

<p style="text-align: center;">LÍNEA PRESUPUESTARIA 04.03.03.03 INFORMACIÓN, CONSULTA Y PARTICIPACIÓN DE LOS REPRESENTANTES DE LAS EMPRESAS</p>
--

Esta línea presupuestaria está destinada a reforzar la cooperación transnacional entre los representantes de los trabajadores y de los empresarios por lo que se refiere a la información, consulta y participación en las empresas, y a financiar puntos de información y observación en dicho contexto.

Son candidatos subvencionables:

- Los interlocutores sociales a todos los niveles, empresas y comités de empresa europeos.
- A título excepcional, organismos técnicos sin ánimo de lucro que actúen por mandato expreso de los interlocutores sociales.

Para el año 2007 se ha consignado un crédito de compromiso de 8 000 000 EUR.

La presentación de solicitudes en 2007 deberá ajustarse a los dos plazos siguientes:

- **12 de marzo de 2007** para las acciones que no comiencen antes del **12 de mayo de 2007**;
- **05 de septiembre de 2007** para las acciones que no comiencen antes del **05 de noviembre de 2007** ni después del **22 de diciembre de 2007**.

Para obtener más información sobre los objetivos y las prioridades de esta línea presupuestaria, las medidas subvencionables, los solicitantes admisibles, las cantidades de cofinanciación y otras condiciones, consúltense las instrucciones completas destinadas a los candidatos en el sitio web siguiente:

http://forum.europa.eu.int/Public/irc/empl/european_works_council/library



EUROPEAN COMMISSION

Employment, Social Affairs and Equal Opportunities DG

Social Dialogue, Social Rights, Working Conditions, Adaptation to Change
Labour Law

BUDGET HEADING 04.03.03.03

**INFORMATION, CONSULTATION AND PARTICIPATION OF
REPRESENTATIVES OF UNDERTAKINGS**

CALL FOR PROPOSALS

2007

VP/2007/003

In view of the large number of enquiries, please do not telephone.
Questions should be sent by e-mail only to: empl-04-03-03-03@ec.europa.eu

To ensure a more rapid response it is helpful if applicants send their queries in English,
French or German.

The English version of the call is the original.

TABLE OF CONTENTS

1.	OBJECTIVES OF THIS CALL FOR PROPOSALS	3
1.1.	Type of projects.....	3
1.2.	Priority objectives.....	4
2.	SUBMISSION OF GRANT APPLICATIONS	4
2.1.	Submission and implementation dates	4
2.2.	Co-financing rate	5
3.	ELIGIBILITY, SELECTION AND AWARD CRITERIA	5
3.1	Eligibility criteria.....	5
3.2.	Selection criteria.....	10
3.3.	Award criteria.....	10
4	PRACTICAL PROCEDURES	11
4.1.	Where can the application form be found?.....	11
4.2.	Where does the application need to be sent?.....	11
4.3.	What next? Accepted and rejected applications.....	11
5.	REMARKS ON THE AGREEMENT GOVERNING THE GRANT	12
5.1.	Funding – payments	12
5.2.	Duration.....	12
5.3.	Subcontracting verification	12
5.4.	Publicity on European Commission Funding.....	12
5.5.	European Commission officials' attendance to events.	12
6.	FINAL REPORT AND STATEMENT OF ACCOUNT	12
ANNEX I:	14
	IMPORTANT ADDITIONAL INFORMATION CONCERNING THE PROJECT BUDGET ESTIMATE	14
ANNEX II:	19
	MODEL FOR TENDER SPECIFICATIONS FOR SUBCONTRACTING EXTERNAL EXPERTISE.....	19

<p style="text-align: center;">BUDGET HEADING 04.03.03.03 INFORMATION, CONSULTATION AND PARTICIPATION OF REPRESENTATIVES OF UNDERTAKINGS</p>

1. OBJECTIVES OF THIS CALL FOR PROPOSALS

The budget authority has fixed the amount allocated to budget heading 04030303 for 2007 at €8 million.

The purpose of the Budget Heading 04030303 is to fund operations in order to ensure the conditions for fostering the development of employee involvement in undertakings, by promoting Directives 94/45/EC¹ and 97/74/EC² on European works councils, Council Directives 2001/86/EC³ and 2003/72/EC⁴ on employee involvement in the European Company and European Cooperative Society, respectively, Directive 2002/14/EC⁵ of the European Parliament and the Council establishing a general framework for informing and consulting employees in the European Community and Article 16 of Directive 2005 / 56 / EC⁶ on cross-border mergers of limited liability companies

In this context, the appropriation of Budget heading 04030303 covers in particular funding of measures aimed at strengthening transnational co-operation between workers' and employers' representatives in respect of information, consultation and participation within undertakings operating in more than one Member State. This appropriation also covers the setting up of information and observation points to inform and help the social partners and undertakings to set up transnational consultation, participation and information structures, and to foster relations with EU institutions in this context.

In the context of the purpose of the Budget Heading stated above, this appropriation may also be used to fund short training actions for negotiators and representatives working with transnational information, consultation and participation bodies as well as actions involving representatives of social partners in the candidate countries. It may also be used to finance innovative measures relating to the management of information, consultation and participation, with the view of supporting the anticipation of change, the prevention and resolution of disputes within multinational undertakings particularly those relating to restructuring in Community-scale undertakings and Community-scale groups of undertakings.

1.1. Type of projects

For the financial year 2007 two categories of projects will be supported under this budget line: **transnational cooperation projects** and **information and observation points**.

¹ OJ L 254 , 30/09/1994

² OJ L 10 , 16/01/1998

³ OJ L 294, 10/11/2001

⁴ OJ L 207 , 18/08/2003

⁵ OJ L 80 , 23/03/2002

⁶ OJL 310, 25/11/2005

1.2. Priority objectives

Regarding **transnational cooperation projects**, priority objectives are the following:

- a. to promote actions designed to prepare the setting up of information, consultation and participation structures in the context of the European Company, the European Co-operative Society and the limited liability Companies issued of cross-border mergers, as per article 16 of Directive 2005/56/EC;
- b. to promote the exchange of information and good practice aimed at creating favourable conditions for the setting up of information, consultation and participation structures within undertakings as foreseen in Directive 2002 / 14 / EC;
- c. to promote the setting up of new European Works Councils and to improve transnational information and consultation processes in Community-scale undertakings and Community-scale groups of undertakings;
- d. to promote transnational actions involving representatives of the new member States and of Candidate Countries in the field of information, consultation and participation of workers;
- e. to promote innovative actions relating to the management of information, consultation and participation, with the view of supporting the anticipation of change and the prevention and resolution of disputes in the context of corporate restructuring, mergers, take-overs and relocation in Community-scale undertakings and Community-scale groups of undertakings;

Regarding **information and observation points**, priority objectives are the following:

- f. to provide support to the preparation, launching and monitoring of transnational co-operation projects in the field of information, consultation and participation of workers;
- g. to monitor, analyse and assess the experience regarding the establishment of transnational representative bodies at enterprise level and the extent to which the objectives regarding information consultation and participation have been effectively fulfilled within such bodies.

2. SUBMISSION OF GRANT APPLICATIONS

2.1. Submission and implementation dates

2.1.1. Respect of deadlines – Programming:

Only applications for operations starting in 2007 will be considered.

In view of the time needed to examine applications, operations may not start before the deadlines given below. Applicants should note that if their project is approved, they will not necessarily receive the grant agreement prior to the operation starting dates indicated and should, therefore, take this into account in programming the timing of their project.

Any expenditure incurred before written confirmation that the application has been accepted is at the applicant's risk.

Proposals which indicate an earlier starting date than the ones indicated at point 2.1.2. will not be considered by the Evaluation Committee.

2.1.2. Deadlines:

The **deadlines** for the submission of applications (and indicative amounts) are as follows:

- **12 March 2007** for operations commencing no earlier than **12 May 2007** (€3 500 000);
- **05 September 2007** for operations commencing no earlier than **05 November 2007** and no later than **22 December 2007** (€4 500 000).

2.1.3. Evaluation Process:

Applications will be examined by an Evaluation Committee which will meet, in principle, within 30 working days following the deadlines for submission indicated at point 2.1.2. For each meeting of this Committee, complete applications must be submitted to the European Commission by the deadline.

Applications will be examined and selected taking account of the budget comment, the criteria laid down in this document and the principle of balanced support.

The available appropriations may be exhausted before the end of the budget year and it is therefore in the applicant's interest to submit a proposal as early as possible.

The partial or total withholding by the applicant of any information that may have an impact on the Commission's final decision concerning the application will entail the automatic disqualification of the application or, if discovered at a later stage, will entitle the Commission to terminate the agreement and demand the full repayment of all sums received by the beneficiary under it.

2.2. Co-financing rate

This budget heading allows support to be given to projects to which the applicants contribute at least 20 % of the total cost of the operation. Contributions in kind will not be taken into account.

Any application which requests a grant of more than 80 % will be excluded automatically from the selection.

3. ELIGIBILITY, SELECTION AND AWARD CRITERIA

3.1 Eligibility criteria

3.1.1. Eligible Actions

The budget heading is intended to finance specific transnational cooperation projects or information and observation points. Therefore grants are not intended to finance the normal operation or meetings of bodies representing management or labour (the social partners); they are intended only to cover additional expenditure linked directly to projects.

Eligible types of action are:

I. Transnational cooperation projects

- A. Conferences, seminars, short training actions and exchange of information and of good practices involving workers' and/or employers' representatives;
- B. Analysis papers on subjects related to the structures concerning the workers' and employers' representatives, the social dialogue at undertaking level in a transnational cooperation context;
- C. Websites, publications, newsletters and others means for the dissemination of information

II. Information and observation points

Helpdesk and assistance to transnational cooperation projects presented by workers' and/or employers' representatives, as well as observation of experience regarding transnational representative bodies at enterprise level. The activities of such structures may include studies, reports and databases, related to information, consultation and participation of employees, as well as websites, publications, newsletters and other means for the dissemination of information.

3.1.2. Eligible applicants

3.1.2.1. The applicant must not be in one of the situations listed in Article 93 and 94 of the Financial Regulation concerning social security, taxes, bankruptcy, misconduct, fraud, corruption or any other illegal activity, and must not have failed to comply with his contractual obligations to the Communities in other grant award or contract procedures.

3.1.2.2. The applicant must be properly constituted and registered legal person, having their registered office based in one of the Member States of the European Union. In derogation from this requirement, with regard to grants attributed for operations falling within the scope of Article 138 of the Treaty, social partner organisations without legal personality are also eligible⁷. A list of the social partner organisation currently consulted in accordance with Article 138 of the Treaty is included in Annexe 5 of the European Commission's Communication on *Partnership for Change in an enlarged Europe – Enhancing the contribution of European social dialogue* (COM(2004) 557 Final).

A project applicant cannot be an individual.

3.1.2.3. Regarding **transnational cooperation projects**, applicants must be representatives of workers or employers .Thus

- for workers: applicants may be works councils or similar bodies ensuring the general representation of workers; regional, national, European, sectoral or multi-sectoral trade unions ;
- for employers: applicants may be the management of undertakings, organisations representing employers at regional, national, European, sectoral or multi-sectoral

⁷ Commission Communication relating to the eligibility of social partner organisations (C/2003/2014) adopted on 1 July 2003

level. In case of commercial undertakings, the objective of the project must be non-commercial and the undertaking must not make profit of it.

Unless there are exceptional circumstances, projects involving only one information and consultation body must be submitted as joint projects from representatives of workers and employers. Joint projects should be submitted by one of the parties who will fulfil the contractual commitments *vis-à-vis* the Commission and the other party must indicate in writing its agreement to the joint implementation of the contract.

3.1.2.4. Regarding **information and observation points**, applicants must be European organisations representing workers or employers

3.1.2.5. As a departure from the rules stated at point 3.1.2.3 above, applications from technical bodies such as non-profit training or research bodies can be accepted under the conditions stated hereunder.

Similarly, commercial undertakings can be accepted under the conditions stated hereunder and only if the immediate objective of the project is non-commercial and it appears that the undertaking will not make a profit of it.

The above quoted technical bodies and commercial undertakings will be considered eligible only where they are expressly mandated by one or more of the parties listed in point 3.1.2.3., where they are properly constituted legal persons and when a letter of mandate as per point 3.1.4/13 hereunder is included.

3.1.3. Eligible participants

Participants in projects should be representatives of workers or employers from the Member States and candidates countries, thus: members or future members of information, consultation and participation bodies; management of undertakings or groups or members of employers associations; officials of workers organisations/ trade union representatives; experts nominated by the social partners mentioned at point 3.1.2.3.

3.1.4. Eligible applications

To be eligible, applications must:

- a) Be sent by the deadlines indicated in section 2.1.2;
- b) Be submitted according to the set requirements;
- c) Be complete, detailed and include all the documents indicated in the table below;

The Evaluation Committee will not examine applications lacking one or more of these documents:

1	Official covering letter of application: quoting the reference of the call for proposals, with the original signature of the legal representative.
2	Print-out of the duly completed and submitted on-line application form (https://webgate.cec.eu.int/swim/displayWelcome.do) dated and with the original signature of the legal representative. NOTE: Application forms must be compulsorily submitted on-line. Their respective detailed and signed print-outs must be submitted as set at point 4.

	The on-line form <u>must first be electronically submitted before printing</u> . After the electronic submission no further changes to the application are possible.
3	VOID
4	<p>"Financial identification" form duly completed with the original signature of the legal representative and the original signature and stamp of the bank; The financial identification form can be found at:</p> <p>http://ec.europa.eu/budget/execution/ftiers_en.htm</p> <p>The bank account must be held in the name of the applicant. Applications cannot be accepted with an account held in the name of an individual</p>
5	<p>"Legal entities" form duly completed with the original signature of the legal representative. The legal entities form can be found at:</p> <p>http://ec.europa.eu/comm/budget/execution/legal_entities_en.htm .</p> <p>Applicants must also provide:</p> <ul style="list-style-type: none"> • a copy of the certificate of official registration or other official document attesting to the establishment of the entity (where this exists); • a copy of its articles of association/statutes or equivalent, proving the eligibility of the organisation; • a copy of a document confirming the applicant's tax or VAT number, if available;
6	<p>Detailed work programme and detailed budget for the project signed by the legal representative. This has to be a separate document – the project description in the on-line application form is not sufficient. It must provide a detailed description of the project, a timetable for the activities, and a detailed budget explanation which respects the format and numbering of the "project budget estimate" form and which provides any additional relevant information concerning the budget for the project, including subcontracting plans. The names of all members of staff involved in the project, their positions, and employment status must be included. The detailed work programme and detailed budget should be submitted in English, French or German.</p> <p>NOTE: The detailed work programme and detailed budget <u>must also be submitted electronically as Annex 2 to the on-line application form</u>. The electronic version must be identical to the paper version of the document in question.</p>
7	<p>If partners are involved in project management, for example providing technical support and/or financing, a letter of commitment/partnership should be provided from each of the partners with the name, address and person responsible, explaining the nature of their involvement and specifying the cash amounts of any funding provided.</p> <p>"Partner" means an institution or organisation involved in carrying out the project (e.g. a sectoral or multi-sectoral trade union or employer representation body at European, national or regional level, a company or a works council, a research or training institute, etc.)</p> <p>The project will not be considered unless all such letters of commitment are enclosed.</p> <p>Work and tasks carried out by the project partners (as described in the letters of commitment/partnership) are not subject to the rules on subcontracting listed in Annex I. However, it is not permissible to include normal commercial suppliers of</p>

	goods and services as project partners in order to avoid these rules. By way of example, and without limiting the exclusions to the examples listed, the Commission does not find it appropriate to include as project partners independent consultants, conference organisers, etc.
8	Curriculum vitae of the project manager indicating clearly the current employer with whom there exists either a permanent or temporary contract of employment. Where applicable, the curriculum vitae of the persons who will perform the tasks associated with the action for which funding is requested.
9	Subcontracting: The nature and value of all activities to be subcontracted must be described with an explanation of why subcontracting is necessary. The planned selection and award criteria should be explained. The legal representative must confirm his intention to comply with the rules for subcontracting, by completing the compulsory declaration on subcontracting. This form can be found at: http://ec.europa.eu/employment_social/calls/2007/VP_2007_003/subcon_en.pdf
10	The most recent balance sheet of the organisation for the most recent financial year, demonstrating the financial and operational capacity of the applicant. The Commission reserves the right to request balance sheets from previous years, if necessary.
11	For grant requests over € 500 000, an external audit report produced by an approved auditor, certifying the last year available (not necessary for public bodies).
12	A signed declaration of honour (to be found on-line as Annex to the application form). This must have the original signature of the legal representative, certifying that the applicant is not in one of the situations listed in Article 93 of the Financial Regulation
13	A letter of Mandate shall be included if appropriate, according to the requirements of point 3.1.2.5. This letter shall contain details on the mandator, the content of the mandate, the reasons for the mandate, the assistance and/or participation of mandator in the project, if any, the original signature of the legal representative of the mandator.

3.1.5. Eligibility of operations:

To be eligible, operations must:

- A. Comply with the rules on dates of submission and start of the operation as stated in point 2.1.2.
- B. Comply with the European Community co-financing percentage of maximum 80 %;
- C. Be linked to at least one objective of the budget heading;
- D. Comply with the eligibility criteria for actions, set in point 3.1.
- E. Be fully carried out in the Member States of the European Union or in the Candidate Countries;
- F. Comply with the subcontracting rules as set in Annex I and II.

3.2. Selection criteria

3.2.1. The applicant must be able to demonstrate the financial and operational capacity to complete the activity for which funding is requested. Thus the applicant must have access to solid and adequate funding to maintain activities for the period of the project and to help finance it as necessary and must have the operational resources (technical, management) needed to successfully complete the activity.

3.3. Award criteria

3.3.1 Proposals which fulfil the eligibility and selection criteria indicated above will be assessed according to the following award criteria:

- i. The extent to which the operation meets the objectives of the budget heading and the priority objectives of this call for proposals;
- ii. The extent to which the expected results add value to the existing situation or to results already obtained in the past through transnational projects supported under this budget heading;
- iii. The extent to which the project concerns innovative measures or new subjects in relation to information, consultation and participation of representatives of undertakings;
- iv. The extent to which the project promotes the joint participation of employers and workers;
- v. The extent to which the operation has a genuine transnational dimension
- vi. The extent to which workers' and/or employers' representatives from new Member States or candidate countries are actively involved in the project;
- vii. The lasting impact and/or multiplier effect of the operation⁸ ;
- viii. The cost-effectiveness of the operation;
- ix. The arrangements to publicise the operation, including aspects related to the Commission funding, and dissemination methods envisaged;
- x. The overall quality, clarity and completeness of the proposal, including the budgetary aspects.

3.3.2. The Evaluation Committee reserves the right when assessing projects to take into account the effectiveness and added value of previous projects undertaken by the applicant with Commission funding.

The amount of the average grant for transnational cooperation projects in 2006 was about €120 000 (first semester).

3.3.3. The Commission reserves the right to reject proposals from organisations which have failed to comply with their contractual obligations in relation to earlier agreements.

⁸ The multiplier effect refers to how the project and its results will promote change in other fields, e.g. geographical, sectoral, thematic, etc.

4 PRACTICAL PROCEDURES

4.1. Where can the application form be found?

The compulsory on-line grant application form as well as the other requested forms and other useful documents can be found at the following Internet address:
http://ec.europa.eu/employment_social/emplweb/tenders/index_en.cfm

4.2. Where does the application need to be sent?

Please send your covering letter of application, together with all the other documents listed in the table under section "*3.1.4. Eligible applications*" above as signed **originals** as well as **one copy of all these documents (in total: 2 sets of documents)** by the deadlines indicated above, to the following address:

Call for proposals VP/2007/003
Budget heading 04.03.03.03
European Commission – DG EMPL/F.2
Rue de Genève 1
J37 4/21 - 1049 Brussels
Belgium

Please send your application by registered mail or express courier service only. The date of post office or express courier stamp will be considered as proof of the date of sending.

Hand-delivered applications must be received by the European Commission on the last day for submission. Proof of delivery is a signed receipt from the Commission's Archives Service stamped with the date of the last day for submission or earlier.

If an applicant submits more than one proposal, each one must be submitted separately.

ALL ENQUIRIES MUST BE MADE BY E-MAIL ONLY AT

empl-04-03-03-03@ec.europa.eu

PLEASE DO NOT TELEPHONE

4.3. What next? Accepted and rejected applications

Rejected applications

The European Commission will notify unsuccessful applicants no later than one month after the meeting of the Evaluation Committee at which the application was examined. Rejected proposals may be resubmitted following amendments. They will, however, only be considered at a subsequent meeting of the Evaluation Committee, if a new and complete application file including all supporting documents is sent to the Commission by the relevant deadline. Documents submitted to previous meetings of the Evaluation Committee will not be taken into account.

Selected applications

Successful applicants will receive two original copies of the grant agreement for acceptance and signature. Both these copies must be sent back to the Commission, which will then return one of them once it has been signed by both parties.

5. REMARKS ON THE AGREEMENT GOVERNING THE GRANT

5.1. Funding – payments

The payment arrangements will be laid down in the agreement. They depend on the duration of the agreement and the amount of the grant.

The European Commission reserves the right to reject and/or limit the funding of specific elements in the budget estimate and to adapt the amounts and the co-financing rate.

5.2. Duration

The normal maximum duration of an operation is 12 months. The Commission may also adjust the duration of the operation proposed in the application.

The implementation period specified in the grant agreement may only be modified by the Commission in writing, in exceptional circumstances. Requests to do so must be received by the Commission in writing no later than one month before the end of the period stipulated in the agreement.

5.3. Subcontracting verification

Successful applicants should note that the Commission reserves the right to verify that the beneficiary has carried out the subcontracting in accordance with the description provided and with the rules included in the grant agreement. Failure to comply with these conditions will constitute grounds for non-acceptance of the costs of subcontracting in the final accounts of the beneficiary.

5.4. Publicity on European Commission Funding

It is obligatory for events (e.g. main event, preparatory meetings, workshops,) and publications to publicise the fact that the operation has received funding from the European Commission, respecting the indications for the use of text and emblem given at the following web address: http://europa.eu/abc/symbols/emblem/index_en.htm.

Moreover, the applicants accept to post the results of the project on their web-site for at least one year. They shall clearly state on the website that the project has received funding from the European Commission.

Failure to respect the above stated requirements will constitute grounds for penalties.

5.5. European Commission officials' attendance to events.

The Commission covers the travel and subsistence costs of its own officials attending any events organised as part of the operation and these should not therefore be included in the project budget estimate.

6. FINAL REPORT AND STATEMENT OF ACCOUNT

6.1. A final report and a statement of accounts for the operation must be submitted under the terms of the grant agreement. They must be submitted to the Commission no later

than three months after the end of the agreed implementation period for the operation, unless otherwise stated in the grant agreement. They must include both income and expenditure set out in the same way as in the project budget estimate, reports on the operations, a list of participants with the original signatures of participants, and details of all products developed for the operation itself or as a result of the operation, in the various languages provided for in the project. The balance of the grant will not be paid, and sums already received will have to be paid back, if any of these items is missing.

6.2. The final report, which should be drafted in English, French or German, should at a minimum answer the following questions:

1. How was the project carried out? (Describe the project, results and methodology.)
2. How has the operation met the objectives of the budget heading?
3. Describe the transnational dimension of the operation.
4. What contribution was made by the partners?
5. What added value has the project contributed?
6. How was the operation publicised and how have the results been disseminated?
7. What other efforts have been made to ensure that the project has a lasting impact?
8. What lessons have been learnt from this experience?
9. Are there any plans to follow up this project, and if so, how?

An electronic version of the final report should also be provided on a CD-ROM.

6.3. Should the final report be deemed to be inadequate and of low quality, the Commission reserves the right to request additional information within 60 days of reception of the final report, and, if necessary, to suspend the final payment until the requested information is provided.

6.4. The supporting documents must be kept for 5 years from the date of payment of the balance for the purposes of any on-the-spot- inspections.

6.5. The name and address of each beneficiary, the subject of the grant, the grant amount and the rate of funding will be published on the Internet site of the Commission.

ANNEX I:

IMPORTANT ADDITIONAL INFORMATION CONCERNING THE PROJECT BUDGET ESTIMATE

Any information which cannot be included in the Excel "project budget estimate" worksheet, should be included and explained in the detailed budget explanation which applicants are also required to submit. The detailed budget explanation should follow the format and budget item numbering of the "project budget estimate" Excel worksheet.

The attention of applicants is drawn to the points below and it should be noted that applications with unclear and incomplete information relating to any of these points will be rejected by the Evaluation Committee:

General points:

- The estimated budget must be expressed in €(euro).
- There can be no duplicate European Community funding of the same expenditure.
- If actual eligible expenditure is lower than estimated, the European Commission's contribution will be reduced in proportion. If the costs are higher, the contribution cannot be increased.
- These appropriations are exclusively earmarked for funding specific operations, and organisations' operating costs are therefore not regarded as eligible expenditure.
- As these operations are not being undertaken for the European Commission's benefit, they do not give entitlement to exemption from VAT.

Points relating to the "project budget estimate" Excel worksheet and the detailed budget:

- **Contributions in kind** are not accepted.
- The gross salaries⁹ of **permanent or temporary staff (2-06)** involved in the operation who are employed on contracts of employment by either the applicant organisation or one of the project partners are considered as direct eligible costs. The names, positions and employment status of *all* these members of staff involved in the project must be provided in the detailed work programme and the beneficiary of the grant and its partners must be able to justify these staff costs at the end of the project through supporting documents.
- The salary costs must be calculated according to the number of persons/number of days/daily rate applied, and should be based on an average of 20 days per month, up to a maximum total of 220 working days per year. The cost of work to be performed by external experts by means of subcontracting should not be included in staff costs but under item 4-10 (see the section on subcontracting/external expertise below).
- **Persons resident in third countries** may participate in operations supported under this budget heading, but it is not possible to reimburse any expenses of such persons for travel, accommodation, subsistence or staff costs. Nor can these costs count toward the applicant's own contribution.

⁹ Including net salary, social security charges and other remuneration-related costs.

- **Travel expenses (3-07-1)** must be based on the criteria applied by the Commission itself. Journeys must be carried out by the most direct and economic route. For information: rail – first class; air (only for journeys over 400 km each way or for a sea crossing) – economy class fare; car – reimbursement on the basis of the first-class rail fare. For any air travel, please obtain the cheapest fare.
- **Subsistence costs (3-07-2)** (including accommodation, local transport, breakfast and two meals): The maximum daily allowances accepted, in € are as follows:

Member States:

Destinations			Destinations				
	DSA in EUR	Maximum hotel price in EUR		DSA in EUR	Maximum hotel price in EUR		
AT	Austria	95,00	130,00	IT	Italy	95,00	135,00
BE	Belgium	92,00	140,00	LT	Lithuania	69,00	115,00
BG	Bulgaria	70,00	205,00	LU	Luxembourg	92,00	145,00
CY	Cyprus	93,00	145,00	LV	Latvia	66,00	145,00
CZ	Czech Republic	75,00	155,00	MT	Malta	90,00	115,00
DE	Germany	93,00	115,00	NL	The Netherlands	93,00	170,00
DK	Denmark	120,00	150,00	PL	Poland	72,00	145,00
EE	Estonia	71,00	110,00	PT	Portugal	84,00	120,00
EL	Greece	82,00	140,00	RO	Romania	60,00	170,00
ES	Spain	87,00	125,00	SE	Sweden	97,00	160,00
FI	Finland	104,0	140,00	SI	Slovenia	70,00	110,00
FR	France	95,00	150,00	SK	Slovakia	80,00	125,00
HU	Hungary	72,00	150,00	UK	United Kingdom	101,00	175,00
IE	Ireland	104,00	150,00				

Candidate countries:

Destinations			Destinations				
	DSA in EUR	Maximum hotel price in EUR		DSA in EUR	Maximum hotel price in EUR		
HR	Croatia	60,00	120,00	TR	Turkey	55,00	165,00
MK	Macedonia	50,00	160,00				

Daily subsistence allowances (DSA) are paid as a flat-rate amount and are considered to cover breakfast and two main meals, local travel, the cost of telecommunications, including fax and Internet, and all other sundries. They will be paid for each calendar day spent on mission away from the usual place of work, provided that the corresponding assignment is of a short-term nature. The DSA will vary according to the country in which the missions are to be carried out.

DSAs are to be calculated as follows according to the length of the mission:

- 6 hours or less: reimbursement of actual expenses (on production of supporting documents);
- more than 6 hours but not more than 12 hours: 0.5 DSA;
- more than 12 hours, but not more than 24 hours: 1 DSA;
- more than 24 hours but not more than 36 hours: 1.5 DSA;
- more than 36 hours but not more than 48 hours: 2 DSA;
- more than 48 hours but not more than 60 : 2.5 DSA, and so on.

- **Subcontracting/miscellaneous external services (4):**

- A grant is a direct payment of a non-commercial nature by the European Commission to promote an EU policy aim. Projects financed by a grant may not

have the purpose or effect of producing a profit. Applicants should have the operational capacity to complete the project to be supported. Applications by agencies acting as intermediaries on behalf of others are not permitted. However, when justified and necessary, parts of the project may be subcontracted to another person or organisation. In this case, the beneficiary shall ensure that the terms applicable to itself under the agreement are also applicable to the subcontractors.

- Contracts awarded may only cover the execution of a limited part of the operation.
- Applicants should note that should their project be retained, the grant agreement includes a clause on the "Award of contracts" which stipulates that if the beneficiary has to conclude contracts in order to carry out the action and they constitute costs of the action under an item of eligible direct costs in the estimated budget, competitive tenders must be sought from potential contractors and the contract should be awarded to the bid offering best value for money. In doing so the principles of transparency and equal treatment of potential contractors shall be observed and care shall be taken to avoid any conflict of interests.

- **Publications and translation (4-08 and 4-09):** Publication and translation costs must include details of the number of languages, the number of pages, the rate applied per page and the print-run. In addition, applicants should explain the nature of the documents to be published and/or translated in the detailed budget explanation. Any other information which cannot be included in the "project budget estimate" Excel worksheet should be included in the detailed budget explanation.

- **Interpreting**

Indicate costs per day, number of interpreters and number of days. These should be specified in detail in the budget explanation indicating the languages to be used.

For interpreters' travel and accommodation expenses to be covered by the grant, applications must explain why it is not possible to hire them locally

- **Subcontracting for external expertise (4-10):**

In addition to the general rules applying to all subcontracting, the following rules must be observed for subcontracting for external expertise.

- Subcontracting for external expertise is only admissible if the staff of the project partners does not have the skills required.
- Work and tasks carried out by the project partners (as described in the letters of support) are not subject to these rules on subcontracting. However, it is not permissible to include normal commercial suppliers of goods and services as project partners in order to avoid these rules. By way of example, and without limiting the exclusions to the examples listed, the Commission does not find it appropriate to include as project partners independent consultants, conference organisers, etc.
- The work programme of the grant application must include a declaration and justification of the nature and value of all external expertise. The planned selection and award procedures should be carefully explained. Applicants should note that projects with insufficiently clear explanations of the external expertise

and which do not respect the rules outlined here, will be considered to be ineligible.

If the project is accepted, the following rules for subcontracting must be respected:

- The principles of transparency and equal treatment should be complied with, and any conflict of interests should be avoided.
- Beneficiaries must, if requested, be able to prove (including proof of posting) that they have sought bids from at least three different tenderers, up to an amount of €25 000, and five different tenderers for amounts up to €60 000 and be able to provide a copy of the tender specifications. These thresholds apply to each individual contract for subcontracted services for expertise. This requirement does not however apply to public authorities already governed by a system of procurement rules, but where applicable, this should be indicated. To assist applicants, a model for tender specifications is included in Annex II.
- Contracts must be awarded in writing to the tender offering best value for money, i.e. the one offering the best price-quality ratio.
- The beneficiary shall retain sole responsibility for carrying out the action and for compliance with the provisions of the agreement. The beneficiary must undertake to make the necessary arrangements to ensure that the contractor waives all rights in respect of the Commission under the agreement.
- In the written contract between the grant beneficiary and the subcontractor, the latter must undertake to accept checks and/or audits under the same conditions as those applied to the direct beneficiary of the financial agreement with the Commission.
- The description of the subcontracting plans and procedures for external expertise included in the work programme of the beneficiary will form a part of the grant agreement. The Commission reserves the right to verify that the beneficiary has carried out the subcontracting in accordance with this description and with the rules included in the grant agreement. Failure to comply with these conditions will constitute grounds for non-acceptance of the costs of subcontracting in the final accounts of the beneficiary.
- **Equipment (item 5-13-1):** Equipment (new or second-hand) and computer expenditure are intended to cover specific usage for the project, which must be included in the project description. It will be assessed on the basis of acceptable unit costs (market rates) and/or limited. Where fixed assets are purchased, only the annual depreciation value for the period in question can be taken into account.
- **Overheads (7-20-1)** associated with the operation are limited to a maximum flat-rate of 7% of total eligible costs.
 - These can include maintenance, stationery, photocopying, mailing, telephone and fax costs, heating, electricity or other forms of energy, water, office furniture, insurance and any other expenditure necessary for the successful completion of the project.
 - Mailing costs are considered as overhead costs and cannot be accepted under the headings "publications" or "administration".

- Should an applicant run several projects in the same year, the Commission can reduce this maximum flat-rate with regard to the work programmes in order to avoid double financing.
- **Expenditure which is *not eligible*** includes the following:
 - cost of purchasing infrastructure equipment (with the exception of depreciation relating to purchased equipment, based on the project duration);
 - expenditure on luxuries;
 - expenditure incurred outside the contract period;
 - costs which would have been incurred even if the project had not taken place;
 - costs not consistent with market conditions;
 - costs not entered in the account, which are not identifiable or not verifiable;
 - invested capital costs, debts owed, interest on debts owed, bad debts receivable and exchange rate losses.
- Precise conditions concerning possible budget changes between items are set out in the grant agreement.

ANNEX II:

**MODEL FOR TENDER SPECIFICATIONS FOR SUBCONTRACTING
EXTERNAL EXPERTISE**

Tender Specifications –

1. **Background**
2. **Purpose of the Contract**
3. **Tasks to be performed by the Contractor**
 - 3.1. **Description of tasks**
 - 3.2. **Guidance and indications on tasks execution and methodology**
4. **Expertise required**
5. **Time schedule and reporting**
6. **Payments and standard contract**
7. **Price**
8. **Selection criteria**
9. **Award criteria**

(option 1)

The contract will be awarded to the tenderer whose offer represents the best value for money - taking into account the following criteria:

-
-

It should be noted that the contract will *not* be awarded to a tenderer who receives less than 70% on the Award Criteria.

(option 2)

The contract will be awarded to the tenderer whose offer represents the lowest price.

10. **Content and presentation of the bids**
 - 10.1 **Content of the bids**
 - 10.2 **Presentation of the bids**