

Contracting Authority:

European Commission

Directorate-General for Environment

Pilot project on development of prevention activities to halt desertification in Europe

GUIDELINES FOR GRANT APPLICATIONS

Budget line: 07 03 16

Reference: Desertification 2009-2010- Open Call for Proposals

Title: Halting desertification in Europe

Deadline for submission of proposals: 30 June 2010 17.00

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1. Background

1.1 Context of the call for proposals

Most European countries are affected by the consequences of water scarcity, droughts and land degradation caused by water resources over-exploitation and exacerbated by climate change. The situation is expected to worsen as further temperature increases are expected in Europe (between 1.0-5.5°C) by the end of the century. Due to changes in precipitation the difference between the wet northern part and the dry southern part will certainly increase further.

Implications hereof are plenty, including changes in river flows and seasonality, land-use changes and extensive water withdrawals. Most probably water scarcity problems and desertification (e.g. the degradation of land in arid, semi-arid and dry sub-humid areas) will increase further, although some European countries will be much more negatively affected than others.

Consequently, a number of EU Member States have taken measures to combat desertification. Furthermore, various studies have been carried out to assess the magnitude and impacts of water scarcity problems and desertification in Europe and to provide recommendations on adaptation measures and plans - among which is a study commissioned by the Commission on water efficiency and water scarcity (it is available online on: http://ec.europa.eu/environment/water/quantity/scarcity_en.htm). A key finding of this study, which was published in August 2007, is that there is a significant potential for water savings in Europe. The study estimates that water efficiency could be improved by nearly 40% through technological improvements alone and that changes in human behaviour or production patterns could increase such savings further. In a business as usual scenario the study estimates that water consumption by the public, industry and agriculture would increase by 16% by 2030. Conversely, the use of water saving technologies and irrigation management in the industrial and agricultural sectors could reduce excesses by as much as 43% while water efficiency measures could decrease water wastage by up to a third.

The fast technological improvement could be hindered by the fact that information on the best practices are often not well disseminated across the European Union.

It is against this background that a pilot project on development of prevention activities to halt desertification in Europe has been included in the EU budget 2009 and 2010. The European Commission, Directorate-General for Environment is looking for 3-5 integrated and multi-disciplinary pilot initiatives to demonstrate the potential of water savings. They are aimed at addressing water scarcity and drought, defined as long term hydrological imbalance linked to precipitation levels that adversely affect the production systems.

The pilot initiatives are demonstration projects aimed at testing specially designed technologies, techniques or practices. They should mention the river basin system (or more river basin systems or parts hereof, e.g. sub-catchment area) affected by water scarcity and drought where they will take place. They shall contribute to the exchange of best practices on four priority issues.

The four priority issues are: conservation of rainwater and surface water, alternative forms of irrigation, water saving/water efficiency measures and crops consuming less water. The relevant economic sectors encompass the agricultural sector and cover the specific problems related to sustainable water management for industry. With regard to large urban areas and coastal zones any economic sector may be addressed, not only agriculture and industry.

The pilot initiatives shall draw upon lessons learned from projects currently funded under the Research Framework Programme (e.g. SIRRIMEDS, WUP-MED, XEROCHORE, PRACTICE, LEDDRA and UNDESERT) and LIFE (see Annex D for an overview of relevant projects). They shall be complementary and/or provide new insight into available technologies, techniques or practices.

The pilot project is in line with the Communication on water scarcity and droughts¹ adopted by the Commission in 2007, subsequent reports to the Council and the European Parliament addressing the challenge of water scarcity and droughts in the European Union presented by the Parliament's Environmental Committee and the Commission, respectively, and decisions made by the European Parliament². There is a broad consensus that urgent action is needed to promote water savings, exchanges of information and best practices on drought risk management and awareness raising campaigns, putting the right price tag on water.

1.2 Objectives of the pilot project and its pilot initiatives

The objective of the pilot project is to support the development of concrete pilot initiatives on innovative technologies, techniques or practices in order to contribute to the exchanges of good practice and innovation at the local level for halting the desertification in Europe.

The objective of the pilot initiatives is to demonstrate the potential of water saving techniques for improving human and environmental conditions in different regions of the European Union, using low-cost (technological) approaches.

1.3 Financial allocation provided by the Contracting Authority

The overall indicative amount made available under this call for proposals is €2 400 000. The Contracting Authority reserves the right not to award all available funds.

It is envisaged that 3-5 grants will be provided under this call for proposals - each grant concerning a specific pilot initiative. Any grant must indicatively fall between the following minimum and maximum amounts:

minimum amount: €400 000;maximum amount: €800 000.

No grant may exceed 75% of the total eligible costs of the action . The balance must be financed from the applicant's or partners' own resources, or from sources other than the European Union budget.

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¹ COM(2007) 414 final of 18.7.2007.

² Resolution of the European Parliament on the COM(2007) 414 final adopted in October 2008

2. Rules for this call for proposals

2.1 Eligibility criteria

In order to be eligible for a grant, applicants must:

- be public or private bodies, actors and institutions, non-governmental organisations, universities and/or research institutes;
- be registered in an EU Member State;
- be directly responsible for the preparation and management of the action. Application presented by a body acting as an intermediary for a third party are not acceptable.

The applicant will act as the lead organisation and, if selected, as the contracting party (the Beneficiary). Consequently, the applicant has to fill in and sign the Beneficiary Declaration in Annex A (Form A2).

Applicants may act individually or with partner organisations and/or associates:

Partner organisations / Associated beneficiaries

Applicants may associate with public or private bodies, actors and institutions, non-governmental organisations, universities and/or research institutes of candidate countries, western Balkan and European Neighbourhood Policy (ENP) countries as partner organisations, where this would serve the objectives of the pilot initiative (or pilot initiatives) concerned.

Applicants' partner organisations participate in designing and implementing the pilot initiative (or pilot initiatives), and the costs they incur are eligible in the same way as those incurred by the grant Beneficiary. Each partner organisation has to sign the Partner Organisation's Declaration in Annex A (Form A3).

Associates

Other organisations may be involved in the pilot initiative (or pilot initiatives) as associates. Such associates play a real role in the pilot initiative (or pilot initiatives) but may not receive funding from the grant with the exception of per diem or travel costs. Associates do not have to sign a declaration.

2.2 Planned duration

The planned duration of a pilot initiative may not be less than 12 and more than 15 calendar months.

2.3 Location

Pilot initiatives eligible under this call for proposals will have to mention the river basin system(s) (or parts hereof, e.g. sub-catchment area) in an EU Member State affected by drought in which they will take place. The concerned river basin system(s) could be situated in the territory of more than one country.

The pilot initiatives shall concern countries "affected by desertification" under the United Nations Convention to Combat Desertification (UNCCD). All EU Member States are parties to the UNCCD. 15 out of 27 EU Member States have declared themselves affected by desertification - namely, 6 Northern Mediterranean countries (Portugal, Spain, Italy, Greece, Malta and Cyprus; UNCCD Regional Annex IV) and 9 Central and Eastern European countries (Bulgaria, Czech Rep, Hungary, Lithuania, Latvia, Poland, Romania, Slovakia and Slovenia; UNCCD Regional Annex V).

The following priority regions have been identified as having the potential to pilot initiatives:

Pinios River Basin (Greece);

- Cyprus (for the part of the territory where the EU acquis applies, in accordance with Article 10 of the Accession Treaty);
- · Guadiana River Basin (Spain and Portugal);
- Mures River Basin (Romania).

Applicants may propose pilot initiatives in other regions. However, in the evaluation procedure pilot initiatives in the above mentioned regions will have a priority .

2.4 Priority issues

The pilot initiatives shall contribute to the exchange of best practices at the local level on four priority issues. The four priority issues are:

- conservation of rainwater and surface water;
- alternative forms of irrigation;
- water saving/water efficiency measures; and
- crops consuming less water.

Results of EU and international projects show that there is a wide experience in the four issues. Annex D provides a non-exhaustive list of projects that have addressed these issues in recent years.

2.5 Economic sectors

Within the Water Supply and Sanitation Technology Platform (WSSTP), which is a European Technology Platform initiative launched in 2006, a structure for development of new and innovative contributions to solving major European water problems through integrated pilot projects has been developed and described in six themes.

Four of these are considered relevant for technology development taking into account the four abovementioned priority issues, the available budget and the relative short implementation period of pilot initiatives. They are the following:

- sustainable water management for agriculture;
- sustainable water management for industry;
- sustainable water management inside and around large urban areas;
- mitigation of water stress in coastal zones.
- Consequently, pilot initiatives may be carried out in agriculture, industry and any economic sector prevailing in large urban areas and coastal zones.

Applicants are required to identify in their proposals the economic sectors prevailing in the project area and explain how such sectors will benefit from project results.

Annex H provides a list of examples of projects that could fall within the scope of the four priority themes (covering the respective economic sectors).

2.6 Number of proposals and grants per applicant

An applicant may submit more than one proposal under this call for proposals.

2.7 Eligibility of costs

Only "eligible costs" can be taken into account for a grant. These are detailed below. The budget is therefore both a cost estimate and a ceiling for "eligible costs". Note that the eligible costs must be based on real costs

based on supporting documents (except for subsistence costs and indirect costs where flat-rate funding apply).

The amount of the grant is always subject to the condition that the checking process which precedes the signing of the grant agreement does not reveal problems requiring changes to the budget (for instance arithmetical errors, inaccuracies or unrealistic costs and other ineligible costs). The checks may give rise to requests for clarification and may lead the Contracting Authority to impose modifications or reductions to address such mistakes or inaccuracies. The amount of the grant and the percentage of co-financing as a result of these corrections may not be increased in any case.

It is therefore in the applicant's interest to provide a realistic and cost-effective budget.

Eligible direct costs

To be eligible under the call for proposals, costs must respect the provisions of Article 14 of the General Conditions to the Standard Grant Agreement (see Annex E), or, for International Organisations, Article 14 of the General Conditions to the Standard Contribution Agreement (see Annex F). In particular, in order to be eligible for EU funding, costs must:

- be necessary for the implementation of the project, be included in the estimated budget attached to the agreement, be reasonable and justified and consistent with the principles of sound financial management, in particular in terms of value for money and cost-effectiveness;
- be generated during the lifetime of the project (i.e. during the period of eligibility for EU funding as will be specified in the agreement);
- be actually incurred by the beneficiary, be recorded in his 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.

Beneficiaries must take care to avoid any unnecessary or unnecessarily high expenditure.

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

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

Eligible costs shall fall under the following categories:

- Personnel;
- Travel and subsistence;
- Rental, equipment and depreciation;
- External assistance / Subcontracting
- Other direct costs
- Overheads / indirect costs.

Further information are included in par.3.

2.8 Ineligible costs

The following expenses are ineligible and not accepted:

- Contributions in kind: these are contributions that are not invoiced, e.g. voluntary work, or equipment or premises made available free of charge;
- Expenditure not related to the implementation of the project.
- Expenditure that is not supported by documentary evidence;
- Expenditure incurred outside the performance period;
- Cost of purchasing infrastructure equipment including buildings, land and second-hand equipment

(except to the amount of the annual depreciation of the equipment purchased);

- Capital increases and return on capital;
- Debt and debt service charges, doubtful debts;
- Provisions;
- Interest owed;
- Exchange losses;
- VAT, unless the beneficiary can show that he/she is unable to recover it;
- Excessive or reckless expenditure;
- Costs incurred by the beneficiary but already covered by a specific action/work programme receiving a EU grant.

2.9. Income

Total income must be in balance with total expenditure. The income side of the budget must show:

- The direct monetary (cash) contribution from the beneficiary's own resources and/or the contribution from any other fund providers. This means an effective income, a financial flow that can be traced in the written accounts of the beneficiary.
- Any income expected to be generated by the implementation of the project should be detailed (e.g. the yield from sales of publications or the fees charged to participants attending a conference, membership contributions, financial interest, etc.).
- The grant sought from the Commission.

Contributions in kind

Contributions in kind, which must be listed separately in the budget (Annex C), do not represent actual expenditure and are not eligible costs. The contributions in kind may not be treated as co-financing by the Beneficiary.

The cost of staff assigned to the pilot initiative is not a contribution in kind and may be considered as cofinancing in the budget of the pilot initiative, when paid by the Beneficiary or his partners.

Notwithstanding the above, if the description of the pilot initiative as proposed by the Beneficiary foresees the contributions in kind, such contributions have to be provided.

2.10 How to apply and the procedures to follow

2.10.1 Application forms

Applications must be submitted using the Grant Application Forms - Forms A and T (Annex A), Standard CV Format (Annex B) and Financial Forms (Annex C). Applicants should keep strictly to the format of these and fill in the paragraphs and the pages in order. Please provide budget with round figures.

CVs of all relevant staff involved in the project, both from the applicant, its partner organisations and associates, should be provided using the format included in Annex B.

Project proposals may be submitted in any official language of the European Union. However, in order to speed up the evaluation process, applicants who wish to apply in another language are encouraged to provide a summary of their proposal in English.

Please complete the forms carefully and as clearly as possible so that it can be assessed properly.

Any error or any major inconsistency in the forms (e.g. the amounts mentioned in the financial forms are inconsistent with those mentioned in the grant application forms) may lead to the rejection of the proposal.

Clarifications will only be requested when information provided is unclear, thus preventing the Contracting Authority from conducting an objective assessment.

Hand-written applications will not be accepted.

More information for fulfilling the forms are available in par.3

2.10.2 Where and how to send the application

Applications must be submitted in a sealed envelope by registered mail, private courier service or by handdelivery (a signed and dated certificate of receipt will be given to the deliverer) at the address below:

Postal address

EUROPEAN COMMISSION, DG ENV. D1 B-1049 BRUSSELS BU-9 03/060

Title: Call for Proposals - Desertification in Europe

Address for hand delivery or by private courier service

European Commission – DG Environment (D.1) Central Mail Service OIB.4 Avenue de Bourget, 1B – 1140 Brussels

Title: Call for Proposals - Desertification in Europe

NB: The Central Mail Service is open working days from Monday to Thursday from 07:30 to 17:00 and Friday from 07:30 to 16:00 (all times are Central European Time)

Applications sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected.

Applications must be submitted in one original and two copies in A4 size, each bound. The complete application form and the budget must also be supplied in electronic format (CD-Rom or memory stick) in single separate files (e.g. the application form must not be split into several different files). The electronic format must contain **exactly the same** proposal as the paper version enclosed.

Where an applicant sends several different proposals, each one has to be sent separately.

The outer envelope must bear the <u>title of the call for proposals</u>, together with the title and number of the lot, the full name and address of the applicant, and the words "Not to be opened before the opening session".

Applicants must verify that their application is complete. <u>Incomplete applications may be rejected.</u>

2.10.3 Deadline for submission of application

The deadline for the submission of applications is 30/06/2010 17.00 as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In case of hand-deliveries, the deadline for receipt is at 17.00 hours as evidenced by the signed and dated receipt. Any application submitted after the deadline will automatically be rejected.

Once your proposal has been received and registered by the Commission, an acknowledgement of receipt (Form A11) will be dispatched to the applicant in three weeks after the closing date of the present call for proposals. The acknowledgment of receipt will contain a reference number, which must be mentioned in all correspondence concerning the proposal.

Applicants, who have not received an acknowledgement of receipt by e-mail within three weeks after the closing date, should contact the Commission by e-mail: europa.eu

2.10.4 Further information

Questions may in addition be sent by e-mail or by fax no later than 21 days before the deadline for the submission of proposals to the addresse(s) listed below, indicating clearly the reference of the call for proposals:

E-mail address: env-halting-desertification@ec.europa.eu

Fax: + 32 2 29 68825

Replies will be given no later than 11 days before the deadline for the submission of proposals.

In the interest of equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, a partner organisation or an action.

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at the website: http://ec.europa.eu/environment/funding/grants_en.htm

2.10.5 Data protection and management

The follow up of your response to the call for proposals will require the recording and further processing of personal data (name, address, CV, for example).

Regulation (EC) 45/2001, of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data, applies.

Replies to questions and personal data requested are necessary for the purpose of assessing your proposals according to the specifications of the call for proposals and will only be processed by DG Environment for this purpose and, as the case may be, for the conclusion of the grant agreement

You may, upon request, obtain the communication of your personal data and rectify any inaccurate or incomplete personal data. Moreover, as regards the processing of your personal data, you have a right to recourse at any time to the European Data Protection Supervisor.

Should you have any queries concerning the processing of your personal data, please address them to the e-mail address mentioned under 2.10.4.

2.11 Evaluation and selection of applications

Applications will be examined and evaluated by the Contracting Authority with the possible assistance of external assessors. All proposals submitted by applicants will be assessed according to the following steps.

- (a) assessing the formal eligibility of the submitted proposals (= admissibility and eligibility criteria);
- (b) assessing whether or not exclusion criteria apply (=exclusion criteria);

(c) assessing the operational and financial viability of the applicant (=selection criteria) and:

(d) evaluating the overall relevance and quality of the proposals (=award criteria).

2.11.1 Admissibility criteria

All proposals submitted will be checked for compliance with the following admissibility and eligibility criteria:

2.11.1.1 ADMISSIBILITY

A. The proposal is sent to the European Commission at the latest by the deadline mentioned in paragraph 2.10.3.

B. The application is NOT presented by a body acting as an intermediary for a third party

Attention: Proposals that are not complying with criteria A and B are declared inadmissible without any further check.

C. Number of copies of the proposal

The proposal must be submitted in the number of copies requested in the packaging requirements; see paragraph 2.10.2, i.e. one original and two copies plus an electronic copy of the proposal on CD or memory stick.

D. Use of standard forms

The use of standard application forms provided by the Commission as part of this Call for Proposals is obligatory. Modifications of the content of the forms are not permitted; only minor changes in font, size and layout can be accepted.

E. Forms are not hand-written

Except for dates and signatures, the information on the application forms may not be hand-written. Concerning Forms A9 (Legal Entities Form) and A10 (Financial Identification Form), the links on Forms A9 and A10 lead to web applications that can be typed and printed.

F. Forms are complete

All forms should be provided. If a specific form is not applicable in view of the project type/ content, please mark "not applicable" or "N/A" on the form. Please note that form A8 is not applicable for this call for proposals

G. Forms are signed

Where required, the application forms should be completed with date and signature in such a way that the status and full name of the signatory are clearly identifiable.

H. Mandatory annexes are complete

Mandatory annexes that are required for all applications: (1) the most recent annual activity report of the applicant organisation and (2) the curriculum vitae of all relevant professional staff of all organisations involved in the project. Thus, (2) is required for all relevant staff involved, both from the applicant and the associated partners.

In addition to these annexes, private organisations acting as applicant must submit(1) the profit and loss account and the balance sheet for the last 2 financial years. These documents are obligatory for all private organisations; (2) a list of the members of the management or executive board (names, title or function within the applicant organisation); 3) the articles of association (only applicable to private companies) or the official registration certificate of association (only applicable to associations).

Attention: Proposals for which the submitted documents/ forms are not in full compliance with criteria C to H are in principle inadmissible and thus eliminated from further evaluation. However, depending on the level of completeness/ correctness of the proposal, the Commission may decide to review the question of admissibility after having taken appropriate action.

2.11.1.2 ELIGIBILITY CRITERIA

- I. The applicant has a legal status.
- J. The applicant is established in one EU country.

K. The proposal falls under the scope of this call (see chapters 1 and 2) and concerns one of the countries affected by desertification (see par 2.3)

- L. The project or actions within projects do not or will not benefit from financial support under other EU financial instruments.
- M. The EC financing rate requested is within the limits of the EC contribution (see par.1.3: Maximum EC co-funding)
- N. The project duration is between 12 and 15 months.

2.11.2 Exclusion criteria

A proposal will be excluded if the applicant or a partner is in any of the situations mentioned below:

According to Article 93 (1) of the Financial Regulation,

- 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 judgement that has the force of res judicata;
- c) they have been guilty of grave professional misconduct proven by any means which the Commission can justify;
- d) they have not fulfilled obligations relating 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 those of the country of the contracting authority or those of the country where the grant agreement is to be performed;
- e) they have been the subject of a judgement that 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.

According to Article 94 of the Financial Regulation:

- f) they are subject to a conflict of interest
- g) they are guilty of misinterpretation in supplying the information required by the contracting authority as a condition of participation in the procurement procedure of fail to supply this information.

Both the applicant and each partner have to sign a declaration on oath that their company/ organisation is not in any of the situations mentioned above (see point 1 of Forms A2 and A3). Omitting to sign and/ or date this form will result in the exclusion of the proposal. The Commission may request at any time further evidence for the correctness of that declaration.

2.11.3 Selection criteria

The selection will be based on the applicants' financial and technical capacity to complete the proposed project.

2.11.3.1 Operational capacity

Applicant organisations must show that they have the technical and management capacity to complete the project. They must demonstrate the capacity to manage a large-scale activity corresponding to the size of the project described in the proposal. In particular, the team responsible for the project must have adequate professional qualifications and experience. In order for this to be assessed, the applicant must include in the proposal:

- the applicant organisation's most recent annual activity report;
- the list of the members of the management or executive board (names, title or function within the applicant organisation);

- the curriculum vitae of all relevant professional staff of both the applicant and the partner involved in the project, preferably using the model provided by the following webpage:

http://europass.cedefop.europa.eu/europass/home/vernav/Europasss+Documents/Europass+CV/navig ate.action

Applicants must be directly responsible for the preparation and management of the project, i.e. not acting as an intermediary. They must provide information about their capacity to provide the service and demonstrate their experience of working with other parties in transnational projects and their ability to complete successfully the project according to plan.

2.11.3.2 Financial capacity

A proposal is eliminated only if the Commission has evidence that the applicant or one of its partners are not reliable from a financial point of view and/ or fall under any of the following situations:

- the results of audits carried out by European institutions in relation to the applicant or a partner have clearly shown their inability to comply with the administrative rules regulating EU grants and in particular those applicable to this programme;
- the applicant does not posses the financial capacity to cover their share of project costs/financing. For the financial capacity, the Commission checks in detail whether the applicant has stable and sufficient sources of finance to ensure the continuity of their organisation throughout the project and to play a part in financing it.

To that end, any applicant with a "private" status must include in the proposal their annual accounts for the last 2 financial years (i.e. balance sheet, profit and loss accounts). In conformity with article 176 of the Implementing Rules of the Financial Regulation), the verification of financial capacity shall not apply to public bodies or international organisations.

2.11.4 Award criteria

Only proposals which meet the requirements of formal eligibility, exclusion and selection criteria mentioned above will be eligible for further evaluation. During the award stage the Commission will evaluate the overall relevance and quality of the proposal.

Applicants must demonstrate a sound understanding of the objectives of this call. A grant will be awarded with a view to the successful completion of those projects deemed the most suitable according to this general criterion.

The following award criteria will be applied for this call for proposals:

Award criteria 1— Understanding (max points 20)

This criterion is used to assess whether the application demonstrates an adequate understanding of the rationale of the pilot initiative, including economic sectors addressed and available technology options to mitigate drought, relevant projects currently funded under the Research Framework Programme and LIFE (see Annex D for a list of relevant projects), and pilot region in question.

• Award criteria 2 — Methodology (max points 40)

This criterion relates to the extent to which the methodology shows the capacity to resolve the questions underlying in the study in a realistic and well-structured way, as well as whether the methods proposed are suited to the needs set out by the Commission in the Terms of Reference. Most important is that the methodology demonstrates the feasibility of the proposed study (i.e clear links between outputs, tasks and activities have been established - and the study can be implemented with the available resources in the specific pilot region), proven technology with high potential for water savings is applied, and a time schedule with realistic key milestones exists. The demonstration

effect of the study (i.e. relevance of the study for other regions in the EU) is closely linked with this criterion.

• Award criteria 3 — Organisation and staffing (max points 40)

This criterion relates to the quality of project management, the organisation of the team with a view to managing a project of this nature and the availability of the resources for the completion of the tasks specified in the grant agreement. Most important is the quality of the proposed project management, including qualifications and skills of the proposed project manager, and the availability of competent staff providing a sufficient input to achieve the study outputs.

The evaluation grid to be applied in connection with the award criteria follows from the table below:

	Maximum
Understanding	20
Identification and understanding of the specific needs the proposal is intended to solve	10
Knowledge of economic sectors addressed by the pilot initiative and available technology options to mitigate drought	5
Relevance of the proposal for the sectoral/geographical priorities/priority issues identified	5
Methodology	40
Feasibility of proposed pilot initiative in terms of coherence of expected outputs, activities and resources	10
Use of proven technology with high potential for water savings	10
Relevance of expected results and potential impact in terms of stimulation of best- practice, innovation and demonstration	10
Time schedule with realistic key milestones	10
Organisation and staffing	40
Solid project management and organisational set-up, including proper involvement of different stakeholders and/or target groups	10
Hands-on experience from the pilot region in question	10
Availability of staff with required qualifications and skills	10
Budget: consistency of the expenditures with the foreseen activities and costs/effectiveness	10
Overall total score	100

Proposals with an overall total score of less than 60 will not be considered. Furthermore, proposals with a total score of less than 50% for each of the three award criteria (Understanding, Methodology, and Organisation and staffing) will not be considered. Consequently, proposals should elaborate on all points addressed by these call for proposals in order to score as many points as possible.

2.12 Notification of the Contracting Authority's decision

2.11.1 Content of the decision

Applicants will be informed in writing of the Contracting Authority's decision concerning their application and the reasons for the decision.

Applicants believing that they have been harmed by an error or irregularity during the award process may petition to the Contracting Authority directly. The Contracting Authority must reply within 90 days of receipt of the complaint.

The applicant may have recourse to procedures established under EU legislation. European citizens or residents, including legal entities with a registered office in the European Union, also have the right to complain to the European Ombudsman, who investigates complaints of maladministration by the European Union Institutions.

2.11.2 Indicative time table

The indicative time table below provides an overview of milestones till finalisation of grant agreements:

DATE	TIME*

Deadline for request for any clarifications from the Contracting Authority	10/06/2010	17.00 hours
Last date on which clarifications are issued by the Contracting Authority	20/06/2010	-
Deadline for submission of Application Form	30/06/2010	17.00 hours
Information to applicants on the opening & administrative check	July	-
Information to applicants on the evaluation of the Full Application Form	August	-
Notification of award (after the eligibility check)	September	-
Grant agreement signature	End of September	-

Provisional date. All times are in the time zone of the country of the Contracting Authority.

2.13 Conditions applicable to implementation of the pilot initiatives

Following the decision to award a grant, the Beneficiary will be offered a grant agreement based on the Contracting Authority's standard grant agreement (see Annex E). By signing the application forms, the applicant declares accepting, in case where it is awarded a grant, the Contractual conditions as laid down in the Standard Grant agreement.

If the successful applicant is an international organisation that has accounting, audit, control and procurement procedures standards, which offers guarantees equivalent to internationally accepted standards, the Standard Contribution Agreement or any other contract template agreed between the international organisation concerned and the Commission will apply.

Implementation contracts

Where implementation of the pilot initiative requires the Beneficiary to award procurement contracts, it must award the contract to the tenderer offering the best value for money, that is to say, the best price-quality ratio, in compliance with the principles of transparency and equal treatment for potential contractors, care being taken to avoid any conflict of interests.

2.14 Payment Schedule

Following the award of a grant, and after the signature of the grant agreement by both parties, the Commission will pay 60% of its contribution as a pre-financing payment. The final payment of **up to 40%** of the EC-contribution will be made after acceptance by the Commission of the final technical report and on the basis of the final financial statement and the eligible costs of the action/ project calculated by the Commission.

Please note that interest yielded by the (60 %) pre-financing payment must be declared in the final financial statement. A bank guarantee may be required in respect of the pre-financing payment.

3. SPECIFIC RECOMMENDATIONS FOR EACH SECTION OF THE APPLICATION FORM

The application form provides information on administrative and technical aspects of the applicant and its partners as well as financial information on the project. The application form consists of two parts, which have to be downloaded from the following website:

http://europa.eu.int/comm/environment/funding/intro_en.htm.

- Part 1 concerns the administrative part of the project proposal (Forms A and T);
- Part 2 concerns the financial part of the proposal (Forms F).

The Commission will only evaluate those applications which are submitted using these forms, duly completed and accompanied by all required supporting documents.

- > Please use the forms specific to this Call for Proposals and not those of different Calls!
- Furthermore, if a form needs to be duplicated, please number each new page of the form sequentially (example Form A5/1, A5/2 etc.).
- Finally, please indicate dates using the format day/month/year.

3.1 Part 1: Forms A and T

The administrative and technical part of the application file consists of two sections, Forms A and Forms T, both available for download as a Word file under:

http://europa.eu.int/comm/environment/funding/intro_en.htm

Form A1

The title must not exceed 60 characters.

A grant may be awarded for an action that has already begun only where the applicant can demonstrate the need to start the action before the agreement is signed. In such cases, expenditures eligible for financing must not have been incurred prior to the date of submission of the grant application. Only costs incurred during the lifespan of the project can be considered eligible. Thus the start and end date should be established with great care.

Form A2 and A3

Point 1: please check that the beneficiary/partners does not fall into any of the situations listed in articles 93.1 and 94 of the Financial Regulation.

Financial contribution of the beneficiary/partners: The amounts indicated here must be identical with the amounts indicated in the financial forms **F0** and **F1**. This amount must be greater than 0€ and cannot include any funding specifically obtained for the project from other public or private sources (this is cofinancing).

Please note that the Commission may at any time request further evidence of the correctness of the statements made in this form.

Signature: The form must be signed and dated.

Notes common to Forms A4 and A5

Short Name: The short name chosen by the participant for this project. This should not be more than 25 characters.

Country Code: Use the relevant postal country code.

Beneficiary's/partner's reference: participant reference should be consistent with that given in form A1.

Beneficiary's/partner's Legal Name: The legal name is the name under which the participant(s) is registered in the official trade register (if applicable).

Legal Status: Choose one of the following: Private, Public or International organisation.

Value Added Tax (VAT) number: If applicable, provide the organisation's VAT number in the VAT register.

Legal Registration Number: If applicable, please provide the organisation's legal national registration number or code in the legal trade register, e.g. the Chambers of Commerce register or the business register.

Title: Title commonly used in correspondence with the person in charge of proposal co-ordination. Example: Mr., Mrs., Ir., Dr., Prof.

Function: State the function of the person in charge of proposal co-ordination. Example: Managing Director, Financial Director, Sales Manager, Project Manager, etc.

Department / Service Name: Name of the department and/or service in the organisation, co-ordinating the proposal and for which the contact person is working. The address details given in the fields that follow must be for the department / service and not the legal address of the organisation.

Number of employees: To be provided by the beneficiary and each partner. The figures should relate to the legal organisation as a whole - not only to the department carrying out the work. The contribution of part-time staff should be accounted for as the equivalent number of full-time staff – i.e. as full-time equivalents.

Number of employees in the department carrying out the project: To be provided by the beneficiary and the partners. The figures should be for the department carrying out the work. The contribution of part-time staff should be accounted for as the equivalent number of full-time staff, i.e. as full-time equivalents. If not applicable, please write "N/A".

Is your organisation independent (for private organisations only)? Is 25% or more of the capital or the voting rights owned by one enterprise or jointly by several enterprises?

Owner (for private organisations only): Please provide the legal name(s) of the organisation(s) or person(s) having a controlling stake of 25% or more in the organisation.

Affiliation (for private organisations only): An organisation is affiliated to another organisation if:

- it is under the same direct or indirect control as another organisation, or
- > it directly or indirectly controls another organisation, or
- it is directly or indirectly controlled by another organisation.

Control:

Company A controls company B if A, directly or indirectly, holds more than 50% of the share capital of B, or if A, directly or indirectly, holds more than 50% of the shareholders' voting rights of company B, or if A has, directly or indirectly, the decision-making powers within company B.

It should be noted that Company A's holding of a simple majority of the share capital, or the voting rights, of Company B may be sufficient to create a controlling stake.

Yes – Affiliated (for private commercial bodies only): Please provide the participant short name(s) of the organisation(s) to which your organisation is affiliated and use the codes below to describe the character of the affiliation(s):

(D): Direct control;

(I): Indirect control.

If the affiliate is intended to be a sub-contractor, then add (S) and the short name of the sub-contractor.

Brief description of the structure and the activities: Please describe the organisation of the beneficiary/partner, its legal status, its activities and expertise. The description should enable the Commission to evaluate the operational and technical reliability, i.e. to check whether they have the experience and expertise necessary to ensure a successful implementation of the project.

For non-profit organisations, please provide the key elements that prove that the organisation is recognised as such.

• Form A5 only

Annual turnover: To be provided by all non-public partners for which this type of information is available. If not applicable, please write "N/A". Information from the last financial year should be used. The amount (to be denominated in Euro) should be given for the organisation as a whole and not just for the subsidiary company or the department carrying out the work.

Last financial year: Provide the year for which the figures in this section are provided, e.g. '2009'.

Form A6

If the project foresees co-financers, other than the European Commission, this form becomes compulsory. Complete one form per co-financer (A6/1, A6/2, A6/3, etc.). Always give amounts in Euro (€). Remember that the amounts in the form(s) A6 must be consistent with the amounts indicated in the financial forms F0 and F1.

Form A7

For any of the three questions that do not apply, please reply: 'NO'.

Applicants frequently underestimate the importance of this form. The Commission pays particular attention to the fact that certain actions may and should be financed through other EU financial instruments. The limited resources of this programme should be used in the most efficient way and overlaps with other EU financial instruments should be avoided. Applicants should check this possibility before submitting a request for co-financing. Only if sufficient information is given to demonstrate that the application is directed at the most appropriate EU financial instruments and/or that the actions proposed are/would not be eligible under such schemes, will the Commission consider the actions proposed for financing.

• Form A8 - NOT APPLICABLE TO THIS CALL FOR PROPOSALS

• Form A9

Complete this form carefully! Please note that the form on this page is only an <u>example</u>. The form specifically adapted to the legal status of the Applicant as well as to the country/ language is available on the indicated link. The link leads to a web application that can be typed and printed.

• Form A10

Complete this form carefully! Please note that the form on this page is only an <u>example</u>. The form specifically adapted to the country/ language of the bank account is available on the indicated link. The link leads to a web application that can be typed and printed. The bank stamp and signature of its representative are not required if the form is accompanied by a copy of a recent bank statement (not older than 3 months before submission of the grant application). The signature of the account holder is obligatory in all cases.

Important! The account should be opened in the name of the applicant organisation.

Form A11

As soon as your proposal is received, the Commission will complete and return this form to you by email or fax, depending on which field you have filled in. This receipt does not entail any judgment on the eligibility of your proposal, but only confirms that the application has been received by the Commission. If you have not received it within 14 days after the final despatch date, please contact the Commission at the email address mentioned in the chapter 2.10.4.

Form T1

The summary is an important element of your proposal. It can be used for information purposes within the Commission. It may subsequently serve for communication purposes. It is important to mention here the priority regions (the concerned river basin or basins), priority issues and the economic sectors concerned.

• Form T2

This form should provide a clear overview of all **tasks** involved in the project with their start and end dates, actions and deliverables (we recommend limiting the number of tasks to 10). The tasks ID should be listed using capital letters from "A" onwards.

Form T3a and T3b

It is important to break down the tasks to a level that allows the Commission to assess the maturity of the project in terms of planning and preparation. You should avoid a description that is too general. The breakdown should allow the Commission to monitor progress during implementation.

Form T3a:

The task breakdown should list the actions and each participant's responsibilities, as well as the expected result. Use one T3a per task. The budgetary breakdown per task and action is requested in the financial forms F2a and F2b.

For each task, specify the following:

Task A.1:

Name of Task:

Description (what, how and where): Task breakdown

Reasons why it is necessary:

Who is responsible for implementing it: give breakdown

Expected results (quantitative information when possible): define targets. The targets should, as far as possible, be measurable both during the implementation phase and after completion of the tasks.

Constraints: list potential constraints and how you would intend overcoming them.

Form T3b:

Give deliverables in T3b - Each significant element of the project should conclude with a deliverable which is the concrete output and evidence of the work with deliverable date and deliverable description.

Deliverables should be limited in number, and be specific and verifiable.

Deliverables should be described in clear words explaining what can be expected in terms of content and detail. A deliverable may be a report, or actions such as training or exercising, the organisation of a conference with the production of related proceedings, the publication of a book, the completion of manual of a work procedure, software, video's, etc."

This form should also include the <u>dates</u> of delivery of the progress report(s) on the technical and financial implementation to the Commission during the project period.

- short quarterly reports might be needed to update the Commission on the progress of the activities, problems met, possible deviations from the initial planning, and results achieved to date;
- a field note, article and/or flyer aimed at disseminating the findings of the pilot initiative to a broader, non-technical audience.
- a final report the latest 3 month after the end of the project;

These deliverables shall be submitted to the Commission and to Contractors nominated by the Commission electronically (by email) and in one paper copy. A CD containing all deliverables produced throughout the lifetime of the pilot initiative shall be submitted to the Commission together with the final report.

The beneficiary is also required to inform the Commission and the Contractor one month before any meeting that will take place with partners and/or key stakeholders.

Furthermore, the proposal shall provide information on how the beneficiary plans to disseminate the findings of the pilot initiative, thereby contributing to an exchange of best practices among all interested parties in the European Union.

One task is compulsory:

• the organisation of an evaluation workshop to share the findings with all interested parties presenting results and accepting comments/discussion from stakeholders.

Moreover, possible dissemination strategies could include:

- Media work.
- Organisation of events for the community or for visitors: e.g. public information meetings, meetings with interest groups, guided visits, etc... Describe exactly what is planned and who the target audience is.
- Workshops, seminars, conferences: If beneficiary/partners are attending, specify which (if known already). If the beneficiary/partners are organising the event, describe exactly what the topic will be, how it contributes to the objectives, who will be invited (note that the Commission must be invited and, whenever possible, beneficiaries implementing or having implemented similar projects ought to be invited in order to foster networking). Finally, describe the output of each event and how it will be disseminated.
- Production of brochures, films, etc. Specify exactly what is planned (subject matter, number of copies, distribution to whom). The target audience should be precisely defined and justified. Note that all such material must bear a clear reference to the EU's financial support in order to be considered eligible for reimbursement and that one copy of each product must be annexed to the progress/interim report or final report.
- **Technical publications on the project**: If already known, indicate in which journal these are to be published. Such publications must acknowledge the EU's financial support.

- For on-site related projects the beneficiary is required to install and maintain notice boards describing the project at strategic places accessible to the public. The EU logo should always appear on them.
- The beneficiary is required to show the main project results (e.g. summary and detailed activity reports, etc.) on newly-created or existing websites. The relevant INTERNET web address should be included in the project reports.
- The beneficiary is required to produce a layman's report on paper and in electronic format at the end of the project. It must be 5-10 pages long and presented in English and in the language of the beneficiary (optional). Please ensure before printing that the Commission has approved the report.
- Please, take particular care in choosing the technologies, consumables and equipment necessary for the production of awareness-raising material. Environmentally-friendly products/technologies should be favoured.

Form T4

Describe how the project will be continued after the end of the EU co-funding, what actions are required to consolidate the results and what mechanisms will be put in place to ensure that this will be done.

Indicate what will become of the personnel assigned to the project. Clarify the future use of durable goods.

When planning your proposal, consider carefully how you will ensure that project results are eventually implemented and/or used. You should also consider whether it is opportune to include in your projects any action you deem necessary to remove obstacles that may stop your results from being implemented and/or used.

3.2 Part 2: Forms F

The financial section consists of 11 forms. It is available for download as an Excel file under:

http://ec.europa.eu/environment/civil/index.htm

All forms should be completed, printed out and inserted into the application. The cells marked in yellow contain formulas and therefore should not be completed.

General

The EU contribution will be calculated on the basis of eligible costs. For information on the different cost categories and on ineligible costs, please refer to Articles II.14.4, II.14.5 and II.14.6 of the model grant agreement (see par 2.8).

Internal invoicing (i.e. costs which result from transactions between departments of a beneficiary) is not allowed, unless it is possible to prove that such transactions represent the best value for money and exclude all elements of profit, VAT and overheads.

All amounts, where applicable, should be exclusive of VAT, unless the applicant / relevant partner are unable to recover VAT. In that case the amount should be inclusive of VAT. All costs should be in Euro (€) and the amounts rounded to the nearest whole Euro (€).

Form F0 – Provisional budget

The form is filled in automatically, based on the data provided in forms F1, F3 to F8, except for 2010

- Indirect costs/overheads: Please specify the amount requested. Overheads are eligible as a flat rate up to a maximum of 7% of the total direct eligible costs. They are not eligible for organisations that, at the same time, benefit from an operating grant.
- Requested EC contribution: Please specify the amount of financial contribution requested from the European Commission.

Form F1 – Project funding breakdown

This form describes the funding of the project by the beneficiaries and/or co-financier(s), as well as the EC contribution requested per beneficiary.

Beneficiary N°: Please use the number given in the Beneficiary profiles in the forms A4 and A5.

Beneficiaries' short name: As in the forms A4 and A5.

Total costs of the actions in € Indicate the total costs of the actions undertaken by the beneficiaries as in the forms A2 and A3.

Coordinating beneficiary/applicant contribution: specify the amount of financial contribution provided by the applicant, as indicated in form **A2**. This amount cannot include contributions by co-financers (form A6).

Associated beneficiary/partner contribution: Indicate the financial contribution from each partner, as indicated in form **A3.** This amount cannot include contributions by co-financers (form A6).

Amount of EC contribution requested: Specify the amount of EU financial contribution requested by the applicant and each of the partners.

Co-financier name: As in the Co-Financier profile and commitment forms A6.

Amount of co-financing in € Indicate the financial contribution of each co-financier as in forms A6

• Form F2 (a and b):

For every task described in the technical forms T2 and T3, please provide a detailed breakdown of costs per cost category in form **F2b**, please provide an overview of the costs per action, without breakdown into the different cost categories.

Particular attention should be given to the coherence of the presented costs. In particular, please make sure that totals for each cost category are the same as those calculated in forms **F3 to F7**.

Depending on the number of tasks or actions, rows may have to be added on these tables. Information should be consistent with the contents of the technical forms not applicable. Applicants should disregard this form – it has been kept as a blank sheet, for numbering purposes only.

Notes common to Forms F3 to F7

It is required for all reported budget items to provide a "reference to the Task ID / Action" according to the technical form T3a. Should a budget item refer to more than one Task ID/ Action, please indicate each one of them.

Form F3 – Personnel costs (only direct costs)

General In conformity with article 172a (2e) of Commission Regulation (EC, Euratom No 2342/2002 of 23 December 2002 - as amended by Commission Regulation (EC) No 1248/2006 of 7 August 2006, laying down detailed rules for the implementation of the Financial Regulation), the salary costs of civil servants may be considered only to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken.

Type of contract: Please indicate the exact legal name of the type of contract (permanent staff, temporary, etc.). Service contracts with individuals may be charged to this category on the condition that the individual concerned works in the beneficiary/ partner's premises and under its supervision and provided that such practice complies with the relevant national legislation. The time that each individual spends working on the project shall be recorded using time-sheets drawn up and certified by the beneficiary/partner.

Category: Please identify each category or grade in a clear and unambiguous manner to enable the European Commission to monitor the labour resources allocated to the project, analyse cost claims and carry out audits. Examples of staff categories are: project manager, senior engineer, technician/worker, etc. Where known, please indicate the name of the person. In this case you should use one line per person

Annual gross salary: Please indicate the gross salary or wages plus obligatory social charges but excluding any other costs. The salary for a category may be based on indicative average rates if they fairly reflect the grades working on the project. In either case, the average must reasonably reflect the personnel cost of the project. Please remember that, should your proposal be financed by the Commission, only the real costs (e.g. actual salaries) will be considered as eligible costs of the project.

Daily rate: The daily rate should be calculated on the basis of the annual number of working days according to national legislation, collective agreements, employment contracts, etc. An example for determining the total productive days per year could be as follows (provided what is established in the appropriate legislation):

Days/year	365 days
Less 52 weekends	104 days
Less annual holidays	25 days
Less statutory holidays	11 days
= Total productive days	<u>225 days</u>

The **number of working days assigned to the project** reflects the number of days needed to carry out the project.

If temporary staff is employed, the methodology set out above may not be applicable. In this case, the methodology should be explained and the possible detail on the calculation of the budgeted costs should be provided in the form.

Form F4 – Travel and subsistence costs

You may use more than one line to describe the reason for travel or destination, if necessary, but costs may be presented collectively: e.g. for the total of all technical co-ordination meetings. Clear descriptions should always be given. Please indicate whether the persons travelling are personnel of the applicant / partner(s), or other persons (e.g. members of a steering committee, experts, people taking part in exercises etc.).

Journey: Specify the country and city of origin and destination, if already known. If applicable, for repeated visits to the project area, write 'project area'.

Reason for travel: Specify the reason for travel. Examples: 'dissemination event', 'technical co-ordination meeting', 'project area visit'.

Travel costs: Travel costs shall be charged in accordance with the internal rules of the applicant/ partner. The applicant and the partners should endeavour to travel in the most economical and environmentally friendly way. Please indicate travel unit costs. For this purpose you may also refer to data from previous experience or to quotes from a travel agent.

Subsistence costs: They cover hotel costs, meals, sundry expenses, local transport etc. and should be applied according to the internal rules of the applicant / partner. *If there is no such rule, the subsistence costs must not exceed the scales approved annually by the Commission (see Annex G).*

Important: Subscription fees for conferences or events should be declared under "Other direct costs".

• Form F5 – Equipment costs

Supplier/ procedure: Specify the legal name of the supplier (if already known). Specify the procedure followed or planned for selecting the supplier, e.g. 'public tender', 'direct treaty', 'framework agreement', etc. Sub-contracts by a "public" beneficiary must be awarded in accordance with the applicable rules on public tendering and in conformity with EU Directives on public tendering procedures.

The "private" beneficiary/partner shall invite competitive tenders from potential sub-contractors and award the contract to the bid offering best value for money; in doing so they shall observe the principles of transparency and equal treatment of potential sub-contractors and shall take care to avoid any conflicts of interest.

Description: Give a clear description of each item, e.g. 'computer', 'database software', etc.

Purchase Costs: Indicate the full cost of the equipment. Do not apply any depreciation.

Depreciation rate: The beneficiary/partners shall apply its internal accounting standards to calculate the rate of depreciation applicable for each item. To do this they shall take into account the date of purchase, the duration of the project and the rate of actual use for the purposes of the project. Only depreciation costs for equipment purchased during the lifespan of the project can be recorded in this category.

• Form F6 – Sub-contracting / external assistance costs

You may use more than one line for the description of the sub-contract, if necessary. A clear description of the service should be given.

Provider / procedure: Specify the legal name of the service provider (if already known). Specify the procedure followed or planned to sub-contract to the provider, e.g. 'public tender', 'direct treaty', 'framework agreement', etc. Sub-contracts by a "public" beneficiary/partner must be awarded in accordance with the applicable rules on public tendering and in conformity with EU Directives on public tendering procedures.

The "private" beneficiary/partner shall invite competitive tenders from potential sub-contractors and award the contract to the bid offering best value for money; in doing so they shall observe the principles of transparency and equal treatment of potential sub-contractors and shall take care to avoid any conflicts of interest.

Description: Give a clear description of the subject of the sub-contract/ service to be provided. For example: 'conducting of impact assessment', 'maintenance of ...', 'renting of ...', 'consultancy on ...', 'web page development', intra-muros assistance', 'organisation of dissemination event', etc.

Important: Costs related to the purchase or leasing (as opposed to renting) of equipment, supplied under sub-contracts are not to be charged to the budget heading for sub-contracting/ external assistance. These costs should be declared separately under the budget heading for equipment.

Important: beneficiary/partner cannot sub-contract to one another or internally (e.g. between departments or subsidiaries).

If an **independent financial audit** is required, the beneficiary should incorporate an appropriate cost under sub-contracting. The purpose of the audit report is to certify that the submitted accounts are sincere, reliable and substantiated by adequate supporting documents. The auditor shall also certify that all costs incurred comply with the provisions set in the Grant Agreement. (NB: For public bodies, the financial audit can be conducted by the appropriate internal audit services of the institution.)

For more information on the rules applicable to subcontracts, please refer to Article II.9 of the model grant agreement.

Form F7 – Other direct costs

Supplier / procedure: as above, if applicable

Description: Give a clear description of the other costs, e.g. type of consumables, financial costs such as a bank guarantee (if required by the Commission), inscription fees etc.

It should be noted that communication costs (e.g. telephone, mailing), costs related to buildings (e.g. rent, heating, electricity) and general administrative expenses (e.g. office equipment, stationery) should be charged to the overheads category, unless it can be proven that the cost item is directly and exclusively linked to the project. If applicable, please specify the type of unit used (e.g. pages, etc).

Bank guarantee: A guarantee by a bank or financial institution equal to the amount of the advance payment (pre-financing), and covering the duration of the project plus six months, is obligatory only when the total pre-financing represents over 80% of the total amount of the EU contribution and exceeds EUR 60 000. This obligation does not apply to public sector bodies and International organisations. This guarantee may be replaced by a joint and several guarantee by a third party or by a joint guarantee of the beneficiary and its partners. The guarantee shall be denominated in Euro.

• Form F8 – 'In kind' contributions (1) /costs not included in the budget (2)

[1] refers to voluntary work or other services or assets that will be available for the project free of charge and may be accounted as a "virtual" cost for information purpose only, e.g. working time free of charge, free use of premises, accommodation, meals etc. [2] refers to actions that are necessary for implementation but are either not eligible or the applicant does not wish to include them in the budget. None of these amounts is used to determine the EC contribution. Nevertheless, they are important in order to assess the real total cost of the project.

Form F9 – Determination of financial capacity

Simplified balance sheet and profit and loss account

Form F9 has to be completed **by private applicants only**. Applicants considered as public entities or international organisations do not have to complete this form. Private applicants must indicate if they are a profit or a non profit making company/organisation.

Within form F9, financial data based on the company's/organisation's balance sheet and profit and loss account are collected in a standardised form. Please find below a correspondence table explaining the grouping of different accounts compared to the Fourth Directive on accounting harmonisation. You should complete this form carefully. Given its complexity, the form should be completed by a professional accountant or an auditor. The data reported will be used to evaluate the financial viability of the company/organisation. Thus, it is very important that the data reported are accurate. The Commission may wish to cross-check the data with those reported in the official certified accounts (to be submitted as obligatory documents by private applicants). For this purpose, the Commission reserves the right to ask for further documentation during the evaluation process.

The amounts have to be entered in euros. For financial statements established in other currencies, please refer to the EC InforEuro exchange rates (according to the closing date of the statement) available on: http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en

Abbreviations t-1and t0

The abbreviation *t0* represents the last certified historical balance sheet and profit and loss account; *t-1* is the balance sheet prior to the last certified one. Consequently, the *closing date t0* is the closing date of the last certified historical balance sheet; the *closing date t-1* is the closing date of the balance sheet prior to the last one. *Duration t0* is the number of months covered by the last historical balance sheet. *Duration t-1* is the number of months covered by the penultimate certified historical balance sheet.

BALANCE SHEET	CORRESPONDANCE 4 th ACCOUNTING DIRECTIVE		
ASSETS	ASSETS / 4th ACCOUNTING DIRECTIVE (Article 9)		
1. Subscribed capital unpaid	A. Subscribed capital unpaid	A. Subscribed capital unpaid (including unpaid capital)	
2. Fixed assets	C. Fixed Assets		
2.1. Intangible fixed assets	B. Formation expenses as	B. Formation expenses as defined by national law	
_	defined	C.I.1. Cost of research and development	
	by national law	C.I.2.Concessions, patents, licences, trade marks and	
	C. I. Intangible fixed assets	similar rights and assets, if they were: (a) acquired for	
		valuable consideration and need not be shown under C (I)	
		(3); or (b) created by the undertaking itself	
		C.I.3. Goodwill, to the extent that it was acquired for valuable	
		consideration	
		C.I.4. Payments on account	
2.2. Tangible fixed assets	C.II. Tangible fixed assets	C.II.1. Land and buildings	
		C.II.2. Plant and machinery	
		C.II.3. Other fixtures and fittings, tools and equipment	
		C.II.4. Payment on account and tangible assets in course of	
		construction	
2.3. Financial assets	C.III. Financial assets	C.III.1.Shares in affiliated undertakings	
		C.III.2. Loans to affiliated undertakings	
		C.III.3. Participating interests	
		C.III.4.Loans to undertakings with which the company is	
		linked by virtue of participating interest	
		C.III.5.Investments held as fixed assets	
		C.III. 6. Other loans	
		C.III.7. Own shares (with an indication of their nominal value	
		or, in the absence of a nominal value, their accounting par	
3. Current assets	D. Currents assets	value)	
3.1. Stocks	D. Currents assets D.I. Stocks	D.I.1. Raw materials and consumables	
3.1. Slocks	D.I. Stocks	D.I.2. Work in progress	
		D.I.3. Finished products and goods for resale	
		D.I.4 Payment on account	
3.2.1. Debtors due after one	D.II. Debtors, due and payable	D.II.1. Trade debtors	
Year	after more than one year	D.II.2. Amounts owed by affiliated undertakings	
	and the state of t	D.II.3. Amounts owed by undertakings with which the	
		company is linked by virtue of participating interest	
		D.II.4. Others debtors	
		D.II.6. Prepayments and accrued income	
3.2.2. Debtors due within one	D.II. Debtors due and payable	D.II.1. Trade debtors	
year	within a year	D.II.2. Amounts owed by affiliated undertakings	
		D.II.3. Amounts owed by undertakings with which the	
		company is linked by virtue of participating interest	
		D.II.4. Others debtors	

		D.II.6. Prepayments and accrued income
3.3. Cash at bank and in hand	D.IV. Cash at bank and in hand	D.IV. Cash at bank and in hand
3.4. Other current assets	D.III Investments	D.III.1. Shares in affiliated undertakings
		D.III.2.Own shares (with an indication of their nominal value
		or, in the absence of a nominal value, their accounting par
		value)
		D.III.3. Other investments
Total assets	Total assets	

LIABILITIES	LITIES LIABILITIES / 4th ACCOUNTING DIRECTIVE (Article 9)		
4. Capital and reserves	A. Capital and reserves		
4.1. Subscribed capital	A.I. Subscribed capital	A.I. Subscribed capital	
	A.II. Share premium account	A.II. Share premium account	
4.2. Reserves A.III. Revaluation reserve		A.III. Revaluation reserve	
	A.IV. Reserves	A.IV.1. Legal reserve, in so far as national law requires such	
		a reserve	
		A.IV.2. Reserve for own shares	
		A.IV.3. Reserves provided for by the articles of association	
		A.IV.4. Other reserves	
4.3. Profit and loss brought	A.V Profit and loss brought	A.V Profit and loss brought forward from the previous years	
forward from	forward from the previous years		
the previous years			
4.4. Profit and loss for the	A.VI. Profit or loss for the	A.VI. Profit or loss for the financial year	
financial year	financial year		
5. Creditors	C. Creditors		
5.1.1 Long term non-bank	B. Provisions for liabilities and	B.1. Provisions for pensions and similar obligations	
debt	charges (> one year)	B.2. Provisions for taxation	
	C. Creditors (> one year)	B.3. Other provisions	
		C.1. Debenture loans, showing convertible loans separately	
		C.3. Payments received on account of orders in so far as	
		they are not shown separately as deductions from stocks	
		C.4. Trade creditors	
		C.6. Amounts owed to affiliated undertakings	
		C.7. Amounts owed to undertakings with which the company	
		is linked by virtue of participating interests	
		C.8. Other creditors including tax and social security	
		C.9. Accruals and deferred income	
5.2.1. Long term bank debt	C. Creditors "credit institutions"	C.2. Amounts owed to credit institutions	
	(> one year)	C.5. Bills of exchange payable	
5.1.2. Short term non-bank	B. Provisions for liabilities and	B.1. Provisions for pensions and similar obligations	
Debt	charges (= one year)	B.2. Provisions for taxation	
	C. Creditors (= one year)	B.3. Other provisions	
		C.1. Debenture loans, showing convertible loans separately	
		C.3. Payments received on account of orders in so far as	
		they are not shown separately as deductions from stocks	
		C.4. Trade creditors	
		C.6. Amounts owed to undertakings	
		C.7. Amounts owed to undertakings with which the company	
		is linked by virtue of participating interests	
		C.8. Other creditors including tax and social security	
		C.9. Accruals and deferred income	

Total liabilities	Total liabilities	
	(= one year)	C.5. Bills of exchange payable
5.2.2. Short term bank debt	C. Creditors "credit institutions"	C.2. Amounts owed to credit institutions

PROFIT AND LOSS ACCOUNT	PROFIT AND LOSS ACCOUNT / 4 TH ACCOUNTING DIRECTIVE (Article 23)	
6. Turnover	1. Net turnover	1. Net turnover
7. Variation in stocks	2. Variation in stock of finished goods and in work in progress	Variation in stocks of finished goods and in work in progress
8. Other operating income	3. Work performed by the undertaking for its own purposes and capitalized. 4. Other operating income	Work performed by the undertaking for its own purposes and capitalized Other operating income
9. Costs of material and consumables	5. (a) Raw materials and consumables5. (b) Other external charges	5. (a) Raw materials and consumables5. (b) Other external charges
10. Other operating charges	8. Other operating charges	8. Other operating charges
11. Staff costs	6. Staff costs	6. (a) Wages and salaries6. (b) social security costs, with a separate indication of those relating to pensions
12. Gross operating profit	Gross operating profit .	
13. Depreciation and value adjustments on non financial assets	7. Depreciation and value adjustments on non financial assets	7. (a) Value adjustments in respect of formation expenses and of tangible and intangible fixed assets 7. (b) Value adjustments in respect of current assets, to the extent that they exceed the amount of value adjustments which are normal in the undertaking concerned
14. Net operating profit	Gross operating profit - Department - Depart	preciation and value adjustments on non-financial
15. Financial income and value adjustments on financial assets	Financial income and value adjustments on financial assets	 9. Income from participating interests 10. Income from other investments and loans forming part of the fixed assets 11. Other interest receivable and similar income 12. Value adjustments in respect of financial assets and of investments held as current assets
16. Interest paid	Interest paid	13. Interest payable and similar charges
17. Similar charges	Similar Charges	
18. Profit or loss on	Profit or loss on ordinary	15. Profit or loss on ordinary activities after taxation
ordinary activities 19. Extraordinary income and charges	Extraordinary income and charges	16. Extraordinary income 17. Extraordinary charges
20. Taxes on profits	Taxes	14. Tax on profit or loss on ordinary activities19. Tax on extraordinary profit or loss20. Other taxes not shown under the above items

21. Profit or loss for the	Profit or	loss	for	the	21. Profit or loss for the financial year
financial year	financial				
	vear				

4. LIST OF ANNEXES

In all 6 annexes are attached to these Guidelines for Grant Applications. They are listed below.

DOCUMENTS TO FILL IN AND SUBMIT

ANNEX A: GRANT APPLICATION FORMS - FORMS A AND T (WORD FORMAT)

ANNEX B: STANDARD CV FORMAT, available at the following address: http://www.europass.cedefop.europa.eu/europass/home/hornav/Downloads/EuropassCV/CVTemplate/navigate.action

ANNEX C: FINANCIAL FORMS (EXCEL FORMAT)

DOCUMENTS FOR INFORMATION

ANNEX D: LIST OF RELEVANT PROJECTS

ANNEX E: STANDARD GRANT AGREEMENT

Grant agreement for an action (C(2003) 5144 of 23/12/2003) - http://www.cc.cec/budg/imp/grants/imp-090_014_agreement_en.html#1

ANNEX F: STANDARD CONTRIBUTION AGREEMENT, APPLICABLE IN CASE WHERE THE BENEFICIARY IS AN INTERNATIONAL ORGANISATION

 $\underline{\text{http://ec.europa.eu/europeaid/work/procedures/implementation/international_organisations/annexes_standard_documents/index_en.htm}$

ANNEX G: DAILY ALLOWANCE RATES (PER DIEM), available at the following address: http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm

ANNEX H: EXAMPLES OF PROJECTS THAT COULD FALL WITHIN THE SCOPE OF THE FOUR PRIORITY THEMES (COVERING THE RESPECTIVE ECONMIC SECTORS) AND COULD INTEGRATE TWO OR MORE OF THE PRIORITY ISSUES.