



**EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR EXTERNAL RELATIONS**

**PILOT PROJECT**

**HANDLING COMMON GLOBAL CHALLENGES**

**EU-USA**

**GUIDELINES FOR APPLICANTS\***

*\*These Guidelines have been prepared by Unit C1 in DG RELEX 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).*

**Budget line 19.05.03**

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This document provides technical guidelines and advice to organisations interested in applying for a European Commission grant in the framework of the pilot project on tackling common global challenges in the EU and the US. It covers issues related to eligibility of candidates, activities and costs; it also describes the application procedure 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 apply for a grant;
- **Activities** for which the grant may be awarded;
- **Types of costs** 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. You should only apply if you fall into one of the categories listed.

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 Applicant's Declaration (Part 5 of the Grant Application Form) verifying that the applicant is not in one of the situations described under point 8.2 of the call for proposals<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 a consortium with partner organisations. Proposals involving EU and US partner institutions, with the EU partner being the leading applicant, are strongly encouraged. Activities may take place in the USA and 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 also satisfy the

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

eligibility criteria referred to in section 1.1 above and must not be the subject of grounds for exclusion referred to in the same section.

### **1.3 Eligible activities**

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

The maximum duration of the project is **18 months** and proposed activities must occur in their entirety between **1 January 2008 and 30 June 2009**.

Examples of projects financed under earlier Calls for Proposals can be found on the following website:

[http://europa.eu.int/comm/external\\_relations/grants/grants\\_awarded/index\\_en.htm](http://europa.eu.int/comm/external_relations/grants/grants_awarded/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.

Your attention is drawn to the fact that the 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 flights EU-USA @ €800 each). Only overhead costs (or “indirect costs”) can be accounted for as a lump sum – see below.

Before awarding a grant, the European Commission carries out a number of checks on the budget proposed in the application. These checks 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 Pilot Project, 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.

### Eligible costs include:

- Costs related to the implementation of the activities outlined in the application. This covers for instance the rental of premises for an event, the design and printing of leaflets or publications, fees for speakers, travel and accommodation costs for participants at an event (excluding for own staff), etc;
- The cost of staff or experts assigned to the project, corresponding to actual salaries plus social security charges and other remuneration-related costs. Salaries and costs must not exceed those normally borne by the Beneficiary or its partners, and rates must not exceed those generally accepted on the market in question;
- Travel and subsistence costs for staff taking part in the project. Travel costs should correspond to market rates and not exceed the scales generally accepted by the European Commission (including economy-class air fares). Any flat-rate reimbursement of subsistence costs must not exceed the ceilings approved by the European Commission (see point 1.5 below);
- Purchase costs for new equipment and external (specialised) services within the parameters set out in Article II.14 of the Grant Agreement, General Conditions;
- Costs of consumables and supplies;
- Costs deriving directly from the requirements of the Project (evaluation of the project, audit, translation, insurance, etc.);

In addition to these costs, which are called “**Direct Costs**” as they are clearly related to specific activities implemented in the framework of the project, it is also possible to claim a level of “**Indirect Costs**”. These costs generally cover administrative overheads incurred by the Beneficiary or its partners (accounting costs, heating and lighting, etc).

These indirect costs are **limited to a maximum of 7%** of the total eligible direct costs as listed above. They are eligible costs provided that they do not include costs assigned to another heading of the budget listed under direct costs. The application form sets out quite clearly how this should be presented.

Please note that any applicant who already receives an operating grant from the European Commission cannot claim any indirect costs.

Some costs are considered by the European Commission to be ineligible. 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.

### The following are **NOT** eligible costs:

- Debts and provisions for losses or debts;
- Interest owed;
- Items already financed in another project;
- Purchases of land or buildings;
- Refurbishment of property;
- Currency exchange losses;
- Taxes, including VAT, unless the Beneficiary (or Beneficiary’s partners) cannot reclaim them and the applicable regulations authorise coverage of taxes;
- Credits to third parties.

### **Contributions in kind**

It is also 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 contribution in-kind 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 as co-financing brought to the project by the applicant or its partners.

However, the applicant can indicate these costs in the budget table provided in the application in order to demonstrate the real value of the project. In this case, the applicant undertakes to make such in-kind contributions as are stated in the application form if the grant is awarded.

## **Currency**

Grants will be awarded in euros, payments will be made in euros and all expenses associated with the project will be reported in euros.

To convert from other currencies, applicants must use the exchange rate published by the European Commission (provided on the website of the European Commission at the following address:

[http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=currency\\_historique&currency=201&Language=en](http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=currency_historique&currency=201&Language=en).

## **1.5 Budget – Additional points**

When preparing your budget for inclusion in the application form, please bear in mind the following points:

### Per diems

When taking part in short-term events such as conferences, workshops, meetings, etc, **subsistence costs** will be paid on the basis of a flat-rate per diem, as defined by the European Commission (see the Annex to these guidelines) for the country where the event takes place. This subsistence allowance will cover all incidental costs such as meals, local taxis, local transport, metro fares, etc. The exact number of days to be covered by this subsistence allowance will be calculated on the basis of the actual duration of the relevant event. The same subsistence allowance can be paid out to short-term visitors, such as visiting professors or experts, for up to four weeks. The European Commission reserves the right to request documentation proving the expert's presence for the duration of the event or stay.

### Accommodation

Accommodation costs will be reimbursed for short-term events/missions such as conferences, workshops, etc on the basis of actual costs, supported by full documentation, but up to the maximum amount as defined by the European Commission (see Annex to these guidelines) for the country in question.

### Procurement

Applicants are reminded that the purchase of equipment and external services using the Grant is subject to the 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.

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

### 2.1 *Application form and supporting documents*

Applications comprise the following **three elements**:

- **SIGNED** Grant Request Letter
- Detailed Project Proposal (no specific template is provided for this and you may use the most appropriate form. However, the basic information to be covered in this document is set out in detail in the Call for Proposals)
- **SIGNED** Application Form (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 (Part 6).

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, and include a clear and feasible implementation plan and also present 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 for Public Entities (Annex I of the application form or available electronically from [http://ec.europa.eu/budget/execution/legal\\_entities\\_en.htm](http://ec.europa.eu/budget/execution/legal_entities_en.htm))
- ✓ Articles of Association/Statutes;
- ✓ Official registration certificate;
- ✓ Signed Financial Identification Form certified by the bank to which payments will be made (Annex II to the application form or available electronically from [http://ec.europa.eu/budget/execution/ftiers\\_en.htm](http://ec.europa.eu/budget/execution/ftiers_en.htm));
- ✓ 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 (2) copies, by registered mail or by courier service to:

Ms Yasmina SIOUD  
European Commission  
DG RELEX C1, CHAR 14/009  
(Ref. Pilot Project 2007)  
Avenue du Bourget n°1  
1140 Evere, Brussels  
Belgium  
e-mail [yasmina.sioud@ec.europa.eu](mailto:yasmina.sioud@ec.europa.eu)

**Applications sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected.** An electronic version of the application form and budget must also be available in an electronic format (on a floppy disk or CD) and should be sent to the European Commission upon request.

### **2.3 Deadline for receipt of applications**

**Applications should be submitted at the earliest date possible, but must be postmarked no later than 2 October 2007.**

Any application received with a later postmark will be automatically rejected.

### **2.4 Further Information**

Questions may be sent in writing by e-mail or by fax to the contact details below, at the latest 21 days before the deadline for submission of proposals, indicating clearly the reference of the Call for Proposals:

E-mail address: [yasmina.sioud@ec.europa.eu](mailto:yasmina.sioud@ec.europa.eu)

Fax: +322 299 02 08

The European Commission will reply to all questions individually. It may also decide to make the questions and answers available on the website where the application package can be found (see Call for Proposals) in a Frequently Asked Questions section.

## **3. EVALUATION AND SELECTION OF PROPOSALS**

Applications will be examined and evaluated by an Evaluation Committee set-up by the European Commission, with the possible assistance of external experts. 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 part 6 of the Grant Application Form.

The applications which fail to meet 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 normally cover five specific aspects: the relevance of the project, its expected impact, its transatlantic dimension, its visibility and its cost-effectiveness.

The Evaluation Committee will score applications, and the highest ranking projects will be selected for funding until the resources available under the Call for Proposals have been used up.

## **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 financial and operational capacity of the applicant or its partners 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 proposals. Upon completion of these negotiations, the successful applicants will receive a Grant Agreement for them to sign. It is important to note that costs may not be incurred before the Grant Agreement has become effective (i.e. on 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 must 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 **15 November 2007** – 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 familiarise 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 2008** – 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 Special Conditions and Article 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 I.2 of the Grant Agreement;
- Be recorded in the Beneficiary's 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 heading.

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**

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. Reports will be prepared in English.

#### **5.5 Payments**

The European Commission can make a pre-financing payment to the beneficiary upon signature of the Grant Agreement if it received a request for pre-financing. This initial payment amounts to a maximum of 60% of the total grant amount. If a beneficiary wishes to receive a pre-financing payment, they must 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

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, at that stage, establish 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.

#### **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 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 such support in all communication with guests, participants and the media.

Specific guidelines on visibility and publicity, as well as electronic access to logos can be downloaded from [http://europa.eu.int/comm/europeaid/visibility/index\\_en.htm](http://europa.eu.int/comm/europeaid/visibility/index_en.htm)

## **ANNEX - DAILY ALLOWANCE RATES (PER DIEMS) AND MAXIMUM HOTEL PRICES**