



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
ENVIRONMENT  
Directorate C - Quality of Life  
**ENV.C.2 – Marine Environment & Water Industry**

## Call for proposals

**MARINE STRATEGY FRAMEWORK DIRECTIVE - SECOND CYCLE:  
IMPLEMENTATION OF THE NEW GES DECISION AND  
PROGRAMMES OF MEASURES**

Reference: DG ENV/MSFD 2018 call

Deadline for submission of proposals:

20th June 2018 – 17h00, Brussels local time

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## **IMPLEMENTATION OF THE NEW GES DECISION AND PROGRAMMES OF MEASURES**

### **1. INTRODUCTION – BACKGROUND**

#### **1.1. Regulation (EU) No 508/2014 on the European Maritime and Fisheries Fund (EMFF)**

Regulation (EU) No 508/2014 of the European Parliament and of the Council on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council defines the legal basis for this call for proposals. In particular, Article 83 states that the European Maritime and Fisheries Fund (EMFF) may support operations such as projects in accordance with the objectives set out in Article 82, one of which is "to promote the protection of the marine environment, in particular its biodiversity and marine protected areas such as Natura 2000 sites, and the sustainable use of marine and coastal resources and to further define the boundaries of the sustainability of human activities that have an impact on the marine environment", in particular in the framework of the Marine Strategy Framework Directive (MSFD, 2008/56/EC)<sup>1</sup>.

#### **1.2. The Commission's Annual Work Programmes for 2017 and 2018**

On 15<sup>th</sup> of December 2016 the Commission adopted the work programme for 2017<sup>2</sup> and on 8<sup>th</sup> December 2017 the work programme for 2018<sup>3</sup> and the financing for the implementation of the EMFF. These work programmes for 2017 and 2018 set out details of the financing mechanisms and of the priority areas for actions fostering the development and implementation of the Union's Integrated Maritime Policy under the EMFF.

#### **1.3. Current status of the MSFD implementation process**

The MSFD aims to achieve Good Environmental Status (GES) of the EU's marine waters by 2020 and to protect the resource base upon which marine-related economic and social activities depend. In order to achieve GES by 2020, each Member State is required to develop a strategy for its marine waters (a "Marine Strategy") which must be kept up-to-date and reviewed every 6 years.

In 2012, Member States reported under the MSFD for the first time on their initial assessment (including on the current environmental status, on the predominant pressures and impacts and on the uses of their marine waters), on what they consider as being "good environmental status" (GES) and on the environmental targets they set themselves in order to reach GES by 2020 (Articles 8, 9 and 10 of the MSFD). The setting of monitoring programmes was required to be completed by 2014 (Article 11 of the MSFD), and the programmes of measures (PoMs) had to be established by 2015 and made operational within one year of their establishment (Article 13 of the MSFD).

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<sup>1</sup> Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) (OJ L 164, 25.6.2008, p. 19)

<sup>2</sup> For 2017: C(2016)8422

<sup>3</sup> For 2018: C(2017)8146

In February 2014, the Commission published a report on their assessment of the first stage of Member State reporting (Articles 8, 9 and 10), which identified a number of shortcomings in the implementation of the Directive and made suggestions on how to prepare for the updates of the initial assessment, determination of GES and environmental targets which are due in 2018, to be carried out in accordance with MSFD Article 17. The report highlighted the need for greater coherence with related EU legislation, in particular the Habitats and Birds Directives (92/43/EEC and 2009/147/EC) and the Water Framework Directive (2000/60/EC), and for more coherent and coordinated approaches within and between marine regions and subregions.

The Commission's 2014 report also concluded that Commission Decision 2010/477/EU on criteria and methodological standards on good environmental status of marine waters (the "GES Decision") needed to be revised, strengthened and improved to ensure that the next phase of MSFD implementation yields greater benefits. This led through a two-year scientific and technical review to a new Commission GES Decision, adopted on 17 May 2017, which contains a number of criteria and methodological standards for determining GES in relation to the 11 descriptors laid down in Annex I of the MSFD<sup>4</sup>.

On 16 January 2017, the Commission adopted a report assessing the monitoring programmes submitted by most Member States under MSFD Article 11 and verifying their compliance with the Directive. The Commission is currently assessing the programmes of measures submitted by Member States under Article 13.

The MSFD is now entering the second 6-year cycle of implementation, with updates of the initial assessment, determination of GES and environmental targets due to be reported in October 2018, followed by updating of monitoring programmes due to be reported in October 2020, and updating the programmes of measures due to be reported in March 2022.

Meanwhile, Member States have to implement the new Commission GES Decision that requires the establishment of regional or subregional threshold values for GES criteria, adapted as necessary to the different characteristics within each region or subregion, together with associated lists of elements and integration rules; these actions are intended to lead to updated, improved and more complete (sub)regional assessments.

Given the aim to achieve GES of the EU's marine waters by 2020, Member States also need to identify mechanisms to measure the effectiveness of their PoMs and to further improve their abilities to assess and report on the extent to which GES has been achieved, including through use of regional or subregional scientific indicators.

Finally, on January 16th 2018, recognising the importance of GES with regard to marine litter and acknowledging the link with plastics, the Commission made prevention of marine litter a major pillar of its Strategy for Plastics. A high number of actions envisaged by the Commission in this Strategy are directly related to marine litter. They will be supported by a number of ongoing activities launched, inter alia, under the predecessor of the present call (e.g. projects INDICIT, MEDCIS, SPICE) but also under a variety of EU financial instruments such as H2020, Interreg, or international instruments. New projects are not excluded, but they should demonstrate added value and adequate synergies with ongoing activities at national, regional and EU level.

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<sup>4</sup> Commission Decision (EU) 2017/848 of 17 May 2017 laying down criteria and methodological standards on good environmental status of marine waters and specifications and standardised methods for monitoring and assessment, and repealing Decision 2010/477/EU

## 2. OBJECTIVE(S) – THEME(S) – PRIORITIES

### 2.1. Purpose

The purpose of this call for proposals is to support the next 6-year cycle of MSFD implementation. The proposals should have practical outcomes which clearly contribute to the implementation of the MSFD. The successful implementation of the proposals should directly contribute to regional or subregional cooperation needs of Member States' competent authorities in their implementation of the Directive. The proposals can contribute directly to the efforts of the regional organisations, such as the Regional Sea Conventions (RSCs), as long as these are directly linked to MSFD implementation requirements. The proposals should support those (sub)regions where Member States have jointly identified certain shortcomings and are committed to address them together in a coherent manner.

### 2.2. General objectives

In order to make best use of the results of the projects selected from this call in relation to the MSFD reporting cycle, the following considerations are relevant: (1) the projects can build upon the outcomes of the 2018 Article 8 updates to progress implementation of the new GES Decision well in advance of the next assessments of the extent to which GES has been achieved, due in 2024; (2) the projects will run in parallel to the preparation of updated monitoring programmes, due to be reported in October 2020, and (3) they will run ahead of Member States' updating their programmes of measures (PoMs), due to be reported in March 2022. By 2021, Member States are also due to report under the Maritime Spatial Planning Directive (2014/89/EU) after a regional coordination process and the MSFD PoM should be aligned and reflected in those plans.

Based on the above, the three main **general objectives** for this call, to support MSFD implementation, are:

- (1) support the (sub)regional **assessment** of the extent to which GES has been achieved. Focus on **implementation of the new GES Decision** particularly through the further development and operationalisation of indicators and the establishment of threshold values for each (sub)region, together with associated lists of elements and integration rules, which will lead to updated, improved and more complete (sub)regional assessments;
- (2) support the quantification of the **effect of the PoMs**, including through linking monitoring programmes with measures. The effect of measures should be estimated against their objective (i.e. how each measure is designed to help reaching GES and the updated environmental targets) and against their results (i.e. monitoring the effect of each measure in reducing the levels of pressures into or in the marine environment and their impacts on the marine environment), while being transparent about the methods and assumptions underlying the analysis.
- (3) the **establishment of new (sub)regionally-coordinated measures**, where needed, (for instance, in relation to pressures that need consistent or coordinated action across the (sub)region in order for the measures to be effective, measures that have synergistic effects for several descriptors or that have transboundary implications).

Project proposals shall cover one or more of these general objectives.

### 2.3. Regional priorities

On the basis of the general objectives of the call, the following regional priorities for proposals are identified in order to cater for the specific needs of each region or subregion:

#### **Baltic Sea**

- Priority 1: Support to the development of effective regional measures for biodiversity and physical disturbance to the seafloor from fisheries and other relevant activities. The work should build on previous projects and aim to fill the gaps identified by HELCOM in the State of the Baltic Sea report<sup>5</sup>.
- Priority 2: Analysis of the natural conditions and reasons for not reaching GES, linking it to exceptions reported under MSFD. The work should improve the understanding of the regional conditions as well as the reasons why the Baltic Sea cannot reach GES by 2020 (e.g. historical-natural conditions, not enough implementation, climate change, continuous load) and link the results to particular exceptions reported under MSFD.

#### **North-East Atlantic Ocean**

- Priority 1: Support to the development and operational implementation of regional and subregional indicators, lists of elements, threshold values and integration rules to implement the GES Decision. The work should aim to fill the gaps identified by OSPAR, to finalise the list of OSPAR indicators<sup>6</sup> and be in line with GES Decision requirements.
- Priority 2: Support to the development of effective regional measures for biodiversity, including physical disturbance to the seafloor from fisheries and other relevant activities and coordinated measures to protect species and habitats. The work should build on the OSPAR Biodiversity Regional Action Plan, improve the understanding of existing pressures and feed into the 2022 PoM update.

#### **Macaronesia**

- Priority 1: Support to the development and operational implementation of subregional indicators, lists of elements, threshold values and integration rules to implement the GES Decision. The work should target existing gaps, notably those descriptors and criteria elements that have not been targeted by previous projects, namely Mystic Seas 1 and 2.
- Priority 2: Bridging the gap between the Macaronesia and the NE Atlantic Ocean – towards a coordinated strategy. The work should lead to the coordination of assessments and measures between the subregion and the rest of the North-East Atlantic Ocean region, at least for those pressures that spill over from one area to the other. It should also make use of recent projects focused on biodiversity.

<sup>5</sup> <http://www.helcom.fi/Lists/Publications/State%20of%20the%20Baltic%20Sea%20-%20First%20version%202017.pdf> (first version published in 2017, to be updated in 2018).

<sup>6</sup> This information is presented as annexes in: [https://circabc.europa.eu/webdav/CircaBC/env/Marine%20Strategy/Library/MSCG/WG-GES/GESMeetings/18%20-%202018th%20meeting%20of%20WG%20GES%20-%2021%20September%202017%20C%20Brussels/Agenda%20and%20Documents/GES\\_18-2017-05\\_OSPAR\\_Commission\\_Decision.doc](https://circabc.europa.eu/webdav/CircaBC/env/Marine%20Strategy/Library/MSCG/WG-GES/GESMeetings/18%20-%202018th%20meeting%20of%20WG%20GES%20-%2021%20September%202017%20C%20Brussels/Agenda%20and%20Documents/GES_18-2017-05_OSPAR_Commission_Decision.doc). These tables are working documents currently undergoing considerable development within OSPAR and are therefore of an indicative nature. Further information from the OSPAR ICG-MSFD meeting at <https://www.ospar.org/meetings/archive/intersessional-correspondence-group-on-the-marine-strategy-framework-directive-707>.

## **Mediterranean Sea**

- Priority 1: Support to the development and operational implementation of regional indicators, lists of elements, threshold values and integration rules to implement the GES Decision. The work should target the main gaps identified in the EcAp project<sup>7</sup> and be in line with GES Decision requirements, while building on previous projects such as ActionMed, MedCIS, IDEM, INDICIT and QuietMed.
- Priority 2: Complete gaps in monitoring data (with a focus on assessing the distribution, intensity and effects of the key pressures). The work should improve the data/information collection for the regional GES assessment and for the updated monitoring programmes. It should also aim to fill knowledge gaps identified in the Barcelona Convention's Quality Status Report. Work with South Mediterranean countries is encouraged.
- Priority 3: Support to the development of effective regional measures for biodiversity, including physical disturbance to the seafloor from fisheries and other relevant activities, and coordinated measures to protect species and habitats. The work should lead to coordination of measures, building on previous and existing projects.

## **Black Sea**

- Priority 1: Support to the development and operational implementation of regional indicators, lists of elements, threshold values and integration rules to implement the GES Decision. The work should target the main gaps identified by the Member States involved<sup>8</sup>, and be in line with GES Decision requirements, while building on previous projects such as Baltic2Black, MISIS, Technical and administrative support for the joint implementation of the MSFD by the EU Black Sea Member States, and Support to the Black Sea Commission for the Implementation of the Marine Strategy.
- Priority 2: Complete gaps in monitoring data (with a focus on assessing the distribution, intensity and effects of the key pressures). The work should improve the data/information collection for the regional GES assessment and for the updated monitoring programmes<sup>9</sup>.
- Priority 3: Support to the development of effective regional measures for biodiversity, including physical disturbance to the seafloor from fisheries and other relevant activities, and coordinated measures to protect species and habitats. The work should lead to coordination of measures, building on previous and existing projects.

Project proposals shall cover one or more of these regional priorities.

The order of the priorities in the identified regions or subregions does not reflect any ranking /prioritisation. The different identified priorities in each region or subregion carry the same weight for the purpose of this call.

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<sup>7</sup> Implementation of the Ecosystem Approach (EcAp) in the Mediterranean by the contracting parties in the context of the Barcelona Convention for the Protection of the Marine Environment and the Coastal region of the Mediterranean and its Protocols

<sup>8</sup> See Appendix 2 of the Commission Staff Working Document Accompanying the document Commission Report to the Council and the European Parliament The first phase of implementation of the Marine Strategy Framework Directive (2008/56/EC) at <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1515508940571&uri=CELEX:52014SC0049>

<sup>9</sup> See the Report from the Commission to the European Parliament and the Council assessing Member States' monitoring programmes under the MSFD (COM/2017/03 final) and its annex (SWD/2017/01 final)



## 2.4. Supporting tasks

When implementing the project, a number of tasks should typically be considered and/or included, in order to achieve the objectives of this call. All tasks should be in line with the implementation steps of the MSFD. The expected supporting tasks are, in particular (non-exhaustive list):

- a) set up working arrangements (e.g. schedule of meetings) to ensure that the respective national and regional cooperation processes will be able to contribute to and benefit from the envisaged work; successful implementation of projects funded under this call shall include establishing effective links to the relevant RSCs (to ensure coordination across the regions or subregions) and to Member State's national administrations (to ensure the outcomes are MSFD oriented);
- b) ensure, where possible, that any actions proposed make best use of existing approaches and solutions already developed and agreed in other (sub)regions;
- c) develop and demonstrate best practices of regional or subregional cooperation;
- d) systematically use standards stemming from EU legislation, as set out in the revised GES Decision<sup>10</sup>, such as the Common Fisheries Policies (CFP)<sup>11</sup>, the Water Framework Directive<sup>12</sup>, the Habitats<sup>13</sup> and Birds<sup>14</sup> Directives, the Maritime Spatial Planning Directive, as minimum requirements. If such standards do not exist, the projects should use the ones developed at regional or subregional level, for instance in the framework of the RSCs, or other regional mechanisms;
- e) establish effective and efficient data and information management mechanisms, including a regular update of data and information products on line. Data should be made publicly available during the lifetime of the project following the "Recommendations for the publication of datasets under MSFD Article 19(3)", if possible becoming part of the corresponding Member State reporting.
- f) establish regular contacts with the Commission including kick-off and final meetings in Brussels and regular reporting of activities in order to allow for appropriate discussion and feedback on the project execution;
- g) organise workshops, meetings etc., inviting other relevant projects in the same region or with the same objectives as appropriate, including joint (if possible) kick-off or final meetings to foster (sub)regional cooperation, ensure synergies and efficiency gains, exchange of ideas and knowledge;

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<sup>10</sup> Commission Decision (EU) 2017/848 of 17 May 2017 laying down criteria and methodological standards on good environmental status of marine waters and specifications and standardised methods for monitoring and assessment, and repealing Decision 2010/477/EU, (OJ L 125, 18.5.2017, p. 43)

<sup>11</sup> Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC.

<sup>12</sup> Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, (OJ L 327, 22.12.2000 p. 1)

<sup>13</sup> Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, (OJ L 206, 22.7.1992, p. 7)

<sup>14</sup> Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds, (OJ L 20, 26.1.2010, p. 7).

- h) present the progress of work at and gather input from the relevant meetings at (sub)regional level (e.g. relevant groups established under the auspices of RSCs) and EU level (e.g. Working Groups and Technical Groups established in the context of the MSFD Common Implementation Strategy);
- i) the inclusion of operational pilots can give an added value to the proposals. Such pilots could test the assumptions of the general objectives of this call, for example producing accurate estimates of the effect of certain measures, or the influence of different threshold values or integration rules. Despite their more 'local' nature, operational pilots should be regionally coordinated and relevant. The focus should go to one or a limited number of descriptors. These pilots can also explore data and information flows among EU Directives (e.g. MSFD, CFP, MSPD).

Any proposal for this call should fully take into account the relevant past or ongoing work of the RSCs, the work carried out in ICES<sup>15</sup>, the results to date of other ongoing projects, such as for example the research projects financed under FP7 or the support projects on the implementation of the MSFD (i.e. Mystic Seas 2<sup>16</sup>, MedCIS<sup>17</sup>, QuietMed<sup>18</sup>, IDEM<sup>19</sup>, Indicit<sup>20</sup>, SPICE<sup>21</sup>, JMP Eunosat). Furthermore, the support projects (Technical and administrative support for the joint implementation of the Marine Strategy Framework Directive) in the Mediterranean Sea and Black Sea regions<sup>22</sup> are of particular importance and can be used and referred to when presenting a proposal.

### 3. TIMETABLE

The final deadline for the submission of proposals is the 20th June 2018 (date of post stamp).

	Stages	Date and time or indicative period
a)	Publication of the call	20th March 2018
b)	Deadline for submitting applications	20th June 2018 – 17h00.
c)	Evaluation period	July – September 2018
d)	Information to applicants	15 December the latest
e)	Signature of grant agreement	October – December 2018

<sup>15</sup> [http://www.ices.dk/explore-us/Action%20Areas/Pages/Marine-Strategy-Framework-Directive-\(MSFD\).aspx](http://www.ices.dk/explore-us/Action%20Areas/Pages/Marine-Strategy-Framework-Directive-(MSFD).aspx)

<sup>16</sup> <http://mistic-seas.madeira.gov.pt/en>

<sup>17</sup> <http://medcis.eu/>

<sup>18</sup> <http://www.quietmed-project.eu/>

<sup>19</sup> <http://www.msfd-idem.eu/>

<sup>20</sup> <https://indicit-europa.eu/>

<sup>21</sup> <http://www.helcom.fi/helcom-at-work/projects/spice>

<sup>22</sup> [http://ec.europa.eu/environment/marine/international-cooperation/regional-sea-conventions/bucharest/index\\_en.htm](http://ec.europa.eu/environment/marine/international-cooperation/regional-sea-conventions/bucharest/index_en.htm)

## **4. BUDGET AVAILABLE**

The total budget earmarked for the co-financing of projects is € 5.200.000.

The maximum EU funding rate under this Call for Proposals is **80% of eligible costs** per proposal based on the project budget. The balance must be financed from the applicant's or partners' own resources, or from sources other than the European Union budget.

The Commission expects to fund approximately between 5 and 10 proposals. The indicative grant per project will be typically between € 250 000 and € 1 000 000 depending on the geographical coverage of the proposal, the number of Member States involved and the relation with the general objectives and the regional priorities as defined in sections 2.2 and 2.3, respectively.

Within the available budget, the Commission will select for funding the highest ranked proposal in each of the region or subregion identified under point 2.3 Regional priorities, provided it has passed the minimum thresholds established in section 9. If there is remaining budget available, the order of additional projects to be funded will be determined by their quality score on the basis of the criteria set in Section 9.

The Commission reserves the right not to distribute all the funds available.

## **5. ADMISSIBILITY REQUIREMENTS**

The following formal requirements must be complied with in order for the proposal to proceed to the evaluation stage:

- Applications must be sent no later than the deadline for submitting applications referred to in section 3 (date of post stamp).
- Applications must be submitted in writing (see section 14), using the application form available at [http://ec.europa.eu/environment/funding/grants\\_en.htm](http://ec.europa.eu/environment/funding/grants_en.htm).
- Applications must be drafted in one of the EU official languages. Submission in English is strongly encouraged and will facilitate the evaluation process. For any proposal written in another EU official language, applicants are encouraged to provide a summary of their proposal in English.

Failure to comply with these requirements will lead to the rejection of the application.

## **6. ELIGIBILITY CRITERIA**

### **6.1. Eligible applicants**

The following types of entities are allowed to participate to the call, in accordance with the relevant basic act and the objectives to be achieved:

- Applicants must be public or private authorities or bodies , registered in an EU Member State, or be an international organisation and their partners (potential co-beneficiaries of the grant) must either be registered in an EU Member State or be an international organisation or fulfil the following conditions:

- Partners from third countries which are a Contracting Party to one of the four European Regional Sea Conventions<sup>23</sup> can be associated to the action on a no-cost basis or at a maximum of 5% of the total cost for the action for each third country partner and a maximum total of 10% for all third country partners together, if this is necessary for the implementation of the action.
- Authorities competent for the implementation of the MSFD in the selected area as defined in Article 7 of the MSFD;
- Legal entities having a legal or capital link with applicants, which is neither limited to the action nor established for the sole purpose of its implementation (e.g. networks, federations, trade unions), may take part in the action as **affiliated entities** and may declare eligible costs as specified in section 11.1. For that purpose, applicants shall identify such affiliated entities in the application form. These affiliated entities have to fulfil the eligibility and exclusion criteria and therefore provide the appropriate supporting documents.
- Natural persons are not eligible

In order to assess the applicants' eligibility, the following supporting documents are requested:

- **private entity:** extract from the official journal, copy of articles of association, extract of trade or association register, certificate of liability to VAT (if, as in certain countries, the trade register number and VAT number are identical, only one of these documents is required);
  - **public entity:** copy of the resolution, decision or other official document establishing the public-law entity ;
  - **entities without legal personality:** documents providing evidence that their representative(s) have the capacity to undertake legal obligations on their behalf.

**For British applicants:** Please be aware that eligibility criteria must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article II.17 of the grant agreement.

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<sup>23</sup> The four European Regional Sea Conventions are:

- The Convention for the Protection of the Marine Environment in the North-East Atlantic of 1992 (further to earlier versions of 1972 and 1974) – the OSPAR Convention (OSPAR)
- The Convention on the Protection of the Marine Environment in the Baltic Sea Area of 1992 (further to the earlier version of 1974) – the Helsinki Convention (HELCOM)
- The Convention for the Protection of Marine Environment and the Coastal Region of the Mediterranean of 1995 (further to the earlier version of 1976) – the Barcelona Convention (UNEP-MAP)
- The Convention for the Protection of the Black Sea of 1992 – the Bucharest Convention.

## 6.2. Eligible proposals

The following conditions will be applied to proposals:

- a) Proposals should cover as a minimum one marine subregion (as established according to article 4.2 of MSFD) and they shall involve at least two EU Member States within that subregion.
- b) Proposals could address one or more descriptors, focusing on the main challenges for the implementation of the MSFD and matching at least one of the general objectives of this call and one of the regional priorities.
- c) Proposals may include operational pilots. Such pilots give an added value to the proposals and could demonstrate, at least in part of the sea regions, that the projects results can be operational, for example producing accurate estimates of the effect of certain measures or the influence of different threshold values or integration rules. Despite their more 'local' nature, operational pilots should be regionally coordinated and relevant. The focus should go to one or a limited number of descriptors. These pilots can also explore data and information flows among EU Directives (e.g. MSFD, CFP, MSPD).
- d) Proposals must be submitted jointly and implemented by beneficiaries who are public authorities or private bodies of at least two Member States within the relevant region/subregion and should include MSFD competent authorities (article 7 of MSFD) of at least two Member States;
- e) Joint proposals from different regions and subregions are eligible;
- f) Proposals should ensure a reasonable geographic balance across the regions and subregions.

## 6.3. Eligible activities

The activities eligible under this call will be applicable to the marine waters of Member States as defined in Article 3.1 of the MSFD, but may also encompass marine waters of non-EU countries within the marine regions defined in Art. 4, provided that such efforts are at no additional or minimal cost to the projects (see eligibility rules in section 11.).

Types of activities carried out by the beneficiary which are eligible under this call for proposals include:

- design, implementation, co-ordination and management of the project;
- awareness-raising, training and dissemination activities;
- mechanisms for monitoring data gathering and campaigns;
- organisation of workshops, meetings, conferences, seminars, that contribute to the project objectives;
- cost of travel for meetings (including kick-off and final project meetings);
- actions aiming at the creation and improving of networks, exchanges of good practices;

- studies, analyses, action plans and mapping activities directly related to the project;
- research activities
- establishment of data and information management, including regular update of data and information products online.

### **Implementation period**

The envisaged implementation period of activities **should be between 12 months and 24 months**. The optimal starting date would be the January 2019.

## **7. EXCLUSION CRITERIA**

### **7.1. Exclusion**

The authorising officer shall exclude an applicant from participating in call for proposals procedures where:

(a) the applicant is bankrupt, subject to insolvency or winding-up procedures, where its assets are being administered by a liquidator or by a court, where it is in an arrangement with creditors, where its business activities are suspended, or where it is in any analogous situation arising from a similar procedure provided for under national laws or regulations;

(b) it has been established by a final judgment or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the law of the country in which it is established, with those of the country in which the authorising officer is located or those of the country of the performance of the contract;

(c) it has been established by a final judgment or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence, including, in particular, any of the following:

- (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract, a grant agreement or a grant decision;
- (ii) entering into agreement with other applicants with the aim of distorting competition;
- (iii) violating intellectual property rights;
- (iv) attempting to influence the decision-making process of the Commission during the award procedure;
- (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;

(d) it has been established by a final judgment that the applicant is guilty of any of the following:

- (i) fraud, within the meaning of Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;
- (ii) corruption, as defined in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997, and in Article 2(1) of Council Framework Decision 2003/568/JHA, as well as corruption as defined in the law of the country where the contracting authority is located, the country in which the applicant is established or the country of the performance of the contract;
- (iii) participation in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA;
- (iv) money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;
- (v) terrorist-related offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
- (vi) child labour or other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;

(e) the applicant has shown significant deficiencies in complying with main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an authorising officer, OLAF or the Court of Auditors;

(f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95.

(g) for the situations of grave professional misconduct, fraud, corruption, other criminal offences, significant deficiencies in the performance of the contract or irregularity, the applicant is subject to:

- (i) facts established in the context of audits or investigations carried out by the Court of Auditors, OLAF or internal audit, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;
- (ii) non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
- (iii) decisions of the ECB, the EIB, the European Investment Fund or international organisations;

- (iv) decisions of the Commission relating to the infringement of the Union's competition rules or of a national competent authority relating to the infringement of Union or national competition law.
- (v) decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

## **7.2. Remedial measures**

If an applicant declares one of the situations of exclusion listed above (see section 7.4), it should indicate the measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. This may include e.g. technical, organisational and personnel measures to prevent further occurrence, compensation of damage or payment of fines. The relevant documentary evidence which illustrates the remedial measures taken must be provided in annex to the declaration. This does not apply for situations referred in point (d) of section 7.1.

## **7.3. Rejection from the call for proposals**

The authorising officer shall not award a grant to an applicant who:

- a. is in an exclusion situation established in accordance with section 7.1;
- b. has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information;
- c. was previously involved in the preparation of calls for proposal documents where this entails a distortion of competition that cannot be remedied otherwise.

The same exclusion criteria apply to affiliated entities.

Administrative and financial penalties may be imposed on applicants, or affiliated entities where applicable, who are guilty of misrepresentation.

## **7.4. Supporting documents**

Applicants and affiliated entities must provide a declaration on their honour certifying that they are not in one of the situations referred to in articles 106(1) and 107 FR, by filling in the relevant form attached to the application form accompanying the call for proposals and available at [http://ec.europa.eu/environment/funding/grants\\_en.htm](http://ec.europa.eu/environment/funding/grants_en.htm).

This obligation may be fulfilled in one of the following ways:

- (i) (the coordinator of a consortium signs a declaration on behalf of all applicants and their affiliated entities OR
- (ii) each applicant in the consortium signs a declaration in its name and on behalf its affiliated entities OR
- (iii) each applicant in the consortium and the affiliated entities sign each a separate declaration in their own name]



## 8. SELECTION CRITERIA

Applicants must have the operational and financial capacity required to implement and complete the proposed action.

### 8.1. Financial capacity

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the duration of the grant and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents to be submitted with the application:

a) Grants  $\geq$  EUR 60 000:

- a declaration on their honour and

EITHER

- the profit and loss account as well as the balance sheet for the last financial year for which the accounts were closed;
- for newly created entities: the business plan might replace the above documents;

OR

- the **Financial Capacity Form** (Annex B) in excel format, filled in with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form.

b) Grants for an action  $\geq$  EUR 750 000:

- the information and supporting documents mentioned in point a) above and
- **an audit report** produced by an approved external auditor certifying the accounts for the last financial year available.

The assessment of the financial capacity does not apply to public bodies or international organisations, which are not required to provide the above-mentioned supporting documents.

In the event of an application grouping several applicants (consortium), the above thresholds apply to each applicant.

On the basis of the documents submitted, if the *Responsible Authorising Officer (RAO)* considers that financial capacity is weak, s/he may:

- request further information;
- decide not to give pre-financing;
- decide to give pre-financing paid in instalments;

- decide to give pre-financing covered by a bank guarantee (see section 11.4 below);
- where applicable, require the joint and several financial liability of all the co-beneficiaries.

If the RAO considered that the financial capacity is insufficient s/he will reject the application.

## **8.2. Operational capacity**

Applicants must have the professional competencies as well as appropriate qualifications necessary to complete the proposed action. In this respect, applicants have to submit a declaration on their honour, and the following supporting documents:

- description of the profile of the people primarily responsible (maximum one page) for managing and implementing the operation (accompanied where appropriate, like in the field of research and education, by a list of relevant publications), relevant professional experience (including national officials in charge of the implementation of MSFD);
- the organisation's activity reports;
- a list of the five most relevant previous projects and activities performed and connected to the policy field of this call or to the actions to be carried out;

If, during the lifetime of the project, the proposed team should be adapted, the description of the profile or a curriculum vitae of new team members primarily responsible for managing and implementing the operation shall be submitted to the Commission before they start working for the project.

A standard model for the curriculum vitae (CV) can be easily downloaded from the following webpage: <http://europass.cedefop.europa.eu/en/documents/curriculum-vitae>

## 9. AWARD CRITERIA

### 9.1. Award criteria

Eligible applications/projects will be assessed on the basis of the following criteria:

Award criteria

- **Relevance and added value:** Relevance of the proposal and its expected results to achieve the objectives of the action; Added value of the proposal in terms of innovation, originality, synergies, geographical coverage, capacity to involve and promote dialogue and cooperation with relevant stakeholders.

- **Project implementation:** Effectiveness and coherence of the work plan. Feasibility in terms of activities and timetable. Appropriate and balanced allocation of tasks and human resources. Appropriate project management set-up. Adequate risk management.

- **Cost –effectiveness:** Clearly presented and appropriate budget involving a cost –effective allocation of financial resources in relation to the expected results and the planned activities and outputs.

- **Impact:** Dissemination, sustainability and transferability of the expected results.

The award criteria and certain indicative aspects which will be considered for the evaluation of each criterion are provided in the table below.

Award Criteria	<i>Indicative aspects</i>
<b>Relevance and added value (max points: 30, min points: 15)</b>	<p>Scope of the project, relevance of the proposal and its expected results to achieve the objective(s) and priority(-ies) of the Call</p> <p>Direct contribution to the implementation of the MSFD, the new GES Decision and the regional or subregional cooperation needs of Member States</p> <p>Added value of the proposal in terms of innovation, demonstration, and capacity to involve and promote dialogue and cooperation with relevant stakeholders (i.e. key national and regional organisations, such as Regional Sea Conventions and national implementation leads for MSFD)</p> <p>Strategy for increasing synergies and avoiding overlaps with major relevant international projects and activities</p> <p>Added value demonstrated by the potential for dissemination and the likelihood of transferability of the results to other (sub)regions</p>
<b>Project implementation (max points: 40, min points: 20)</b>	<p>Quality of the description of work; proposals should be clear, detailed, coherent, realistic and feasible in terms of actions and timetable</p>

	<p>Identification and understanding of the issues involved and the specific needs of the proposal</p> <p>Identification of distinct, relevant and realistic results and deliverables</p> <p>Effectiveness and rationality of the proposed methodology, organisation and management structure (including timetable and monitoring of progress)</p> <p>Proposed assessment mechanisms (quality control and risk management)</p>
<b>Cost-effectiveness (max points: 20, min points: 10)</b>	<p>Consistency with the technical proposal, feasibility of proposed project in terms of availability of resources and coherence with timetables</p> <p>Quality and clarity of the budget, consistency of the expenditures with the foreseen activities</p> <p>Cost-effectiveness (allocation of resources in relation to the expected outputs)</p>
<b>Impact (including Geographic coverage) (max points: 10, min points: 5)</b>	<p>Geographic coverage (ideally proposals submitted jointly covering all EU Member States in a region for the Black Sea and Baltic Sea regions or subregion for the Mediterranean Sea and the NE Atlantic Ocean regions)</p> <p>Expected impact demonstrated by actual dissemination of best practices and potential for transferability of the approaches and results to other (sub)regions</p> <p>Potential outreach to non-EU countries, in particular those being contracting parties of one of the four Regional Sea Conventions</p>

The maximum points that can be attributed to a proposal are 100. Proposals have to reach the minimum quality threshold (50 % of the maximum possible score) for each criterion, as indicated above. Moreover, proposals that, following the evaluation process, do not reach a global score of at least 65 points will not be considered for co-funding. Applications should elaborate on all points addressed by this call for proposals in order to score as many points as possible.

Financial contribution shall be awarded to the highest ranked proposal in each of the region or subregion identified under point 2.3 (Regional priorities), provided it has passed the minimum thresholds of 65 points. If there is remaining budget available, the order of additional projects to be co-funded will be determined by their quality score on the basis of the award criteria.

## 10. LEGAL COMMITMENTS

In the event of a grant awarded by the Commission, a grant agreement, drawn up in euro and detailing the conditions and level of funding, will be sent to the applicant, as well as the information on the procedure to formalise the agreement of the parties.

## 11. FINANCIAL PROVISIONS

### 11.1 Eligible costs

Eligible costs shall meet all the following criteria:

- they are incurred by the beneficiary.
- they are incurred during the duration of the action, with the exception of costs relating to final reports and audit certificates;
  - The period of eligibility of costs will start as specified in the grant agreement.
  - If a beneficiary can demonstrate the need to start the action before the agreement is signed, the costs eligibility period may start before that signature. Under no circumstances can the eligibility period start before the date of submission of the grant application.
- they are indicated in the estimated budget;
- they are necessary for the implementation of the action which is the subject of the grant;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

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

The same criteria apply to costs incurred by the affiliated entities.

Eligible costs may be direct or indirect.

#### 11.1.1. Eligible direct costs

The eligible direct costs for the action are those costs which, **with due regard for the conditions of eligibility set out above**, are identifiable as specific costs directly linked to the performance of the action and which can therefore be booked to it directly, such as :

- (a) *the costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the action, provided that these costs are in line with the beneficiary's usual policy on remuneration.*

*Those costs include actual salaries plus social security contributions and other statutory costs included in the remuneration. They may also comprise additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used;*

*The costs of natural persons working under a contract with the beneficiary other than an employment contract or who are seconded to the beneficiary by a third party against payment may also be included under such personnel costs, provided that the following conditions are fulfilled:*

- (i) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);*
- (ii) the result of the work belongs to the beneficiary (unless exceptionally agreed otherwise); and*
- (iii) the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary;*

The recommended methods for calculation of direct personnel costs are provided in Appendix 1 and 2.

- (b) *costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;*
- (c) *the depreciation costs of equipment or other assets (new or second-hand) as recorded in the beneficiary's accounting statements, provided that the asset:*
- (i) is written off in accordance with the international accounting standards and the beneficiary's usual accounting practices; and*
  - (ii) has been purchased in accordance with the rules on implementation contracts laid down in the grant agreement, if the purchase occurred within the implementation period;*

*The costs of renting or leasing equipment or other assets are also eligible, provided that these costs do not exceed the depreciation costs of similar equipment or assets and are exclusive of any finance fee;*

*Only the portion of the equipment's depreciation, rental or lease costs corresponding to the implementation period and the rate of actual use for the purposes of the action may be taken into account when determining the eligible costs. By way of exception, the full cost of purchase of equipment may be eligible under the Special Conditions, if this is justified by the nature of the action and the context of the use of the equipment or assets;*

- (d) *costs of consumables and supplies, provided that they:*

- (i) *are purchased in accordance with the rules on implementation contracts laid down in the grant agreement; and*
- (ii) *are directly assigned to the action;*
- (e) *costs arising directly from requirements imposed by the Agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with the rules on implementation contracts laid down in the grant agreement;*
- (f) *costs entailed by subcontracts, provided that specific conditions on subcontracting as laid down in the grant agreement are met;*
- (g) *costs of financial support to third parties, provided that the conditions laid down in the grant agreement are met;*
- (h) *duties, taxes and charges paid by the beneficiary, notably value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the grant agreement.*

**N.B. Applicants must include in their budget proposal the costs for participation of maximum 2 representatives of the consortium (including at least one representative of the coordinating organisation) in up to three project meetings organised at EU level during the project lifetime.**

#### **11.1.2. Eligible indirect costs (overheads)**

Indirect costs are costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it.

A flat-rate amount of 7% of the total eligible direct costs of the action is eligible as indirect costs, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action/project.

Indirect costs may not include costs entered under another budget heading.

**Applicants' attention is drawn to the fact that if they are receiving an operating grant financed by the EU or Euratom budget, they may not declare indirect costs for the period(s) covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.**

In order to demonstrate this, in principle, the beneficiary should:

- a. *use analytical cost accounting that allows to separate all costs (including overheads) attributable to the operating grant and the action grant. For that purpose the beneficiary should use reliable accounting codes and allocation keys ensuring that the allocation of the costs is done in a fair, objective and realistic way.*
- b. *record separately:*
  - *all costs incurred for the operating grants (i.e. personnel, general running costs and other operating costs linked to the part of its usual annual activities), and*

- all costs incurred for the action grants (including the actual indirect costs linked to the action)

If the operating grant covers the entire usual annual activity and budget of the beneficiary, the latter is not entitled to receive any indirect costs under the action grant.

## **11.2 Ineligible costs**

- a) return on capital and dividends paid by a beneficiary;
- b) debt and debt service charges;
- c) provisions for losses or debts;
- d) interest owed;
- e) doubtful debts;
- f) exchange losses;
- g) costs of transfers from the Commission charged by the bank of a beneficiary;
- h) costs declared by the beneficiary under another action receiving a grant financed from the Union budget. Such grants include grants awarded by a Member State and financed from the Union budget and grants awarded by bodies other than the Commission for the purpose of implementing the Union budget. In particular, beneficiaries receiving an operating grant financed by the EU or Euratom budget cannot declare indirect costs for the period(s) covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.
- i) contributions in kind from third parties;
- j) excessive or reckless expenditure;
- k) deductible VAT.

## **11.3 Form of the grant**

### **11.3.1 Reimbursement of costs actually incurred**

The grant will be defined by applying a maximum co-financing rate of 80 % to the eligible costs actually incurred and declared by the beneficiary and its affiliated entities.

#### **Conditions for compliance of the beneficiary's usual cost accounting practices:**

The beneficiary must ensure that the cost accounting practices used for the purpose of declaring eligible costs are in compliance with the following conditions:

- (a) the cost accounting practices that are used must constitute the usual cost accounting practices of the beneficiary. The beneficiary must apply those practices in a consistent manner, based on objective criteria irrespective of the source of funding (EU financing or other);
- (b) the costs declared can be directly reconciled with the amounts recorded in its general accounts; and



- (c) the categories of costs used for the purpose of determining the costs declared do not include any ineligible costs or costs already covered by other forms of grant.

#### **11.4 Balanced budget**

The estimated budget of the action must be attached to the application form. It must have revenue and expenditure in balance.

The budget must be drawn up in euros.

Applicants for whom costs will not be incurred in euros should use the exchange rate published on the Infor-euro website available at:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)

The applicant must ensure that the resources which are necessary to carry out the action the work programme are not be entirely provided by the EU grant.

Co-financing of the action may take the form of:

- the beneficiary's own resources,
- income generated by the action or work programme,
- financial contributions from third parties.

Overall co-financing may also include in-kind contributions from third parties, i.e. non-financial resources made available free of charge by third parties to the beneficiary or to the consortium. The corresponding costs of third parties are not eligible under the grant, e.g. volunteer work, providing a meeting room for free, etc.

The value of the contribution in kind must not exceed:

- either the costs actually borne and duly supported by accounting documents;
- or, in the absence of such documents, the costs generally accepted on the market in question.

In-kind contributions shall be presented separately in the estimated budget to reflect the total resources allocated to the action. Their unit value is evaluated in the provisional budget and shall not be subject to subsequent changes.

In-kind contributions shall comply with national tax and social security rules.

#### **11.5 Calculation of the final grant amount**

The final amount of the grant is calculated by the Commission at the time of the payment of the balance. The calculation involves the following steps:

##### **Step 1 — Application of the reimbursement rate to the eligible costs**

The amount under step 1 is obtained by application of the reimbursement rate specified in section 11.3.1 to the eligible costs accepted by the Commission.

##### **Step 2 — Limit to the maximum amount of the grant**

The total amount paid to the beneficiaries by the Commission may in no circumstances exceed the maximum amount of the grant as indicated in the grant agreement. If the amount obtained following Step 1 is higher than this maximum amount, the final amount of the grant is limited to the latter.

### **Step 3 — Reduction due to the no-profit rule**

‘Profit’ means the surplus of the amount obtained following Steps 1 and 2 plus the total receipts of the action, over the total eligible costs of the action.

The total eligible costs of the action are the consolidated total eligible costs approved by the Commission. The total receipts of the action are the consolidated total receipts established, generated or confirmed on the date on which the request for payment of the balance is drawn up by the beneficiary.

The following are considered receipts:

- (a) income generated by the action;
- (b) financial contributions given by third parties to a beneficiary or to an affiliated entity, if they are specifically assigned by the third parties to the financing of the eligible costs of the action reimbursed by the Commission.

The following are not considered receipts:

- (a) financial contributions by third parties, if they may be used to cover costs other than the eligible costs under the grant agreement;
- (b) financial contributions by third parties with no obligation to repay any amount unused at the end of the implementation period.

If there is a profit, it will be deducted in proportion to the final rate of reimbursement of the actual eligible costs of the action approved by the Commission.

### **Step 4 — Reduction due to improper implementation or breach of other obligations.**

The Commission may reduce the maximum amount of the grant if the action has not been implemented properly (i.e. if it has not been implemented or has been implemented poorly, partially or late), or if another obligation under the Agreement has been breached.

The amount of the reduction will be proportionate to the degree to which the action has been implemented improperly or to the seriousness of the breach.

## **11.6 Reporting and payment arrangements**

### **11.6.1 Payment arrangements**

The beneficiary may request the following payments provided that the conditions of the grant agreement are fulfilled (e.g. payment deadlines, ceilings, etc.). The payment requests shall be accompanied by the documents provided below and detailed in the grant agreement:

Payment request	Accompanying documents
A <b>pre-financing payment</b> corresponding to 30% of the grant amount	(a) signed agreement (b) if applicable, bank guarantee (see section 11.6.2)
A <b>second pre-financing payment for projects with duration above 12 months</b> corresponding to 30% of the grant amount.	(c) progress report (PR) (d) statement on the use of the first previous pre-financing payment (e) if applicable, bank guarantee (see section 11.6.2)
<b>Payment of the balance</b>  The Commission will establish the amount of this payment on the basis of the calculation of the final grant amount (see section 11.5 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the Commission through a recovery order.	(a) final report (FR) with an executive summary (b) final financial statement; (c) summary financial statement aggregating the financial statements already submitted previously and indicating the receipts (d) a certificate on the financial statements and underlying accounts if applicable

In case of a weak financial capacity section 8.1 above applies.

### Reporting requirements

Deliverable*	Indicative date in months after signing the grant  Duration 12 Months	Indicative date in months after signing the grant  Duration 12-24 months
Inception report (IR) specifying the proposed methodology for the tasks of the project	During the 1 <sup>st</sup> month	During the 1 <sup>st</sup> month
Progress report (PR) (linked to the second pre-financing payment for projects with a duration above 12 months), including the tasks performed against the work plan, an updated Gantt chart with milestones and deliverables, preliminary conclusions (if available), and justification for any identified deviation or risk (10 pages maximum)	Month 6	Between 6 and 12 months

For projects covering the general objectives 1 or 2 (section 2.2.): Specific guidance (SG) addressed to competent authorities from Member States to better implement the new GES decision (objective 1) or to quantify the effects of the PoMs (objective 2). This guidance can include tools, methods and results and should be presented to the competent authorities in a training session.	Month 12	Month 12
For projects covering the general objective 3 (section 2.2.): Specific guidance (SG) addressed to competent authorities from Member States to establish new (sub)regionally-coordinated measures (objective 3). This guidance can include tools, methods and results and should be presented to the competent authorities in a training session.	Month 12	Month 18
Final report (FR) which describes clearly the executed tasks and results covering the complete reporting period, including all the products and deliverables produced in the context of this project, the impact of the project results into the authorities' implementation cycles and an executive summary  A presentation of maximum of 20 slides summarising in a pedagogic way the main results	Month 12  Final report covering the full duration ( months 1 to 12)  To be submitted within 60 calendar days following the end of the actions	Month 24  Final report covering the full duration ( months 1 to 24)  To be submitted within 60 calendar days following the end of the actions

All deliverables should include an executive summary or be reflected in a policy brief.

### **Reporting format**

A progress report shall be submitted to DG Environment in electronic format, preferably in Word or pdf format for text-based reports and in Excel if appropriate. It shall explain the progress made on the milestones provided for by the grant agreement. Progress report is requested for project monitoring purposes. Deliverables due for the corresponding period should be submitted with the progress reports.

The final report shall be sent to DG ENV both electronically as well as in paper form and include an executive summary of maximum 10 pages and shall detail all the actions undertaken, the outputs delivered and the final results achieved, as well the budget implementation during the reporting period. All final deliverables should be submitted with the final report.

Reports must be submitted by the coordinator in English, using the available reporting templates.

### **11.6.2 Pre-financing guarantee**

A pre-financing guarantee for up to the same amount as the pre-financing may be requested in order to limit the financial risks linked to the pre-financing payment.

The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the EU Member States. When the beneficiary is established in a third country, the Commission may agree that a bank or financial

institution established in that third country may provide the guarantee if it 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. Amounts blocked in bank accounts shall not be accepted as financial guarantees.

The guarantee may be replaced by:

- a joint and several guarantee by a third party or,
- a joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.

The guarantee shall be released as the pre-financing is gradually cleared against interim payments or the payment of the balance, in accordance with the conditions laid down in the grant agreement.

### **11.7 Other financial conditions**

#### **a) Non-cumulative award**

An action may only receive one grant from the EU budget.

In no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate in the grant application the sources and amounts of Union funding received or applied for the same action or part of the action or for its (the applicant's) functioning during the same financial year as well as any other funding received or applied for the same action.

#### **b) Non-retroactivity**

No grant may be awarded retrospectively for actions already completed.

A grant may be awarded for an action which has already begun only where the applicant can demonstrate in the grant application the need to start the action before the grant agreement is signed.

In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application.

#### **c) Implementation contracts/subcontracting**

Where the implementation of the action requires the award of procurement contracts (implementation contracts), the beneficiary must award the contract to the bid offering best value for money or the lowest price (as appropriate), avoiding conflicts of interests.

The beneficiary is expected to clearly document the tendering procedure and retain the documentation for the event of an audit.

Entities acting in their capacity of contracting authorities in the meaning of Directive 2014/24/EU<sup>24</sup> or contracting entities in the meaning of Directive 2014/25/EU<sup>25</sup> must comply with the applicable national public procurement rules.

Beneficiaries may subcontract tasks forming part of the action. If they do so, they must ensure that, in addition to the above-mentioned conditions of best value for money and absence of conflicts of interests, the following conditions are also complied with:

- a) subcontracting does not cover core tasks of the action;
- b) recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation;
- c) the estimated costs of the subcontracting are clearly identifiable in the estimated budget;
- d) any recourse to subcontracting, if not provided for in description of the action, is communicated by the beneficiary and approved by the Commission. The Commission may grant approval:
  - (i) before any recourse to subcontracting, if the beneficiaries requests an amendment
  - (ii) after recourse to subcontracting if the subcontracting:
    - is specifically justified in the interim or final technical report and
    - does not entail changes to the grant agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;
- e) the beneficiaries ensure that certain conditions applicable to beneficiaries, enumerated in the grant agreement (e.g. visibility, confidentiality, etc.), are also applicable to the subcontractors.

#### **d) Financial support to third parties**

The applications may not envisage provision of financial support to third parties.

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<sup>24</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC

<sup>25</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC

## **12. PUBLICITY**

### **12.1 By the beneficiaries**

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

In this respect, beneficiaries are required to give prominence to the name and emblem of the European Commission on all their publications, posters, programmes and other products realised under the co-financed project.

To do this they must use the text, the emblem and the disclaimer available at

[http://europa.eu/about-eu/basic-information/symbols/flag/index\\_en.htm](http://europa.eu/about-eu/basic-information/symbols/flag/index_en.htm).

If this requirement is not fully complied with, the beneficiary's grant may be reduced in accordance with the provisions of the grant agreement.

Beneficiaries must include the following disclaimer in the publications and deliverables produced by the grant: "The information and views set out in this [report/study/article/publication...] are those of the author(s) and do not necessarily reflect the official opinion of the European Union. Neither the European Union institutions and bodies nor any person acting on their behalf may be held responsible for the use which may be made of the information contained therein".

### **12.2 By the Commission**

With the exception of scholarships paid to natural persons and other direct support paid to natural persons in most need, all information relating to grants awarded in the course of a financial year shall be published on an internet site of the European Union institutions no later than the 30 June of the year following the financial year in which the grants were awarded.

The Commission will publish the following information:

- name of the beneficiary;
- address of the beneficiary when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level<sup>26</sup> if he/she is domiciled within EU or equivalent if domiciled outside EU;
- subject of the grant;
- amount awarded.

Upon a reasoned and duly substantiated request by the beneficiary, the publication shall be waived if such disclosure risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the beneficiaries.

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<sup>26</sup> European Union Official Journal L 39, of 10 February 2007.

### **13. PROCESSING OF PERSONAL DATA**

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001 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. Unless indicated otherwise, the questions and any personal data requested that are required to evaluate the application in accordance with the call for proposal will be processed solely for that purpose by Director of ENV.A.

Personal data may be registered in the Early Detection and Exclusion System by the Commission, should the beneficiary be in one of the situations mentioned in Article 106(1) and 107 of the Financial Regulation 966/2012<sup>27</sup> (for more information see the Privacy Statement on:

[https://ec.europa.eu/info/data-protection-public-procurement-procedures\\_en](https://ec.europa.eu/info/data-protection-public-procurement-procedures_en)).

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<sup>27</sup> <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32012R0966>



## 14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted by the deadline set out under section 3.

No modification to the application is allowed once the deadline for submission has elapsed. However, if there is a need to clarify certain aspects or to correct clerical mistakes, the Commission may contact the applicant during the evaluation process.

Applicants will be informed in writing about the results of the selection process.

### **Submission on paper**

Application forms are available at

[http://ec.europa.eu/environment/funding/grants\\_en.htm](http://ec.europa.eu/environment/funding/grants_en.htm).

Applications must be submitted in the correct form, duly completed and dated. They must be submitted in 2 copies (one original clearly identified as such, plus 1 paper copy) and signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation.

Where applicable, all additional information considered necessary by the applicant can be included on separate sheets.

The envelope of the paper version must clearly indicate on the following call reference:

<b>Call for proposals DG ENV/MSFD 2018 call</b>
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Applications must be sent to the following address:

- by post, date as postmark;

**European Commission  
DG Environment, Unit C.2  
B-1049 Brussels  
Office address: BU-9 4<sup>th</sup> Floor Office 104  
Title: Call for Proposals "DG ENV/MSFD 2018 call"**

- in person, date as receipt, and by courier service, date of receipt by the courier service.

**European Commission - DG Environment (Unit C.2)  
Central Mail Service – OIB.4  
Avenue de Bourget, 1  
B-1140 Brussels  
Title: Call for Proposals "DG ENV/MSFD 2018 call"**

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

### **Electronic copy**

In addition to the submission on paper, the applicant is requested to submit an electronic copy of the proposal (i.e. the grant application including the declarations of honour and the

estimated budget) and all its annexes on a USB-stick in the same envelope as the paper (in format MS Word (.doc) / Excel (.xls). The electronic version must contain **exactly the same** proposal as the paper version enclosed.

➤ **Contacts**

All questions related to the call may be sent exclusively by e-mail no later than **10 working days before the deadline for the submission of proposals** to the address listed below, indicating clearly the reference of the call for proposals " DG ENV/MSFD 2018 call".

E-mail address: [ENV-MARINE-ENVIRONMENT@ec.europa.eu](mailto:ENV-MARINE-ENVIRONMENT@ec.europa.eu)

**Replies** will be given **no later than 5 days before the deadline for the submission of proposals**.

In the interest of equal treatment of applicants, the European Commission cannot give a prior opinion on the proposal. 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](http://ec.europa.eu/environment/funding/grants_en.htm)

In addition, important information for the applicants may, if need be, be published on this website. Applicants are thus strongly recommended to consult this website regularly.

## **ANNEXES**

Annex A – **Grant Application Form** including **Declaration of Honour**

Annex B – **Financial Application Form** including **Financial Capacity Form**

Annex C – **Legal Entity Form**, available at the following address:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/legal\\_entities/legal\\_entities\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm)

Annex D – **Bank Account Form**, available at the following address:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/financial\\_id/financial-id\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial-id_en.cfm)

### **Other documents:**

Annex E – **Model Grant Agreement for an Action with Multiple Beneficiaries**

Annex F - **Mandate**

Annex G – **Travel and Subsistence Allowances**

Annex H - **Reporting templates** (*currently under revision, to be uploaded soon*)

Financial reporting

Audit certificate

Progress report

## Appendix 1

### **HOW TO COMPLETE THE FINANCIAL GRANT APPLICATION FORM (ANNEX B + FINANCIAL CAPACITY FORM)**

The financial application form consists of **10 forms/sheets**. It is available for download as an Excel file.

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 remarks**

The project's budget should be prepared in consideration of the General Conditions of the **Model Grant Agreement**. For information on the different cost categories and on ineligible costs, please refer to Sections **11.1 of the Call for Proposals**. The EU contribution will be calculated on the basis of **incurred** eligible costs. Only costs incurred during the lifetime of the action should be included.

The coordinating beneficiary and associated beneficiaries and/or affiliated companies which are part of the same groups or holdings, cannot act as sub-contractors.

All amounts, where applicable, should be exclusive of VAT, for the activities which fall within one of the following categories:

taxed activities or exempt activities with right of deduction. For those activities, VAT is deductible, hence ineligible;

activities engaged in as a public authority by the beneficiary where it is a State, regional or local government authority or another body governed by public law.

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

**Indirect costs/overheads** (communication costs, costs related to buildings (and general administrative expenses) are eligible as a **flat rate of maximum 7%** of the total direct eligible costs. They are **not eligible** for organisations that, at the same time, benefit from an operating grant.

Cover page

Please fill in the acronym of your proposal.

#### Form F0 – Budget of the action

The form is filled in automatically, based on the data provided in forms F1, F3 to F7, except for the **Requested EU contribution**: Please specify the amount of financial contribution requested from the European Commission, which shall not exceed **80% of total eligible costs**.

#### 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 EU contribution requested per beneficiary.

**Beneficiary country:** the applicant's place of establishment or registration

**Beneficiaries' short name (Acronym):** As in the Grant Application form.

**Total costs of the actions in €:** Indicate the total costs of the actions undertaken by the beneficiaries as in the Grant Application form. The sum of beneficiaries' "total costs of the actions" must equal the total costs of the project as shown in Form F0.

**Coordinating beneficiary/applicant contribution:** specify the amount of financial contribution provided by the applicant, as indicated in the Grant Application form. This amount cannot include contributions by third parties.

**Associated beneficiary/partner contribution:** Indicate the financial contribution from each partner, as indicated in the Grant Application form. This amount cannot include contributions by third parties.

**External funding - third party name:** Same as in the Grant Application form.

**Amount of co-financing in €:** Indicate the financial contribution of each third-party as in the Grant Application form.

**Expected direct revenues:** Revenues generated from the action. Provide description.

#### Form F2 – Budget breakdown per activities

Please provide for every action described in the technical forms, a detailed breakdown of costs per cost category should be provided in form **F2**. Please use the same numbers and names for the actions as in the Grant Application form.

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 activities, rows may have to be added on these tables. Information should be consistent with the contents of the Grant Application form.

#### Notes common to Forms F3 to F7

It is required for all reported budget items to provide the beneficiaries' short name and a reference to the activities according to the Grant Application form. Should a budget item refer to more than one action, please indicate each one of them.

#### Form F3 – Personnel costs (only direct costs)

**General:** *Before filling in this sheet read the Appendix provided below.* The salary costs of personnel of public administration 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 ("in-house consultants") may be charged to this category on the condition that the individual concerned works in the

beneficiary/ partner's premises and is under its supervision, 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 or an equivalent time registration system established and certified by each of the project beneficiaries.

**Category:** Please identify each professional 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 European Commission, only the real costs (e.g. actual salaries) will be considered as eligible costs of the project.

**Annual number of working days:** The total number of person-days 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	21 days
Less statutory holidays	15 days
Less illness/other	<u>10 days</u>
= Total productive days	<u>215 days</u>

**Daily rate:** Is calculated automatically.

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

*Note: Under this budget category applicants should foresee the travel costs for 2 persons from the project to attend a regional kick-off meeting with the Commission representatives.*

**General:** Only costs for travel and subsistence must be included here. Costs related to the attendance of conferences, such as conference fees, should be reported under other costs. The cost of participation in a conference is only considered eligible if the project is presented at the conference. The number of participants in conferences is limited to those for whose attendance there is a valid technical justification.

**Destination (From / To):** Identify the origin and destination of the trips. Specify the country and city name, if already known.

**Reason for travel and duration:** The purpose of travel must be clearly described, in order to allow an assessment of the costs in relation to the objectives of the project (examples: ‘dissemination event’, ‘technical co-ordination meeting’). Estimate the duration of the travel in days.

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

**Number of people:** Indicate the number of people who will be travelling.

**Travel unit costs:** Travel costs shall be charged in accordance with the internal rules of the beneficiary. Beneficiaries shall endeavour to travel in the most economical and environmentally friendly way (video conferencing must be considered as an alternative). Please indicate travel unit costs. For this purpose you may also refer to data from previous experience or to quotes from a travel agent. **Travel costs** will be calculated automatically.

**Subsistence unit costs:** Subsistence costs shall be charged in accordance with the internal rules of the beneficiary (daily allowances or direct payment of meals, hotel costs, local transportation etc.). Make sure that meals related to travel/meetings of the beneficiaries are not included if subsistence costs are already budgeted as per diem allowances. If there is no such rule, the subsistence costs must not exceed the scales approved annually by the European Commission (see Annex G - Travel and Subsistence Allowances).

**Subsistence costs** will be calculated automatically.

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

#### Form F5 – Equipment costs (rental or depreciation)

**General:** Please list in this category the costs related to items that according to the accounting rules of the beneficiary in question are treated as durable goods. Please be informed that items which are fully depreciated in the year of purchase, but which are recorded in any registry of durable goods for the purpose of this application should also be listed under this cost category. This often apply to low value electrical consumer goods, such as laptop computers, smart phones, tablets, photo equipment, gps equipment, etc.

**Procedure:** Specify the procedure foreseen to sub-contract the work, e.g. ‘public tender’, ‘direct treaty’, ‘framework contract’, etc. Subcontracts must be awarded in accordance with articles II.10 and II.11 of the General Conditions of the Model Grant Agreement.

Please be aware that you should be ready to explain why a 'direct treaty' has been used in particular observing the principles of sound financial management.

**Description:** Provide a clear description of each item, e.g. 'laptop computer', 'database software (off-the-shelf or developed under sub-contract)', etc.

**Purchase/rental cost:** Full cost of the equipment without applying any depreciation.

**Depreciation:** Total value of the depreciation in the accounts of the beneficiaries at the end of the project. You need to indicate the actual cost as well as the value of depreciation, in accordance with the General Conditions of the Model Grant Agreement. Only the depreciation is an eligible cost for the project and the EU co-financing will be calculated on the basis of this amount.

For the purpose of establishing the budget proposal, the beneficiaries should estimate as precisely as possible the amount of depreciation for each item, from the date of entry into the accounts (if relevant) until the end of the project. This estimation is based on their internal accounting rules and/or in accordance with national accounting rules. This amount represents the eligible cost.

#### Form F6 – Sub-contracting / external assistance costs

**General:** External assistance costs refer to sub-contracting costs: i.e. services/works carried out by external companies or persons, as well as to renting of equipment. Please justify in detail if the proposed costs of External assistance is above **35%** of the total budget.

For example, the creation of a logo, establishment of a dissemination plan, design of dissemination products, translation services, publication of a book or renting of material should be included in external assistance. Costs related to the purchase or leasing (as opposed to renting) of equipment supplied under subcontract should be budgeted under equipment and not under external assistance.

**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. You may use more than one line for the description of the subcontract if necessary.

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



## Form F7 – Other direct costs

**General:** Direct costs which do not fall in any other cost category should be placed here. Costs for bank charges, conference fees, insurance costs when these costs originate solely from the project implementation, etc. should be placed here. Also the costs related to the audit report should be classified under this cost category. Consumables, costs which may relate to the purchase, manufacture, repair or use of items, may also be declared here. For example: materials for dissemination, substantial mailing, photocopying, or other communication forms which are not already covered by overheads.

Catering costs/meals/coffees related to dissemination activities, such as presentations of the project, workshops or conferences should be reported here. However, please note that if the whole organisation of the conference is subcontracted, the corresponding cost should all be budgeted under external assistance. Catering costs for normal meeting activities should be covered by the 7% overhead charges.

**Supplier / procedure:** Specify the procedure foreseen to sub-contract the work, e.g. 'public tender', 'direct treaty', 'framework contract', etc. Subcontracts must be awarded in accordance with articles II.10 and II.11 of the General Conditions of the Model Grant Agreement.

**Description:** Give a clear description of the other costs, e.g. type of consumable and supplies, costs arising directly from requirements linked to the action, etc. Costs for **translation** of reports, if needed, must always be reported in this category.

**Bank guarantee:** the European Commission may require the beneficiary to lodge a guarantee in advance in order to limit the financial risks connected with the payment of pre-financing. This 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.

**Auditor costs** related to the auditing of the project's financial reports (required under the agreement) should always be placed under this budget category. These costs will always be incurred solely by the Coordinating beneficiary. 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.)

### ***Financial Capacity Form (Form FR09)***

***The Simplified balance sheet and profit and loss account*** has to be completed by **private (commercial and non-commercial) entities only**. Applicants considered as public entities or international organisations do not have to complete this form. Private entities must indicate if they are a profit or a non-profit making company/organisation.

**Country code:** the applicant's place of establishment or registration

**Grant amount (€):** represents the amount requested from the Commission in this application

**External Co-funding (€)** represents the sum up of all external financial sources, i.e. membership fees, co-financing from member organisations, other sources of co-financing, other revenues:

**Co-financing of the applicant (€)** represents the amount of the beneficiary own contribution

**t-0** represents the last certified historical balance sheet and profit and loss account.

**t-1** is the balance sheet prior to the last certified one.

**Closing date t0** is the closing date of the last certified historical balance sheet.

**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 must be filled in in Euros.
- Closing date must be for the last two financial years.
- Total assets in t0 must be equal to total liabilities in t0 (the same for t-1)

## Appendix 2

### Specific conditions for direct personnel costs

#### 1. Calculation

The ways of calculating eligible direct personnel costs laid down in points (a) and (b) below are recommended and accepted as offering assurance as to the costs declared being actual.

In case beneficiary uses a different method of calculating personnel costs, the Commission may accept it, if it considers that it offers an adequate level of assurance of the costs declared being actual.

#### a) for persons working exclusively on the action:

*{monthly rate for the person*

*multiplied by*

*number of actual months worked on the action}*

The months declared for these persons may not be declared for any other EU or Euratom grant.

The **monthly rate** is calculated as follows:

*{annual personnel costs for the person*

*divided by 12}* using the personnel costs for each full financial year covered by the reporting period concerned.

If a financial year is not closed at the end of the reporting period, the beneficiaries must use the monthly rate of the last closed financial year available;

#### b) for persons working part time on the action

(i) If the person is assigned to the action at a fixed pro-rata of their working time:

*{monthly rate for the person multiplied by pro-rata assigned to the action*

*multiplied by*

*number of actual months worked on the action}*

The working time pro-rata declared for these persons may not be declared for any other EU or Euratom grant.

The monthly rate is calculated as above.

(ii) In other cases:

*{hourly rate for the person multiplied by number of actual hours worked on the action}*

or

*{daily rate for the person multiplied by number of actual days worked on the action}*

(rounded up or down to the nearest half-day)

The number of actual hours/days declared for a person must be identifiable and verifiable.

The total number of hours/days declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive hours/days used for the calculations of the hourly/daily rate. Therefore, the maximum number of hours/days that can be declared for the grant are:

*{number of annual productive hours/days for the year (see below)}*

minus

*total number of hours and days declared by the beneficiary, for that person for that year, for other EU or Euratom grants}.*

The ‘**hourly/daily rate**’ is calculated as follows:

*{annual personnel costs for the person}*

divided by

*number of individual annual productive hours/days}* using the personnel costs and the number of annual productive hours/days for each full financial year covered by the reporting period concerned.

If a financial year is not closed at the end of the reporting period, the beneficiaries must use the hourly/daily rate of the last closed financial year available.

The ‘number of individual annual productive hours/days’ is the total actual hours/days worked by the person in the year. It may not include holidays and other absences (such as sick leave, maternity leave, special leave, etc). However, it may include overtime and time spent in meetings, trainings and other similar activities.

## **2. Records and other documentation to support the personnel costs declared as actual costs**

For **persons working exclusively on the action**, where the direct personnel costs are calculated following **point (a)**, there is no need to keep time records, if the beneficiary signs a **declaration** confirming that the persons concerned have worked exclusively on the action.

For **persons assigned to the action at a fixed pro-rata of their working time**, where the direct personnel costs are calculated following **point (b)(i)**, there is no need to keep time records, if the beneficiary signs a declaration that the persons concerned have effectively worked at the fixed pro-rata on the action.

For **persons working part time on the action**, where direct personnel costs are calculated following **point (b)(ii)**, the beneficiaries must keep **time records** for the number of hours/days declared. The time records must be in writing and approved by the persons working on the action and their supervisors, at least monthly.

In the absence of reliable time records of the hours worked on the action, the Commission may accept alternative evidence supporting the number of hours/days declared, if it considers that it offers an adequate level of assurance.