

LÍNEA PRESUPUESTARIA 04 04 08

Proyecto piloto para fomentar la conversión del empleo precario en empleo con derechos

COVOCATORIA DE PROPUESTAS 2010 VP/2010/016

Con la presente convocatoria de propuestas se espera conseguir los siguientes resultados:

- Mejorar el conocimiento de las medidas recientemente adoptadas en los Estados miembros para ampliar los derechos de los trabajadores precarios.
- Mejorar la comprensión de la amplitud del trabajo precario y su papel en el funcionamiento general de la economía.
- Fomentar el intercambio de información y experiencia entre los interesados.
- Promover la cooperación transnacional entre las partes interesadas y la divulgación de las mejores prácticas.

Podrán cofinanciarse las siguientes acciones:

- Estudios, estudios de campo y otras actividades destinadas a recabar información.
- Seminarios, conferencias o acciones breves de formación centradas en la conversión de las relaciones de empleo precarias en contratos que conlleven más derechos sociales, incluidos los estudios preparatorios, la organización de mesas redondas, los intercambios de experiencia y mejores prácticas y las redes de agentes o expertos clave.
- Estudios monográficos en los que se investiguen los problemas del trabajo precario en categorías específicas de trabajadores, regiones o sectores económicos y el aumento de los derechos asociados a dicho trabajo, incluidos estudios comparativos de la situación en diferentes Estados miembros.
- Iniciativas para reforzar la recogida, la utilización y la divulgación de información sobre la conversión de empleo precario en contratos que conlleven derechos, como por ejemplo en sitios web, publicaciones, boletines y otros medios de difusión de información.

El importe previsto para la presente convocatoria de propuestas asciende a 650 000 EUR.

El porcentaje de cofinanciación de la Unión Europea se limitará a un máximo del 80 % de los costes admisibles totales de la acción.

La **fecha límite** para la presentación de propuestas completas es el **30 de septiembre de 2010** para acciones que se iniciarán, como muy pronto, el **15 de noviembre de 2010** y, como muy tarde, el **22 de diciembre de 2010**.

Para más información sobre los objetivos y prioridades de esta línea presupuestaria, las medidas subvencionables, los candidatos admisibles, los importes de cofinanciación y otras disposiciones, consúltense las instrucciones completas para los candidatos, que figuran en la siguiente dirección:

EN: <http://ec.europa.eu/social/main.jsp?langId=en&catId=630&callId=289&furtherCalls=yes>
FR: <http://ec.europa.eu/social/main.jsp?langId=fr&catId=630&callId=289&furtherCalls=yes>
DE: <http://ec.europa.eu/social/main.jsp?langId=de&catId=630&callId=289&furtherCalls=yes>

BUDGET HEADING 04 04 08

Pilot Project to encourage conversion of precarious work into work with rights

CALL FOR PROPOSALS

2010

VP/2010/016

1. OBJECTIVES OF THIS CALL FOR PROPOSALS

1.1 General background and context of the Pilot Project

The call for proposals will be funded by Article 04 04 08 of the EU Budget — Pilot Project to encourage conversion of precarious work into work with rights.

Precarious work has long been an issue of concern in the EU. Notwithstanding the positive contribution of flexible forms of work to the functioning of the labour market, worries have been expressed that a two-tier labour market might emerge, divided between permanently employed "insiders" and "outsiders". "Outsiders" would include not only those unemployed and detached from the labour market, but also those who are precariously and, in certain cases, informally employed. Precarious workers occupy a grey area where basic employment or social protection rights may be significantly reduced, giving rise to a situation of uncertainty about future employment prospects and also affecting crucial choices in their private lives (e.g. securing accommodation, planning a family, etc).

The economic and financial crisis has made the issue of precarious work even more relevant. In the short term, companies hit by the crisis responded by first reducing temporary employment, notably fixed-term contracts and the recourse to temporary agency workers. In the longer term, atypical forms of work continue to develop and the proportion of standard and permanent contracts of employment tends to decrease accordingly.

The present pilot project has been requested by the European Parliament. The corresponding appropriation is intended to fund projects relating to the issue of precarious work in the EU and the ways and means to improve the social rights of the jobholders concerned.

For the purposes of the pilot project, the notion of "precarious work" should be considered in the widest sense as covering all types of employment relationships which are atypical in the sense that they differ from the open-ended, full-time employment contract, in particular part-time contracts, fixed-term contracts, "zero hour" contracts and temporary agency work. Undeclared work in the meaning of paid, lawful activities that are not declared to the public authorities is also to be considered as a type of "precarious work". Those among the self-employed who are in fact "bogus" self-employed or are economically dependent workers in spite of their being formally self-employed are covered as well.

The notion of "social rights" is also to be understood in a broad sense, notably covering fundamental social rights, a sufficient level of appropriate working conditions as well as an adequate level of social protection.

The budget heading 040408 will finance transnational projects carried out by social partners, public authorities, European or international organisations, non-profit-making organisations, research centres and institutes, universities or civil society organisations with at least one of the following objectives:

- to promote the analysis and/or monitoring of concrete measures taken in Member States to improve the rights of precarious workers;
- to exchange and disseminate relevant information on national practices or cooperation initiatives designed to address the issue of converting precarious work into work with rights;
- to analyse the role of precarious work in the general framework of social, economic and demographic developments, with a focus on social exclusion and in-work poverty, as well as its specific impact on working and living conditions of young workers, women and migrants;
- to analyse the economic significance, causes and effects of precarious work against the background of today's working patterns, and to what extent it contributes to the flexibility of the labour market.

Measures covered will include surveys, research and exchange of information on the conversion of precarious work into work with rights with a focus on:

- The current extent of precarious work, notably its prevalence among specific economic sectors or age groups;
- The effects of the economic and financial crisis on precarious work;
- Measures and incentives aimed at enabling the transformation of precarious employment relationships into contracts carrying more social rights, including the collective representation of workers;
- Measures and incentives aimed at combating undeclared work by transforming it into regular employment;
- The risk of in-work poverty and social exclusion related to precarious work and possible solutions;
- The incidence of precarious work among women and the ways and means to tackle this problem;
- The specific challenges facing certain categories of precarious workers, notably migrant and domestic workers;
- The risk of de-skilling of high-skilled workers having been dismissed or accepting low-skilled jobs in order to stay on the labour market.

Other initiatives foreseen under same heading

Appropriations for this Budget Article amount to a total of €1.000.000 in 2010. Apart from the present call for proposals, for which an amount of €650.000 is envisaged, a study on policy measures recently adopted in the Member States will be financed by the same Budget Article.

The study will cover most Member States and will focus on innovative steps taken in the last ten years with a view to facilitate or encourage the transformation of precarious employment relationships, in the widest sense as explained above, into employment relationships carrying more social rights. The study should help to develop a clearer concept of precariousness in work contracts and an identification of what could constitute basic social rights.

The study will cover not only legislative and administrative measures relating to social rights, in particular provisions of labour law and social security law, but also collective agreements and other steps taken by the social partners in this field.

1.2 Specific objectives of the present call for proposals

The foreseen results of this call for proposals are:

- Improved knowledge of measures recently adopted in Member States to extend the rights of precarious workers;
- Improved understanding of the spread of precarious work and its role in the overall functioning of the economy;
- Promotion of exchange of information and experience among stakeholders;
- Promotion of transnational cooperation among stakeholders and dissemination of best practice.

1.3 Eligible types of actions and initiatives

The following actions may be co-financed:

- Surveys, field-studies and other types of information-gathering activities;
- Seminars, conferences or short training actions focussed on the conversion of precarious employment relationships into contracts carrying more social rights, including preparatory studies, the organisation of round tables, exchanges of experience and best practices and networks of key actors and/or experts;
- Case studies investigating issues of precarious work with respect to specific categories of workers, regions and/or economic sectors and the enhancement of rights associated with such work, including comparative studies of the situation in different Member States;

- Initiatives to further the collection, use and dissemination of information on the conversion of precarious work into work with rights, such as websites, publications, newsletters and others means for the dissemination of information.

1.4 Duration of the Action

The average maximum duration of an operation is 12 months.

The Commission may also adjust the duration of the operation proposed in the application.

1.5 Indicative amount and maximum possible rate of co-financing

The amount envisaged for this call for proposals is €650.000.

The European Union co-financing percentage will be limited to a maximum of 80% of the total eligible costs of the action. Applicants must contribute at least 20 % of the total eligible costs of the action. Contributions in kind will not be taken into account. Any application which requests a grant of more than 80 % will be excluded from the selection.

2. SUBMISSION OF GRANT APPLICATIONS

2.1. Submission and implementation dates

2.1.1. Respect of deadlines – Programming

Only applications for operations starting in 2010 will be considered.

In view of the time needed to examine applications, actions 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 action 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.

Proposals which do not respect the dates of submission indicated at point 2.1.2. and/or do not comply with the rules indicated at point 4.2 hereinafter, will not be considered by the Evaluation Committee.

2.1.2. Deadlines:

The **deadline** for the submission of complete applications is as follows:

- **30 SEPTEMBER 2010** for actions commencing no earlier than **15**

2.1.3. Evaluation Process

Applications will be examined by an Evaluation Committee.

Applications will be selected taking account of the objectives of this call for proposals, following the criteria laid down in section 3 of this document.

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.

3. ELIGIBILITY, SELECTION AND AWARD CRITERIA

3.1 Eligibility criteria

3.1.1. General rule of eligibility

The budget heading is intended to finance specific transnational actions, projects or initiatives. Therefore grants are not intended to finance the normal operations of the bodies presenting applications; they are intended only to cover additional expenditure linked directly to projects.

3.1.2. Eligible applicants

3.1.2.1. The applicant must not be in one of the situations listed in Article 93 §1, 94 and 96 §2 point a) of the Financial Regulation.¹ The situations referred to include bankruptcy, compulsory winding-up, being under court administration, in an arrangement with creditors or any other similar proceedings; convictions of professional misconduct; non-fulfilment of social security or tax payment obligations; convictions of fraud, corruption, involvement in a criminal organisation or any other illegal activity; declared in serious breach of contract in relation to activities funded by the EU budget; subject to conflict of interest; guilty of misrepresentation in supplying the required information.

3.1.2.2. The applicant must be a properly constituted and registered legal entity, having its registered office based in one of the Member States of the European Union. In derogation from this requirement and pursuant to Article 114 of the Financial Regulation, the organisations of social partners without legal personality under the applicable national law are also eligible provided that their legal representatives have the capacity to undertake legal obligations on their behalf and assume financial liability².

¹ See Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities as amended by Council Regulation (EC, EURATOM) No 1995/2006 of 13 December 2006 (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_390/l_39020061230en00010026.pdf)

² Council Regulation (EC, EURATOM) No 1995/2006 of 13 December 2006 amending Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities: <http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2006:390:SOM:EN:HTML>

A project applicant cannot be an individual.

3.1.2.3. Applicants must fall within one of the following categories: social partners, public authorities, international organisations, European organisations, non-profit-making organisations, research centres and institutes, universities and civil society organisations.

3.1.3. Eligible activities

To be eligible, activities or envisaged activities must:

- be linked to at least one objective of the call for proposals;
- be carried out in cooperation between partners from at least two different Member States or by a European or international organisation;
- be fully carried out in the Member States.

3.1.4. Eligible applications

To be eligible, applications must:

- a) Be sent by the deadline indicated in section 2.1.2;
- b) Be submitted according to the set requirements.

Application forms must be compulsorily submitted on-line and their respective detailed and signed print-outs must be submitted as set at point 4.2 hereinafter;

- c) Be complete, detailed and include all the documents indicated in the table below;
- d) Comply with the European Union co-financing percentage of maximum 80 % of the total eligible costs;

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. The official covering letter of application can be found annexed to the on-line application form.
2	Print-out of the duly completed and submitted on-line application form (see point 4.1) 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	The grid listing the persons and occupational sectors concerned by the project , duly completed. The grid can be found annexed to the on-line application form.
4	"Financial identification" form duly completed with the original signature of the legal representative of the account-holder and the original signature and stamp of the bank; The financial identification form can be found annexed to the on-line application form. 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.
5a	"Legal entities" form duly completed with the original signature of the legal representative. The legal entities form can be found annexed to the on-line application form. • Applicants must also provide:
5b	- a copy of the certificate of official registration or other official document attesting to the establishment of the entity (where this exists);
5c	- a copy of its articles of association/statutes or equivalent , proving the eligibility of the organisation;
5d	- a copy of a document confirming the applicant's tax or VAT number , if available;
5e	- in the case of social partner organisations without legal personality (only in that case), a signed declaration of the legal representative stating his capacity to undertake legal obligations. ³
6a	Detailed work programme , signed by the legal representative, and
6b	Detailed budget for the project signed by the legal representative. Please Note: 1. The work programme and the budget have to be in separate documents. 2. The project description and budget in the <i>on-line application form</i> are not sufficient. 3. The work programme must provide a detailed description of the project, a timetable for the activities, the names of all members of staff involved in the project, their positions and employment status must be included. The detailed Budget must provide a detailed budget explanation for each row in each heading, 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. 4. The detailed work programme and detailed budget should be submitted in English, French or German. 5. The work programme in WORD format and the detailed budget <u>must also be submitted electronically on on-line application form</u> . The electronic version

³ See previous Footnote Nr. 2

	must be identical to the paper version of the document in question.
7	<p>If active 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, the tasks to be carried out and specifying the cash amounts of any funding provided.</p> <p>"Partner" means an active 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 / partnership 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 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.</p>
8a	A written declaration signed by the project manager certifying the professional competence of the team performing the tasks associated with the action for which funding is requested.
8b	This declaration shall be accompanied by the 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 declaration will include also the curriculum vitae of the persons who will perform the tasks associated with the action for which funding is requested.

9	<p>IF SUBCONTRACTING IS PLANNED:</p> <p>Declaration on subcontracting, compulsory draft tender specifications and compulsory Annex "CONTRACTS for IMPLEMENTING the ACTION" in case of subcontracting for external expertise: The nature and value of all activities to be subcontracted must be compulsorily described with an explanation of why subcontracting is necessary. The planned selection and award criteria must be compulsorily explained. Applicants wishing to recruit the services of external experts must provide a copy of the draft tender specifications. This applies to <i>any</i> amount of external expertise above €5.000. The legal representative must confirm his intention to comply with the rules for subcontracting, by completing and providing the compulsory declaration on subcontracting and the relevant draft tender specifications.</p> <p>This requirement does not apply to public authorities which are already governed by a system of public procurement rules.</p> <p>To assist applicants, the declaration on subcontracting, a model for tender specifications and the document "Contracts for implementing the action" are annexed to the on-line application form. The model for tender specifications is also included as Annex II.</p> <p>Important additional information concerning the award of contracts and specific rules for external expertise can be found in Annex I.</p>
10	<p>The most recent balance sheet of the organisation for the most recent financial year, demonstrating the financial capacity of the applicant. The Commission reserves the right to request balance sheets from previous years, if necessary.</p>
11	<p>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).</p>
12	<p>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 §1, 94 and 96 §2 point a) of the Financial Regulation and his financial and operational capacity.</p>
13	<p>An organisational chart showing the structure of the applicant's organisation with all members of staff involved in the project, their positions and employment status;</p>
14	<p>The most recent activity report of the applicant's organisation (if available).</p>

3.2 Selection criteria

Only organisations with the necessary financial and operational capacity may be awarded a grant.

Therefore, 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 financial resources, which are not exclusively made up of EU grants, 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.

3.2.1 The financial capacity shall be proven, inter alia, by the annual balance sheet and declaration of honour.

3.2.2. The applicant must prove have competence and experience in the field and in particular in the type of action proposed. Therefore in order to demonstrate his operational capacity the applicant shall provide, inter alia:

- -the declaration of honour mentioned above;
- -the most recent activity report of the applicant's organisation (if available);
- -an organisational chart showing the structure of the applicant 's organisation with all members of staff involved in the project, their positions and employment status;
- -for each active partner involved in the project management **the letter of commitment/partnership** requested at point 3.1.4/7 above including the full description of work and tasks to be carried out;
- -a written declaration signed by the project manager certifying the professional competence of the team performing the tasks associated with the action for which funding is requested. This declaration shall be accompanied by their curriculum vitae, as requested at point 3.1.4/8 above.

3.3 Award criteria

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

- The extent to which the action meets the objectives of this call for proposals;
- The extent to which the action has a genuine transnational dimension and/or requires joint participation of different stakeholders;
- The quality of partnerships, i.e. the degree of involvement, commitment and/or joint participation at the application stage of the social partners/stakeholders in the proposed action;
- The cost-effectiveness of the action;
- The arrangements to publicise the action and dissemination methods envisaged;
- The overall quality, clarity and completeness of the proposal and budget explanation.

4. PRACTICAL PROCEDURES

4.1. *Where can the application form be found?*

The compulsory on-line grant application form is an electronic form which must be filled by using the Internet Web system "SWIM" at the following internet address

http://ec.europa.eu/employment_social/emplweb/tenders/index_en.cfm

This system allows the introduction, edition, validation, printing and submission of the grant application form. Once the application is submitted electronically, a print out of an exemplar has to be signed by the legal representative submitting the proposal and be sent to the Commission as per point 4.2. After submission of the application electronically no changes are possible.

At the above quoted web site other requested forms and other useful documents can be found.

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 at point 2.1.2 above, to the following address:

<p><i>Call for proposals VP/2010/016</i> <i>Budget heading 040408</i> <i>European Commission – DG EMPL/F.2</i> <i>ARCHIVE Rue Joseph II ,54</i> <i>B 1049 Brussels Belgium</i></p>
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Please send your application by registered mail or express courier service only. The date of post office on the stamp on the envelop or express courier stamp or slip on the envelop indicating the sending date 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. The address for hand deliveries of documents for the European Commission is: Avenue du Bourget n° 1, B-1140 Evere, Belgium. 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.

Regarding the presentation of the application file, it is recommended to:

- Follow the order of documents as listed in the table under section 3.1.4 " Eligible applications"
- Print the documents double-sided, where possible
- Use only 2-hole folders (please do not bind or glue)

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-vp-2010-016@ec.europa.eu
PLEASE DO NOT TELEPHONE

4.3. *What next? Accepted and rejected applications*

Applications will be examined by an Evaluation Committee, which will meet, in principle, within 40 working days following the deadline for submission indicated at point 2.1.2.

Rejected applications

Unsuccessful applicants will receive a letter stating the reasons for refusal.

Requests concerning the progress of dossiers sent prior to the elapse of the above-mentioned time period will not be answered.

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.

Annex 1

FINANCIAL GUIDELINES FOR APPLICANTS

TABLE OF CONTENTS

1. GENERAL PRINCIPLES	16
2. RULES RELATED TO THE GRANT REQUESTED	16
3. THE ESTIMATED BUDGET OF THE ACTION	17
The budget must be detailed and balanced.....	17
Expenditure	17
General criteria for eligibility of costs	17
Eligible direct costs	18
Eligible indirect costs - Overheads.....	23
Non-eligible costs.....	23
Income.....	23
4. HOW THE GRANT WILL BE CALCULATED	24
5. AGREEMENT GOVERNING THE GRANT	25
6. PAYMENT PROCEDURES	25
7. GUARANTEE	25
8. BANK ACCOUNT AND INTEREST GENERATED BY PRE-FINANCING PAYMENTS	26
9. SUBMISSION OF REPORTS AND OTHER DOCUMENTS	26
10. PUBLICITY	27
11. EVALUATION	28
12. CHECKS AND AUDITS	28
Audit report in support of grant applications.	28
Audit report in support of requests for payment	28
13. PROCEDURE: ELECTRONIC MEANS OF SUBMISSION - SWIM	29
Introduction of grant applications	29
Requests for payments and budgetary modifications.....	29
14. DATA PROTECTION	30
15. EARLY WARNING SYSTEM AND CENTRAL EXCLUSION DATABASE ..	30
ANNEX II	31

**MODEL FOR TENDER SPECIFICATIONS FOR SUBCONTRACTING
EXTERNAL EXPERTISE 31**

The purpose of this document is to enable applicants to prepare their grant applications.

Please be sure to read these guidelines carefully before replying to the current call for proposals.

MAIN FINANCIAL AND MANAGEMENT RULES

Disclaimer: this document provides the applicants with a quick summary of the main legal and financial rules contained in the Financial Regulation applicable to the general budget of the European Communities⁴ and its Implementing Rules⁵. The information given is not exhaustive and beneficiaries are therefore asked to carefully read the agreement sent to them, as it will constitute the legal basis for the grant.

1. General principles

Grants are subject to the principles laid down in the Financial Regulation, in particular the principles of co-financing, prohibition of double financing and no-profit.

Co-financing principle

Union grants may not finance the entire cost of the action to be subsidised. The applicant must contribute to the implementation of the action either by way of own resources or by financial contribution from third parties (in the form of public or private assistance obtained elsewhere).⁶

No double financing rule

Each action may give rise to the award of only one grant, there can be no duplicate European Union funding of the same expenditure. The applicant must indicate the sources and amounts of any other funding received or applied for in the same financial year for the same action or for any other action and for routine activities.⁷

No-profit rule

The Union grant may not have the purpose or effect of producing a profit for the beneficiary. Profit is defined as a surplus of total actual receipts over the total actual costs of the action. Any income of the action must be indicated in the estimated budget and the final financial statement. The amount of the grant will be reduced by the amount of any surplus.⁸

2. Rules related to the grant requested

- The Union grant will not exceed 80% of the total eligible costs.
- The applicant organisation and/or other fund providers are required to make financial (cash) contribution(s) to the proposal of at least 20% of the total eligible costs.

⁴ Council Regulation (EC, Euratom), n° 1605/2002 of 25.06.2002 (OJ L 248, 16.09.2002), as amended by Regulation n° 1995/2006 (OJ L 390, 30.12.2006) (<http://eur-lex.europa.eu/LexUriServ/site/en/consleg/2002/R/02002R1605-20070101-en.pdf>)

⁵ Commission Regulation (EC, Euratom) n° 2342/2002 of 23.12.2002, (OJ L 357, 31.12.2002) and subsequent amendments: Commission Regulation (EC, Euratom) n° 1261/2005 of 20.07.2005 (OJ L 201, 02.08.2005), Commission Regulation (EC, Euratom) n° 1248 of 07.08.2006 (OJ L 227, 07.08.2006) and Commission Regulation n° 478/2007 (OJ L 111, 28.04.2007) (<http://eur-lex.europa.eu/LexUriServ/site/en/consleg/2002/R/02002R2342-20070501-en.pdf>)

⁶ Art. 113 FR and 172 IR

⁷ Art. 111 FR and 173(5) IR

⁸ Art. 109(2) FR and 165(1) IR

- The grant does not cover ineligible costs (see below for definition).
- Contributions in kind (unpaid charity work by a private individual or corporate body, etc.) cannot be accepted.
- Signed letters of commitment from the applicant organisation and/or other sources must be provided stating the precise amount of each financial (cash) contribution to the budget. If other institutions or organisations (partners) are involved in carrying out the project, the letter of commitment/partnership, from each of the partners, should also provide the name, address and person responsible and explain the nature of their involvement.
- An external audit report of the previous accounts of the applicant organisation produced by an approved external auditor must be provided for grant applications where the cost to be financed exceeds EUR 500.000.⁹ The report must certify the accounts for the last financial year available.
- 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 impose financial and administrative penalties¹⁰.

3. The estimated budget of the action

The budget must be detailed and balanced

Grant applications must include a detailed estimated budget presented in Euro (see application form). Applicants established in countries outside the Euro zone must use the conversion rates published in the Official Journal of the European Union (<http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>). Applicants should be aware that they fully carry the exchange rate risk.

The budget estimate must be properly balanced: the two totals (income and expenditure) must be the same, since the available income (including the grant requested from the Commission) will have to finance the planned expenditure¹¹. Please make sure that all the items related to the implementation of the action are included and not just those for which financing is being sought.

Expenditure

Expenditure must include the estimated costs exclusively for the implementation of the action.

General criteria for eligibility of costs

In order to be eligible for Union funding, costs must meet the following criteria¹²:

⁹ Art. 173(4) IR (No audit report is required from public bodies or international organisations.)

¹⁰ Art. 175 IR

¹¹ Art. 173(3) IR

¹² Art. 172a IR

- (a) be incurred during the duration of the action, with the exception of costs relating to final reports and audit certificates;
- (b) be indicated in the estimated overall budget of the action attached to the grant agreement;
- (c) be necessary for the implementation of the action which is the subject of the grant;
- (d) be identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost-accounting practices of the beneficiary;
- (e) comply with the requirements of applicable tax and social legislation;
- (f) be reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

The successful applicant must take care to avoid any unnecessary or unnecessarily high expenditure.

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

Documentation justifying costs must be kept by the beneficiary for **five years** following final payment by the Commission.

Expenditure eligible for financing may not have been incurred before the grant application was lodged.

Extra costs associated with the participation of people with disabilities are also eligible. These costs may be required to cover the use, for example, of special means of transport, personal assistants or sign language interpreters.

Eligible direct costs

The eligible direct costs for the action are those costs which, provided that they satisfy the criteria of eligibility set out above, are identifiable as specific costs directly linked to the performance of the action and which can therefore be booked to it directly.

In particular, the following direct costs may be considered eligible:

Staff costs

The costs of staff (permanent or temporary staff employed by the beneficiary or the partners) assigned to the implementation of the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, are eligible. The salary costs should not exceed the average rates corresponding to the beneficiary's usual policy on remuneration. In addition, they should not be higher than the generally accepted market rates for the same kind of task.

The costs of personnel of national administrations may be considered as 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.

The form reserved for these costs in the budget estimate (see application form) should be completed by indicating the persons to be remunerated (full-time/part-time), the number of days of work to be performed and the daily rate calculated on the basis of an average of 20 days per month, up to a maximum total of 220 working days per year.

When submitting the request for final payment, the beneficiary may have to provide pay slips and timesheets justifying the actual staff costs declared.

The cost of any work to be performed by external experts by means of subcontracting must not be included in staff costs but under services.

Travel, accommodation and subsistence allowances

Travel costs must not exceed the most reasonable rates available on the market. Accommodation and subsistence costs related to the participants to the action are eligible provided that they are in line with the beneficiary's usual practices on travel costs or do not exceed the scales approved periodically by the Commission which are set out in the table below.

Journeys must be carried out by the most direct and economic route. Economy class fares will be used as the benchmark for analysing air travel costs. Air travel is acceptable only for distances above 400 km, i.e. return flight above 800 km. For other modes of transport, the benchmark is the first-class rail fare. Car journeys: equivalent of corresponding first-class train ticket.

The *Daily subsistence allowances (DSA)* are paid in addition to costs for accommodation as a flat-rate amount and are considered to cover breakfast and two main meals, local transport, the cost of telecommunications and all other sundries. Daily subsistence allowances are to be calculated as follows according to the length of the mission:

- stays less or equal to 6 hours: reimbursement of actual costs (on production of supporting documents);
- more than 6 hours up to 12 hours inclusive: 0.5 DSA;
- more than 12 hours up to 24 hours inclusive: 1 DSA;
- more than 24 hours up to 36 hours inclusive: 1.5 DSA;
- more than 36 hours up to 48 hours inclusive: 2 DSA;
- more than 48 hours up to 60 hours inclusive: 2.5 DSA, etc.

The maximum amounts (in Euro per calendar day) accepted for each country are set out in the table below, and applicants are advised to adhere to these rates in their budget estimates¹³:

¹³ The daily allowance rates are subject to periodic review by the Commission.

