



*Education, Audiovisual &  
Culture Executive Agency*

**CALL FOR PROPOSALS  
EACEA N° 23/2007**

**CULTURE PROGRAMME (2007-2013)**

**SUPPORT FOR CULTURAL ACTIONS:  
MULTI-ANNUAL COOPERATION PROJECTS  
(Strand 1.1)**

**'SPECIFICATIONS'**

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### *Specifications*

**Submission of Proposals**  
*(all applicants)*

**Phase I**

Deadline: October 31, 2007

Applicants should submit their proposal comprising the following documents:

- ❖ Application form (Part I, II and III)
- ❖ Annexes to Application Form – Phase I

Part I (Information on the Project):

\* No annexes

Part II (Estimated Budget):

\* Concise presentation of estimated budget (expenditure + income) – no annexes

Part III (Information on Applicant Organisations):

- \* Declarations on honour (two)
- \* Activities Report
- \* Curriculum Vitae of persons responsible for the action
- \* Cooperation agreement

**Submission of additional documents**  
*(pre-selected applicants only)*

**Phase II**

Deadline: maximum one month following the request of the Executive Agency (see provisional timetable, point 3 of this document)

Pre-selected applicants will be requested to submit the following documents:

- ❖ Annexes to Application Form – Phase II

Part II (Estimated Budget)

\* Detailed budgetary annexes (in line with the concise presentation of estimated budget submitted in Phase I)

Part III (Information on Applicant Organisations):

- \* Legal Entity form + \* supporting documents
- \* Financial Identification form (coordinator only)
- \* Financial Capacity form (coordinator only)
- \* Balance sheets + \* Profit/Loss accounts (coordinator only)
- \* External audit report (coordinator only)

Attention: *These documents will be submitted upon request during phase II of the application procedure. Pre-selected applicants are strongly recommended to take all necessary precautions in order to have all required documents prepared and sent within the set deadline.*

## IMPORTANT NOTICE

You are strongly advised to read point 12 (Selection Procedure) and point 13 (Procedure for the Submission of Proposals) of this document. This will facilitate greatly your understanding of the information contained in the first parts of the document.

## 1. INTRODUCTION

This call for proposals is based on the Decision of the European Parliament and of the Council<sup>1</sup> 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 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 emanates from Article 151 of the Treaty establishing the European Community, which provides that the Community shall contribute to the flowering of the cultures of the Member States while respecting their national and regional diversity and the same time bringing the common cultural heritage to the fore.

The general objective of the Programme is to enhance the cultural area shared by Europeans and founded on a common cultural heritage, through the development of cooperation between cultural operators in the countries taking part in the Programme, with the view to encouraging the emergence of a European citizenship.

The specific objectives of the Programme are:

- ❖ to promote transnational mobility of people working in the cultural sector;
- ❖ to encourage the transnational circulation of artistic and cultural works and products;
- ❖ to encourage intercultural dialogue.

In pursuing these objectives, the Programme encompasses the cultural sector as a whole and aspires to stimulate synergies leading to a sustainable cultural cooperation at European level.

The strategic target is to strengthen European cultural cooperation by supporting cultural actions that demonstrate the following core characteristics:

- ❖ can generate a distinct European added value;
- ❖ meet the specific objectives of the Programme;
- ❖ propose activities of a distinct artistic and cultural excellence and a proven potential for successful implementation;

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<sup>1</sup> Decision N° 1855/2006/EC of 12 December 2006 establishing the Culture Programme (2007 to 2013).

- ❖ ensure a high quality of partnership and methodology of cooperation among participating organisations;
- ❖ produce results that can be communicated and promoted in an appropriate and visible manner;
- ❖ generate results that could sustain a sound cooperation on a longer-term basis and stimulate future initiatives of cultural cooperation at European level.

## 2.2. Purpose of the call for proposals

In order to meet the objectives of the Programme, this call for proposals aims to award Community grants, following a selection process, to two types of actions from any artistic and cultural field:

- ❖ Multi-annual cooperation projects (Strand 1.1)
- ❖ Cooperation measures (Strand 1.2.1)<sup>2</sup>

The intention is to strengthen European cultural cooperation by co-financing approximately 92 actions (around 12 multi-annual cooperation projects and around 80 cooperation measures).<sup>3</sup>

This document lays down the conditions and requirements for Multi-annual cooperation projects (Strand 1.1).

### Multi-annual cooperation projects

#### (Strand 1.1)

Support will be provided for projects comprising a number of multi-annual activities aiming to achieve a sustainable and structured cooperation between cultural operators. They must meet at least two of the three specific objectives of the Programme indicated in point 2.1.

Projects will be supported in their launch and structuring phase or during their geographical expansion phase in order to enable them to develop over the long-term and achieve financial independence.

Projects may be sectoral or cross-sectoral in nature and must pursue a common overarching objective, founded on a *cooperation agreement*.<sup>4</sup>

Each project must involve at least six cultural operators from six different countries taking part in the Programme.

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<sup>2</sup> Actions covering literary translation are the subject of a separate call for proposals (EACEA N° 25/2007).

<sup>3</sup> Estimated figures based on the work programme of the European Commission for 2008 and the experience of the selection outputs of the Call for Proposals EACEA N° 09/2006.

<sup>4</sup> 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.

### 3. PROVISIONAL TIMETABLE

The following timetable will apply:

October 31, 2007	<b>Deadline for submission of proposals (application procedure - Phase I)</b>
November – end February 2008  maximum one month following the request of the Executive Agency	Examination – Selection of proposals (eligibility criteria, exclusion criteria, award criteria, selection criteria)  <b>Deadline for submission of additional documents (application procedure – Phase II)</b>
April 2008	Opinion of the Programme Management Committee
May 2008	Right of scrutiny of the European Parliament Grant Award Decision by the European Commission Written notification of results to applicants
June 2008	<b>Sending Grant Agreements for signature</b>

### 4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of multi-annual cooperation projects in 2008 amounts to approximately EUR 17,5 million providing financial support for around twelve (12) multi-annual cooperation projects.

Community co-financing will be granted for a period of three to five years and cannot exceed 50% of the total eligible budget of the project. It must be between EUR 200.000 and EUR 500.000 per year.

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

### 5. ELIGIBILITY CRITERIA

Only applications which comply with the following criteria will be the subject of an in-depth assessment.

## 5.1. Eligible establishment/body/type of applicant

Eligible applicants must have the following characteristics:

- ❖ they must be a public<sup>5</sup> or private body with legal status, whose principal activity is in the cultural sphere (cultural and creative sectors<sup>6</sup>);
- ❖ they must have their registered legal seat in one of the countries taking part in the Programme<sup>7</sup>.

Natural persons are not eligible to apply for a grant.

### 5.1.1. Legal entity

#### Submission of Proposals

Phase I (deadline: October 31, 2007)

Applicants must sign a declaration on honour certifying that their legal status is in conformity with the eligibility criteria of this call for proposals.

The declaration on honour is contained in the Application form - Part III, Annex III.i.A (coordinator) and Annex III.ii.A (co-organiser). Each applicant organisation (coordinator and co-organisers) should fill in and sign a separate declaration on honour.

#### Submission of additional documents

Phase II (deadline: maximum one month following the request of the Executive Agency)

In order to demonstrate their legal status, as certified in the declaration on honour, pre-selected applicants must provide the following documents within the set deadline:

#### *legal entities governed by public law*

- ❖ 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

<sup>5</sup> 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 Commission as private bodies.

<sup>6</sup> This call for proposals is also open to non-audiovisual cultural industries, and in particular small cultural enterprises, where they are acting in a non-profit making cultural capacity.

<sup>7</sup> See point 5.2, herebelow.

*legal entities governed by private law*

- ❖ 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](http://www.ec.europa.eu/budget/execution/legal_entities_en.htm)

Attention: *These documents will be submitted upon request during phase II of the application procedure.*

## 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 States<sup>8</sup>;
- EEA countries (Iceland, Liechtenstein, Norway);
- candidate countries (Croatia and Turkey; former Yugoslav Republic of Macedonia, subject to the conclusion of a Memorandum of Understanding concerning the participation of this country in the Programme);
- the countries of the western Balkans (Albania, Bosnia-Herzegovina, Montenegro, Serbia including Kosovo (UN Security Council Resolution 1244)), subject to the conclusion of a Memorandum of Understanding concerning the participation of each of those countries in the Programme<sup>9</sup>.

## 5.3. Eligible actions

Actions for which co-financing is granted must comply with the principles underpinning the Community action in the field of culture<sup>10</sup> and must take account of the objectives and the conditions defined in point 2 of this document.

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.

<sup>8</sup> 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.

<sup>9</sup> Cultural operators are requested to contact the Executive Agency for further information on developments concerning these countries.

<sup>10</sup> Article 151 of the Treaty establishing the European Community.



Proposals for actions submitted by cultural operators who, in their capacity as coordinators (beneficiaries) or co-organisers (co-beneficiaries) have received funding for a multi-annual cooperation project in the framework of the Programme and under Call for Proposals EACEA N° 09/2006 are not eligible.

Explanation: This means that a coordinator or a co-organiser of a multi-annual cooperation project financed under Call for Proposals EACEA N° 09/2006 is not eligible to become the coordinator of a multi-annual cooperation project or a cooperation measure financed under Call for Proposals EACEA N° 23/2007.

#### 5.4. Eligibility period

The eligibility period of all actions co-financed must begin before December 1, 2008 and must finish by November 30, 2013 at the latest.

***NB.** 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.*

*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 to the extent that this is in line with the dates mentioned above. Under no circumstances can the eligibility period start before January 1, 2008.*

#### 5.5. Eligible proposals

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

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 action.

Proposals not sent by the deadline of submission of proposals (October 31, 2007) are not eligible (date as postmark or courier service stamp).

Only proposals submitted using the official application form, duly completed 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. Only one set of original documents (application form plus annexes and supporting documents) is required.

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.

**NB.** *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).*

## 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) N° 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 found 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 - Part III, Annex III.i.D (coordinator) and Annex III.ii.D (co-organiser). Each applicant organisation (coordinator and co-organisers) should fill in and sign a separate declaration on honour.

## 7. SELECTION CRITERIA

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

**NB.** *The coordinator ('beneficiary') and each co-organiser ('co-beneficiaries') 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 honour certifying their operational and financial capacity to carry out the proposed activities.

The declaration on honour is contained in the Application form - Part III, Annex III.i.D (coordinator) and Annex III.ii.D (co-organiser). Each applicant organisation (coordinator and co-organisers) should fill in and sign a separate declaration on honour.

### 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 their operational capacity, applicants (the coordinator and each co-organiser) must submit, as part of the application package:

<p><b>Submission of Proposals</b> Phase I (deadline: October 31, 2007)</p>
<p><u><i>coordinator and co-organisers</i></u></p> <ul style="list-style-type: none"> <li>❖ the curriculum vitae of the person(s) responsible for the overall coordination/implementation of the proposed action, on behalf of the coordinator, and the curriculum vitae of the person(s) responsible for the implementation of the action, on behalf of each co-organiser</li> <li>❖ an activity report covering the past two years</li> </ul>

### 7.2. Financial capacity

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

Attention: *Verification of financial capacity shall not apply to public bodies and international organisations under public law.*

In order to permit an assessment of their financial capacity, pre-selected applicants (coordinator only) will be requested to submit during phase II of the application procedure:

<p><b>Submission of additional documents</b></p> <p><b>Phase II</b></p> <p>(deadline: maximum one month following the request of the Executive Agency)</p>
<p><i>coordinator only</i></p> <ul style="list-style-type: none"> <li>❖ the Financial Identification form duly completed and certified by the bank (original signatures required) <i>This document can be downloaded at the following address:</i> <a href="http://ec.europa.eu/budget/execution/ftiers_en.htm">http://ec.europa.eu/budget/execution/ftiers_en.htm</a></li> <li>❖ the Financial Capacity form for your country <i>This document can be downloaded at the following address:</i> <a href="http://eacea.ec.europa.eu/culture/calls2007/index_en.htm">http://eacea.ec.europa.eu/culture/calls2007/index_en.htm</a></li> <li>❖ 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)</li> </ul> <p><u>Attention:</u> <i>These documents will be submitted upon request during phase II of the application procedure.</i></p>

**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 9.3)*
- *Propose a grant agreement without pre-financing*

### 7.3. External Audit

<p><b>Submission of additional documents</b></p> <p><b>Phase II</b></p> <p>(deadline: maximum one month following the request of the Executive Agency)</p>
<p>Applications must be accompanied by an audit report produced by an approved external auditor. This applies to the coordinator only. The audit report shall certify the accounts for the last financial year available (and, in any case, not earlier than 18 months).</p> <p><u>Attention:</u> <i>This document will be submitted upon request during phase II of the application procedure.</i></p>

**NB.** *This obligation does not apply to public bodies and international organisations under public law, as well as secondary or higher education establishments or beneficiaries with joint and several liability, in the case of agreements involving several beneficiaries.*

## 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 relevance of the activities to the **specific objectives** of the Programme
- 3) the extent to which the activities proposed are designed and can be carried out successfully with a **high level of excellence**
- 4) the **quality of partnership** between coordinator and co-organisers
- 5) the extent to which the activities can produce **outputs** which achieve the objectives of the Programme
- 6) the extent to which the results of activities proposed will be appropriately **communicated and promoted**
- 7) the extent to which the activities can generate an appropriate level of **sustainability**

Projects will be assessed on a scale from 0 to 35 points. A ranked list of the projects, which receive, at least, 4 points for each award criterion from 1) to 3) and, at least, 26,25 / 35 points (i.e. 75 / 100 points), in total, will be compiled. Up to the limit of 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.

### 1) European Added value (0-5 total pts)

Pursuant to the general objectives of the Programme, the activities proposed are supposed to aim at enhancing the cultural area shared by Europeans through the development of **cultural cooperation** between artists, stakeholders and cultural institutions in the countries taking part in the programme. In this respect, the following factors will be assessed:

- The way the objectives, methodology and nature of the **cooperation among cultural operators** demonstrate an outlook that goes beyond local, regional or even national interests to develop synergies at Europe-wide level;
- The way proposed activities may have a greater effect and their objectives can be better achieved at **European level** than at national level;
- The way **cooperation** and **partnership** are based on mutual exchange of experiences and would lead to a final result that differs qualitatively from the sum of the several activities undertaken at national level, thus producing real multilateral interaction which promotes the achievement of shared objectives;
- Particular attention will be paid to projects allowing a **cooperation involving organisations** that have not previously received any Community funding or cooperations that have been specifically built to carry out the project in question.

## 2) Relevance to the specific objectives of the Programme (0-5 total pts)

It will be assessed the extent to which the activities proposed can promote the specific objectives of the Programme, which are:

- supporting the **trans-national mobility of people** working in the cultural sector;
  - encouraging the **transnational circulation of artistic and cultural works and products**;
  - encouraging **intercultural dialogue**.
- Particular attention will be paid to **projects that meet two out of the three specific objectives** of the Programme.
  - A higher degree of attention will be paid to **projects that meet all three specific objectives** as outlined above.

## 3) Excellence of proposed cultural activities (0-5 total pts)

Projects not only have to meet the programme's objectives, but also have to be carried out successfully with a high quality level of activities. In this respect, the following factors will be assessed:

- The degree of **originality, innovation and creativity** of the proposed activities;
- The **skills and experience of the persons** in charge of the management and implementation of activities;
- The **relevance** of the activities proposed in terms of the target audience/beneficiaries, the impact on the general public and the social dimension of the activities.

## 4) Quality of partnership (0-5 total pts)

The cooperation between cultural operators is at the basis of the Culture programme. In this respect, the following factors will be assessed:

- The **level of cooperation** and commitment of each co-organiser in the design, implementation and financing the project: the number of co-organisers, geographical distribution of the participating organisations, actual role in the cooperation;
- The **role and contribution** of each co-organiser to project management : method of management applied to the proposed activities, clarity of the tasks assigned to the staff and clear description of the role of each co-organiser involved in the project;
- The **consistency** between the activities proposed, the budget allocated to each of them and the staff available to implement the project;
- The **quality of application and budget**: seriousness and completeness of the application, clarity and relevance of proposed methodology, clarity of the project description in terms of objectives-activities-outputs and detailed nature of the budget breakdown.

## 5) Expected level of outputs (0-5 total pts)

The activities proposed have to reach as many people as possible, both directly or indirectly. In this respect, the following factors will be assessed:

- The **number of persons and/or different European countries** who might benefit directly and indirectly from the results of the activities proposed;

- The level of the **trans-sectorial dimension** of the project in terms of range and intensity of the participation of different sectors.

#### 6) Communication and promotion of activities (0-5 total pts)

The result of activities proposed have to be appropriately disseminated and promoted, beyond any legal obligation to use EU logo. In this respect, the following factors will be assessed:

- The **relevance of the communication plan** with respect to the type of the project and the target audience;
- The **relevance and adequacy of the budget** assigned to the communication/dissemination/promotion plan with respect to the direct and indirect impact expected;
- The **methodology** used to ensure the visibility of the activities proposed, the detailed communication/dissemination/promotion plan and the various promotional tools (website, press, brochures, radio, etc.) used.

#### 7) Sustainability (0-5 pts)

Projects are supposed to generate as much as possible long-term results and cooperation, and also to act as multipliers as to other possible promoters. In this respect, the following factors will be assessed:

- The potential of the proposed activities to result in **continued, sustained cooperation**, in complementary activities or in permanent benefits at European level, and to contribute on a long-term basis to the development of cooperation between cultures in Europe;
- The potential of the proposed activities to **generate other future initiatives** of cultural cooperation at both European and infra-European level.

### 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.

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 amount of the grant allocated cannot exceed the amount requested.

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 (coordinator) 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 and provided that the pre-financing payment is more than EUR 50.000, such profit or interest will be recovered by the Executive Agency, where it results from the pre-financing payment.

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 action 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.

### 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 EC co-financing, will be proposed by the Executive Agency to the beneficiary (coordinator).

Where applicable, the awarded EC grant may comprise eligible costs relating to 'conferences/seminars/workshops' (budget chapter 3). In this case, the relevant eligible costs are co-financed on the basis of scales of unit costs in accordance with the formulas specified in Commission Decision C(2007)3649.

Information about the scales of unit costs applicable for each country taking part in the Programme can be found at this address: [http://eacea.ec.europa.eu/culture/calls2007/index\\_en.htm](http://eacea.ec.europa.eu/culture/calls2007/index_en.htm)

The Grant Agreement (in two original sets) 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 9.3 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 action:<sup>11</sup>

***For projects lasting 36 months (3 years), pre-financing payments will be made in the following way:***

- ❖ an initial pre-financing payment representing 40% of the awarded grant will be made within 45 days of the date of signature of the Grant Agreement by the Executive Agency, on the condition that all the requested guarantees have been received (if applicable)
- ❖ a second pre-financing payment representing 40% of the awarded grant will be made within 45 days of the date of approval by the Executive Agency of the payment request by the coordinator, accompanied by the *progress report* on the implementation of the action and a *financial statement of eligible costs* incurred during the period concerned

***Attention:*** *The second pre-financing payment cannot take place until at least 70% of the previous pre-financing instalment has been consumed.*

***For projects lasting 37 months to 60 months (5 years), pre-financing payments will be made in the following way:***

- ❖ an initial pre-financing payment representing 30% of the awarded grant will be made within 45 days of the date of signature of the Grant Agreement by the Executive Agency, on the condition that all the requested guarantees have been received (if applicable)
- ❖ a second pre-financing payment representing 30% of the awarded grant will be made within 45 days of the date of approval by the Executive Agency of the payment request by the coordinator, accompanied by the *progress report* on the implementation of the action and a *financial statement of eligible costs* incurred during the period concerned

***Attention:*** *The second pre-financing payment cannot take place until at least 70% of the previous pre-financing instalment has been consumed.*

- ❖ a third pre-financing payment representing 20% of the awarded grant will be made within 45 days of the date of approval by the Executive Agency of the payment request by the coordinator, accompanied by the *progress report* on the implementation of the action and a *financial statement of eligible costs* incurred during the period concerned.

***Attention:*** *The third pre-financing payment cannot take place until at least 70% of the previous two pre-financing instalments have been consumed*

<sup>11</sup> It is reminded that multi-annual cooperation projects must have a duration of minimum 3 (36 months) and maximum 5 years (60 months).

Final payment
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The Executive Agency will establish the amount of the final payment to be made to the coordinator, on the basis of the *final report* (i.e. technical implementation report & financial statement). If the eligible costs actually incurred by the coordinator/co-organisers during the action are lower than anticipated, the Executive Agency will apply the rate of co-financing, quoted in the Grant Agreement, to the actual costs. For costs incurred in connection with 'conferences/seminars/workshops', where applicable, the Executive Agency will apply the scale of unit costs in accordance with the formulas specified in Commission Decision C(2007)3649.

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. Certificate on financial statements

When the awarded grant for the action is more than EUR 750.000, a *certificate on the financial statements* and underlying accounts, produced by an approved external auditor or, in case of public bodies, by a competent and independent public officer.

The certificate shall be attached to the request for payment of the balance made by the coordinator (i.e. final payment).

The Certificate on Financial Statements should certify the following:

*"The costs declared by the beneficiary (coordinator) in the financial statements on which the request for payment is based are real, accurately recorded and eligible in accordance with the terms of the Grant Agreement."*

## 9.3. Guarantee

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

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.

The guarantee must be in euro and must be provided by an approved bank or financial institution established in the country of the beneficiary.

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 or by joint guarantee of the co-beneficiaries who are parties to the same Grant Agreement.

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

#### 9.4. 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.*

#### 9.5. 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 coordinator (beneficiary) and co-organisers (co-beneficiaries) 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 backed up by original supporting documents.

The internal accounting and auditing procedures of the coordinator (beneficiary) and co-organisers (co-beneficiaries) 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 coordinator (beneficiary) or, where appropriate, that of the co-organisers (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 action cannot exceed 20% of the total amount of all the other direct costs.*

- ❖ travel and subsistence allowances for staff involved in the operation and implementation of 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 coordinator's (beneficiary) usual practice on travel costs or, where appropriate, those of co-organisers. 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 coordinator (beneficiary) or, where appropriate, those of co-organisers, 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 coordinator or the co-organisers for the purposes of carrying out the action, provided that the conditions laid down in Article II.9 of 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).

Attention I:

*For actions involving costs relating to a country not taking part in the Programme – 'third country' (i.e. costs relating to natural persons citizens of a third country, organisations based in a third country and activities taking place in a third country), the relevant costs incurred by the coordinator and/or the co-organisers must not exceed 15% of the total eligible budget.*

Attention II:

*Cost of staff from other organisations (ie. associated partners) is not eligible, unless it is directly paid or refunded by the coordinator and/or the co-organisers of the action.*

Eligible indirect costs (administrative/operational costs)
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- ❖ a flat-rate amount, **not exceeding 7%** of the eligible direct costs for the action **and a maximum of EUR 180.000**, is eligible under indirect costs. This represents general administrative/operational costs incurred by the coordinator, or, where applicable, the co-organisers and which can be regarded as chargeable to the action.

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

<u>Attention:</u>
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<i>Indirect costs are <u>not</u> eligible when the coordinator or, where applicable, the co-organisers also receive an operating grant awarded by the European Commission.</i>
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## 9.6. 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
- ❖ costs incurred by associated partners, unless these costs are directly paid or refunded by the coordinator and/or the co-organisers of the action

## 10. SUBCONTRACTING AND AWARD OF PROCUREMENT CONTRACT

Where implementation of the action requires subcontracting or the awarding of a procurement contract, the beneficiary (coordinator) and, where applicable, the co-organisers 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 (coordinator) and, where applicable, the co-organisers, 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 coordinator/co-organisers (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 coordinator and co-organisers
- ❖ 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 on honour is provided for this purpose as part of the Application form - Part III, Annex III.i.D (coordinator) and Annex III.ii.D (co-organiser). Each applicant organisation (coordinator and co-organisers) should fill in and sign a separate declaration on honour.

### 11.2. Beneficiaries – Obligations regarding publicity and promotion

Beneficiaries have the legal obligation to clearly acknowledge the European Union's contribution in all publications or in conjunction with all activities for which the Community grant is used and to publicise the results of the activities implemented by means of the Community grant.

#### **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 the 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](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](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.*

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.

## 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*, composed of officials of the Executive Agency and the European Commission (DG EAC), on the basis of the award and selection (operational capacity) criteria laid down in this document. The Evaluation Committee is assisted by independent experts.

Applicants whose proposal has reached the funding threshold (26,25 / 35 points, i.e. 75/100 points) will be contacted by the Executive Agency in order to submit additional documents, as required.

Applicants must respect the set deadline; otherwise their proposal will no longer be considered and will be rejected as non eligible.

(Submission of additional documents – Phase II (deadline: maximum one month following the request of the Executive Agency)

Following the examination of the submitted documents 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

The list of proposals to co-finance should be, subsequently, validated by the *Management Committee* of the Programme (representatives of countries taking part in the Programme) and it should be transmitted to the *European Parliament* for its *right of scrutiny* (one month period).

Only after the expiration of the right of scrutiny of the European Parliament and the adoption of the *Award Decision* by the European Commission, the Executive Agency can announce the results of the selection procedure to applicants.

For reasons of transparency, equal treatment and non discrimination, prior to the 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.

### 13. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

<p><b>Submission of Proposals</b> <i>(all applicants)</i></p> <p><b>Phase I</b></p>
<p>Deadline: October 31, 2007</p>
<p>Applicants should submit their proposal comprising the following documents:</p> <ul style="list-style-type: none"> <li>❖ Application form (Part I, II and III)</li> <li>❖ Annexes to Application Form – Phase I <ul style="list-style-type: none"> <li><u>Part I (Information on the Project):</u> <ul style="list-style-type: none"> <li>* No annexes</li> </ul> </li> <li><u>Part II (Estimated Budget):</u> <ul style="list-style-type: none"> <li>* Concise presentation of estimated budget (expenditure + income) – no annexes</li> </ul> </li> <li><u>Part III (Information on Applicant Organisations):</u> <ul style="list-style-type: none"> <li>* Declarations on honour (two)</li> <li>* Activities Report</li> <li>* Curriculum Vitae of persons responsible for the action</li> <li>* Cooperation agreement</li> </ul> </li> </ul> </li> </ul>



**Submission of additional documents  
(pre-selected applicants only)**

**Phase II**

Deadline: maximum one month following the request of the Executive Agency (see provisional timetable, point 3 of this document)

Pre-selected applicants will be requested to submit the following documents:

❖ Annexes to Application Form – Phase II

Part II (Estimated Budget)

\* Detailed budgetary annexes (in line with the concise presentation of estimated budget submitted in Phase I)

Part III (Information on Applicant Organisations):

\* Legal Entity form + \* supporting documents

\* Financial Identification form (coordinator only)

\* Financial Capacity form (coordinator only)

\* Balance sheets + \* Profit/Loss accounts (coordinator only)

\* External audit report (coordinator only)

*Attention: These documents will be submitted upon request during phase II of the application procedure. Pre-selected applicants are strongly recommended to take all necessary precautions in order to have all required documents prepared and sent within the set deadline.*

### 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/culture/calls2007/index\\_en.htm](http://eacea.ec.europa.eu/culture/calls2007/index_en.htm)

### 13.2. Application form

The Application form and related documents (ie. Applicant's Guide) can be obtained as such:

- ❖ by downloading them at the website of the Executive Agency:  
[http://eacea.ec.europa.eu/culture/calls2007/index\\_en.htm](http://eacea.ec.europa.eu/culture/calls2007/index_en.htm)

### 13.3. Submission of proposals

Proposals must be sent:

- ❖ **by post** (date as postmark)

or

- ❖ **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.

*Address to which the proposals must be sent:*

**Education, Audiovisual & Culture Executive Agency**  
**Culture Programme (2007–2013)**  
**Call for proposals EACEA N° 23/2007**  
***Strand 1.1***  
**Avenue du Bourget 1(BU 29, 02/28)**  
**B – 1140 Brussels**  
**Belgium**

#### 13.4 Contacts and additional sources of information

Questions during the procedure for the submission of proposals may be addressed to the Culture Contact Point in your country (a list of Culture Contact Points can be found at: [http://ec.europa.eu/culture/eac/culture2000/contacts/national\\_pts\\_en.html](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, 170 rue de la Loi, 1049 Brussels).<sup>12</sup>

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<sup>12</sup> Information about the registration procedure for this event is available on the website of the Executive Agency as of end July 2007. ([http://eacea.ec.europa.eu/culture/infoday\\_en.htm](http://eacea.ec.europa.eu/culture/infoday_en.htm))

## **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) N° 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities,<sup>13</sup> as amended in Council Regulation (EC Euratom) N° 1995/2006 of 13 December 2006<sup>14</sup>
- ❖ Commission Regulation (EC, Euratom) N° 2342/2002<sup>15</sup> of 23 December 2002 laying down detailed rules for the implementation of Regulation (EC, Euratom) N° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, as amended in Commission Regulation (EC, Euratom) N° 478/2007 of 23 April 2007<sup>16</sup>
- ❖ Decision N° 1855/2006/EC of the European Parliament and of the Council of 12 December 2006 establishing the Culture Programme (2007 to 2013)<sup>17</sup>

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<sup>13</sup> OJ L 248, 16.09.2002

<sup>14</sup> OJ L 390, 30.12.2006

<sup>15</sup> OJ L 357, 3.12.2002

<sup>16</sup> OJ L 111, 28.4.2007

<sup>17</sup> OJ L 372/1, 27.12.2006

## GLOSSARY (KEY WORDS)

- ***“Multi-annual cooperation project”***: a multi-annual cooperation project (**Strand 1.1 of the Programme**) is a project that has a duration of minimum 36 months and maximum 60 months and involves at least six **(6)** cultural operators from at least six **(6)** countries taking part in the Programme. The projects to be financed must start by 1.12.2008, at the latest. These projects must meet at least two of the three specific objectives of the Programme.

The EC grant requested for each project must be minimum 200.000 € and maximum 500.000 € per year. It may not exceed 50% of the total eligible budget.

- ***“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”***: 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 coordinator and/or co-organisers.
- ***“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 N° 23/2007. They comprise both quality and quantity criteria, each of which is assigned a specific weight.
- ***“Bank Account”***: This is the coordinator's bank account or sub-account, denominated in euro, through which any payments linked to the project, shall be effected. 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 coordinator. 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 (expenditure = income). It must be presented in accordance with the model attached to the application form (part II). Budgetary annexes are an integral part of the budget and must be provided during phase II of the application procedure (submission of additional documents). These annexes should contain details of the calculation method applied for the computation of the estimated budget (phase I).
- ***“Certificate on financial statements”***: In cases where the awarded EC grant exceeds 750.000 €, a certificate on the action's financial statements and underlying accounts, produced by an approved external auditor, is compulsory for the execution of payment of the balance (final payment). With regard to public bodies, the certificate may be produced by a competent and independent public officer.

The certificate must be attached to the request for payment. It shall certify that the costs declared by the coordinator in the financial statements on which the request for payment is based are real, accurately recorded and eligible in accordance with the Grant Agreement.

- ***“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 coordinator and the co-organisers. It could be contributions in the form of durable capital goods and equipment, raw materials, unpaid charity work by a private individual or corporate body, or staff seconded from another organisation (other than the coordinator/co-organisers) 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 always not eligible.
- ***“Cooperation agreement”***: *‘Multi-annual cooperation projects’* 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 co-organiser (including the coordinator) in the design and implementation of the project, as well as the amount of their financial contribution.
- ***“Coordinator” (beneficiary)***: To be considered as coordinator, 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).
- ***“Co-organiser” (co-beneficiary)***: To be considered as co-organiser, 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 co-organiser.
- ***“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 coordinator/co-organisers and must be stated in the application form.
- ***“Eligible costs”***: Necessary, specific and reasonable expenditure incurred by the *‘Coordinator’* and *‘Co-organisers’* while implementing the action and recorded in their accounts in accordance with the applicable accounting principles. The coordinator’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 at the first stage of the selection procedure. Only 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 5.4 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 (Phase I).

- **“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 (not earlier 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 liability (in case of agreements involving several beneficiaries).

- **“Financial capacity”**: This is one of the *'selection criteria'*. The *'Coordinator'* and the *'Co-organisers'* 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 (Phase I).

In order to facilitate the verification of the financial capacity of the *'Coordinator'*, the Financial Capacity Form must be submitted during Phase II of the application procedure (submission of additional documents). In case the financial capacity of the coordinator 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 coordinator. 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 coordinator 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”**: To be eligible, the *‘Coordinator’* and each *‘Co-organiser’* 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 (Phase I). 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 during Phase II of the application procedure (submission of additional documents).
- **“Mandate”**: Based on the Grant Agreement, the *‘Coordinator’* has full responsibility for the action vis-à-vis the Executive Agency. Each *‘Co-organiser’* must sign this document by which the signatory grants power of attorney to the *‘Coordinator’* 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 *‘Co-organiser’* 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 *‘Coordinator’* and the *‘Co-organisers’* 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 (Phase I). 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 (Phase I).
- **“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 *‘Coordinator’* and the *‘Co-organisers’*) and is paid for or reimbursed in full by the *‘Coordinator’* and the *‘Co-organisers’*, irrespective of the form of legal agreement made between the *‘Coordinator’* and the *‘Co-organisers’* 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).