, the same individual signing the Grant Application Form must also sign the Grant Agreement, and have the authority to legally commit the applicant institution to the terms of the Agreement.

The date on which the European Commission plans to announce the decision following the completion of the award procedure is **November 2011** – this date is indicative only.

## **5. CONTRACTUAL ASPECTS OF PROJECT IMPLEMENTATION**

Following the decision to award a grant, a Grant Agreement (form of contract) will be proposed to the Beneficiary according to the European Commission's standard text annexed to the present Guidelines. Applicants are advised to read the standard Grant Agreement carefully and to familiarize themselves with the rights and obligations of grant beneficiaries.

The date planned for the start of projects, following the signing of the Grant Agreement by the parties, is **1 January 2012** – this date is indicative only.

### **5.1 FINAL AMOUNT OF THE GRANT**

The maximum amount of the grant will be stipulated in the Grant Agreement. This amount represents a maximum amount and has to be considered as an estimate. At the end of the project, final accounts must be presented to the European Commission and the final amount of eligible costs will be determined at that stage. (cf. articles I.4 of the Specific Conditions and II.15.4 of the General Conditions of the Grant Agreement).

To qualify as “eligible costs” in the context of the project, costs must:

- Be provided for in the Grant Agreement signed with the European Commission and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
- Have actually been incurred by the beneficiaries or their partners during the implementing period for the project as defined in Article 2 of the Grant Agreement;
- Be recorded in the Beneficiary's and/or Beneficiary's partners' accounts or tax documents, and be identifiable and verifiable as evidenced by receipts to be provided if required by the European Commission.

## **5.2 FAILURE TO MEET THE OBJECTIVES**

If the Beneficiary fails to implement the project as undertaken and agreed in the Grant Agreement, the European Commission reserves the right to suspend payments, and/or to terminate the Grant Agreement (cf. article II.11 of the General Conditions). The European Commission's contribution may be reduced, and/or the European Commission may demand full or partial repayment of the sums already paid, if the beneficiary does not fulfil the terms of the Grant Agreement (see article II.11 of the General Conditions).

## **5.3 AMENDMENTS TO THE GRANT AGREEMENT AND VARIATIONS WITHIN THE BUDGET**

All amendments to the Grant Agreement must be set out in a written agreement (Article II.13 of the General Conditions).

*Variations within the budget:*

Budget items may vary from the original figures provided that the following conditions are met:

- (1) the variation does not affect the basic purpose of the project; and
- (2) the financial impact is limited to a transfer within a single budget heading or to a transfer between budget headings involving a variation of less than 10% of the original amount of the budget headings involved.

In such instances, the Beneficiary may make alterations to the budget, and shall inform the European Commission.

In all other cases, a written request **must** be made in advance to the European Commission and a written agreement must be reached.

## **5.4 REPORTING**

Interim Reports, consisting of a narrative activity report and a detailed financial report, will be submitted to the European Commission at the time stipulated in the Grant agreement. Reports will be prepared in English and where provided, will follow templates foreseen by the European Commission.

A Final Report, consisting of an activity report and a detailed financial report, will be submitted to the European Commission at the time stipulated in the Grant Agreement in both hard copy and electronic format. Reports will be prepared in English, and where provided, will follow the templates foreseen by the European Commission.

## **5.5 PAYMENTS**

The European Commission can make a pre-financing payment to the beneficiary upon signature of the Grant Agreement. This initial payment amounts to maximum 40% of the total grant amount. If a beneficiary wishes to receive a pre-financing payment, it is preferably that they open a separate bank account or a sub-account of their existing bank account. This is because interest accrued as a result of the receipt of a pre-financing payment remains the property of the European Commission. It is therefore important to be able to establish the exact amount of interest generated at the end of the project. This interest must be recorded in the final financial report as revenue and will be offset against the final balance due to the beneficiary. Interests shall not be due to the European Commission if the pre-financing does not represent a significant amount, as determined in the Implementing Rules.

Successful applicants will be required to submit narrative and financial interim reports in hard-copy and electronic format covering the first 12 months of project activity in the Work programme, and detailing the activities and the budget for the remaining 12 months. On approval of these documents a second pre-financing payment of up to 35% of the total grant can be made if 70% of the first pre-financing is spent.

The remaining balance of the grant will be paid by the European Commission to the Beneficiary within 45 days of approval of the Final Report. You are reminded that the Commission will establish, at that stage, the final amount of total eligible costs and that the balance due will be a percentage of these eligible costs as defined in the Grant Agreement and up to the maximum amount stipulated in the Grant Agreement.

## **5.6 RECORDS AND ACCOUNTS OF THE OPERATION**

The Beneficiary must keep accurate and regular records as well as separate and transparent accounts of the implementation of the project (cf. article II.19 of the General Conditions).

The Beneficiary must also keep all receipts and supporting documents serving as proof of project expenses which the Commission reserves the right to request at any time during or after the project. The records and receipts must be kept for five years after the payment of the final balance.

## **5.7 AUDIT AND INSPECTIONS**

The Grant Agreement will permit the Commission, the European Anti-Fraud Office and the European Court of Auditors to carry out both record-based and on-the spot inspections of the project (see Article II.19 of the General Conditions).

## **5.8 PUBLICITY**

The European Commission grant must be given appropriate visibility and credit, for example, in reports and publications arising from the project or during public events associated with the project (cf. Article II.5 of the General Conditions).

Any documents (reports, research, articles, website items, newsletters, presentations, etc) produced using the financial support provided by the European Commission **must visibly acknowledge the support of the EU**. It is particularly important that events organised with the financial support of the EU clearly acknowledge that support in all communication with guests, participants and the media.

It is advised to follow the specific guidelines published in the **Communication and Visibility Manual for European Union External Actions** which can be accessed on the following link:

[http://ec.europa.eu/europeaid/work/visibility/documents/communication\\_and\\_visibility\\_manual\\_en.pdf](http://ec.europa.eu/europeaid/work/visibility/documents/communication_and_visibility_manual_en.pdf)

The EU flag can be downloaded from:

[http://europa.eu/abc/symbols/emblem/download\\_en.htm](http://europa.eu/abc/symbols/emblem/download_en.htm)