



**CALL FOR PROPOSALS
EACEA No 21/2007**

CULTURE PROGRAMME (2007-2013)

Special Actions

CULTURAL COOPERATION WITH AND IN THIRD COUNTRIES

(Strand 1.3)

'SPECIFICATIONS'

Table of contents

1	Introduction	p.4
2	Objectives and description	p.4
2.1	General objective and specific objectives of the Programme	p.4
2.2	Purpose of the call for proposals	p.4
3	Provisional timetable	p.5
4	Budget available	p.5
5	Eligibility criteria	p.5
5.1	Eligible applicant	p.5
5.1.1	Legal Entity	p.6
5.2	Eligible countries	p.6
5.3	Eligible cooperation projects	p.7
5.4	Eligibility period	p.7
5.5	Eligible proposals	p.7
6	Exclusion criteria	p.8
7	Selection criteria	p.9
7.1	Operational capacity	p.9
7.2	Financial capacity	p.10
7.3	Audit	p.11
8	Award criteria	p.11
8.1	European added value	p.11
8.2	International cooperation dimension	p.12
8.3	Quality of the partnership	p.12
8.4	Innovation and creativity	p.12
8.5	Sustainability	p.12
8.6	Visibility	p.12

9	Financial Conditions	p.12
9.1	Payment procedure	p.13
9.2	Guarantee	p.14
9.3	Double financing	p.15
9.4	Eligible costs	p.15
9.5	Ineligible costs	p.16
10	Subcontracting and award of procurement contract	p.17
11	Publicity and Promotion	p.17
11.1	European Commission – Obligations regarding publicity and promotion	p.17
11.2	Beneficiaries – Obligations regarding publicity and promotion	p.18
12	Selection procedure	p.18
13	Procedure for submission of proposals	p.20
13.1	Publication	p.20
13.2	Application Form	p.20
13.3	Submission of applications	p.20
13.4	Additional sources of information	p.21

GLOSSARY

1. INTRODUCTION

This call for proposals is based on the decision of the European Parliament and of the Council¹ establishing a single multi-annual programme for Community measures in the field of culture for the period 2007 - 2013 (hereinafter referred to as 'the Programme').

The Programme is based on Article 151 of the Treaty establishing the European Community which states that the Community and the Member States shall foster cooperation with third countries and the competent international organisations in the sphere of culture, in particular the Council of Europe.

The Education, Audiovisual and Culture Executive Agency (hereinafter 'the Executive Agency') is the service responsible for implementing this call for proposals.

2. OBJECTIVES AND DESCRIPTION

2.1 General and Specific Objectives of the Programme

The Programme is part of the European Union's ongoing commitment to enhance the cultural area shared by Europeans and based on a common cultural heritage through the development of cultural cooperation between the creators, cultural players and cultural institutions of the countries taking part in the Programme, with a view to encouraging the emergence of European citizenship.

The Programme may also be open to cooperation with other third countries, which have concluded association or cooperation agreements with the Community, provided that the latter contain cultural clauses, and this on the basis of supplementary appropriations and specific procedures to be laid down.

The Programme provides for Community intervention to support "special measures" and in this framework support may be given to cooperation with third countries and international organisations.

2.2 Purpose of the call for proposals

In order to meet the objectives of the Programme and taking into account:

- the increasing convergence of views on culture and an ever closer cooperation between the EU and those partners, both bilaterally and in international fora, as it is particularly the case in the present context of the ratification and implementation of the UNESCO Convention on the protection and promotion of the diversity of cultural expressions as well as in the framework of EU's cooperation with Asia;
- the growing importance of new emerging partners of the European Union on the world stage,

this call for proposals aims to support bi-annual cultural cooperation projects (2007-2009) focusing on two Asian partner countries: China and India.

¹ Decision No 1855/2006/EC of 12 December 2006 establishing the Culture Programme (2007 to 2013).

3. PROVISIONAL TIMETABLE

The indicative timetable will apply:

01 October 2007	Deadline for submission of proposals
October – November 2007	Examination – Selection of proposals (eligibility, exclusion, award criteria, selection criteria)
December 2007	Submission of the results of the selection to the Culture programme Committee
January 2008	Submission of the results of the selection to the European Parliament
February /beginning March 2008	Award decision and written notification of results to applicants Sending Grant Agreements for signature

4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of cooperation projects with third countries in 2007 amounts to approximately EUR 1,8 million providing financial support for around ten (10) bi-annual cooperation projects (5 projects for cooperation with India and 5 projects for cooperation with China).

Community co-financing will be granted for a period of 24 months and will not exceed 50% of eligible costs associated with each project (maximum ceiling of 180.000 EUR per project).

The right is reserved not to distribute all the funds available.

5. ELIGIBILITY CRITERIA

5.1. Eligible applicant

Eligible applicants must have the following characteristics:

- ❖ they must be a public² or private body with legal status, whose principal activity is in the cultural sphere
- ❖ they must have their registered legal seat in one of the countries taking part in the Programme³
- ❖ they must have at least a 2 year long experience in the field of cultural project design and management at the international level, in particular in China and India;

² In the context of these specifications a public body is considered as any body, any part of whose costs are financed from the State budget as of right, either by central, regional or local government. That is, these costs are financed from public sector funds raised through taxation or fines or fees regulated by law, without going through an application process which might result in their being unsuccessful in obtaining funds. Organisations that depend on state funding for their existence and receive grants year after year, but for which there exist at least the theoretical possibility that they may fail to receive money one year are considered by the Executive Agency as private bodies.

³ See point 5.2, herebelow.

- ❖ they must be involved both in the design and the implementation of the project;
- ❖ they must make a real and significant financial contribution to the project's budget. They must provide at least 50% of the total budget of the project.

Natural persons may not apply for a grant.

5.1.1 Legal entity

In order to demonstrate their legal status, applicants must provide the following documents:

<p><i>legal entities governed by public law</i></p> <ul style="list-style-type: none"> ❖ the Legal Entity identification form duly completed and signed ❖ a copy of the official document attesting to the establishment of the public-law entity, such as the legal resolution, law decree or decision
<p><i>legal entities governed by private law</i></p> <ul style="list-style-type: none"> ❖ the Legal Entity identification form duly completed and signed ❖ a copy of the official document attesting to the establishment of the private-law entity, such as official gazette or trade register (this document must show the name, address and registration number of the private-law entity) ❖ a copy of the certificate of liability to VAT (in countries where the trade register number and the VAT number are identical, only one of these documents is required) ❖ articles of association (statute of entity)

Applicants can download the Legal Entity identification forms at the following address:

http://www.ec.europa.eu/budget/execution/legal_entities_en.htm

5.2. Eligible countries

Applicants must have their registered legal seat in one of the countries taking part in the Programme, as follows:

- ❖ European Union Member States⁴;
- ❖ EEA countries (Iceland, Liechtenstein, Norway);
- ❖ Candidate countries Croatia, Turkey and Former Yugoslav Republic of Macedonia subject to the conclusion of a Memorandum of Understanding concerning the participation of this country in the Culture Programme in 2007;

⁴ The 27 Member States of the European Union: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Sweden, Slovenia, Slovakia, Spain, United Kingdom.

- ❖ The countries of the western Balkans (Albania, Bosnia-Herzegovina, Montenegro, Serbia including Kosovo (UN Security Council Resolution 1244), subject to the conclusion of Memorandum of Understanding concerning the participation of each of those countries in the new Culture Programme in 2007⁵.

5.3 Eligible cooperation projects

Eligible cooperation projects for which co-financing is granted must comply with the principles underpinning the Community action in the field of culture⁶ and must take account of the objectives and the conditions defined in point 2 of this document.

Eligible projects will correspond to bi-annual cultural cooperation projects which involve cooperation of at least 3 partners from at least 3 different eligible countries.

The eligible project must also involve at least one associated partner either from India, for an action to take place in/with this country, or China, for an action to take place in/with this country. Priority could be given to cooperation projects with associated partners having their registered seats in China or in India.

The cooperation must be supported by a signed declaration of partnership between the partners and the associated partner(s).

At least 50 % of the activities carried out under the cultural cooperation projects shall take place on the territory of the third country in question (respectively India or China).

Actions which consist fully and exclusively in the production and maintenance of websites, the production of magazines and newspapers, the organisation of conferences and meetings and the production of studies and reports are not eligible.

5.4 Eligibility period

In each individual case, the eligibility period for expenditure resulting from the implementation of a co-financed action will be specified in the Grant Agreement. This period cannot start until the grant agreement has been signed by both parties and must finish at the latest 24 months after the starting date.

As a general rule, expenditure incurred prior to the signature of the Grant Agreement will not be taken into account. Nonetheless, if a beneficiary can justify the necessity to start the co-financed action before the grant agreement is signed, then expenditure incurred prior to the signature of the grant agreement may be authorised. Under no circumstances can the eligibility period start before the date of submission of the proposal.

5.5 Eligible proposals

Proposals must comply with the conditions and requirements laid down in this document.

⁵ Cultural operators are requested to contact the Executive Agency for further information on developments concerning these countries.

⁶ Article 151 of the Treaty establishing the European Community

Proposals must present a balanced budget (expenditure = income), and comply with the maximum ceiling Community co-funding set at 50% of the total eligible budget of the cooperation project.

Proposals not sent by the deadline of submission of proposals (1 October 2007) are not eligible (date as postmark).

Only proposals submitted in **two copies** using the official application form, duly completed (including annexes), and signed as required (original signatures of the person authorised to enter into legally binding commitment on behalf of the applicant organisations), will be considered eligible.

The application package must contain the application form with all the annexes and supporting documents, as requested, and an official cover letter.

Proposals will not be eligible if they are not complete and valid (i.e. original documents missing) by the deadline of submission of proposals.

Proposals sent by fax or e-mail and handwritten proposals are not eligible.

Proposals must be written in one of the official languages of the European Union. However, for practical reasons and to speed up the assessment procedure, it is recommended that applications be submitted in one of the three working languages of the European Commission (English, French or German).

The Executive Agency reserves the right to request additional information in order to finalise the recommendation regarding the allocation of financial aid.

6. EXCLUSION CRITERIA

Applicants must state that they are not in any of the situations described in Articles 93 and 94 of the Financial Regulation applicable to the general budget of the European Communities (Council Regulation (EC, Euratom) No 1605/2002) and set out below.

Applicants will be excluded from participating in this call for proposals if they are in any of the following situations:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*;
- c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- d) they have not fulfilled their obligations with regard to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;

- e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- f) following another procurement procedure or grant award procedure financed by the Community budget, they have been declared to be in serious breach of contract for failure to comply with their contractual obligations.

Applicants will not be granted financial assistance if, at the time of the grant award procedure, they:

- (a) are subject to a conflict of interests;
- (b) are guilty of misrepresentation in supplying the information required by the contracting authority as a condition for participation in the grant award procedure, or fail to supply this information.

In accordance with Articles 93 to 96 of the Financial Regulation, administrative and financial penalties may be imposed on applicants who are guilty of misrepresentation or are found to have seriously failed to meet their contractual obligations under a previous contract award procedure.

To comply with these provisions, applicants must sign a declaration on their honour certifying that they are not in any of the situations referred to in Articles 93 and 94 of the Financial Regulation.

The declaration on honour is contained in the Application form and should be filled in by all applicant organisations (leader partner and partners).

7. SELECTION CRITERIA

Proposals will be assessed on the basis of the selection criteria (operational capacity and financial capacity).

NB. *The leader partner and each partner must demonstrate in detail true commitment not only in the design and implementation of the action, but also in terms of their financial participation. Their operational and financial commitment must be stated clearly in the Application form.*

Applicants must sign a declaration on their honour certifying their operational and financial capacity to carry out the proposed activities.

The declaration on honour is contained in the Application form and should be filled in by all applicant organisations (leader partner and partners).

7.1. Operational capacity

Applicants must have the professional competencies and qualifications required to complete the proposed action.

In order to permit an assessment of the operational capacity, applicants must submit, as part of their application:

- ❖ the curriculum vitae of the person(s) responsible for the overall coordination/implementation of the proposed action on behalf of the leader partner and the curriculum vitae of the person(s) responsible for the implementation of the action on behalf of each partner
- ❖ an activity report covering the past two years

7.2. Financial capacity

Applicants must have stable and sufficient sources of funding to maintain the proposed activities throughout the period during which the cooperation project is being carried out and to participate in its financing.

This requirement does not apply to

- ❖ public bodies,
- ❖ international organisations under public law established by inter-governmental agreements and specialist agencies created by such organisations
- ❖ the International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red Crescent Societies

In order to permit an assessment of the financial capacity, applicants (leader partner only) will be requested to submit:

- ❖ profit and loss accounts together with the balance sheets for the last financial year for which the accounts have been closed (and not earlier than 18 months)
- ❖ the bank identification form duly completed and certified by the bank (original signatures required)

The bank identification form can be down loaded at the following address:
http://ec.europa.eu/budget/execution/ftiers_en.htm)

NB. *If, on the basis of the documents submitted, the Executive Agency considers that financial capacity has not been proven or is not satisfactory, it may:*

- *Reject the application*
- *Request additional information*
- *Require a guarantee (see point 9.2)*
- *Propose a grant agreement without pre-financing*

7.3. Audit

Applications must be accompanied by an external audit report produced by an approved external auditor. The audit report shall certify the accounts for the last financial year available.

NB. This obligation does not apply to public bodies and international organisations under public law.

8. AWARD CRITERIA

Awarding of a grant is not only dependent on examination of the eligibility, exclusion and selection criteria. Decision will be determined on the basis of the award criteria.

The award criteria can be outlined as follows:

- 1) the extent to which the project can generate a real **European added value**
- 2) the extent to which the project can generate a real **International Cooperation Dimension**
- 3) the **quality of partnership** between partners and associated partners
- 4) the extent to which the project can demonstrate an appropriate level of **Innovation and Creativity**
- 5) the extent to which the activities can generate an appropriate level of **sustainability**
- 6) the extent to which the results of activities proposed will be appropriately communicated and promoted - **visibility**

Projects will be assessed on a scale from 0 to 30 points. Projects must score at least 4 points on the criteria 8.1 and 8.2. Projects must score at least 24/30 points to be selected (80/100 points). Up to a limit of the funds available, applicants that achieve the highest score will receive a grant.

An evaluation committee will assess proposals on the basis of the award criteria, in order to determine which proposals may be co-financed. The evaluation committee will be assisted by independent experts.

8.1 European Added value (0-5 pts)

Projects which are regarded as providing real European added value are projects whose objectives, methodology and the nature of the cooperation undertaken have a perspective which looks beyond local, regional or even national interests and aims to develop synergies at European and international level.

Preference will be given to projects associating a higher number of partners from a wider group of countries, than the minimum level mentioned in point 5.4.

8.2 International Cooperation Dimension (0-5 pts)

Particular attention will be given to projects which demonstrate a concrete dimension of international cooperation. To this effect, the projects shall involve an active cooperation of at least 1 associated partner from one of the third countries in question (respectively India or China).

Preference will be given to projects associating a number of partners, higher than the minimum level mentioned in point 5.4.

8.3 Quality of the partnership (0-5 pts)

Particular attention will be given to projects which consistently demonstrate through the level of cooperation between partners, the thoroughness of the application and methodology, the clarity of the budget, the proposed project management and the originality of approach that their proposal is one which will not only address the criteria and objectives of the Programme and of this call but can also be completed successfully.

8.4 Innovation and Creativity (0-5 pts)

Particular attention will be given to projects that are regarded as demonstrating innovation, originality and creativity in their approach, their perspective, their methodology, or the nature of their cooperation.

8.5 Sustainability (0-5 pts)

A preference will be given to projects demonstrating a long-term perspective and out-reaching activities planned over the period of eligibility of the project, thus ensuring the sustainability of foreseen actions.

8.6 Visibility (0-5 pts)

A comprehensive communication plan and a constant effort at promoting the visibility of the project will be considered as an asset.

9. FINANCIAL CONDITIONS

Selection of a proposal does not constitute an undertaking to award a financial contribution equal to the amount requested by the applicant.

The awarding of a grant does not establish an entitlement for subsequent years.

Community grants are incentives to carry out actions which would not be feasible without EC financial support and which are based on the principle of co-financing. They complement applicants' own financial contribution (including secured national, regional or private funding).

The amount of self-financing mentioned under income in the estimated budget is considered to have been definitively secured.

The amount of the grant allocated cannot exceed the amount requested.

Proposals must include an estimated budget in which all prices are given in euro.

Applicants from countries outside the "euro zone" must use the conversion rates published in the *Official Journal of the European Union*, C series, on the date of publication of this call for proposals.

Information available at this address: <http://eurlex.europa.eu/JOIndex.do?ihmlang=en>

The budget for the project attached to the application form must have income and expenditure in balance, and *clearly show the costs that are eligible for financing from the Community budget*.

Applicants must indicate, by filling in the spaces provided for this purpose in the application form, 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 regular activities.

The grant awarded must not have the purpose or effect of producing a profit for the beneficiary. Profit is defined as a surplus of revenue over costs. Any surplus will result in a proportional reduction of the amount of the grant

The bank account or sub-account indicated by the beneficiary (leader partner) must make it possible to identify the funds transferred by the Executive Agency. If the funds paid into this account give rise to interest or equivalent profits in accordance with the legislation of the country where the account is held, such profit or interest will be recovered by the Executive Agency, where it results from the pre-financing payment.

9.1. Payment Procedures

Grant Agreement

In the event of definitive approval of a proposal, a *Grant Agreement*, drawn up in euro and detailing the conditions and level of co-financing, will be proposed by the Executive Agency to the beneficiary (leader partner). The Grant Agreement (the original) must be signed by the beneficiary and returned to the Executive Agency within the set deadline. The Grant Agreement will come into effect on the day on which it is signed by the last of the two parties, namely the Executive Agency.

Payment modalities

Pre-financing

NB. *If a bank guarantee is required, the conditions associated with the payment modalities here below are not the same (see point 9.2 of this document).*

A pre-financing payment, as defined in the Grant Agreement, will be transferred to the beneficiary within 45 days of the date when the Executive Agency signs the Grant Agreement and all the requested guarantees are received.

Pre-financing is intended to provide the beneficiary with a float and may be split into a number of payments according to the duration of the co-financed project.

Final payment

The Executive Agency will establish the amount of the final payment to be made to the leader partner, on the basis of the *final report* (i.e. technical implementation report & financial statement). If the eligible costs actually incurred by the leader partner/partners during the project are lower than anticipated, the Executive Agency will apply the rate of co-financing, quoted in the Grant Agreement, to the actual costs. Where applicable, the beneficiary will be required to reimburse any excess amounts paid by the Executive Agency in the form of pre-financing.

9.2. Guarantee

In order to limit the financial risks linked to the pre-financing payment(s), the Executive Agency may require any beneficiary (leader partner) awarded a grant to provide a guarantee in advance.

The purpose of this guarantee is to make a bank or financial institution, third party or the other beneficiaries stand as irrevocable collateral security for, or first-call guarantor of, the beneficiary's obligations.

This financial guarantee must be in euro and must be provided by an approved bank or financial institution established in one of the Member State of the European Union. When the beneficiary is established in another country participating to the Culture programme, the authorising officer responsible may agree that a bank or financial institution established in that country may provide the guarantee if he considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State.

At the request of the beneficiary and following approval by the competent authorising officer at the Executive Agency, this guarantee may be replaced by a joint and several guarantee by a third party.

The guarantee will be released following payment of the balance (i.e. final payment), in accordance with the conditions laid down in the Grant Agreement.

This requirement does not apply to

- ❖ public bodies,
- ❖ international organisations under public law established by inter-governmental agreements and specialist agencies created by such organisations
- ❖ the International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red Crescent Societies

9.3. Double financing

Actions co-financed under this Call for Proposals must not receive any other form of Community financing.

NB. Applicants are obliged to provide information in the Application form indicating all European Community grants already received or in progress, as well as any other applications submitted to the European Commission or other sources of funding during this year.

9.4. Eligible costs

General conditions

In order to be eligible under this call for proposals, costs:

- ❖ must be necessary for the implementation and completion of the action, be included in the estimated budget attached to the grant agreement, be reasonable, and consistent with the principles of sound financial management, in particular in terms of value for money and cost/effectiveness
- ❖ must be incurred during the lifetime of the action as defined in the Grant Agreement
- ❖ must be actually incurred by the leader partner and partners of the action, be recorded in their accounts in accordance with the applicable accounting principles, and be declared in accordance with the requirements of the applicable tax and social legislation
- ❖ must be identifiable, verifiable and be backed up by original supporting documents

The internal accounting and auditing procedures of the leader partner and partners of the action must permit direct reconciliation of the costs and income declared in respect of the action with the corresponding accounting statements and supporting documents.

Eligible Direct Costs

Eligible direct costs are those costs which, in accordance with the eligibility conditions set out in the previous paragraph, can be identified as specific costs directly linked to the implementation of the action and which can therefore be booked to it directly.

In particular, the following direct costs are eligible, provided that they satisfy the criteria set out in the previous paragraph:

- ❖ the cost of staff assigned to the action, comprising actual salaries plus social security charges and other statutory costs included in their remuneration, provided that this cost does not exceed the average rates corresponding to the usual remuneration policy of the beneficiary (leader partner) or, where appropriate, that of the partners (co-beneficiaries) of the action

For staff only partly involved in the action, then only the percentage of the allocated time is eligible. The participation of staff in the action must be proven by secondment contracts, job descriptions, attendance records (i.e. time sheets) or any other evidence.

Attention: Cost of staff assigned to the actions cannot exceed 20% of the total amount of all the other direct costs.

- ❖ travel and subsistence allowances for staff participating in the action, provided that they are reasonable, justified, and in accordance with the principles of sound financial management, in particular regarding economy and efficiency, and in line with the co-ordinator's usual practice on travel costs or, where appropriate, those of partners. If these costs are considered to be extravagant, they will be revised downwards and capped in accordance with the scales approved annually by the European Commission.
- ❖ rental or purchase cost of durable equipment (new or second-hand), provided that the equipment concerned is depreciated in accordance with the tax and accounting rules applicable to the leader partner (beneficiary) or, where appropriate those of partners, and generally accepted for equipment of the same type. Only the proportion of the equipment's depreciation corresponding to the duration of the action and the rate of actual use for purposes of the action may be taken into account by the Executive Agency, except where the nature and/or the context of its use justifies different treatment.
- ❖ cost of consumables and supplies, provided that they are identifiable and assigned to the action
- ❖ cost arising from other contracts awarded by the leader partner or the partners for the purposes of carrying out the action, provided that the conditions laid down in the Grant Agreement are met
- ❖ cost arising directly from requirements imposed by the implementation of the action (dissemination of information, specific evaluation of the action, audits, translations, reproductions, etc.), including, where applicable, the costs of any financial services (especially the cost of financial guarantees).
- ❖ For activities carried out in a third country, the costs related to the activities and incurred in the third country by the leader partner and the partners are regarded as eligible.
- ❖ Costs from associated partners are not eligible unless they are directly paid or refunded by the leader partner and/or the partners of the action.

Eligible indirect costs (administrative costs)

- ❖ a flat-rate amount, **not exceeding 7%** of the eligible direct costs for the action, is eligible under indirect costs. This represents general administrative costs incurred by the leader partner, or, where applicable, the partners and which can be regarded as chargeable to the action.

Indirect costs do not include costs entered under another budget chapter/item.

Attention:

Indirect costs are not eligible where the leader partner or, where applicable, the partners also receives an operating grant awarded under the European Union budget.

9.5. Ineligible costs

The following costs are not considered eligible:

- ❖ return on capital
- ❖ debts and debt service charges
- ❖ provisions for losses or potential future liabilities
- ❖ interest owed
- ❖ doubtful debts
- ❖ exchange rate losses
- ❖ VAT, unless the beneficiary shows that it cannot be recovered
- ❖ costs declared and covered in connection with another action or work programme receiving a Community grant
- ❖ inordinate or ill-considered costs
- ❖ costs for replacing staff participating in the action
- ❖ contributions in kind

10. SUBCONTRACTING AND AWARD OF PROCUREMENT CONTRACT

Where implementation of the action requires subcontracting or the awarding of a procurement contract, the beneficiary (leader partner) and, where applicable, the partners, must obtain competitive tenders from potential contractors and award the contract to the bid offering best value for money, observing the principles of transparency and equal treatment of potential contractors and taking care to avoid conflicts of interests.

In the event of sub-contracting exceeding EUR 25 000, the beneficiary (leader partner) and, where applicable, the partners, must clearly document the tendering procedure, submit the relevant documents together with the final report at the end of the project and retain them for control in case there should be an audit.

11. PUBLICITY AND PROMOTION

11.1. European Commission – Obligations regarding publicity and promotion

All grants awarded in the course of a financial year must be published on the Internet site of the Community institutions during the first half of the year following the closure of the budgetary year in respect of which they were awarded. The information may also be published using any other appropriate medium, including the *Official Journal of the European Union*.

With the agreement of the leader partner/partners/associated partners (and taking into account whether information is such that it will jeopardise their security or prejudice their financial interests), the following information will be published:

- ❖ name and address of leader partner and partners and associated partners
- ❖ amount awarded and rate of co-financing
- ❖ content of the action co-financed
- ❖ a summary of the results achieved
- ❖ a concise presentation of the action co-financed and what it entailed aimed at the general public. This presentation is provided by applicants upon submission of the application and will be updated when the action has been completed.

Applicants must register their agreement or, as appropriate, their disagreement to the publication of the data mentioned above. A *Declaration* is provided for this purpose as part of the Application form.

11.2. Beneficiaries – Obligations regarding publicity and promotion

Beneficiaries must clearly acknowledge the European Union's contribution in all publications or in conjunction with all activities for which the grant is used.

Beneficiaries are required to publicise the results of the activities implemented by means of the Community grant. Evidence of this publicity must be included in the final reports.

Beneficiaries are also required to participate in a yearly dissemination meeting or policy event that the European Commission, the Executive Agency or other delegated bodies such as for example the Cultural Contact Points may organise in Brussels or in other locations. Participation costs are only eligible under the Community grant if this meeting occurs during the eligibility period of the project

Publications – Promotion material (i.e. catalogues, programmes, brochures, leaflets, posters, banners, other products)

It is required to give prominence to the name and logo of the European Union and name and logo of the Programme financing the action. Evidence of this publicity must be included in the final reports.

The logos to use can be downloaded at the following web address:

http://ec.europa.eu/dgs/education_culture/publ/graphics/identity_en.html

Practical information about how to use the logos can be found at the following web address:

http://eacea.ec.europa.eu/about/logos_en.htm

Attention: If these provisions are not respected in full and in line with the Grant Agreement, the awarded grant may be reduced.

12. SELECTION PROCEDURE

The award of grants is subject to the principles of transparency, equal treatment and non discrimination. Up to the limits of funds available, eligible proposals with the highest score will receive a grant.

Control of eligibility and exclusion criteria

Proposals will be first examined on the basis of eligibility and exclusion criteria laid down in this document.

Assessment of award and selection criteria

Eligible proposals will be assessed by an *Evaluation Committee* on the basis of the award and selection (operational capacity) criteria laid down in this document. The Evaluation Committee is assisted by independent experts.

Following the examination of the submitted documents attesting to the financial capacity of applicants and the verification of the budget and its annexes, the Evaluation Committee will make a recommendation on a list of proposals to co-finance.

Last phase of selection procedure

According to article 9.3 of the decision No 1903/2006/EC of the European Parliament and of the Council 2006 establishing the Culture Programme (2007-2013), the proposed list of the Evaluation Committee should be, subsequently, submitted to the Advisory Committee of the Programme (representatives of countries taking part in the Programme) to deliver its opinion and it should be transmitted to the European Parliament for information.

Only after completion of the above mentioned procedure and the adoption of the *Award Decision* by the European Commission, the Executive Agency can announce the results of the selections procedure to applicants.

For reasons of transparency, equal treatment and non discrimination, until conclusion of the selection procedure, information about the outcome of individual applications may not be given.

Selected applicants will receive a Grant Agreement to sign.

Unsuccessful applicants will receive a letter informing them of the decision taken by the European Commission and stating the reasons why their application was not selected.

Applications will not be returned to applicants at the end of the selection procedure.

Rules applicable

The award of Community grants is governed by the Financial Regulation and must respect the procedures laid down in:

- ❖ the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities,⁷ as amended in Council Regulation (EC Euratom) No 1995/2006 of 13 December 2006⁸
- ❖ Commission Regulation (EC, Euratom) No 2342/2002⁹ of 23 December 2002 laying down detailed rules for the implementation of Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, as amended in Commission Regulation (EC, Euratom) No 478/2007 of 23 April 2007¹⁰
- ❖ Decision No 1855/2006/EC of the European Parliament and of the Council of 12 December 2006 establishing the Culture Programme (2007 to 2013)¹¹

⁷ OJ L 248, 16.09.2002

⁸ OJ L 390, 30.12.2006

⁹ OJ L 357, 3.12.2002

13. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Deadline for submission of proposals: **01 October 2007**

Applicants should submit their proposal together with the following documents:

- ❖ Application form (Part I, II and III)
- ❖ Annexes to Application Form
 - * Legal Entity Form + * supporting documents
 - * Activities Reports
 - * Curriculum Vitae of persons responsible for the action
 - * Declaration on honour
 - * Signed partnership/Cooperation agreement between the leader partner, the partners and the associated partners
 - * Mandate from the partners (co-beneficiaries) granting power to the leader partner (beneficiary)
 - * Presentation of estimate budget (expenditure + income)
 - * Detailed budgetary annexes
 - * Financial Capacity Form
 - * External audit report
 - * Balance sheets + * Profit/Loss accounts (leader partner only)
 - * Bank Identity Form (leader partner only)

13.1. Publication

The call for proposals is published in the *Official Journal of the European Union* and on the website of the Executive Agency: <http://eacea.ec.europa.eu/>

13.2. Application form

The Application form and all related documents (e.g. model Grant Agreement), can be down loaded at the website of the Executive Agency: <http://eacea.ec.europa.eu/>

13.3. Submission of applications

Applications and all correspondence must be sent to the address of the Executive Agency:

Education, Audiovisual & Culture Executive Agency
Culture Programme (2007–2013)
Call for proposals EACEA No 21/2007
Avenue du Bourget, 1 (BU 29 - 02/28)
B - 1140 Brussels

- ❖ **by post** (date as postmark)

or

¹⁰ OJ L 111, 28.4.2007

¹¹ OJ L 372/1, 27.12.2006

- ❖ **in person**, before 5.00 p.m., **by applicants themselves** (as evidenced by the date of receipt) or **by an employee of an express courier service** (as evidenced by the date of receipt of the courier company).

The acknowledgement of receipt (attached to the application form) will be returned to applicants as confirmation that their application has been received.

Applications sent by fax or e-mail will not be accepted.

13.4 Additional sources of information

Further information may be obtained from the Culture Contact Point in your country and on the Infoday Website:

- The List of Culture Contact Points can be found at the address:
http://ec.europa.eu/culture/eac/culture2000/contacts/national_pts_en.html

Interested applicants will also have the opportunity to submit questions on the occasion of the 'InfoDay Culture', an event jointly organised by the European Commission (DG EAC) and the executive Agency on September 14, 2007 (venue Charlemagne Building, 173 rue de la Loi, B-1049 Brussels)¹².

- Information about the 'InfoDay Culture' and registration procedure can be found at the address:
http://eacea.ec.europa.eu/culture/index_en.htm

¹² Information about registration procedure for this event will become available on the website of the Executive Agency as of end July 2007.

GLOSSARY (KEY WORDS)

- **“Executive Agency”**: On 14 January 2005, the Commission adopted Decision 2005/56/EC setting up the Education, Audiovisual and Culture Executive Agency. Its mission is to implement a number of strands of more than 15 Community funded Programmes and Actions in the fields of education and training, active citizenship, youth, audiovisual and culture.

NB. Relevant entries are presented in alphabetical order

- **“Associated Partner”**: The associated partner must have its legal registered seat either in India or in China. To be considered as an associated partner to a project, a cultural operator should participate in the design and implementation of the proposed activities, but not the extent and level of participation of a co-organiser. Costs incurred by associated partners are not eligible, unless they are directly paid or refunded by the leader partner and/or partners.
- **“Award criteria”**: These criteria form the basis for assessing the quality of the proposals, with regard to the focus and the objectives set out in the Call for Proposals EACEA 21/2007. They comprise both quality and quantity criteria, each of which is assigned a specific weight.
- **“Bank Account”/BA**: This is the leader partner's bank account or sub-account, denominated in euro, through which any payments linked to the project shall be made. The Executive Agency will create a file with details of this bank account or sub-account based on the Financial Identification Form (FIF) supplied by the leader partner. The FIF must be signed by the account holder and certified by the bank (i.e. official stamp of the bank and signature of a representative of the bank).
- **“Budget”**: The budget is a form consisted by a detailed breakdown of two parts: the estimated costs eligible for Community funding and the estimated income (including the EU grant). The budget must be always in balance (costs = income). It must be presented in accordance with the model attached to the application form (part II). Budgetary annexes (where required) are an integral part of the budget and must be provided (submission of additional documents). These annexes should contain details of the calculation method applied for the computation of any estimated amount exceeding 5.000 €.
- **“Contribution in kind”**: A contribution in kind is any contribution made by a third party towards the project, which is not paid for by the leader partner and the partners. It could be contributions in the form of durable capital goods and equipment, raw materials, unpaid work by a private individual or corporate body, or staff seconded from another organisation (other than the leader partner/partners) receiving remuneration from this organisation. It could be contributions equivalent to the cost of purchase, lease, rental or hire of land, of buildings or other real estate, etc. Contributions in kind are not eligible.
- **“Signed partnership agreement”**: must be founded on a cooperation agreement, i.e. a common document having a legal form valid in one of the countries taking part in the Programme and signed by all the cultural operators involved. This document describes precisely the objectives of the project, the activities which will be implemented in order to achieve these objectives and the role of

each partner (including the leader partner) in the design and implementation of the project, as well as the amount of their financial contribution.

- **“leader partner” (lead beneficiary):** To be considered as leader partner, the cultural operator from a country taking part in the Programme must act as the legal co-signatory for the EU Grant Agreement awarded by the Executive Agency. This is in addition to having a coordinating role and a specific and essential involvement in the design, implementation and financing of the project. This means guaranteed participation from own or raised and secured funds (other funding). (**“Contributions in kind”** or income generated by the project cannot be included as part of the financial participation).
- **“partner” (co-beneficiary):** To be considered as partner, the cultural operator from a country taking part in the Programme must have a specific and essential involvement both in the design, implementation and financing of the project. This means guaranteed participation from own or raised and secured funds (other funding). (**“Contributions in kind”** or income generated by the project cannot be included as part of the financial participation). The involvement of each co-organiser must be clearly indicated in the application form. Sole delivery of either services or goods with respect to the action, whether on a contractual basis or not, is not considered in-line with the definition of partner.
- **“Direct costs”:** Eligible direct costs are those costs which can be identified as specific costs directly linked to the implementation of the project and which can therefore be booked to it directly.

“Depreciation of equipment”: In case of purchase of equipment used for the purposes of the project, depreciation should be applied. Only depreciation during the eligibility period of the project is an eligible **“direct cost”**, to the extent that the equipment is specifically used for the project. The depreciation rules to be used are those applicable to tax and accounting rules of the leader partner and must be stated in the application form.

- **“Eligible costs”:** Necessary, specific and reasonable expenditure incurred by the **“leader partner”** and **“partners”** while implementing the action and recorded in their accounts in accordance with the applicable accounting principles. The leader partner's and the co-beneficiaries' internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action with the corresponding accounting statements and supporting documents.
- **“Eligibility Criteria”:** These criteria are used to reject applications during the selection procedure. Applications which comply with the eligibility criteria will be subject to an in-depth evaluation on the basis of selection and award criteria.
- **“Eligibility period”:** The period in which eligible costs must be generated, that is costs which are necessary for the implementation of the action and give rise to an obligation to pay.

The period of eligibility is stipulated in the Grant Agreement and will, in principle, be no earlier than the signature of the Grant Agreement by the Executive Agency (for more, see point 5.5 of this document).

- **“Exclusion Criteria”:** These criteria are of general nature and are applicable to all calls for proposals published by the European Communities. Applicants must state that they comply with the provisions set out in Articles 93 and 94 of the Financial Regulation applicable to the general budget

of the European Communities. To that respect a declaration on honour is required, as part of the application.

- **“External audit”**: The application must be accompanied by an external audit report produced by an approved auditor. This must include certified audited accounts of the last financial year available (no later than 18 months).

The following are exempted from this obligation: public bodies and international organisations under public law, secondary or higher education establishments and beneficiaries with joint and several liabilities (in case of agreements involving several beneficiaries).

- **“Financial capacity”**: This is one of the **“selection criteria”**. The **“leader partner”** and the **“partners”** must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out and to participate in its funding. To that respect a declaration on honour testifying that they have the financial capacity to complete the proposed action is required, as part of the application.

In order to facilitate the verification of the financial capacity of the **“leader partner”**, the Financial Capacity Form must be submitted (submission of additional documents). In case the financial capacity of the leader partner is judged insufficient, the Executive Agency may reject the application, request additional information, require a guarantee or propose a Grant Agreement without pre-financing.

- **“Grant Agreement”**: Community funding to successful proposals will take the form of a Grant agreement between the Executive Agency and the leader partner. The Grant Agreement sets out the terms and conditions governing the grant. It may be amended during the eligibility period of the project through a rider procedure.
- **“Indirect costs (administrative/operational costs)”**: They are eligible costs which are not identifiable as specific costs directly linked to the implementation of the action (i.e. cannot be booked to it directly), but which can be identified and justified by the leader partner and/or the co-beneficiaries as having been incurred in connection with the action. They may include rent, heating, electricity, gas, consumables, among other.
- **“Legal Entity”/LE**: To be eligible, the **“leader partner”** and each **“partner”** must have legal personality (Private or Public Law bodies) and their main activity must lie in the cultural sphere. To that respect a declaration on honour testifying that they have the required legal entity is required, as part of the application. To make it possible to identify the legal personality of involved cultural operators, the Legal Entity Form, together with the appropriate supporting documents, must be submitted.
- **“Mandate”**: Based on the Grant Agreement, the **“leader partner”** has full responsibility for the action vis-à-vis the Executive Agency. Each **“partner”** must sign this document by which the signatory grants power of attorney to the **“leader partner”** to act in their name and for their account during the implementation of the action. This document will also clearly describe the role and responsibilities of the **“partner”** in the design, implementation and financing of the action. The mandate will be provided by the Executive Agency and will be annexed to the Grant Agreement.
- **“Operational capacity”**: This is one of the **“selection criteria”**. The **“leader partner”** and the **“partner”** must have the professional competencies and qualifications required to complete the proposed action. To that respect a declaration on their honour, attesting to their operational capacity

to complete the proposed activities is required, as part of the application. In addition, an Activity Report and the Curricula Vitae of the persons responsible for the action on behalf of each applicant organisation will be also submitted as part of the application.

- **“Public body/organisation”**: In the context of these specifications, a public body is considered as any body, any part of whose costs are financed from the state budget as of right, either by central, regional or local government. That is, these costs are financed from public sector funds raised through taxation or fines or fees regulated by law, without going through an application process which might result in their being unsuccessful in obtaining funds. Organisations that depend on state funding for their existence and receive grants year after year, but for which there exists at least the theoretical possibility that they may fail to receive money one year are considered by the Commission as private bodies.
- **“Selection criteria”**: These criteria serve as the basis to assess the operational capacity and the financial capacity of the applicant organisations to complete the proposed action (see also **“Operational capacity”** and **“Financial capacity”**)
- **“Sub-contracting”**: Any services and/or goods in connection with the proposed action which is provided by third parties (other than the **“leader partner”** and the **“partners”**) and is paid for or reimbursed in full by the **“leader partner”** and the **“partners”**, irrespective of the form of legal agreement made between the **“leader partner”** and the **“partners”** and the third party.

Sub-contracting parties involved in the action must be listed in the application form and the direct costs linked to the activities implemented by these parties must be clearly indicated in the budget. (for more see point 10 of this document)