



**CALL FOR PROPOSALS  
EACEA No 22/2007**

**CULTURE PROGRAMME (2007-2013)**

**SUPPORT FOR BODIES ACTIVE AT EUROPEAN LEVEL IN THE FIELD OF  
CULTURE**

**(Strand 2)**

**'SPECIFICATIONS'**

**Category FESTIVAL**

## Foreword

The specifications EACEA 22/2007 – Category Festival, present all of the criteria and conditions to be fulfilled in the proposals submitted under the category Festival as well as the Methodology and the Rules that the Executive Agency will follow to ensure a transparent and objective processing of each application.

Please refer to the specifications EACEA 22/2007 – Category Network or specifications EACEA 22/2007 – Category Ambassador, if you wish to submit your proposal under the Category Network or under the Category Ambassador respectively.

### **NB.**

For the purpose of clarity, transparency and to avoid any confusion by applicant organisations, it has been decided to present the specifications EACEA 22/2007 by category.

The specifications EACEA 22/2007 (i.e. Specifications for Category Ambassador, specifications for Category Network or specifications for Category Festival) have both common and specific parts. The common parts relate to criteria and conditions which must be fulfilled by every proposal, whether the proposal is submitted under the Category Ambassador, the Category Network or the Category Festival. The specific parts relate to criteria and conditions which must be fulfilled by proposals depending on the category (subcategory) under which they fall.

Specific criteria and conditions depending on the characteristics of the category (subcategory) envisaged include:

- Eligibility criteria: sections 6.1, 6.3, 6.4, 6.5, 6.7
- Award criteria: sections 9.1, 9.2, 9.4
- Financial conditions: sections 10.7

Common criteria and conditions which must be fulfilled by every proposal include:

- all other criteria and conditions.

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

#### **4. FRAMEWORK PARTNERSHIP AGREEMENT AND ANNUAL OPERATING GRANT AGREEMENT**

The Community will contribute to the financing of the operational expenditure committed by organisations active at European level in the field of culture for European activities carried out according to an agreed work programme.

##### **4.1 Framework partnership agreement**

Organisations wishing to establish a long-term cooperation relationship with the Executive Agency are invited to submit an application for a framework partnership agreement. This agreement formalises a partnership relationship between the Executive Agency and the partner for 3 years, to enable the selected organisation to achieve its long-term objectives.

In order to satisfy the conditions required for obtaining a framework partnership agreement, the organisation must submit an **action plan** setting out the objectives, priorities and expected results (achievements) for the period 2008–2010 as well as the strategy and the actions to be implemented to ensure that the objectives and results are achieved. The action plan will provide in particular for a breakdown of the objectives/results and actions for each of the three years.

As part of the framework agreement, the organisation must also submit each year a detailed work programme for 12 months and the corresponding detailed annual budget. The annual work programme and the detailed annual budget must be based on the action plan set out in the framework agreement. The detailed work programme for 12 months and the annual budget will form the basis for the award of a possible specific operating grant each year.

Applications for the conclusion of a framework partnership Agreement for the period 2008-2010, must include the action plan covering the period 2008-2010 and all information required for the award of a specific operating grant (a detailed work programme for 2008 and its corresponding 2008 detailed budget).

In 2008 and 2009, the partner will, at the request of the Executive Agency, submit a simplified application for a grant with a detailed work programme and the corresponding detailed budget for 2009 and 2010. The work programme agreed on jointly by the two parties will serve as the basis for the award of the specific operating grant<sup>2</sup>.

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<sup>2</sup> Signature of the framework partnership agreement does not commit the Executive Agency to awarding a grant for 2009 and 2010.

*Carrying out of the Framework partnership agreement:*

- ❖ Signature of the Framework partnership agreement including a three years Action Plan,
- ❖ Each year, on the basis of the examination of the detailed work programme for 12 months and its detailed estimated budget, award of **specific operating grant** by the Executive Agency. The detailed work programme and the corresponding annual budget must be in line with the three years Action Plan.

*NB. A second call for proposals for a framework partnership agreement will be launched in 2010 for the three year period 2011-2013.*

#### **4.2 Annual operating grant agreement**

Organisations not wishing to make a long-term commitment under a partnership agreement may submit an application for an annual operating grant. This application must contain a detailed work programme<sup>3</sup> for 2008 together with the corresponding budget.

If the same organisation decides to submit applications under the two options described above, and if these two applications are both selected, priority will be given to the partnership agreement.

*NB. Each year between 2008 and 2012, the Executive Agency will launch a call for proposals to award annual operating grants.*

### **5. BUDGET AVAILABLE**

The total budget earmarked for the co-financing of operational grants in 2008 and for all categories amounts to a minimum of EUR 5 million<sup>4</sup>.

#### **5.1 Breakdown of the available budget between framework partnership agreements and annual operating grant agreements:**

Multi annual operating grants (framework partnership agreement) will represent around  $\frac{3}{4}$  of the available budget. Annual operating grants will represent around  $\frac{1}{4}$  of the available budget with a minimum guaranteed of 20% of the available budget.

#### **5.2 Breakdown of the budget between categories:**

The available budget will also be allocated to the three categories defined under point 6.1.1 as follows:

- Category Ambassador: approximately 40% to 50% of the available budget
- Category Network: approximately 30% to 40% of the available budget
- Category Festival: 20% of the available budget

<sup>3</sup> The level of detail of the work programme and associated budget is the same for an application for an annual operating grant agreement as for a framework partnership agreement.

<sup>4</sup> Figure EU 27

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

## **6. ELIGIBILITY CRITERIA**

### **6.1. Eligible organisation**

#### **6.1.1. Category Festival**

Eligible organisations must correspond to the following category:

##### **❖ Category Festival**

Bodies organising/carrying out Festival(s) which perform supranational activities with clear EU added value and a geographical outreach and a European visibility as broad as possible (according to the legal basis covering at least 7 countries participating to the Programme<sup>5</sup>)

Festivals have to be renowned and recognised at EU level since at least 10 years

#### **6.1.2. Eligible applicant**

Eligible organisations must have the following characteristics:

- ❖ The applicant must be a public or private, independent body having legal status and legal personality. In the context of the present call, international, national, regional or local 'public authorities', such as communes, provinces or regions, are ineligible.

Natural persons, that is to say individuals, may not apply for a grant.

- ❖ The applicant has to have existed legally for at least two years when the application is submitted.
- ❖ The applicant must have its registered office based in one of the countries participating in the Programme.
- ❖ The applicant must be a non-profit-making body.
- ❖ The legal object of the applying body must lie in the field of culture. Therefore, the applying body must be pursuing an aim of general European interest in the field of culture or an objective forming part of the European Union's policy in this area and of the category defined in section 6.1.1.

#### **6.1.3 Legal entity**

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

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<sup>5</sup> Decision No 1855/2006/EC of 12 December 2006 establishing the Culture Programme (2007 to 2013).



*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

*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)

## 6.2. 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>6</sup>;
- ❖ 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 2008;
- ❖ 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 2008<sup>7</sup>.

## 6.3 Eligible activities

The activities of the organisations must be in accordance with the principles underlying Community action in the field of culture and take account of the objectives set out under section 2. The eligible

<sup>6</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>7</sup> Cultural operators are requested to contact the Executive Agency for further information on developments concerning these countries.

activities must also correspond to activities usually carried out by the category as set out under section 6.1.1 of the present specifications 22/2007 – Category Festival.

The activities which may be granted are only those which clearly demonstrate a strong EU added value (targeted activities) and not the organisation of the festival itself.

*NB. Please note that the Programme does not include activities relating to the audiovisual and cinematographic sectors (i.e. film festivals etc.)*

#### **6.4 Eligible Costs**

The costs to be taken into account in determining the operating grant shall be those necessary for the proper implementation of the targeted activities of the organisation selected. In particular, these costs are personnel costs, overheads (rental and property charges, equipment, office supplies, telecommunications, postal charges, etc.), costs of internal meetings, publication, information and dissemination costs and costs directly linked to the organisation's targeted activities (C.f. section 10 of the present specifications for further details).

#### **6.5 Eligible amounts**

The operating grant shall not fund all the body's eligible expenditure in the calendar year for which it is awarded. The organisation concerned may receive Community co-financing representing a maximum of 80% of the eligible costs incurred for the carrying out of the targeted activities for the budget year in question.

Without prejudice to the above co-financing rule, or to the provisions of the Financial Regulation applicable to the general budget of the European Communities, the financing requested by each applicant must not exceed EUR 100.000.

The prerogative of offering a larger grant amount for organisations carrying out extremely well renowned Festivals and recognised at EU level, is reserved pending the selected proposals achieve the two highest scores during the selection procedure. The Maximum grant amount will not exceed EUR 200.000.

#### **6.6 Eligibility period applicable to specific grant agreement and annual grant agreement**

The period of eligibility considered for the implementation of the targeted activities must correspond to applicant's budget year.

- ❖ *If the applicant's budget year corresponds to the calendar year, the period of eligibility will be from 1 January 2008 to 31 December 2008.*
- ❖ *For the applicants with a budget year that differs from the calendar year, the period of eligibility will be the 12-month period from the starting date of their budget year in 2008.*

In any case, the expenditure eligible for financing may not have been incurred before the proposal was lodged or before the start of the beneficiary's budget year.

The framework partnership agreement formalises a partnership relationship between the Executive Agency and the partner for 3 years. Each year, the period of eligibility of the costs will be attached to the award of the specific grant agreement and will cover the applicant's budget year.

## 6.7. Eligible proposals

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

### Attention

*An organisation must choose only one category (subcategory) under which it will submit a proposal*

Proposals must present a balanced budget (expenditure = income), and comply with the maximum ceiling Community co-funding set in sections 6.5 and 10 of the specifications EACEA 22/2007 – Category Festival.

Proposals not sent by the deadline of submission of proposals (5 November 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.

## 7. 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 applicant organisation).*

## 8. SELECTION CRITERIA

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

Applicant organisations must have stable and sufficient sources of funding to maintain their activities throughout the period for which the grant is awarded and to participate in its funding. They must also have the professional competencies and qualifications required to complete the proposed work programme.

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 applicant organisations.*

### 8.1. Operational capacity

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

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

- ❖ the curriculum vitae of the legal representative of the organisation and of the main collaborators (staff members) showing all their relevant professional experience
- ❖ an activity report covering the past two years allowing an assessment both of the body's natural field of activity and its experience in the field of activity concerned

### 8.2. Financial capacity

Applicants must have stable and sufficient sources of funding to maintain the proposed activities throughout the period during which the work programme 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, applicants will be requested to submit:

- ❖ Certified accounts for the last financial year which consist of the Profit & Loss account of the organisation and the balance sheet (Assets and Liabilities), and related notes, if any. These documents must be certified (stamped, dated and signed) by a competent external organisation independent of the management of the organisation (e.g. an approved auditor).

Please note that the balance sheet must not be more than 18 months old on 1 January of the budgetary year for which the Community grant is being requested (in other words, budgetary year 2008).

- ❖ 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](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 (C.f. section 10.5 of the present specifications)*
- *Propose a grant agreement without pre-financing*

### 8.3. External Audit

#### 8.3.1 Requests for grants of more than EUR 100 000:

If the requested operating grant exceeds EUR 100 000, 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.

#### 8.3.2 Requests for grants of less than or equal to EUR 100 000:

If the requested operating grant is less than or equal to EUR 100 000, applications must be accompanied by a declaration on honour certifying that the organisation has stable and sufficient financial resources to maintain its work programme/targeted activities throughout the budgetary year for which the operating grant is requested.

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

## 9. 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 type of proposal submitted (framework partnership agreement or an annual operating grant agreement) and its achievements against the award criteria.

- ❖ For proposal for a framework partnership agreement, the decision will be determined on the basis of the achievements of:
  - *the three-year Action plan (2008-2010),*
  - *the detailed work programme for the first 12 months in 2008 and its coherence with the association's Action Plan,*

against the award criteria defined below.

- ❖ For proposal for an annual operating grant agreement, the decision will be determined on the basis of the achievements of:
  - *the detailed work programme for the first 12 months in 2008.*

against the award criteria defined below.

The award criteria can be outlined as follows:

9.1 the extent to which the work Programme/targeted activities can generate a real <b>European added value</b> as well as the <b>European dimension of the proposed activities</b>
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- 9.2 the relevance of the work programme and subsequent activities to the **specific objectives** of the Programme
- 9.3 the extent to which the proposed work programme and the subsequent activities are designed and can be carried out successfully with a high **level of excellence**
- 9.4 the extent to which the proposed work programme and subsequent activities can produce **outputs** which reach as many people as possible, both directly and indirectly
- 9.5 the extent to which the results of proposed activities will be appropriately **communicated** and **promoted**
- 9.6 the extent to which the activities can generate an appropriate level of **sustainability** (long-term results and cooperation) and also to act as multipliers as to other possible promoters

Proposals will be assessed on a scale from 0 to 30 points.

Proposals for a framework partnership agreement must score at least 4 points on the criteria 9.1, 9.2 and 9.6 respectively.

Proposals for an annual operating grant agreement must score at least 4 points on the criteria 9.1 and 9.2 respectively.

Each type of proposals must score at least 22,5/30 points to be selected (75/100 points). Up to a limit of the funds available and following the conditions as defined under section 5 of the present specifications, applicants that achieve the highest score will receive a grant.

An evaluation committee will assess proposals in order to determine which proposals may be co-financed. The evaluation committee will be assisted by independent experts.

### **9.1. European Added Value and European dimension of the proposed activities (0-5 pts)**

Pursuant to the general objectives of the programme, the activities proposed are supposed to enhance the cultural area shared by Europeans through the supporting of EU-wide bodies permanently active in the field of culture. They must carry out their activities at European level on their own or in the forms of various coordinated associations, and both their structure (registered members) and activities must have an influence throughout the European Union. In this respect, the following factors will be assessed:

- The way the objectives, methodology and nature of the proposed activities demonstrate an outlook that goes beyond local, regional or even national interests to work towards an aim of achieving general European interest through organising festival activities in the field of culture;
- Extent to which the applicant body organises, within a renowned festival, recurring cultural events on a European scale and with a European visibility and dimension;
- The extent to which this European Dimension is sought by the planned activities.

### **9.2. Relevance to the specific objectives of the Programme (0-5 pts)**

It will be assessed the extent to which the activities proposed can promote the general objective of the Programme, in particular:

The extent to which the proposed European activities involve the mobility of people, works and performances and contribute to intercultural dialogue at European level.

### **9.3. Excellence of proposed cultural activities (0-5 total points)**

Proposals not only have to meet the criteria and the objectives of the Programme, 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 skills and experience of the persons in charge of the management and implementation of activities;
- The relevance of the activities proposed in terms of representing European culture at its highest level, the impact on both the European audience and the general public and the social dimension of the activities;
- The clarity and the consistency between the activities proposed, the budget allocated to each of them and the technical and financial capacity of the body;
- 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.

### **9.4. Expected level of outputs (0-5 total points)**

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

- The number of persons who might benefit directly and indirectly from the results of the activities proposed;
- The number of different European countries that will host or benefit from the activities proposed including the number of different places and venues that will host the activities proposed.
- The number of persons/performers anyhow involved in organising activities at EU-wide level within the event

### **9.5. Communication and promotion of activities (0-5 total points)**

The results of activities proposed have to be appropriately disseminated and promoted. 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.

#### 9.6. Sustainability (0-5 total points)

The activities of the cultural bodies 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 extent to which the experiences gained by the implementation of past and recent activities ensure a long term sustainability of a real European added value
- 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 which aim to promote the transnational mobility of people working in the cultural sector, to encourage the transnational mobility of works of art and artistic and cultural products and to further dialogue between cultures.

### 10. FINANCIAL CONDITIONS

Acceptance of an application by the Executive Agency does not constitute an undertaking to award a financial contribution equal to the amount requested by the beneficiary. The awarding of a grant does not establish an entitlement for subsequent years. The amount of the grant allocated cannot exceed the amount requested.

The awarding of a Community operating grant is an incentive to carry out targeted activities which would not be feasible without the Community's financial support, and is based on the principle of co-financing. They complement the applicant's own financial contribution and/or national, regional or private assistance that has been obtained elsewhere.

The rate of Community co financing may not exceed 80% of the eligible targeted operating costs of the applicants. As a consequence, at least 20% of the total targeted operating budget of the organisation must be co-financed from non-Community sources. The amount of self-financing mentioned under income in the estimated budget is considered to have been definitively secured.

Without prejudice to the co-financing rules mentioned above, the funding requested by each applicant shall not exceed the amount presented in section 6.5 of the specifications EACEA 22/2007 – Category Festival.

Proposals must include estimated budgets (three year budget plan for requests for framework partnership agreement and an annual operating 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://eur-lex.europa.eu/JOIndex.do?year=2007&serie=C&textfield2=184&Submit=Search>

The operating budget 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 budget year for the same actions or for any other actions 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 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.

#### **10.1 Limitation of the growth of the eligible budget compared to previous budget years**

- ❖ For organisations which have already benefited from an operational grant in 2007, the eligible budget cannot exceed 10% of actual expenditure incurred in budget year 2006 or it will be cut off at this level. The actual expenditure correspond to actual eligible expenditure assessed by the Executive Agency when examining the final report 2006.
- ❖ For organisations which have not benefited from an operational grant in 2007, the eligible budget cannot exceed 10% of actual expenditures incurred in budget year 2006 or it will be cut off at this level. The actual expenditure will be assessed against the 2006 profit and loss accounts.

#### **NB. Condition applying to organisations selected under a framework partnership agreement**

The limitation of the growth of the eligible budget compared to previous budget years will be applicable each year when determining the eligible budget for the purpose of the establishment of the specific grant agreement.

In 2009, the eligible budget will not exceed 5% of the estimated eligible expenditure of the budget year 2008. In 2010, the eligible budget will not exceed 5% of the estimated eligible expenditure of the budget year 2009. The estimated eligible expenditure corresponds to estimated expenditure as stated in the specific grant agreement for the budget year concerned.

## 10.2 Gradual decrease of operating grants

In accordance with Article 113(2) of the Financial Regulation, when operating grants are renewed, they shall be gradually decreased.

In order to observe this rule, which applies without prejudice to the co-financing rule mentioned above, the percentage of Community co-financing corresponding to the grant awarded for 2008 shall be at least one point below the percentage of Community co-financing corresponding to the grant awarded for the previous financial year (2007).

**NB. Condition applying to organisations selected under a framework partnership agreement**

In accordance with Article 113(2) of the Financial Regulation, the percentage of Community co-financing will be decreased by 1% each year.

## 10.3. Payment Procedures applicable to specific grant agreement and annual operating agreements

### Grant Agreement

In the event of definitive approval of a proposal, a specific *Grant Agreement or an annual operating 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. 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 (C.f. section 10.5 of the present specifications).*

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.

#### Final payment

The Executive Agency will establish the amount of the final payment to be made to the beneficiary, on the basis of the *final report*. If the eligible costs actually incurred by the beneficiary 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.

#### 10.4 Audit report

A certificate on the financial statements and underlying accounts produced by an approved auditor may be demanded in support of any payment by the competent authorising officer, on the basis of a risk analysis. In the case of an operating grant, the certificate must be attached to the request for payment.

This document certifies that the costs declared by the beneficiary in the financial statements on which the request for payment is based are real, accurately recorded and eligible in accordance with the grant agreement.

#### 10.5. Guarantee

The Executive Agency may require any organisation which has been awarded a grant to provide a guarantee in advance, in order to limit the financial risks linked to the pre-financing payment.

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

#### 10.6. Double financing

Applicants may receive only one operating grant from the budget of the European Institutions per financial year. To ensure this, they must give details in their application form of any other grant requests which they have submitted or intend to submit to the European Institutions during the same budget year, stating in each case the budget heading, the Community programme and the amount requested.

Applicants' attention is drawn to the fact that in the case of organisations receiving an operating grant, indirect costs are no longer eligible under specific actions.

## 10.7. Eligible costs

### General conditions

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

- ❖ they must be connected with the subject of the specific agreement and they must be provided for in the estimated budget annexed to it;
- ❖ they must be necessary for the implementation of the targeted activities, included in the estimated budget attached to the agreement, reasonable and justified for implementation of the programme and consistent with the principles of sound financial management, in particular in terms of value for money and cost-effectiveness;
- ❖ be incurred during the lifetime of the work plan as defined in the Grant Agreement;
- ❖ be actually incurred by the beneficiary, be recorded in the beneficiary's accounts in accordance with the applicable accounting principles, and be declared in accordance with the requirements of the applicable tax and social legislation;
- ❖ be identifiable and verifiable and be backed up by original supporting documents.

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the targeted activities 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 targeted activities and Action plan 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 targeted activities, 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.
- ❖ travel and subsistence allowances for staff participating in the targeted activities, 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 beneficiary's usual practice on travel costs. 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) attached to the carrying out of the targeted activities, provided that the equipment concerned is depreciated in accordance



with the tax and accounting rules applicable to the beneficiary, and generally accepted for equipment of the same type. Only the proportion of the equipment's depreciation corresponding to the duration of the targeted activities and the rate of actual use for purposes of the work programme 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 targeted activities;
- ❖ cost arising from other contracts awarded by the beneficiary for the purposes of carrying out the targeted activities, provided that the conditions laid down in the Grant Agreement are met.
- ❖ cost arising directly from requirements imposed by the implementation of the targeted activities (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).

## 10.8. 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
- ❖ expenses for travel to or from countries other than those participating in the work programme, unless explicit prior authorisation is granted by the Executive Agency
- ❖ contributions in kind

## 11. SUBCONTRACTING AND AWARD OF PROCUREMENT CONTRACT

Where implementation of the targeted activities requires subcontracting or the awarding of a procurement contract, the beneficiary 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 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.

## 12. PUBLICITY AND PROMOTION

### 12.1. European Commission – Obligations regarding publicity and promotion

All grants awarded in the course of a budget 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 beneficiary (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 beneficiary
- ❖ amount awarded and rate of co-financing
- ❖ content of the work programme co-financed
- ❖ a summary of the results achieved

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.

### 12.2. 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](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.*

### 13. 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 examined on the basis of eligibility and exclusion criteria laid down in this document.

#### Assessment of award and selection criteria

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.

#### **Phase 1 – Examination of annual proposals**

The Evaluation Committee and a first group of independent experts will examine proposals for annual operating grant agreements **and** for framework partnership agreements - **annual part of the proposals** (i.e. detailed work programme for 2008 and its corresponding detailed budget) on the basis of the award criteria laid down in this document.

Proposals will be assessed according to the rules applicable to proposals for annual operating grant agreements as defined in the section 9 of the present specifications.

On the basis of this examination the Evaluation Committee will draw up a provisional list of proposals foreseen to be co-financed under annual operating grant agreements.

#### **Phase 2 – Examination of requests for a framework partnership agreement**

In the event of a positive evaluation of the annual part of their proposals (i.e. Proposals must be included in the provisional list of proposals foreseen to be co-financed under annual operating grant agreements), requests for framework partnership agreements will be examine by the Evaluation Committee and a second group of independent experts.

Proposals will be assessed according to the rules applicable to proposals for framework partnership agreements as defined in the section 9 of the present specifications.

On the basis of this examination the Evaluation Committee will recommend a list of proposals to be co-financed under framework partnership agreements.

#### **Phase 3 – Recommendation for proposals to co-finance**

After the completion of Phase 1 and Phase 2, the Evaluation Committee will update the provisional list of proposals foreseen to be co-financed under annual operating grant agreements, according to the following principle:



If the same organisation decides to submit proposals under annual operating agreements and under framework partnership agreements, and if these two applications are both selected, priority will be given to the framework partnership agreement.

Following the examination of the 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 under annual operating grant agreements
- a list of proposals to co-finance under framework partnership agreements

Last phase of selection procedure

According to article 9.3 of the decision No 1855/2006/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,<sup>8</sup> as amended in Council Regulation (EC Euratom) No 1995/2006 of 13 December 2006<sup>9</sup>
- ❖ Commission Regulation (EC, Euratom) No 2342/2002 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

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<sup>8</sup> OJ L 248, 16.09.2002

<sup>9</sup> OJ L 390, 30.12.2006

<sup>10</sup> OJ L 357, 3.12.2002

amended in Commission Regulation (EC, Euratom) No 478/2007 of 23 April 2007<sup>11</sup>

- ❖ Decision No 1855/2006/EC of the European Parliament and of the Council of 12 December 2006 establishing the Culture Programme (2007 to 2013)<sup>12</sup>

#### 14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Deadline for submission of proposals: **5 November 2007**

- ❖ Applicants for a framework partnership agreement 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 within the organisation
    - \* Declaration on honour
    - \* Three years action plan
    - \* Detailed work programme for 12 months for 2008
    - \* Detailed estimated budget (expenditure + income) for 2008
    - \* Detailed budgetary annexes
    - \* External audit report when applicable
    - \* Balance sheets + \* Profit/Loss accounts
    - \* Bank Identity Form
- ❖ Applicants for an annual operating grant agreement 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 within the organisation
    - \* Declaration on honour
    - \* Detailed work programme for 12 months for 2008
    - \* Detailed estimated budget (expenditure + income) for 2008
    - \* Detailed budgetary annexes
    - \* External audit report when applicable
    - \* Balance sheets + \* Profit/Loss accounts
    - \* Bank Identity Form

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<sup>11</sup> OJ L 111, 28.4.2007

<sup>12</sup> OJ L 372/1, 27.12.2006

#### 14.1. 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/>

#### 14.2. 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/>

#### 14.3. 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) <i>Call for proposals EACEA No 22/2007</i> Avenue du Bourget, 1 (BU 29 - 02/28) B - 1140 Brussels
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❖ **by post** (date as postmark) at the following address

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), at the following address

The acknowledgement of receipt (attached to the application form) will be returned to applicants as confirmation that their application has been received.
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Applications sent by fax or e-mail will not be accepted.

#### 14.4 Additional sources of information

Further information may be obtained from the Culture Contact Point in your country:

- The List of Culture Contact Points can be found at the address:  
[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, 173 rue de la Loi, B-1049 Brussels).

- Information about the 'InfoDay Culture' and registration procedure can be found at the address:  
[http://eacea.ec.europa.eu/culture/index\\_en.htm](http://eacea.ec.europa.eu/culture/index_en.htm)