



CULTURE PROGRAMME

Education, Audiovisual and Culture Executive Agency
EUROPEAN COMMISSION

PROGRAMME GUIDE



CULTURE PROGRAMME (2007 – 2013)

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Directorate-General for Education and Culture
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PART ONE GENERAL

CHAPTER I Introduction

I.1 Background

Culture is a relatively new sphere of action for the European Union (EU), at least from a legal standpoint: the legal basis for EU action in this field was only introduced in 1992 with the Maastricht Treaty.¹ This action is aimed at encouraging and supporting cooperation within Europe in order to bring the European common cultural heritage to the fore.

The European Commission (hereafter ‘the Commission’) encourages culture² in two ways:

- through policies, chiefly cultural policy,³ but also by mainstreaming the cultural dimension in other areas of EU interest such as for instance in competition or industrial policy;
- and through financial support, primarily via the Culture Programme (2007-2013)⁴ (hereafter ‘the Programme’), but also via other actions such as for example within the framework of regional policy.⁵

The two aspects are closely linked as the Programme has been designed to serve policy development in the cultural field and ultimately to promote common cultural values aiming to enhance the cultural heritage shared by Europe’s peoples.

This Programme Guide focuses on most parts of the Culture Programme, all other EU actions or activities are outside its remit. It applies from the day of its publication⁶ on the Education Audiovisual and Culture Executive Agency’s website⁷ (hereafter ‘the Executive Agency’). The English version is the original text. The Commission reserves the right to amend the Programme Guide as appropriate to take account, inter alia, of the Commission’s work programme and the EU Council’s Work Plan on culture. Any updated version will be published on the Executive Agency’s website.

I.2 Purpose of the Programme Guide

This Programme Guide aims to assist all those interested in developing projects or receiving financial support for their permanent activities within the Culture

¹ Article 151b of the Treaty on the Functioning of the European Union

² http://ec.europa.eu/culture/index_en.htm

³ Culture policy website: http://ec.europa.eu/culture/our-policy-development/doc397_en.htm

⁴ Established for the period 2007-2013 by European Parliament/Council Decision No 1855/2006/EC of 12 December 2006 and published in the EU Official Journal, L 372 on 27 December 2006.

⁵ http://ec.europa.eu/regional_policy/index_en.htm

⁶ The announcement of the Programme Guide is published in the EU Official Journal: C 141/27 of 7.6.2008.

⁷ <http://eacea.ec.europa.eu/index.htm>

Programme (2007-2013). It helps them understand both the objectives and the strands of the Programme and therefore the types of activities that can (or cannot) be supported.

It also seeks to give detailed information on what is needed to apply and what level of grant can be offered.

The guide offers an explanation of the selection procedure and of general rules relevant to those applications for EU grants that are selected at the end of this procedure.

Based on the above, this guide contains all the essential conditions to apply for funding under the Culture Programme,⁸ thus providing cultural operators with the whole set of funding opportunities under this Programme until 2013.

Secondly, in the interests of stability and predictability, this guide includes a Calendar for the submission and assessment of applications, which shall be valid for the entire duration of the Programme. This will facilitate more effective and longer-term planning for organisations interested in developing activities under this Programme.

Thirdly, the guide incorporates all the simplification measures that have been introduced in the current Culture Programme. At the same time, it provides a detailed and stable definition of all requirements each type of project is supposed to match.

The applicability of this guide, however, is subject to fulfilment of the following conditions:

- adoption by the Commission of the annual work programme for the Culture Programme, following its transmission to the Programme Committee;
- adoption by the European Parliament and Council of the funding required for the Culture Programme in the framework of the annual budget of the European Union.

This guide also groups together the Programme's features that are common to all strands and so provides a better overview of how each strand relates to the Programme's general objectives.

All forms or documents needed to apply for funding can be downloaded via the Internet addresses provided in the relevant Chapters of this guide for ease of access for applicants.

⁸ As an exception, one or more calls for proposal might still be published separately for specific actions not covered by this Programme Guide or integrated in subsequent versions of this Guide.

I.3 Objectives and strands of the Culture Programme

I.3.1 Objectives of the Programme

The Programme has been established to enhance the cultural area shared by Europeans, which is based on a common cultural heritage, through the development of cooperation activities among cultural operators from countries taking part in the Programme,⁹ with a view to encouraging the emergence of European citizenship.

The Programme is aimed at three specific objectives:

- promotion of the trans-national mobility of people working in the cultural sector;
- support for the trans-national circulation of cultural and artistic works and products;
- promotion of inter-cultural dialogue.

The Programme has a flexible, interdisciplinary approach and is focused on the needs expressed by cultural operators during the public consultations leading up to its design.

The activities supported within the Programme belong to three main typologies, which correspond to the strands of the Programme. They are outlined in Part Two of this guide, which lists all criteria and application requirements.

A short description of each strand is provided hereafter.

I.3.2 Strands of the Programme

Support for cultural projects (Strand 1)

Cultural organisations are given support for projects to work together across borders and to create and implement cultural and artistic activities.

The thrust of this strand is to help organisations, such as theatres, museums, professional associations, research centres, universities, cultural institutes and public authorities from different countries participating in the Programme to cooperate so that different sectors can work together and extend their cultural and artistic reach across borders.

This strand is divided into five categories, which are detailed below.

Strand 1.1: Multi-annual cooperation projects (lasting from a minimum of 36 months to a maximum of 60 months)

The first category seeks to foster multi-annual, trans-national cultural links by encouraging a minimum of six cultural operators from at least six countries taking part in the Programme to cooperate and work within and across sectors to develop

⁹ See Chapter II.2.1.1 for the list of eligible countries.

joint cultural activities over a period of three to five years. Funds of between a minimum of EUR 200 000 and a maximum of EUR 500 000 per year are available, but EU support is limited to a maximum of 50% of the total *eligible cost*. The funding is intended to help set up or extend the geographical reach of a project and make it sustainable beyond the funding period.

Strand 1.2.1: Cooperation projects (lasting up to twenty-four months)

The second category concerns actions shared by at least three cultural operators, working within and across sectors, from at least three countries taking part in the Programme over a maximum period of two years. Actions that explore means of long-term cooperation are especially targeted. Funds ranging from a minimum of EUR 50 000 and a maximum of EUR 200 000 are available, but EU support is limited to a maximum of 50% of the total *eligible cost*.

Strand 1.2.2: Literary translation projects (lasting up to twenty-four months)

The third category concerns support for translation projects. EU support for Literary Translation is aimed at enhancing knowledge of the literature and literary heritage of fellow Europeans by way of promoting the circulation of literary works between countries. Publishing houses can be awarded grants for translations and publication of works of fiction from one European language into another European language. Funds of between EUR 2.000 and EUR 60 000 are available, but EU support is limited to a maximum of 50% of the total *eligible cost*.

Strand 1.3.5: Cooperation projects with Third Countries (lasting up to twenty-four months)

The fourth category seeks to support cultural cooperation projects aimed at cultural exchanges between the countries taking part in the Programme and *Third Countries*, which have concluded association or cooperation agreements with the EU, provided that the latter contain cultural clauses. Every year one or more *Third Country(ies)* is/are selected for that particular year. The country(ies) is/are indicated each year on the website of the Executive Agency at the latest 4 months before the deadline for submission indicated in Chapter I.7.

The action must generate a concrete international cooperation dimension. The cooperation projects involve at least three cultural operators, from at least three countries taking part in the Programme and cultural cooperation with at least one organisation from the selected *Third Country* and involve cultural activities carried out in the selected *Third Country*. Funds of between EUR 50 000 and a maximum of EUR 200 000 are available, but the ceiling for support from the European Union is limited to 50% of the total *eligible costs*.

Strand 1.3.6: Support for European cultural festivals:

The aim of this strand is to support festivals having a European dimension and contributing to the general objectives of the Programme (ie mobility of professionals, circulation of works and intercultural dialogue).

The maximum amount of the grant is 100.000 €, representing maximum 60% of the eligible costs. The support can be granted for one edition of the festival or for three editions.

Strand 2: Support for organisations active at European level in the field of culture

Cultural organisations working, or wanting to work, at European level in the field of culture can receive support for their operating costs.

The grant awarded under this strand is designed to assist with operating costs incurred by these *beneficiary* organisations in implementing their work programmes. This profoundly differs from any other grants, which may be awarded under the other strands of the Programme. A more detailed description of support to operating costs and project grants is provided in Chapter III.2.

Three categories of organisations are eligible under this strand (a more detailed description of each category is provided in Chapter VII):

- a) Ambassadors
- b) Advocacy networks
- c) Structured dialogue platforms

The maximum amount of grants that are available varies from EUR 100 000 and EUR 600 000, depending on the category applied for, but EU support is limited to a maximum of 80% of the total *eligible costs* or of the costs estimated in the proposed work programme (see Chapter VII.5.2 for support ceilings).

Strand 3: Support for analyses and for the collection and dissemination of information and for maximising the impact of projects in the field of cultural cooperation

Support from the European Union is available for analysis and dissemination activities that help collect and research results in response to the need for strong quantitative evidence in the cultural sector and evaluate them in the light of the objectives of the Programme. There is also a need to provide information about the Culture Programme to artists and cultural organisations more locally. In this respect Cultural Contact Points¹⁰ are funded in all countries taking part in the Programme.

The Programme supports the carrying out of studies and analyses in the field of European cultural cooperation and European cultural policy development. The aim of this support is to increase the volume and quality of information and data to develop comparative data and analysis on cultural cooperation at European level, particularly with regard to the mobility of creators and cultural players, the circulation of works of art and artistic and cultural products and intercultural dialogue.

The Programme also supports the collection and dissemination of information and activities aimed at maximising the impact of projects. It promotes the exchange of

¹⁰ See Chapter I.5.3 for more details.

experience and good practice and the dissemination of information concerning the Programme as well as trans-European cultural cooperation in the broad sense.

Strand 3.2: Co-operation projects between organisations involved in cultural policy analysis

This category seeks to support cooperation projects between private or public organisations (such as cultural departments of national, regional or local authorities, cultural observatories or foundations, university departments specialised in cultural affairs, professional organisations and networks) which have direct and practical experience in the analysis, evaluation, or impact assessment of cultural policies at local, regional, national and/or European levels, related to one or more of the 3 objectives of the European Agenda for culture¹¹:

- Promotion of cultural diversity and intercultural dialogue;
- Promotion of culture as a catalyst for creativity in the framework of the Lisbon Strategy for growth and jobs;
- Promotion of culture as a vital element in the Union's international relations, implementing the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.¹²

Actions must involve at least three organisations legally established in at least three countries taking part in the Programme.

The maximum amount of the grant is 120.000€ a year, representing maximum 60% of the eligible costs.

Support can be given to the following activities:

- secretariat and coordination of the grouping
- exchange, analysis, comparison and consolidation of existing quantitative and qualitative data and evaluation methods;
- production of proposals and recommendations for new evaluation methods or quantitative and qualitative data. The launching of new specific studies or data collections is not covered.
- reporting and dissemination of findings at the level of the European Union.

¹¹ See the Communication on European agenda for culture in a globalizing world, COM (2007) 2004 final. http://europa.eu/legislation_summaries/culture/l29019_en.htm

¹² http://portal.unesco.org/en/ev.php-URL_ID=31038&URL_DO=DO_TOPIC&URL_SECTION=201.html

I.4 Links with years devoted to specific themes at European level

The Programme also aims to build links with the activities related to years that are devoted to a specific theme at European level.

2010 : Year for Combating Poverty and Social Exclusion

2011: Year of Volunteering

I.5. Who manages the Programme?

I.5.1 The European Commission

The Directorate-General for Education and Culture (DG EAC) is responsible for the Programme and directly manages some of its activities. Responsibility for most activities, however, is delegated to the Education, Audiovisual and Culture Executive Agency¹³, which is also based in Brussels, Belgium. The Executive Agency operates under the supervision of the Commission.

The following activities, all falling under Strand 1.3 of the Programme, and Strand 3.3 for the last one, are managed directly by the Commission and do not form part of this guide. Specific guidelines for these activities are available on the Commission's website (please refer to the footnotes for the relevant webpages):

- support for the European Capitals of Culture,¹⁴
- awarding of European prizes in the cultural field,¹⁵
- support for cooperation with international organisations,¹⁶
- special actions,¹⁷
- support for the collection and dissemination of information and for maximising the impact of projects in the field of cultural cooperation (Strand 3.3).¹⁸

I.5.2 The Executive Agency

All other activities within the Programme, as listed here below, are implemented by the Executive Agency. They are all governed by this guide except the support for cultural contact points and the support for analyses in the field of cultural cooperation (strand 3.2).

¹³ Commission decision of 26.04.2007 delegating powers to the Education, Audiovisual and Culture Executive Agency with a view to performance of tasks linked to the implementation of Community programmes in the fields of education, audiovisual and culture including in particular the implementation of appropriations entered in the Community budget N° C(2007) 1842, such as modified the 26th May 2008.

¹⁴ http://ec.europa.eu/culture/our-programmes-and-actions/doc413_en.htm

¹⁵ http://ec.europa.eu/culture/our-programmes-and-actions/doc511_en.htm

¹⁶ http://ec.europa.eu/culture/our-policy-development/doc403_en.htm

¹⁷ http://ec.europa.eu/culture/our-programmes-and-actions/doc417_en.htm

¹⁸ http://ec.europa.eu/culture/our-programmes-and-actions/doc505_en.htm

- Multi-annual cooperation projects (Strand 1.1 – see Chapter IV for more details)
- Cooperation projects (Strand 1.2.1 – see Chapter IV for more details)
- Literary translation projects (Strand 1.2.2 – see Chapter V for more details)
- Cooperation projects with *Third Countries* (Strand 1.3.5 – see Chapter IV for more details)
- Support for European cultural festivals (Strand 1.3.6) (see Chapter VI for more details)
- Support for organisations active at European level in the field of culture (Strand 2) (see Chapter VII for more details)
- Support for Cultural Contact Points (Strand 3.1)
- Support for analyses in the field of cultural cooperation (Strand 3.2)
- Co-operation projects between organisations involved in cultural policy analysis (Strand 3.2) (see Chapter VIII for more details)

I.5.3 Cultural Contact Points

As implementation of the Programme is centralised, it is important to provide at the national level information and guidance to those interested in applying under this Programme.

While this guide is meant to respond to general information needs, the Cultural Contact Points have been established in all countries taking part in the Programme to provide those organisations wishing to apply with the necessary guidance on the Programme's functioning and concrete assistance in preparing their applications.

They are responsible for promoting the Programme and facilitating access to it, in order to ensure targeted, effective grass-roots dissemination of practical information on its implementation, its activities and funding possibilities.

Co-financed by both the Culture Programme and each participating country, those Contact Points also help project promoters in their dissemination activities.

A list of Contact Points can be found at:

http://ec.europa.eu/culture/annexes-culture/doc1232_en.htm

I.6 Budget

The Programme has a total budget of EUR 400 million¹⁹ for the 2007-2013 period.

Total yearly appropriations, including for those actions that do not form part of this guide, may vary from around EUR 43 million to about EUR 58 million, depending on the year.

On a proposal by the Commission the annual budget breakdown per strand (in line with the approximations indicated hereafter) is approved by the *Programme Committee*. Over the whole duration of the Programme, approximately 77% of the total budget is intended to be devoted to Strand 1, 10% to Strand 2 and around 5% to Strand 3. The remaining appropriations are allocated to cover the Programme's general, administrative and technical expenses.

The award of grants is conditional to the adoption of the annual budget from the budgetary authority for the various strands mentioned in this guide. The annual breakdown of funds will be published on the website of the Executive Agency as soon as adopted.

¹⁹ Non-EU countries taking part in the Programme also contribute to the Programme's budget.

I.7. Calendar, 2008-2013

The deadlines for submission of applications cover the entire period of the Programme and are scheduled as follows:

Action	Deadline for submission	Publication of selection results no later than	Starting date	Duration
Strand 1.1 Multi-annual cooperation projects	1 October of year n 12:00 CEST	31 March of year $n+1$	Between 1 May of year $n+1$ and 30 April of year $n+2$	Min. 36 months to max. 60 months
Strand 1.2.1 Cooperation projects	1 October of year n 12:00 CEST	28 February of year $n+1$	Between 1 May of year $n+1$ and 30 April of year $n+2$	Max. 24 months
Strand 1.2.2 Literary translation projects	3 February of year n	31 July of year n	Between 1 September of year n and 31 August of year $n+1$	Max. 24 months
Strand 1.3.5 Cooperation projects with Third Countries* *the selected Third Countries will be announced every year on the Executive Agency's website	3 May of year n 12:00 CEST	31 August of year n	Between 1 November of year n and 31 October of year $n+1$	Max. 24 months
Strand 1.3.6 Support to European cultural festivals	15 November of year n	31 March of year $n+1$	One edition of the supported festival, taking place between 1 May of year $n+1$ and 30 April of year $n+2$	Max. 12 months
Strand 1.3.6 Framework partnership (3 years) for European cultural festivals	15 November 2010	31 March 2011	Three editions of the supported festival, taking place between 1 May 2011 and 30 April 2013	3X12 months
Strand 2 Annual operating grant for organisations active at European level in the field of Culture: a) Ambassadors; b) Advocacy networks; c) Platforms.	15 September of year n 12:00 CEST	28 February of year $n+1$	Financial year $n+1$	<i>The financial year</i>
Strand 2 Framework partnership (3 years) for organisations active at European level in the field of culture: a) Ambassadors; b) Advocacy networks; c) Platforms.	15 September 2010	28 February 2011	<i>Financial year 2011</i>	<i>Financial years 2011-2013</i>
Strand 3.2 Cooperation projects between organisations involved in cultural policy analysis	1 October of year n 12:00 CEST	28 February of year $n+1$	Between 1 May of year $n+1$ and 30 April of year $n+2$	Min 12 months to Max. 24 months

If the deadline for submission falls on a weekend or public holiday in the applicant's country, no extension will be granted, and applicants must take this into account when planning their submission.

During the period between the deadline for submission of applications and the publication of selection results the following procedures take place:

- assessment and selection of applications;
- for Strand 1.1 only, consultation, within the *Programme Committee* and the European Parliament, of representatives from the countries taking part in the Programme regarding the selection results, a process which takes a minimum of six weeks.

Only after those procedures can the applicants be informed about the outcome of the selection process (see Chapter II.5).

CHAPTER II Application and selection procedure

II.1 Submission of applications

On-line application system for strand 1.1, 1.2.1, 1.2.2, 1.3.5 and 2

For strands 1.1, 1.2.1, 1.2.2, 1.3.5 and 2 an online application system has been set up. Proposals must be submitted by the deadline set for each of these *strands*, 12.00 CEST (see the calendar in Chapter I.7), using the online application form, which is accessible on the website of the Executive Agency. In addition, the application package must be sent by surface mail by the deadline (date as postmark).

The application package has to include the paper copy of the online application form as well as the relevant mandatory annexes. Application packages are not returned at the end of the selection procedure.

Paper application form only for strands 1.3.6 and 3.2

For Strands 1.3.6 and 3.2, the online application form is not available. The paper application form must be used.

The paper application form must be downloaded from the website of the Agency and sent together with the related annexes by the deadline for Strand 1.3.6 and 3.2 (date as postmark) to the Agency by surface mail.

For all strands, the application packages (strands for which there is an online application system) or the paper application form (strands 1.3.6 and 3.2 only) must be sent by post (date as postmark), by express courier service (as proved by the registered delivery receipt of the mail service), or delivered in person, by applicants themselves not later than 16.00 on the set deadline. In this case, a receipt must be obtained as proof of submission, signed and dated by the official in the central mail department who took delivery. This department is open from 08.00 to 17.00 from Monday to Thursday and from 08.00 to 16.00 on Friday; it is closed on Saturdays, Sundays and Commission holidays.²⁰

No changes to the dossier can be made after the deadline for the submission of applications. However, if there is a need to clarify certain aspects, the Executive Agency may contact the applicant for this purpose.

²⁰ 1 January (New Year's Day), 2 January (day after New Year's Day), Easter Monday, 1 May (Labour Day), 9 May (Europe Day), Ascension Day, Whit Monday, 21 July (Belgian National Holiday), 15 August (Assumption Day), 1 November (All Saints' Day), 24 December (p.m. – Christmas Eve), 25 December (Christmas Day), 31 December (New Year's Eve).

Address to which the application package must be sent (or delivered in person):

Education, Audiovisual & Culture Executive Agency

Culture Programme (2007–2013)

Programme Strand _____ → [please indicate here strand name and number on which you apply]

Avenue du Bourget 1

(BOUR 04/13)

B – 1140 Brussels

Belgium

II.2 Selection procedure

The awarding of grants from the European Union is subject to the principles of transparency, equal treatment and non-discrimination. On this premise, specific sets of criteria have been defined with a view to ensuring a transparent selection procedure (i.e. *eligibility criteria, exclusion criteria, selection criteria, award criteria*).

Throughout the selection procedure, information about the outcome of individual applications may not be given.

Proposals are assessed in accordance with a general procedure, which is completed through the following steps.

II.2.1 Eligibility criteria common to all strands managed by the Agency

Proposals are first assessed to ensure that they fully comply with the eligibility criteria that apply to all *strands* of the Programme as well as with the specific eligibility criteria applicable to each strand.

The following paragraphs describe the eligibility criteria that apply to all *strands* of the Programme. Please refer to the appropriate chapters for the list of criteria that apply to each strand.

II.2.1.1 Countries taking part in the Programme

To be eligible, applicants must have their head office in one of the countries taking part in the Programme.

The countries taking part in the Programme are:

- the Member States of the European Union,²¹
- the countries of the EEA²² (Iceland, Liechtenstein and Norway);
- the applicant countries for accession to the European Union (Croatia, Turkey, the Former Yugoslav Republic of Macedoni(a), Serbia and Montenegro).

²¹ The following are the 27 Member States of the European Union: Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

²² European Economic Area.

In the Western Balkans Albania and Bosnia and Herzegovina may become eligible in future, provided they conclude a memorandum of understanding laying down details of their respective participation in the Programme.²³

Countries that do not feature in the above list of countries taking part in the Programme are categorised as 'Third Countries'.

II.2.1.2 Eligible applicants

The Programme is open to the participation of all categories of cultural operators, insofar as the organisations are acting in a non-profit-making capacity.

Audiovisual cultural industries and activities (including film festivals), already covered by the MEDIA Programme, are not eligible under the Culture Programme.

However, organisations having their main activity in the audiovisual sector and acting in a non-profit-making capacity are eligible under strand 2 of the Culture Programme, category "Networks", as no such support exists under the MEDIA Programme.

II.2.1.3 Other eligibility criteria

A proposal is eligible if (for strands 1.3.6 and 3.2 see below):

- it is submitted online and the application package is sent by surface mail no later than the deadline for submission of proposals shown in the Calendar set out in Chapter I.7 (date as postmark or mail service stamp); proposals sent by fax or e-mail are not eligible;
- it is written in one of the official languages of the EU;²⁴

N.B. However, for the purpose of speeding up the assessment procedure (and with no prejudice whatsoever to the assessment itself), it is recommended that applications be submitted in one of the three working languages of the Commission (English, French or German);

- it is submitted using the online application form (e-form),
- the application package contains the signed requested attachments (original signatures of the person authorised to enter into legally binding commitment on behalf of the applicant organisations), an official cover letter, the printed online application form, all annexes to the application form and the requested supporting documents; proposals that are not complete and valid (i.e. original documents missing) by the prescribed submission deadline are not eligible.

²³ More information on developments relating to these 'Third Countries' is published on the Executive Agency website at <http://eacea.ec.europa.eu>

²⁴ These are listed at http://europa.eu/abc/european_countries/languages/index_en.htm

A project submitted under strands 1.3.6 or 3.2 is eligible if:

- it is sent no later than the deadline for submission of proposals shown in the Calendar set out in Chapter I.7 (date as postmark or mail service stamp); proposals sent by fax or e-mail are not eligible;
- it is written in one of the official languages of the EU;²⁵
N.B. However, for the purpose of speeding up the assessment procedure (and with no prejudice whatsoever to the assessment itself), it is recommended that applications be submitted in one of the three working languages of the Commission (English, French or German);
- it is submitted using the official application form, duly completed and signed as required (original signatures of the person authorised to enter into legally binding commitment on behalf of the applicant organisations); handwritten proposals are not eligible;
- it contains an official cover letter, the original application form, all annexes to the application form and the requested supporting documents; proposals that are not complete and valid (i.e. original documents missing) by the prescribed submission deadline are not eligible.

If any of the above conditions are not met by the deadline set for submission of proposals, the application is considered ineligible and is thus excluded from the selection process.

The Executive Agency reserves the right to reject any incomplete proposal.

II.2.1.4 Legal status

In order to demonstrate that their legal status is eligible, applicants must provide the following documents together with the application form:

Legal entities governed by public law

- ❖ the Legal Entity identification form* duly completed and signed
- ❖ a copy of the official document attesting to the establishment of the public-law entity, such as the legal instrument, statutory decree or decision

²⁵ These are listed at http://europa.eu/abc/european_countries/languages/index_en.htm

Legal entities governed by private law

- ❖ the Legal Entity identification form* duly completed and signed²⁶
- ❖ a copy of the official document attesting to the establishment of the private-law entity, such as official journal or trade register (this document must show the name, address and registration number of the private-law entity)
- ❖ a copy of the certificate of liability to VAT (in countries where the trade register number and the VAT number are identical, only one of these documents is required)
- ❖ articles of association

* Legal Entity identification forms may be downloaded at the following address:

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

II.2.2 Exclusion criteria

Applicants must state that they are not in any of the situations described in Articles 93(1), 94 and 96(2)(a) of the Financial Regulation applicable to the general budget of the European Union²⁷ (hereafter ‘the Financial Regulation’) set out below.

Applicants are excluded from participating in the Programme if they are in any of the following situations:

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

²⁶ Please do not indicate any VAT number if you are not subject to VAT.

²⁷ Council Regulation (EC, Euratom) No 1605/2002 as amended.

http://ec.europa.eu/dgs/budget/index_en.htm

contracting authority or those of the country where the contract is to be performed;

- they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the EU financial interests;
- they are subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation.

Applicants cannot be granted financial support if, on the date of the grant award procedure, they:

- are subject to a *conflict of interests*
- are guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in the grant award procedure, or fail to supply this information;
- find themselves in one of the situations of exclusion, referred to in Article 93(1) of the Financial Regulation, for this grant award procedure;
- and they are subject to the penalty consisting in the exclusion from contracts and grants financed by the budget for a maximum period of ten years.

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

By signing their application, applicants certify that they are not in any of the situations referred to in Articles 93(1), 94 and 96(2)(a) of the Financial Regulation.

II.2.3 Selection criteria

II.2.3.1 Operational and financial capacity

Proposals which comply with the eligibility and exclusion criteria are subject to an in-depth evaluation on the basis of the *operational* and *financial capacity* of the applicant organisations.

This makes it possible to assess whether:

- the applicant organisations have the professional skills and qualifications to complete the proposed activities (*operational capacity*).

For that purpose, applicants must submit:

- ❖ an activity report covering the past two years (approximately ten pages per activity report)²⁸;
- ❖ the curriculum vitae of the person(s) responsible for the overall coordination/implementation of the proposed action on behalf of each organisation involved or for the implementation of the work Programme of the organisation (maximum four pages per curriculum vitae).

- the applicant organisations have stable and sufficient financial resources to maintain the proposed activities throughout the duration of the project or the year for which the grant is awarded, and to participate in their funding (*financial capacity*).

For that purpose, applicants must submit:

- ❖ the Financial Identification form duly completed and certified by the bank (original signatures required).

This document can be downloaded at the following address:
http://ec.europa.eu/budget/execution/ftiers_en.htm

- ❖ the Financial Capacity form for their country.

This document can be downloaded at the following address (please refer to each specific Strand on this web site):
http://eacea.ec.europa.eu/culture/index_en.htm

- ❖ for applications for action grants exceeding EUR 25 000, the balance sheet as well as the profit and loss account for the last *financial year* for which the accounts have been closed (these should not be more than 18 months old).
- ❖ for applications for operating grants, the balance sheet as well as the profit and loss account for the last *financial year* for which the accounts have been closed (these should not be more than 18 months old).

The last two requirements do not apply to *public organisations* and international organisations under public law established by intergovernmental agreements and specialist agencies created by such organisations.

²⁸ The official activity report is sufficient. Applicants are recommended to submit a summary in English, French or German for the purpose of speeding up its assessment in cases where the activity report is in another official language of the European Union.

II.2.3.2 External audit report to be submitted with the application

Grant for projects (Strand 1)

If the amount of the requested European Union grant is EUR 500 000 or more, the application must also be accompanied by an audit report produced by an approved external auditor, certifying the accounts for the last available year (these should not in any circumstances be more than 18 months old).

This applies to the applicant's (*coordinator's*) accounts only (balance sheet and profit and loss account).

Operating grants (Strand 2)

If the amount of the requested operating grant is EUR 100 000 or more, the application must also be accompanied by an audit report produced by an approved external auditor, certifying the accounts for the last available year (these should not in any circumstances be more than 18 months old).

N.B. This requirement does not apply to *public organisations* and international organisations under public law, to establishments of secondary or higher education or, in the case of agreements involving several *beneficiaries*, to *beneficiaries* with joint and several liability.

II.2.4 Award criteria

The *award criteria* form the basis for assessing the artistic and cultural quality of the proposals in relation to the general and specific objectives of the Programme as well as the focus and characteristics of each strand. The *award criteria* are defined for each *strand* (see Part Two).

Eligible proposals are assessed by an *evaluation committee*. The *evaluation committee* is composed of Executive Agency and Commission officials and is assisted by independent experts from the countries taking part in the Programme.²⁹

The *evaluation committee* makes a proposal for the distribution of the grants. It proposes a list of organisations or projects meriting a grant on the basis of their assessment score and of the available budgetary resources.

II.3 Consultation of the Programme Committee and the European Parliament

In the case of projects relating to Strand 1.1, all selections, the list of co-financing proposals is submitted to the *Programme Committee*, composed of representatives of the *eligible countries*, for their opinion and is subsequently transmitted to the European Parliament so that the latter can exercise its *right of scrutiny*.

This consultation process takes a minimum of six weeks.

²⁹ The independent experts are selected on the basis of an open call for expression of interest.

II.4 Award of grant

Only after completion of the procedure mentioned above, is the selection process finalised and can the list of proposals selected for co-financing be published.

Up to the limits of funds available, eligible proposals with the highest score receive a grant.

Selected applicants receive a *Grant Agreement / Grant Decision* quoting the amount of the grant awarded by the European Union and setting out the conditions under which the grant is awarded (for more information on the *Grant Agreement / Grant Decision* please refer to Chapter III.4).

II.5 Publication of selection results

The list of selected proposals is published on the website of the Executive Agency:

http://eacea.ec.europa.eu/culture/index_en.htm

Unsuccessful applicants receive a letter stating the score of their proposal and the reasons why their application was not selected.

CHAPTER III Financial and other conditions

III.1 Financial conditions

As with all grants from the European Union, financial contributions awarded under the Culture Programme are subject to the provisions of the Financial Regulation. The application of these provisions is compulsory.

The present chapter sets out the rules which apply to all grants under the Culture Programme.

In Part Two, you can find more specific rules, which additionally apply to all grants awarded under each individual strand.

III.1.1 Grant amount

Under no circumstances will the amount awarded exceed the amount applied for.

The amount granted by the *Grant Agreement / Grant Decision* is a maximum, which cannot be increased in any circumstances.

The final amount of the grant is calculated after assessment of the final report and can be reduced on inspection of the actual implementation of the action.

The *beneficiary's bank account*, and that of the *co-organiser*, where applicable, must make it possible to identify sums paid by the Executive Agency.

III.1.2 Co-financing

The EU grant cannot finance the entire costs of the action. Applicants must show their commitment to the action by finding additional financing sources other than the EU grant. This can be done, for example, by fund-raising activities, by adding own resources, or by requesting grants from other organisations (e.g. local, regional or national authorities, foundations, etc.). Proof of co-financing must be included in the final report. Grants awarded at a flat rate (see Chapter III.3) are not affected by this rule.

III.1.3 No double financing

Each individual action is entitled to receive one, and only one, grant from the budget of the European Union. An organisation may be awarded only one operating grant per *financial year*.

Organisations which have applied or plan to apply for another grant from the European Union under the Culture Programme or under any other programme of the European Union should indicate this clearly in their application and must inform the Executive Agency of the outcome of their parallel application.

If an organisation receives an operating grant and wishes to receive a project grant too, a distinction must be made between two kinds of configuration:

1. The organisation is proposing the implementation of a specific project beyond the scope of the work programme on the basis of which the operating grant has been awarded and possesses administrative and accounting resources that will enable it to manage both operations reliably and identifiably.

In this case, the costs borne by the organisation in the performance of its diverse activities are assigned, depending on their purpose, to either the operating budget or the specific project budget. Costs arising from general expenditure, however, cannot ever be imputed to the budget of the specific project, since these costs are deemed to have been covered already by the operating grant.

2. The organisation is proposing the implementation of a project within the scope of the activities envisaged in the work programme on the basis of which the operating grant has been awarded.

In this case, costs arising from general expenditure and staff costs cannot ever be imputed to the budget of the specific project, since these costs are deemed to have been covered already by the operating grant.

III.1.4 Eligibility period – non-retroactivity

The *eligibility period* for expenditure resulting from the implementation of a co-financed action is specified in the *Grant Agreement / Grant Decision*.
No grant may be awarded retrospectively for action(s) already completed.

A grant may be awarded for an action, which has already begun only if the applicant can demonstrate the need to start the action before the agreement/decision has been signed. In any case, the action cannot start before the starting date mentioned in Chapter I.7 for each strand of the Programme.

III.1.5 No-profit rule³⁰

Grants awarded, including operating grants, must not have the purpose or the effect of producing a profit. In practical terms this means that, if the total receipts of an action are higher than the final total costs of the action, the grant from the European Union will be reduced accordingly after the analysis of the final report, taking into consideration the information contained in the grant agreement signed by the *beneficiary* (Article 173 of the Regulation laying down detailed rules for the implementation of the Financial Regulation: 'The budget for the action or the operating budget attached to the application shall have revenue and expenditure in balance, subject to provisions for possible variations in exchange rates, and shall indicate the costs which are eligible for financing from the Community budget').

Existence of a profit may bring about recovery of amounts previously paid.

Literary-translation projects (Strand 1.2.2) obtaining a grant calculated on the basis of flat-rate funding (see Chapter III.3.2) are not affected by this rule.

³⁰ For further details, please see the 'no-profit rule' in Article 165 of the Regulation laying down detailed rules for the implementation of the Financial Regulation.

III.1.6 Guarantee

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

On the basis of an analysis of the financial-capacity form and the official accounts of the organisation (see Chapter II.2.3.1), the Executive Agency decides whether a guarantee is required.

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

This financial guarantee, denominated in euros (hereafter 'EUR'), must be provided at the time of signature of the grant agreement by an approved bank or financial institution established in one of the Member States. If the *beneficiary* is established in a *non-Member State* that is taking part in the Programme, the Executive Agency may agree that a bank or financial institution established in that 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.

The guarantee may be replaced by a joint and several guarantee provided by a third party or by a joint guarantee provided by the *beneficiaries* of an action who are parties to the same *Grant Agreement / Grant Decision*.

The guarantee shall be released as the pre-financing is gradually cleared against interim payments or payments of balances to the *beneficiary*, in accordance with the conditions laid down in the *Grant Agreement / Grant Decision*.

If an organisation is not in a position to provide a guarantee, it may nevertheless continue with the implementation of the project but will not receive any pre-financing when the contract is signed.

Pre-financing may be made available to the said organisation during the implementation of the programme and in accordance with the terms of the grant agreement or grant decision following the submission of an interim report. The interim report shall comprise a progress report on the technical execution of the project and interim financial statements, that is to say financial accounts and a list of invoices, thereby providing a summary of progress in the implementation of the project and a review of the financial position.

This requirement does not apply to the *public organisations* and international organisations under public law described in Chapter II.2.3.1.

III.2 Types of grants

Within the Culture Programme there are two types of grants:

- grants for projects (multi-annual cooperation projects (Strand 1.1), cooperation projects (Strand 1.2.1), literary-translation projects (Strand 1.2.2), cultural-cooperation projects with *Third Countries* (Strand 1.3.5), support to European cultural festivals (strand 1.3.6) and co-operation projects between organisations involved in cultural policy analysis (strand 3.2)); projects are actions with a limited lifetime during which proposed specific activities are implemented. Project costs must be directly linked to the implementation of the proposed specific activities;
- grants for operating costs (structural support) of an organisation active at European level in the field of culture (Strand 2); operating grants are different from project grants in that they provide financial support for costs required for the proper conduct of the usual and permanent activities of an organisation; these costs include staff costs, the cost of internal meetings, publications, information and dissemination, travel costs arising from the implementation of the work programme, rental payments, depreciation and other costs directly linked to the organisation's work programme.

III.3 How the grant is calculated

The grant is calculated on the basis of either:

- a detailed budget (see Chapter III.3.1)
- or
- flat-rate financing³¹ (see Chapter III.3.2).

III.3.1 Budget-based financing

Budget based grants are calculated on the basis of a balanced, detailed estimated budget, drawn up in EUR. Applicants from countries outside the "euro zone" must use the official exchange rate (accounting rate) published by the Commission's Directorate-General of Budget³² for the month preceding the submission of their application.

The calculation of the final grant amount is based on a detailed final financial statement accompanied by supporting documentation for expenditure and receipts.

The maximum grant may not exceed a maximum rate of *eligible costs* for the action concerned. There is a maximum grant for the various different strands. For details, see specific strands in Part Two.

³¹ This type of co-funding is subject to a decision of the Commission.

³² <http://ec.europa.eu/budget/info> euro

Accordingly, a defined percentage of the total estimated eligible expenses (depending on the specific action) must be financed from sources other than the budget of the European Union. Applicants must provide proof that the remainder of the total cost of the action is covered by co-financing.

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

Applicants must indicate, by filling in the spaces provided for this purpose in the application form and/or the budget, the sources and amounts of any other funding received or applied for the same *financial year* for the same actions or for any other actions and for regular activities. For strand 1, they must indicate the income generated by the project, the financial contributions from the co-organisers (as indicated in the mandates) and funding from the associated partners, sponsoring etc.

Proof of co-financing amounts already secured at the date of submission must be sent together with the application package. Co-financing amounts already secured must be indicated in the income part of the budget (chapter 3.b for action grants, chapter 2 for operating grants).

Co-financing amounts which have not been secured at the date of submission must be indicated under chapter 3.a of the budget for action grants (income part, co-ordinator's self financing) or chapter 2 of the budget for operating grants.

Beneficiaries and, in the case of projects presented under Strands 1.1, 1.2.1, 1.3.5 and 3.2, *co-organisers* shall implement actions as described in the grant application. Prior agreement in writing of the Executive Agency must be obtained for any amendment to the action. The inclusion in the final financial statement of expenses not set out in the grant application may lead the Executive Agency to demand the return of all or part of the grant.

III.3.1.1 Eligible costs

Eligible costs of the action are costs actually incurred by the *beneficiary* or, where applicable, the *co-organiser* which meets the following criteria:

- they are incurred during the duration of the action as specified in the Grant Agreement / Grant Decision, with the exception of costs relating to final reports and certificates on the action's financial statements and underlying accounts;
- they are connected with the subject of the agreement and they are indicated in the estimated overall budget of the action;
- 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 and, justified and comply with the requirements of sound financial management, in particular economy and efficiency;

The internal accounting and auditing procedures of the *beneficiary* or *co-organiser* must permit direct reconciliation of the costs and income declared in respect of the action with the corresponding accounting statements and supporting documents.

Eligible costs are split into two main categories:

Eligible direct costs

Eligible direct costs are those costs which are directly linked to the implementation of the action and which can therefore be booked to it directly. This includes in particular:

- the cost of staff assigned to the action, comprising salaries, plus social security charges and other statutory costs included in their remuneration, provided that this cost does not exceed the average rates corresponding to the usual remuneration policy of the *beneficiary* or, where appropriate, that of the *co-organiser*;

For staff partly involved in the action, only the percentage of the allocated time is eligible. The participation of staff in the action must be proven by secondment contracts, job descriptions, attendance records (i.e. time sheets) or any other evidence. The corresponding salary costs of personnel of national administrations are eligible to the extent that they are related to the cost of activities which the relevant public authority would not carry out if the action concerned was not undertaken.

Note: for several actions there are ceilings regarding staff costs, which can be found in the application form for the specific strand.

- travel and subsistence costs and/or allowances for staff involved in the operation and implementation of the action; these must be in line with the *beneficiary's* usual practice on travel costs or, where appropriate, that of *co-organisers*. If these costs are considered to be extravagant, they shall be revised downwards and capped in accordance with the scales approved annually by the European Commission³³;
- rental or purchase cost of durable equipment (new or second-hand); the equipment concerned must be written down in accordance with the tax and accounting rules applicable to the *beneficiaries* and where appropriate, to *co-organisers* and generally accepted for equipment of the same type; only the proportion of the *depreciation* of the equipment corresponding to the duration of the action and the rate of actual use for purposes of the action may be taken into account, except where the nature and/or the context of its use justifies different treatment;

³³ For further details regarding the daily allowance, please see the Executive Agency's website.

- cost of consumables and supplies;
- cost of the certification of the final financial statements and of the audit report of annual accounts, if applicable (see Chapter III.7);
- costs arising from contracts awarded by the *beneficiary* or the *co-organisers* for the purpose of carrying out the action (subcontracting and award of procurement or service contracts, see Chapter III.5);
- costs arising directly from requirements imposed by the implementation of the action (dissemination of information, specific evaluation of the action, audits, translations, reproductions, etc.), including, where applicable, the costs of any financial services (especially the cost of financial guarantees).

Note I:

For actions involving costs relating to a *Third Country* (i.e. costs relating to natural persons citizens of a *Third Country*, organisations based in a *Third Country* and activities taking place in a *Third Country*), the relevant costs incurred by the *beneficiary* and/or the *co-organiser* must not exceed 15% of the total *eligible budget*.

This rule does not apply to projects submitted under Stand 1.3.5, Cultural Cooperation projects with *Third Countries*.

Note II:

Costs incurred by *associated partners* and cost incurred by *partners* in the *Third Country* are not eligible, unless they are directly paid or refunded by the *beneficiary* and/or the *co-organiser*.

Eligible indirect costs (administrative/operating costs)

These are general administrative/operating costs which are incurred by the *beneficiary*, or, where applicable, the *co-organisers* and which can be regarded as chargeable to the action.

For projects only, a flat-rate amount, not exceeding 7% of the eligible direct costs, is eligible under *indirect costs*. In addition, a second ceiling applies to multi-annual cooperation projects (Strand 1.1): indirect costs for the latter may not exceed EUR 180 000 for the entire duration of the project.

For projects, *indirect costs* are not eligible when the *beneficiary* or, where applicable, the *co-organisers* also receive an operating grant awarded under the budget of the European Union.

Ineligible costs

- return on capital
- debts and debt service charges
- provisions for losses or potential future liabilities
- interest owed

- doubtful debts
- exchange rate (accounting rate) losses
- VAT, unless the *beneficiary* shows that it cannot be recovered
- costs declared and covered in connection with another action or work programme receiving a grant from the European Union
- excessive or reckless expenditure
- *contributions in kind* (see glossary)

III.3.2 Flat-rate financing

Flat rates have been introduced to simplify grant management for the *beneficiary*. They will be evaluated on the basis of their results and may be developed or modified.

Under this system, the grant is calculated either:

- on the basis of a **fixed amount** (up to a maximum) **per page** to be translated for literary-translation projects (Strand 1.2.2);

or

- on the basis of a **fixed amount** (up to a maximum) **per person** working for the implementation of the organisation's work programme – support for organisations active at European level in the field of culture (Strand 2, Operating Grants).

The fixed amounts per page or person are used as a calculation method to set the maximum amount of the grant. The *beneficiary* is responsible for deciding how to maximise the utility of the grant for the implementation of the project or work programme. A simplified budget is required but there is no need to submit a detailed financial statement.

A *grant calculator*, inserted in the specific application forms, enables applicants to calculate the potential grant automatically.

III.4 Grant agreement or grant decision

Support from the European Union for successful proposals takes the form of a *Grant Agreement* or a *Grant Decision* concluded between the Executive Agency and the *beneficiary*.

III.4.1 Grant agreement

The *Grant Agreement* (in two originals), drawn up in EUR, sets out the terms and conditions governing the grant. It may be amended during the *eligibility period* of the action. The *Grant Agreement* can be annual or multi-annual. A specific form of a multi-annual agreement is the Framework Partnership Agreement. A Framework Partnership Agreement formalises a partnership relationship between the Executive Agency and the partner for 3 years, to enable the selected organisation to achieve its long-term objectives. The Framework Partnership Agreement is used for Strands 1.3.6 (festivals) and 2 (operating grants), and is implemented through specific annual agreements.

III.4.2 Grant decision

The Grant Decision is a unilateral act awarding a grant to a *beneficiary*. The reason for replacing the *Grant Agreement* by a decision is a simplification of procedures. Contrary to the *Grant Agreement*, the *beneficiary* does not have to sign the decision and can start the action immediately upon receipt. The decision thus speeds up the administrative process.

- *Grant Decisions* are used for literary-translation projects (stand 1.2.2).

A model of the *Grant Agreement* (for project or operating grants), Framework Partnership Agreement and *Grant Decision* can be found on the website of the Executive Agency.

III.4.3 Obligations arising from the grant agreement and grant decision

By submitting a grant application form the applicant organisation commits itself to all of the conditions specified in the section of the Programme Guide regarding their specific action as well as the general rules stipulated in this chapter of the Programme Guide, including the General Conditions, annexed to the *Grant Agreement / Grant Decision*.

Any changes to the planned activities must be submitted to the Executive Agency in writing for prior approval. No changes having the effect of altering the main concept of the planned activities are allowed.

III.4.4 Observance of deadlines

Should the *beneficiary* wish to postpone one or more actions, so that they finish later than specified in the *Grant Agreement / Grant Decision*, an official request must be presented to the Executive Agency. It must explain why the delay has come about and indicate the proposed modified timetable. Requests will be examined by the Executive Agency and – if accepted – an amendment to the *Grant Agreement / Grant Decision* shall be sent to the *beneficiary*. Requests for an extension of more than three months will normally not be accepted. The end date for Strand 2 (operating grants) cannot be extended, as it is linked to the financial year.

III.5 Implementation contracts / subcontracting

III.5.1 Definition

Particularly for the purposes of paragraph III.3.1.1 above, ‘sub-contracting’ shall mean any service provided, in return for payment, to the body receiving the grant or, in the event of a coordination project, to the co-organisers, by a natural or legal person which has separate legal personality from the body receiving the grant or these co-organisers.

Under this definition, any service provided by an associated partner of the body receiving the grant or the co-organisers shall be considered as subcontracting.

In contrast, notwithstanding the above definition, the services provided by the following persons shall not be considered as subcontracting, irrespective of the link these persons have with the body receiving the grant or the co-organisers:

- public bodies;
- artists and lecturers or speakers.

III.5.2 Subcontracting restrictions

The management of the action and, in particular (but not exclusively), its design, preparation, implementation, coordination, monitoring, the drafting of reports, as well as the management of relations between the coordinator and the partners and between the partners themselves, may not, under any circumstances, be subcontracted.

As described in section II.2.3.1 of this Guide, the body receiving the grant or the co-organisers must have the necessary capacity to carry out the action and to manage it itself.

In contrast, the above restriction does not preclude the body receiving the grant or the co-organisers resorting to subcontracting for specific technical services requiring specialised skills (relating to the legal, accounting, tax, human resources fields, etc.). The costs incurred by the body receiving the grant or the co-organisers for this type of services may therefore be considered eligible costs provided they meet all the other criteria of the Financial Regulation applicable to the budget of the Union and of paragraph III.3.1.1 of this guide and, specifically, provided they are necessary for the implementation of the action.

III.5.3 Conditions under which the beneficiary and/or the co-organisers may award subcontracting contracts

Where implementation of the action requires subcontracting or the awarding of a procurement or service contract, the *beneficiary* and, where applicable, its *co-organisers* must obtain competitive tenders from potential contractors (at least 5 offers) if the value of the contract exceeds EUR 60 000 and award the contract to the bidder offering best value for money, observing the principles of transparency and equal treatment of potential contractors and taking care to avoid *conflicts of interest*.

The *beneficiary* and, where applicable, its *co-organisers* must clearly document the tendering procedure, submit a copy of the relevant documents together with the final report at the end of the action and retain them for audit purposes.

The total amount of contracts may not exceed one half of the grant awarded by the European Union.

III.6 Reporting obligations

Payment of pre-financing amounts other than those paid when the Grant Agreement or Decision is signed and of the balance of the grant shall be made after checking

and acceptance of the interim / final statement and supporting documentation for expenditure, and after approval by the Executive Agency on the interim or final report on implementation of the action. For the final payment, a payment request from the *beneficiaries* is required. For details please see Chapter III.8 as well as specific additional requirements under the headings Payment Arrangements for each of the different strands.

III.7 Certificate in respect of the final financial statements

For strands 1.1, 1.2.1, 1.3.5, 1.3.6 and 3.2 the final financial statements (annex III and the list of invoices) have to be certified by a registered and independent external auditor or, in the case of public bodies, by a competent and independent public officer.

It shall be attached to the request for final payment made by the *beneficiary* and shall be worded as follows:

'The costs declared by the *beneficiary / co-organisers* in the financial statements on which the request for payment is based are real, accurately recorded and eligible in accordance with the terms of the *Grant Agreement / Grant Decision*.'

III.8 External audit report

An audit report in respect of the financial statements and underlying accounts of the co-ordinator (for strands 1.1, 1.2.1, 1.3.5 and 3.2) / the selected organisation (for other strands) is compulsory for balance payments in the following cases:

- (a) grants for an action of EUR 750 000 or more
- (b) (b) operating grants of EUR 100 000 or more.

For projects that do not fall into either of these two categories, only a certificate in respect of the financial statements is required.

III.9 Payment procedures

Pre-financing

A first pre-financing payment is transferred to the *beneficiary* within 45 days of the date when the Executive Agency signs the *Grant Agreement* and all the requested guarantees are received, if applicable. Pre-financing may be divided into a number of instalments. For more details, please see the rules governing the specific strands.

For Grant Decisions, the *beneficiary* should confirm his intention to implement the action, by written notice within ten calendar days from the notification of the Grant Decision. A pre-financing payment shall be made within 45 days following the receipt of this confirmation and, if applicable, following the date of receipt of all necessary guarantees. If written confirmation is not received by the Executive Agency a single payment shall be made based upon the final report. The pre-financing payment is intended to provide cash flow to the *beneficiary* and, where applicable, to the *co-organisers*.

If the pre-financing paid into the bank account of the *beneficiary* and, where applicable, of the *co-organisers* give rise to interest or equivalent profits in accordance with the legislation of the country where the account is held, and provided that the amount of pre-financing is more than EUR 50 000, such interest shall be recovered by the Executive Agency.

Final payment

The Executive Agency shall establish the amount of the final payment to be made to the *beneficiary*, on the basis of the final report.

Where applicable, the *beneficiary* is required to reimburse any excess amounts paid by the Executive Agency. Please see the rules governing the specific strands.

If the *beneficiary* is established in a country outside the 'euro zone', the expenses should be converted into EUR, using the official euro exchange rate³⁴ (accounting rate), in accordance with the following rules:

Strand 1:

Where the eligibility period laid down by the Grant Agreement or Decision is 12 months or less, the applicable rate of exchange is that of the month in which the final report is to be submitted.

Where the eligibility period laid down by the Grant Agreement or Decision is longer than 12 months and provision is made for only one pre-financing payment, the applicable exchange rate is that of the month which coincides with the middle of the eligibility period.

Where the eligibility period laid down by the Grant Agreement or Decision is longer than 12 months and provision is made for two pre-financing payments, the applicable

³⁴ <http://ec.europa.eu/budget/inforeuro/>

exchange rate is that of the month in which the application for the second pre-financing payment is submitted.

If the co-ordinator or one of the co-organisers from the "euro zone" has incurred a cost in another currency (for example for a trip to a non euro country), the reference month for the exchange rate is the one during which the payment was made.

Strand 2:

The applicable exchange rate is that of the seventh month of the financial year.

III.10 Audits

Selected projects may be subject to audits. The responsible person in the organisation undertakes to provide evidence that the grant from the European Union has been used correctly. The Executive Agency, the European Commission, and the Court of Auditors of the European Communities, or any body mandated by them, may check the use made of the grant, at any time during the term of the *Grant Agreement / Grant Decision* and during a period of five years following the date of the final payment.

III.11 Visibility, publicity, exploitation and dissemination of results

III.11.1 Visibility and publicity

All activities funded have to contribute to promoting the Programme. Enhancing visibility means that references to actions and products funded within the Programme must clearly indicate that they have received support from the European Union. This support should also be made known through the media.

Beneficiaries and *co-organisers* should make use of all opportunities to ensure appropriate media coverage (local, regional, national and international) for their actions, before and during their implementation.

The objective is to ensure that all participants are aware of the fact that they are involved in the Culture Programme, but also to show the wider public that the European Union is supporting a high-quality project of direct interest to them.

Visibility is mainly to be ensured while the action takes place. It should therefore be integrated into the planning of the action. The coordinator and *co-organisers* must clearly acknowledge the grant from the European Union in all publications or in conjunction with actions for which the grant is used.

Furthermore, they are required to give prominence to the name and logo of the European Union, the European Commission, and the Culture Programme on all their publications, posters, programmes and other products realised under the co-financed action(s).

If this requirement is not fully complied with, the *beneficiary's* grant may be reduced proportionally.

The names and logos can be downloaded from the following website:

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

The *beneficiaries* authorise the Executive Agency and the Commission to publish the following information for publicity of the Programme:

- name and address of the coordinator and *co-organisers*;
- amount awarded and rate of co-financing;
- content of the co-financed action;
- a summary of the results achieved;
- a concise presentation of the co-financed action and what it entailed, aimed at the general public; this presentation is provided by applicants upon submission of the application and shall be updated when the action has been completed;
- photographs and other promotion and publicity materials on the assisted project.

III.11.2 Exploitation and dissemination of results

Exploitation and dissemination of the results of an action or actions can be defined as the process undertaken with a view to optimising their value, strengthening their impact and making the largest possible number of persons benefit from them.³⁵

A web-based tool called EVE has been devised for the purpose of disseminating information on projects funded in the framework of education and culture programmes and publicising the results of such projects.

To this end, space is made available on the EVE platform for the presentation of each project and its results.

The platform will be available from March 2009 on the following website: www.ec.europa.eu/eve.

The organisers of each project supported by this Programme should make the necessary efforts to ensure its exploitation. All operators involved should carry out activities aimed at making the results of their action or actions more visible, better known and sustainable.

To this end, they should produce material facilitating the dissemination and exploitation of results, like flyers, DVDs, websites, publications, etc. With a view to ensuring the promotion of the Culture Programme and enhancing the visibility of assisted projects, *beneficiaries* shall undertake to provide the European Commission or the Executive Agency on request with at least three high-resolution (300 dpi) photographs illustrating their project.

Because of these activities, the results of an action will continue to be useful and have a positive effect on the largest possible number of people once the action has come to an end.

³⁵ A more complete glossary of dissemination and exploitation activities is available on: http://ec.europa.eu/dgs/education_culture/valorisation/glossary_en.html

By planning exploitation as an integral part of their action or actions, the *beneficiary* and, where applicable, the *co-organisers* will increase the quality of their work and actively contribute to the overall impact of the Programme.

Both the visibility and exploitation aspects shall be taken into account in the qualitative assessment of applications.

The organisers of multi-annual cooperation projects shall provide in their budget for a yearly trip to Brussels or to any other venue indicated by the Commission or the Executive Agency, to showcase their projects at the invitation of the Agency or the Commission. The cost of this trip shall be incorporated into their budget at the application stage.

III.12 Search for partners and information on actions already financed

Information on organisations and activities that are already financed under the Culture Programmes is available on the following websites:

Culture Programme, 2007-2013:

http://eacea.ec.europa.eu/culture/index_en.htm

Culture 2000 Programme (2000-2006):

http://ec.europa.eu/culture/our-programmes-and-actions/doc411_en.htm

III.13 Legal basis

The following rules, including any future updates or amendments to which they might be subject, are applicable to the administration and financing of the Programme:

- Commission Regulation (EC, Euratom) No 478/2007 of 23 April 2007 amending Regulation (EC, Euratom) No 2342/2002 laying down detailed rules for the implementation of Council Regulation (EC, EURATOM) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities;
- Council Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 as amended by Commission Regulation (EC, EURATOM) No 1261/2005 and Commission Regulation 1248/2006 of 7 August 2006 (Regulation laying down detailed rules for the implementation of the Financial Regulation);
- European Parliament and Council Decision No 1855/2006/EC of 12 December 2006 establishing the Culture Programme (2007-2013), published in the EU Official Journal No L 372 on 27 December 2006.

PART TWO SPECIFIC STRANDS

CHAPTER IV Cooperation projects (Strand 1.1, 1.2.1 and 1.3.5)

IV.1 Introduction

Multi-annual cooperation projects (Strand 1.1), Cooperation projects (Strand 1.2.1) and Cooperation projects with Third Countries (Strand 1.3.5) can be realised in all areas of cultural activity. These projects are intended to enhance the common European cultural area with a view to encouraging the emergence of a sense of European citizenship. In addition, Cooperation projects with *Third Countries* should create understanding between European culture and the cultures of *Third Countries*.

Who is a Coordinator, a Co-organiser, an Associated Partner and a Partner in the Third Country?

Cultural operators may be involved in the implementation of Multi-annual cooperation projects and Cooperation projects in the following capacities:

- **Coordinator:** a cultural operator from an *eligible country*, who undertakes a coordinating role during the implementation of the project. This role is translated into an overall responsibility for carrying out the action in accordance with the *Grant Agreement*, as well as a concrete and essential involvement in the design, implementation and financing of the project. The coordinator acts as the legal co-signatory for the *Grant Agreement*.
- **Co-organiser:** a cultural operator from a country taking part in the Programme involved in the design and implementation of the project and contributing to its funding. The involvement of each *co-organiser* must be clearly indicated in the application form.

In addition, each *co-organiser* must sign a *mandate* by which the signatory grants power of attorney to the coordinator to act in his name and for his account during the implementation of the project and undertakes to provide a particular financial contribution to the project. The *mandates* signed by all the *co-organisers* are attached to the application and, if the project is selected, annexed to the *Grant Agreement*.

Merely supplying goods or services for the project, whether or not on a contractual basis, does not confer the status of a *co-organiser*.

- **Associated Partner:** a cultural operator from a country taking part in the Programme or a *Third Country*, who takes part in the implementation of the proposed activities of a project, but not to the same extent and at the same level of participation as a *co-organiser*; in particular, an *associated partner* is not required to contribute financially to the project; costs incurred by *Associated Partners* are not eligible, unless they are directly paid or refunded by the *coordinator* and/or *co-organisers*.

- **Partner in the Third Country (Strand 1.3.5):** to be considered as a *Partner in the selected Third Country*, a cultural operator must have its legal registered seat in the selected *Third Country*, should participate in the design and implementation of the proposed activities and sign the *cooperation agreement*. Costs incurred by partners in the *Third Country* are not eligible, unless they are directly paid or refunded by the *coordinator* and/or the *co-organisers*.

IV.2 Submission of applications

Submission deadline

Applications may be sent every year no later than the date indicated in the calendar in Chapter I.7.

How to apply

Please refer to Chapter II.

IV.3 Specific eligibility criteria

IV.3.1 Multi-annual cooperation projects (Strand 1.1)

To be eligible, applications must meet the specific criteria enumerated below. For the eligibility criteria that are common to all strands of the Programme, please refer to Chapter II.2.1.

IV.3.1.1 Eligible applicants

The only eligible applicants are public³⁶ or private organisations with legal personality whose main activity is in the cultural field (areas of cultural or creative activity) and whose head office is in one of the countries taking part in the Programme.

IV.3.1.2 Eligible projects

To be eligible, projects must:

- have a duration of not less than 36 months and not more than 60 months;
- involve the co-ordinator and a minimum of five *co-organisers*, the six of them drawn from six different *countries taking part in the Programme*;;

³⁶ A public organisation is defined as any body part of whose expenditure is automatically funded by the public treasury, whether from the central, regional or local-government budget. Such expenditure, in other words, is covered by public-sector funds raised by means of taxation, fines or commission payments regulated by law without the need for recourse to an application procedure which could be an obstacle to the acquisition of those funds. Organisations whose existence depends on public funding and which receive grants year after year but which are theoretically liable not to receive any funding in a given year are not regarded by the Agency as public organisations but as private organisations.

- be based on a *cooperation agreement* concluded between the participating *co-organisers and the coordinator*; this agreement is signed by the *coordinator* and the *co-organisers* and describes the nature of their cooperation;
- be the subject of an application containing a signed mandate for each *co-organiser* listing his essential obligations;
- be the subject of an application requesting a grant of no less than EUR 200 000 and no more than EUR 500 000 for each year of activity;
- be the subject of an application containing a balanced budget, i.e. one in which expenditure equals receipts, and adhere to the ceiling for co-financing by the European Union, set at 50% of the total *eligible budget*.

IV.3.2 Cooperation projects (Strand 1.2.1)

To be eligible, applications must meet the specific criteria enumerated below. For the eligibility criteria that are common to all *strands* of the Programme, please refer to Chapter II.2.1).

IV.3.2.1 Eligible applicants

The only eligible applicants are public³⁴ or private organisations with legal personality whose main activity is in the cultural field (areas of cultural or creative activity) and whose head office is in one of the countries taking part in the Programme.

IV.3.2.2 Eligible projects

To be eligible, projects must:

- have a duration of not more than 24 months;
- involve the co-ordinator and a minimum of two *co-organisers*, the three of them drawn from three different *countries taking part in the Programme*;
- be the subject of an application containing a signed mandate for each *co-organiser* listing his essential obligations;
- be the subject of an application requesting a grant of no less than EUR 50 000 and no more than EUR 200 000;
- be the subject of an application containing a balanced budget, i.e. one in which expenditure equals receipts, and adhere to the ceiling for co-financing by the European Union, set at 50% of the total *eligible budget*.

IV.3.3 Cooperation projects with Third Countries (Strand 1.3.5)

To be eligible, applications must meet the specific criteria enumerated below. For the eligibility criteria that are common to all *strands* of the Programme, please refer to Chapter II.2.1).

IV.3.3.1 Eligible applicants

The only eligible applicants are public³⁴ or private organisations with legal personality whose main activity is in the cultural field (areas of cultural or creative activity) and whose head office is in one of the countries taking part in the Programme.

IV.3.3.2 Eligible projects

To be eligible, projects must:

- have a duration of not more than 24 months;
- involve the co-ordinator and a minimum of two *co-organisers*, the three of them drawn from three different *countries taking part in the Programme*;
- be the subject of an application containing a signed mandate for each *co-organiser* listing his essential obligations;
- involve cultural cooperation with at least one partner from the selected *Third Country*; at least 50% of the project activities should take place in that country; costs incurred in a non selected third country are not eligible under this strand;
- be based on a *cooperation agreement* concluded by the participating cultural operators (*coordinator, co-organiser and partner(s) in the Third Country or Countries*); this agreement is signed by the *coordinator, the co-organisers and the partner or partners in the Third Country* and describes the nature of their cooperation;
- be the subject of an application requesting a grant of no less than EUR 50 000 and no more than EUR 200 000;
- be the subject of an application containing a balanced budget, i.e. one in which expenditure equals receipts, and adhere to the ceiling for co-financing by the European Union, set at 50% of the total *eligible budget*.

Note I:

The projects referred to in Chapters IV.3.1 to IV.3.3 must not consist fully and exclusively in the production and maintenance of websites, the production of magazines and newspapers, the organisation of conferences or meetings and the production of studies and reports. Projects of this type are not eligible.

Note II:

Proposals for projects submitted by cultural operators who, in their capacity as *coordinators* (beneficiaries) are receiving funding for a current Multi-annual cooperation project in the framework of the Culture Programme are not eligible.

Explanation: This means that a *coordinator* of an ongoing Multi-annual cooperation project is not eligible to become the coordinator of a Multi-annual cooperation project (strand 1.1) or a Cooperation project (strand 1.2.1) or a Cooperation project with Third Countries (strand 1.3.5) unless the eligibility period of the current Multi-annual cooperation project is over when the eligibility period of the other project begins.

IV.4 Selection criteria

Operational and financial capacity

(please see Chapter II.2.3 - Selection Criteria)

IV.5 What are the award criteria?

Awarding of a grant is not only dependent on the examination of the eligibility and exclusion criteria and the *operational* and *financial capacity* of the organisation(s). The final selection decision will be determined in particular on the basis of the *award criteria*.

The *award criteria* comprise qualitative and quantitative indicators and are as follows:

- (1) the extent to which the project can generate real **European added value**
- (2) the relevance of the activities to the **specific objectives** of the Programme
- (3) the extent to which the proposed activities are designed and can be carried out successfully with a high **level of excellence**
- (4) the **quality of partnership** between *coordinator* and *co-organisers*
- (5) the extent to which the activities can produce **outputs** which achieve the objectives of the Programme
- (6) the extent to which the results of proposed activities will be appropriately **communicated** and **promoted**
- (7) the extent to which the activities can generate a long lasting impact (**sustainability**)
- (8) **international cooperation** dimension (only for Cooperation projects with Third Countries, Strand 1.3.5)

Projects will be assessed on a scale from 0 to 100 points and will be ranked according to their merit.

(1) European added value (0-20 points for strands 1.1 and 1.2.1; 0-15 points for strand 1.3.5)

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

- The way the objectives, methodology and nature of the **cooperation among cultural operators** demonstrate an outlook that goes beyond local, regional or even national interests to develop synergies at Europe-wide level;

- The way proposed activities may have a greater effect and their objectives can be better achieved at **European level** than at national level;
- The way **cooperation** and **partnership** are based on mutual exchange of experiences and would lead to a final result that differs qualitatively from the sum of the several activities undertaken at national level, thus producing real multilateral interaction which promotes the achievement of shared objectives;
- Particular attention will be paid to projects allowing **cooperation involving organisations** that have not previously received any funding from the European Union or cooperative activities that have been specifically designed to carry out the project in question.

(2) Relevance to the specific objectives of the Programme (0-20 points for strands 1.1 and 1.2.1; 0-15 points for strand 1.3.5)

The extent to which the proposed activities can promote the specific objectives of the Programme will be assessed. These are:

- supporting the **trans-national mobility of people** working in the cultural sector;
- encouraging the **trans-national circulation of artistic and cultural works and products**;
- encouraging **intercultural dialogue**.

Particular attention will be paid to **projects that meet two out of the three specific objectives** of the Programme.

A higher degree of attention will be paid to **projects that meet all three specific objectives** as outlined above.

(3) Excellence of proposed cultural activities (0-20 points for strands 1.1 and 1.2.1; 0-15 points for strand 1.3.5)

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

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

(4) Quality of partnership (0-10 points)

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

- The **level of cooperation** and commitment of each *co-organiser* in the design, implementation and financing of the project: the number of *co-organisers*,

geographical distribution of the participating organisations, actual role in the cooperation;

- The **role and contribution** of each *co-organisier* to project management : method of management applied to the proposed activities, clarity of the tasks assigned to the staff and clear description of the role of each *co-organisier* involved in the project;
- The **consistency** between the proposed activities, the budget allocated to each of them and the staff available to implement the project;
- The **quality of application and budget**: seriousness and completeness of the application, clarity and relevance of proposed methodology, clarity of the project description in terms of objectives-activities-outputs and detailed nature of the budget breakdown.

(5) Expected level of outputs (0-10 points)

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

- The **number of persons and/or different (European) countries**, which might benefit directly and indirectly from the results of the proposed activities;
- The level of the **cross-sectoral dimension** of the project in terms of range and intensity of the participation of different sectors.

(6) Communication and promotion of activities (0-10 points)

The results of proposed activities have to be appropriately disseminated and promoted, beyond any legal obligation to use the logos of the European Union. In this respect, the following factors will be assessed:

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

(7) Long-term impact – sustainability (0-10 points)

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

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

The potential of the proposed activities to generate other future initiatives of cultural cooperation at both European and infra-European levels.

Only for Strand 1.3.5: Cooperation projects with Third Countries:

(8) International cooperation dimension (0-15 points)

Particular attention will be given to projects which demonstrate a concrete dimension of international cooperation. To this effect, the projects shall involve an active cooperation of at least one partner in the selected *Third Country*.

Preference will be given to projects associating a number of partners, higher than the minimum level referred to in Chapter IV.3.3.

IV.6 Financial conditions

The budget shall include *eligible costs* incurred by the *coordinator* and/or the *co-organisers* in connection with the management and implementation of the project.

For more information on financial rules applicable, including in particular a detailed description of the budget and an account of eligible and *non-eligible costs*, please refer to Chapter III.3.

The awarded grant is calculated on the basis of the estimated budget and can cover up to 50% of the *eligible costs*.

IV.7 Use of Grant Agreement or Grant Decision

Grant Agreements are used (see Chapter III.4).

IV.8 Payment arrangements

IV.8.1 Pre-financing

N.B. *If a bank guarantee is required, the conditions associated with the payment arrangements here below are not the same (for more information on guarantees, see Chapter III.1.6).*

In the case of Strands 1.2.1 and 1.3.5, one single pre-financing payment is made within 45 days following the date on which the Agency signed the *Grant Agreement*.

In the case of Strand 1.1, more than one pre-financing payment may be made (see the box below).

The first payment is made within 45 days following the date on which the Agency signed the *Grant Agreement*. The others are made after the submission of an interim report. The interim report shall comprise a technical progress report on the execution of the project and interim financial statements, that is to say financial accounts and a list of invoices, thereby providing a summary of progress in the implementation of the project and a review of the financial position.

For Multi-annual cooperation projects (Strand 1.1) lasting 36 months (3 years), pre-financing payments shall be made in the following way:

- ❖ an initial pre-financing payment representing 40% of the awarded grant will be made within 45 days of the date of signature of the *Grant Agreement* by the Executive Agency, on the condition that all the requested guarantees have been received (if applicable);
- ❖ a second pre-financing payment representing 40% of the awarded grant will be made within 45 days of the date of approval by the Executive Agency of the payment request by the *coordinator*, accompanied by the interim report.

For Multi-annual Cooperation projects (Strand 1.1) lasting 37 months (more than 3 years) to 60 months (5 years), pre-financing payments shall be made in the following way:

- ❖ an initial pre-financing payment representing 30% of the awarded grant shall be made within 45 days of the date of signature of the *Grant Agreement* by the Executive Agency, on the condition that all the requested guarantees have been received (if applicable);
- ❖ a second pre-financing payment representing 30% of the awarded grant shall be made within 45 days of the date of approval by the Executive Agency of the payment request by the coordinator, accompanied by the interim report;
- ❖ a third pre-financing payment representing 20% of the awarded grant shall be made within 45 days of the date of approval by the Executive Agency of the payment request by the co-ordinator, accompanied by the interim report.

Note

The second and third pre-financing payment shall be made when at least 70% of the previous pre-financing instalments have been consumed. In case the consumption of the pre-financing payments is less than 70%, the amount of the new pre-financing payment shall be reduced by the unused amounts of the previous pre-financing payment.

For Cooperation projects (Strand 1.2.1) and Cooperation projects with Third Countries (Strand 1.3.5), a pre-financing payment shall be made in the following way:

A pre-financing payment corresponding to 70% of the awarded grant shall be made in accordance with the procedure described in Chapter III.8.

IV.8.2 Final payment

The Executive Agency shall establish the amount of the final payment on the basis of the final report.

In order to receive the final payment, the *beneficiary* must submit a final report by the deadline specified in the *Grant Agreement*. The final report shall contain a final

technical implementation report, thereby providing a full account of the results of the project, as well as a final financial statement including a list of invoices. Please refer to Chapter III.7 for the rules governing the certification of final financial statements. Copies of the project products (i.e. publications, posters, invitations, DVDs, CD-ROMs, T-shirts, etc.), as well as any publicity material, shall be submitted together with the final report.

A pre-formatted document for the technical implementation report which helps structure and target the relevant information, as well as an automatic tool which links up the final financial statement with the list of invoices and facilitates the calculation of costs, are provided on the website of the Executive Agency for the use of *beneficiaries*.

If the *eligible costs* actually incurred by the coordinator/*co-organisers* during the period of eligibility are lower than anticipated, the Executive Agency shall apply the rate of co-financing quoted in the *Grant Agreement*. This may lead to a reduction of the awarded grant.

Where applicable, the *beneficiary* will be required to reimburse any excess amounts paid by the Executive Agency.

CHAPTER V Literary translation projects (Strand 1.2.2)

V.1 Introduction

The purpose of this strand is to stimulate the widest circulation of European literature among European citizens by supporting the translation of high-quality European literature into the different languages of the countries participating in the Programme. Applications made by publishers or publishing houses wishing to translate the works of authors who have won the European Union Prize for Literature are encouraged.

Furthermore, in order to foster European integration, special attention will be given to the circulation of literary works written in languages of countries that have joined the European Union since 2004.

V.2 Submission of applications

When to apply

Applications may be sent every year in accordance with the calendar in Chapter I.7.

How to apply

Please refer to Chapter II (Applications).

V.3 Specific eligibility criteria

To be eligible, projects must fulfil the criteria listed below in addition to the eligibility criteria that are common to all strands of the Programme (please refer to Chapter II.2.1).

V.3.1 Who is eligible to apply?

Eligible applicants must:

- be public or private publishing houses or publishing groups (they cannot be natural persons);
- have their registered legal seat in one of the *countries taking part in the Programme*.
-

V.3.2 What projects are eligible?

- An eligible project consists in the proposal of one or up to a maximum of ten works of fiction to be translated from one European language (the source language) into another European language (the target language).
- Only translation expenses are eligible.

- Only works of fiction are eligible, irrespective of their literary genre, such as novels, tales, short stories, plays, poetry or comic strips. Non-fiction works are not eligible, e.g. tourist guides, autobiographies, biographies, essays or works related to human sciences (such as History, Philosophy, Economy etc.) and more generally works related to other sciences (such as Physics, Mathematics etc.).
- The original works must be written by authors who are nationals of or residents in a country taking part in the Programme with the exception of works written in Latin and ancient Greek.
- Works must have been previously published.
- Works must not have been previously translated into the target language.
- Selected applicants will have to demonstrate that they own the rights to the literary work(s) proposed for translation. This means that the applicant will have to provide the transfer of rights contract duly dated and signed before the signature of the legal commitment by the Executive Agency.
- The translation activities must start within the period indicated in the calendar set out in Chapter I.7.
- The duration of the project shall not exceed 24 months. Duration must be understood from the start date of the translation of the 1st work until the publication date of the last translated work.
- The grant amount requested for a project must be between EUR 2 000 and EUR 60 000.

V.3.3 Eligible languages

Eligible languages are the official languages of the *countries taking part in the Programme* plus Latin and ancient Greek. The official languages referred to in this case are the official languages as defined by the Constitution or by the basic law of the respective country.

Works of fiction to be translated shall comply with the following requirements:

- Translation shall be made from **one** European language into **one** target European language;
- Translation of national literature from one into another official language of the same country is not eligible;³⁷
- The target language is the translator's mother tongue (except in cases of lesser used languages if the publisher provides sufficient explanation).

³⁷ For example, the translation into Irish Gaelic by an Irish publisher of a book written in English by an Irish author would not be an eligible project.

V.3.4 Documents to be submitted to comply with the eligibility criteria

The eligibility of a project will be assessed on the basis of the documentation requested under the eligibility criteria that are common to all strands of the Programme (see chapter II.2.1) and of the following documentation and materials to be provided by the applicants:

- copy of each original book proposed for translation; photocopies could exceptionally be accepted in the case of precious and rare works;
- *curriculum vitae* of the translators to be used;
- A declaration of honour signed by the legal representative of the applicant certifying that:
 - o The works proposed for translation have been previously published;
 - o The works proposed for translation have not been previously translated into the target language;
 - o The works proposed for translation have been written by authors who are nationals of or residents in a country taking part in the Programme with the exception of works written in Latin and ancient Greek ;
 - o The target language is the translator's mother tongue (Except in cases of lesser used languages if the publisher provides sufficient explanation);
 - o The publishing house or publishing group commits itself to use the translator(s) envisaged in the application. Should the application be selected the applicant shall provide the Executive Agency with a copy of the contract between the publisher and the translator for each book proposed for translation.
 - o The translation activities will not start before September 1st of the year of application;
 - o The publishing house or publishing group owns the rights to the literary work(s) proposed for translation or will own the rights before the signature of the legal commitment by the Executive Agency. Should the application be selected the applicant shall provide the Executive Agency with a copy of the contract.

A model of the declaration of honour is provided for in the application form. The declaration of honour commits the applicant organisation to comply with the mentioned eligibility criteria. In case of selection and in case that these declarations are found not to be complied with, the grant allocated will be cancelled and the amounts already paid, if any, will have to be reimbursed.

V.4 What are the award criteria?

After the assessment of the *operational* and *financial capacity* of the organisation, the proposal will be evaluated on the basis of the following *award criteria* comprising qualitative and quantitative indicators:

The *award criteria* comprise qualitative and quantitative indicators and are as follows:

- (1) the extent to which the project can generate real **European added value** and the relevance of the activities to the **objectives** of the Programme
- (2) the extent to which the proposed activities are designed and can be carried out with a high **level of excellence**
- (3) the extent to which the results of the proposed activities will be appropriately **communicated** and **promoted**

Projects will be assessed on a scale from 0 to 100 points and will be ranked according to their merit.

(1) The extent to which the project can generate real European added value and the relevance of the activities to the objectives of the Programme (0-40 points)

According to the objectives of the Programme, the proposed activities are supposed to enhance the cultural area shared by Europeans in the countries taking part in the Programme. In this respect, the following factors will be assessed:

- the extent to which the choice of works to be translated demonstrates an outlook that goes beyond local, regional or national interests;
- the extent to which the project aims at enhancing the knowledge of European literature by Europeans;
- the extent to which the project aims at encouraging the international circulation of literary works; In other words, the extent to which the project contributes to the mobility of European Literary works;
- the extent to which the project aims at encouraging inter-cultural dialogue.
- in order to foster European integration, special attention will be given to the translation of works written in languages of countries that have joined the European Union since 2004, by authors who are nationals of or residents of these countries;
- special attention will be given to the works of authors who have won the European Union Prize for Literature.

(2) The extent to which the proposed activities are designed and can be carried out successfully with a high level of excellence (0-40 points)

In order to meet the objectives of the Programme, translations also have to be carried out successfully with high quality standards. In this respect, the following questions will be assessed:

- the **literary quality** of the work to be translated;
- the **quality** of the publishing house as regards its general publishing policy and its translation policy;
- the **skills** and **experience** of the professional translators;
- the **quality of the application**: seriousness and completeness of the application, clarity and relevance of the proposed methodology, clarity and feasibility of the proposed timetable for implementation and cost-effectiveness of each work proposed for translation.

(3) The extent to which the results of the proposed activities will be appropriately communicated and promoted (0-20 points)

In this respect, the following factors will be assessed:

- the **relevance of the communication plan** with regard to the type of project, the target audience and the objectives of the Programme;
- the **number of translated copies** which will be published, taking into account the size of the country or countries where the translated work is to be published and the average readership level for the genre concerned.
- the **methodology** used to ensure the visibility of the proposed activities, the detailed communication/dissemination/promotion plan and the various promotional tools (such as website, press and brochures).

V.5 Financial conditions

Calculation of the grant:

- the grant is calculated on the basis of a predetermined flat rate that applies to the following genres of fictional literature: novels, tales, short stories, plays, comic strips, etc.;
- in the case of works of poetry only, the grant is calculated on the basis of a detailed budget; in this case, the grant may cover the cost of translation, provided that the said cost does not exceed 50% of the total cost of translating and publishing the book or books in question.

V.5.1 Flat-rate financing³⁸

The grant shall correspond to the amount resulting from multiplication of the number of pages in the original work by the rate for each target language.

The rates have been fixed at a level that does not incur the risk of generating profit or exceeding the general ceiling fixed in the Culture Programme 2007-2013 (i.e. 50% of the translation and publication costs of a literary work). Flat-rates per target language have been calculated on the basis of actual costs of translation per page of 1500 characters without space. The rates differ per target language. The rates are regularly updated.

Flat rates applicable to the languages of the countries taking part in the Programme³⁹ are the following (shown here in alphabetical order of the language codes):

³⁸ Commission Decision C(2008) 2781.

³⁹ The rates cover all official languages of the countries concerned. For example, the Spanish rate also applies to Catalan and Basque. For the languages of the countries of the former Federal Republic of Yugoslavia, such as Slovenia, Serbia, Croatia and FYROM, a single rate applies.

The rates are regularly updated.

Language	Code⁴⁰	Rate per page in EUR
Bulgarian	BG	13,83
Czech	CS	13,27
Danish	DA	26,56
German	DE	25,99
Greek	EL	19,16
English	EN	25,35
Spanish	ES	22,01
Estonian	ET	19,80
Finnish	FI	25,43
French	FR	24,70
Gaelic	GA	26,82
Hungarian	HU	19,44
Icelandic	IS	33,70
Italian	IT	27,87
Lithuanian	LT	17,06
Latvian	LV	19,22
Maltese	MT	17,66
Dutch	NL	24,12
Norwegian	NO	24,53
Polish	PL	16,70
Portuguese	PT	16,66
Romanian	RO	9,64
Slovakian	SK	13,05
Slovenian	SL	15,83
Swedish	SV	29,71
Turkish	TR	9,17
Croatian	HR	15,77
Montenegrin		15,98
Macedonian	MK	15,91
Serbian	SR	16,16

A grant calculator in the application form calculates the maximum grant automatically. A simplified budget forecast has to be submitted. No detailed financial statement of costs is required with the final report.

⁴⁰ ISO code 639-1

Example:

Calculation of the total grant:

- one book in Romanian with 350 pages to be translated into Dutch (NL): 350 x 23.38 (flat rate for NL): the total calculated grant is EUR 8 183.

V.5.2 Budget-based financing for poetry only

The grant amount is calculated on the basis of a balanced, detailed budget estimate, expressed in EUR, clearly showing the translation costs for each book.

It covers translation costs, provided these costs do not represent more than 50% of the total translation and publishing costs.

Eligible direct costs

The only eligible costs are those relating to the actual payment to the translators, fees or actual salaries plus social-security charges and other statutory costs included in their remuneration, provided that these costs do not exceed the average rates corresponding to the usual remuneration policy of the *beneficiary*.

V.6 Grant Agreement / Grant Decision

For this strand, Grant Decisions are used (see Chapter III.4)

V.7 Payment arrangements

V.7.1 Pre-financing

N.B. If a bank guarantee is required, the conditions governing the payment procedures below will differ. See Chapter III.1.6 for more details.

For a grant equal to or exceeding EUR 20 000, a pre-financing payment representing 70% of the awarded grant is made in accordance with the procedure described in Chapter III.8.

V.7.2 Final payment

The Executive Agency establishes the amount of the final payment on the basis of the final report. The documents required for final payment are as follows:

(a) Flat-rate financing:

- the final report to be completed for each translation, which must indicate the name of the translator;
- one copy of each translated and published work.

(b) Budget-based financing – poetry only:

- the final report to be completed for each translation, which must indicate the

name of the translator;

- the final financial statement, including supporting documents which clearly indicate amounts with and without VAT;
- one copy of each translated and published work.

For poetry only:

If the *eligible costs* actually incurred by the *beneficiary* during the action are lower than anticipated, the Executive Agency shall apply the rate of co-financing quoted in the Grant Decision to the actual eligible costs incurred.

CHAPTER VI Support for European cultural festivals (Strand 1.3.6)

VI.1 Introduction

The purpose of this strand is to support European cultural festivals with a view to:

1. encouraging exchanges of experience through the mobility of European professionals in the cultural field
2. promoting the circulation of cultural works by giving access to non-national European cultural works to the largest possible audience
3. promoting intercultural dialogue

VI.2 Annual or multi-annual support

Organisations can choose to apply for either of the following types of grant:

(a) support for one edition of the festival (every year until 2012)

Organisations may submit an application for an annual grant every year until the end of the Programme (please see the calendar in Chapter I.7). Organisations which receive a multi-annual grant through a partnership do not have to apply for an annual grant for the duration of the partnership.

or

(b) support for three editions of the festival - partnership (for three years, 2011-2013)

Organisations wishing to establish a long-term cooperation relationship with the Executive Agency are invited to submit an application for a partnership. The next application date for such a partnership is 2010. The partnership formalises the organisation's relationship with the Executive Agency for three years, from 2011 to 2013, to enable it to achieve its long-term objectives.

Organisations that wish to apply for a partnership should submit, in addition to a detailed annual application for the first 12 months (i.e. for 2011), a **three-year action plan** setting out the objectives, priorities and expected results (achievements) for the period 2011–2013 as well as the strategy and the actions to be implemented to ensure that the objectives and results are achieved. The action plan should provide in particular a breakdown of the objectives/results and actions for each of the three years.

In 2012 and 2013, the selected organisation will, at the request of the Executive Agency, submit a simplified application for a grant with a detailed description and the corresponding budget for 2012 and 2013. The application agreed on jointly by the two parties will serve as the basis for the award of the specific grant for the relevant year.

If the same organisation decides in 2010 to submit applications under the two options (a) and (b) described above, and if these two applications are both selected, priority will be given to the partnership.

VI.3 Submission of applications

When to apply

- Applications for an annual grant: applications are possible every year up to 2012.
- Applications for a three-year partnership agreement: applications can only be made in 2010.

For calendar details please see Chapter I.7.

How to apply

Please refer to Chapter II (Applications).

VI.4 Specific eligibility criteria

To be eligible, applications must meet the specific criteria enumerated below. For the eligibility criteria that are common to all strands of the Programme, please refer to Chapter II.2.1.

VI.4.1 Eligible applicants

Applicants must be public⁴¹ or private organisations with legal personality whose main activity is in the cultural field (areas of cultural or creative activity) and whose head office is in one of the countries taking part in the Programme.

Their main activity must consist of festival organisation.

VI.4.2 Eligible projects

Only festivals having held at least five editions on the date on which the application is submitted are eligible.

The programming of the previous year and the provisional programming of the year for which the support is asked must include works from at least seven countries

⁴¹ A public organisation is defined as any body part of whose expenditure is automatically funded by the public treasury, whether from the central, regional or local-government budget. Such expenditure, in other words, is covered by public-sector funds raised by means of taxation, fines or commission payments regulated by law without the need for recourse to an application procedure which could be an obstacle to the acquisition of those funds. Organisations whose existence depends on public funding and which receive grants year after year but which are theoretically liable not to receive any funding in a given year are not regarded by the Agency as public organisations but as private organisations.

taking part in the Programme. This coverage will be checked on the basis of the official catalogue of the previous year, which has to be provided together with the application form and the provisional programming of the year for which the support is asked.

Please note that film festivals are not eligible, as there is a specific support dedicated to film festivals within the MEDIA Programme.

To be eligible, projects must also:

- have a duration of no more than 12 months and support one edition of the festival;
- be the subject of an application requesting a grant of no more than EUR 100 000;
- be the subject of an application containing a balanced budget, i.e. one in which expenditure equals receipts, and adhere to the ceiling for co-financing by the European Union, set at 60% of the total *eligible costs*.

VI.5 Selection criteria

Operational and financial capacity

(please see Chapter II.2.3 - Selection Criteria)

VI.6 What are the award criteria?

Awarding of a grant is not only dependent on the examination of the eligibility and exclusion criteria and the *operational* and *financial capacity* of the organisation(s). The final selection decision will be determined in particular on the basis of the *award criteria*.

The *award criteria* comprise qualitative and quantitative indicators and are as follows:

1. European added value and European dimension of the proposed activities
2. Quality and innovative nature of the programming
3. Audience impact
4. Participation of European professionals and quality of the exchanges foreseen between them

Projects will be assessed on a scale from 0 to 100 points and will be ranked according to their merit.

(1) European added value and European dimension of the proposed activities (0-25 points)

With regard to this award criterion, the cultural and geographic diversity of the programming will be taken into account, namely the proportion in the programming of works from countries participating in the Programme and the number of countries represented in the programming

(2) Quality and innovative nature of the programming (0-25 points)

Will be taken into account: the scale, the nature and originality of the programming with regard to other European festivals, the programming structure as well as the innovative aspect of actions carried out in terms of the development of the applicant's festival with regard to other European festivals.

(3) Audience impact (0-25 points)

Will be taken into account: the scale of the audience and the actions implemented towards the audience in order to promote European works to the public.

(4) Participation of European professionals and quality of the exchanges foreseen between them (0-25 points)

Will be taken into account: the size, the nature and diversity of professional attendance.

VI.7 Financial conditions

Support under this strand will be allocated following the procedure of focussed management.

Under this procedure, although the decision to award a grant is taken on the basis of an assessment of the whole action and a corresponding global budget is submitted, only costs relating to the European dimension of the action are eligible. The following categories of costs are eligible:

1. Costs related to the presentation of European non national works (such as scenery, costumes, translation and sub-titling costs etc.).
2. Travel and accommodation costs for professionals and amateurs accompanying a European non national work (artistic, technical and management teams)
3. Fees for artists performing in European non national works
4. Costs relating to the organisation of workshops between European professionals (limited to 15% of the eligible costs)
5. Costs relating to the development, translation, printing and dissemination of the official catalogue and brochure.
6. Communication costs (website, media plan,...) (limited to 15% of the eligible costs)

The applicant must provide a full budget for the entire action, including a financing plan and the budget of eligible costs to be financed by the Culture Programme

The awarded grant is calculated on the basis of the estimated eligible costs and can cover up to 60% of the *eligible costs*.

VI.8 Use of Grant Agreement or Grant Decision

Grant Agreements are used (see Chapter III.4).

VI.9 Payment arrangements

VI.9.1 Pre-financing

N.B. *If a bank guarantee is required, the conditions associated with the payment arrangements here below are not the same (for more information on guarantees, see Chapter III.1.6).*

The pre-financing payment corresponding to 70% of the awarded grant shall be made in accordance with the procedure described in Chapter III.9. is within 45 days following the date on which the Agency signed the *Grant Agreement*.

VI.9.2 Final payment

The Executive Agency shall establish the amount of the final payment on the basis of the final report.

In order to receive the final payment, the *beneficiary* must submit a final report by the deadline specified in the *Grant Agreement*. The final report shall contain a final technical implementation report, thereby providing a full account of the results of the project, as well as a final financial statement including a list of invoices. Please refer to Chapter III.7 for the rules governing the certification of final financial statements. Copies of the project products (i.e. publications, posters, invitations, DVDs, CD-ROMs, T-shirts, etc.), as well as any publicity material, shall be submitted together with the final report.

A pre-formatted document for the technical implementation report which helps structure and target the relevant information, as well as an automatic tool which links up the final financial statement with the list of invoices and facilitates the calculation of costs, are provided on the website of the Executive Agency for the use of *beneficiaries*.

If the *eligible costs* actually incurred by the beneficiary during the period of eligibility are lower than anticipated, the Executive Agency shall apply the rate of co-financing quoted in the *Grant Agreement*. This may lead to a reduction of the awarded grant.

Where applicable, the *beneficiary* will be required to reimburse any excess amounts paid by the Executive Agency.

CHAPTER VII Support for organisations active at European level in the field of culture (Strand 2)

VII.1 Introduction

The purpose of this strand is to co-finance expenditure relating to the long-term work programme of organisations pursuing an aim of general European interest in the field of culture or an objective forming part of the EU policy in this area.

Three categories of organisations are eligible under this strand. An organisation can only apply under one of those categories.

VII.1.1 Three categories

(a) Ambassadors

Organisations which, through their influence in the cultural field at European level, have a clear aptitude to be European 'representatives' of European culture and, as such, can fulfil their role of European Cultural Ambassadors.

The organisations particularly referred to in this category are orchestras, choirs, theatre groups and dance companies whose activities have a real European dimension. The organisation's activities must be carried out in at least seven *countries taking part in the Programme*.

(b) Advocacy networks

Advocacy networks entrusted by the associated members of the network and which ensure a significant representation of a specific category or specific categories of cultural operators or cultural fields at European level. The networks must have been in existence for at least one year.

The networks should gather members which are legally established in at least fifteen *countries taking part in the Programme*. Alternatively, when networks are composed of organisations representing cultural operators at national level (such as national federations) the network shall reach a substantial representation in at least ten *countries taking part in the Programme*.

(c) Structured-dialogue platforms (restricted)

In the framework of the European Cultural Agenda,⁴² support can be provided for organisations actively engaging in a structured dialogue with the European Commission on the basis of a specific process as well as to groupings developing policy analysis supporting the objectives of this Agenda, and more particularly with the five priority areas for action for the period 2008-2010 endorsed at European level⁴³ by the Council.

⁴² Resolution of the Council of 16 November 2007 on a European agenda for culture, 2007/C 287/01 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2007:0242:FIN:EN:PDF>

⁴³ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2007:287:0001:0004:EN:PDF>

The five priorities are:

- improving the conditions for the mobility of artists and other professionals in the cultural field;
- promoting access to culture, especially through the promotion of cultural heritage, cultural tourism, multilingualism, digitisation, synergies with education (in particular arts education) and greater mobility of collections;
- developing data, statistics and methodologies in the cultural sector and improving their comparability;
- maximising the potential of cultural and creative industries, in particular that of small and medium sized enterprises (SMEs);
- promoting and implementing the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.⁴⁴

This category is strictly restricted to structured-dialogue platforms established further to specific calls for expression of interest published by the Commission⁴⁵ and that comply with the specifications related to those calls. The platforms concerned will be invited to apply by the Agency.

The platforms comprise bodies from civil society engaged in a structured dialogue with the Commission in the framework of the European Cultural Agenda. They must respond to specific criteria, policy priorities and themes defined by the Commission in each of the calls for expression of interest referred to above.

The platforms shall be composed of non-governmental organisations active in the cultural field (such as networks, foundations, professional organisations) at a European level. Members of the platform must collectively represent cultural operators and other organisations established in at least fifteen *countries taking part in the Programme*.

If the platform as such does not possess legal personality, a member organisation must be mandated in writing to represent it and coordinate its work programme (see VII.3.1. for more details).

Breakdown of the budget between categories

The available budget is allocated provisionally to the three categories as follows:

- Ambassadors: approximately 55% of the available budget
- Advocacy networks: approximately 40% of the available budget
- Platforms: approximately 5% of the available budget

⁴⁴ http://portal.unesco.org/en/ev.php-URL_ID=31038&URL_DO=DO_TOPIC&URL_SECTION=201.html

⁴⁵ The first call was published in March 2008. See: http://ec.europa.eu/culture/pdf/doc1203_en.pdf

These percentages are indicative. Based on the quality of the applications received, the Executive Agency reserves the right to apply different percentages.

VII.1.2 Annual or multi-annual support

Organisations can choose to apply for either of the following types of grant:

(a) an annual operating grant (every year until 2012)

Organisations may submit an application for an annual operating grant every year until the end of the Programme (please see the calendar in Chapter I.7). Organisations which receive a multi-annual grant through a partnership do not have to apply for an annual grant for the duration of the partnership. For example, an organisation which receives a multi-annual grant for 3 years from 2008 to 2010 does not have to apply in 2008 or 2009 for the years 2009 or 2010.

or

(b) a partnership (for three years, 2011-2013)

Organisations wishing to establish a long-term cooperation relationship with the Executive Agency are invited to submit an application for a partnership. The next application date for such a partnership is 2010. The partnership formalises the organisation's relationship with the Executive Agency for three years, from 2011 to 2013, to enable it to achieve its long-term objectives.

Organisations that wish to apply for a partnership should submit, in addition to a detailed annual work programme for the first 12 months (i.e. for the 2011 financial year), a **three-year action plan** setting out the objectives, priorities and expected results (achievements) for the period 2011–2013 as well as the strategy and the actions to be implemented to ensure that the objectives and results are achieved. The action plan should provide in particular for a breakdown of the objectives/results and actions for each of the three years.

In 2011 and 2012, the selected organisation will, at the request of the Executive Agency, submit a simplified application for a grant with a detailed work programme and the corresponding budget for 2012 and 2013. The work programme agreed on jointly by the two parties will serve as the basis for the award of the specific operating grant for the relevant year.

If the same organisation decides in 2010 to submit applications under the two options (a) and (b) described above, and if these two applications are both selected, priority will be given to the partnership.

VII.2 Submission of applications

When to apply

- Annual operating grants: applications are possible every year up to 2012.
- Partnerships: applications can only be made in 2010.

For calendar details please see Chapter I.7.

How to apply

Please refer to Chapter II (Applications).

VII.3 Specific eligibility criteria

To be eligible, projects must fulfil the criteria enumerated below. For the eligibility criteria that are common to all strands of the Programme, please refer to Chapter II.2.1).

VII.3.1 Who is eligible to apply?

Eligible organisations must:

- be a public or private, independent organisation having legal personality; international, national, regional or local public authorities, such as municipalities, provinces or regions, are ineligible, as are natural persons;
- have their registered office in one of the countries taking part in the Programme;
- be a non-profit-making organisation;
- have a legal mandate in the field of culture, in other words be pursuing an aim of general European interest in the field of culture or an objective forming part of the policy of the European Union in that field;
- have submitted only one application for an annual operating grant per deadline. If an organisation submits more than one application for an annual operating grant, they will all be considered to be ineligible.

Ambassadors must:

- have possessed legal personality for at least two years on the date on which the application was submitted;
- pursue their activities in at least seven countries taking part in the Programme;

Advocacy networks must:

- have possessed legal personality for at least one year on the date on which the application was submitted;
- form a network of members legally established in at least 15 countries taking part in the Programme;
- form a network of members legally established in at least ten countries taking part in the Programme in cases where networks comprise organisations representing national cultural operators.

Structured-dialogue platforms must:

- have been established further to a specific call for expression of interest published by the Commission⁴⁶ and comply with the specifications related to those calls. The platforms concerned will be invited to apply by the Agency.
- be legally established **or**
- be represented by a member organisation legally established and duly mandated by the chair of the platform to submit the application, represent the platform in the framework of the selection process and coordinate the grouping (the mandate must be signed by the chair of the platform);
- comprise non-governmental organisations active in the culture field at a transnational European level;
- comprise members collectively representing European operators and other organisations established in at least 15 countries taking part in the Programme.
- 3 Platforms currently fulfil the above criteria⁴⁷.

The activities to be taken into consideration in the calculation of the grant are those which relate to the permanent activities of the organisation and which are relevant to the objectives of the Culture Programme and to the structured dialogue with the Commission as specified in the calls for expression of interest. The work programme will therefore cover only such activities. Consequently, any supplementary or *ad hoc* project which does not meet these criteria or which is already covered by a European or other grant will not be part of the work programme. Moreover, activities that generate costs in countries not taking part in the Programme must not account for more than 15% of the total cost of implementing the work programme (see Chapter III.3.1.1).

VII.4 What are the award criteria?

Awarding a grant is not only dependent on assessment of the eligibility, exclusion and selection criteria (see Chapter III). The final selection decision will be determined on the basis of the type of proposal submitted (annual operating grant or partnership) assessed on the basis of the *award criteria*.

In the case of applications for

- (a) an annual operating grant, the selection decision will be taken on the basis of the content and impact of the detailed work programme for the financial year in question;
- (b) a partnership, the selection decision will be taken on the basis of the content

⁴⁶ The first call was published in March 2008. See: http://ec.europa.eu/culture/pdf/doc1203_en.pdf

⁴⁷ Platform on Access to Culture; Platform for Intercultural Europe; Platform of Cultural and Creative Industries.

and impact of the **three-year action plan (2011-2013)** and the **detailed annual work programme for 2011 and its consistency** with the organisation's three-year action plan, with due regard to the *award criteria* defined below.

For all categories, applications will be assessed on a scale from 0 to 100 points and will be ranked according to their merit

The *award criteria* are as follows:

- (1) the extent to which the work programme and the subsequent activities can generate a real **European added value** as well as the **European dimension of the proposed activities**
- (2) the relevance of the work programme and subsequent activities to the **specific objectives** of the Programme
- (3) the extent to which the proposed work programme and the subsequent activities are designed and can be carried out successfully with a high **level of excellence**
- (4) the extent to which the proposed work programme and subsequent activities can produce **outputs** which reach as many people as possible, both directly and indirectly
- (5) the extent to which the results of proposed activities will be appropriately **communicated** and **promoted**
- (6) the extent to which the activities can generate an appropriate level of **sustainability** (long-term results and cooperation) and also to act as multipliers to other possible promoters

Award criteria common to all 3 categories

Excellence of proposed cultural activities (criterion 3, 20 points)

The extent to which the proposed work programme and the subsequent activities are designed and can be carried out with a high level of excellence. Proposals not only have to meet the criteria and the objectives of the Culture Programme, but also have to be carried out to a high standard. In this respect, the following factors will be assessed:

- the skills and experience of the persons in charge of the management and implementation of activities;
- the relevance of the proposed activities in terms of representing European culture at its highest level, the impact on both the European audience and the general public and the social dimension of the activities;
- the clarity of the proposed activities and their consistency with the *operational* and *financial capacity* of the organisation;
- the quality of the application and the budget and estimated level of expenditure: seriousness and completeness of the application, clarity and relevance of proposed methodology, clarity of the project description in terms of objectives and activities;

- outputs and detailed nature of the budget breakdown in the case of applications for budget-based grants.

Communication and promotion of activities (criterion 5, 0-15 points)

The results of proposed activities have to be appropriately disseminated and promoted. In this respect, the following factors will be assessed:

- the relevance of the communication plan with regard to the type of the activity and the target audience;
- in the case of applications for budget-based grants, the relevance and adequacy of the budget assigned to the communication/dissemination/promotion plan with regard to the expected direct and indirect impact;
- the methodology used to ensure the visibility of the proposed activities, the detailed communication/dissemination/promotion plan and the various promotional tools used, such as website, press, brochures and radio.

Sustainability (criterion 6, 0-10 points)

The activities of the cultural organisations are supposed to generate the greatest possible long-term results and cooperation and also to act as multipliers for other possible promoters. In this respect, the following factors will be assessed:

- the extent to which the experience gained by the implementation of past and recent activities ensured a long term sustainability with a real European added value;
- the potential of the proposed activities to result in continued, sustained cooperation, in complementary activities or in permanent benefits at European level and to contribute on a long-term basis to the development of cooperation between cultures in Europe;
- the potential of the proposed activities to generate other future initiatives which aim to promote international mobility of people working in the cultural sector, to encourage supranational circulation of cultural and artistic works and products and to encourage dialogue between cultures.

Award criteria specific to each of the three categories

(a) Ambassadors:

European added value and European dimension of the proposed activities (criterion 1, 0-20 points)

The following factors will be assessed:

- how the objectives, methodology and nature of the proposed activities demonstrate an outlook that goes beyond local, regional or even national interests to work towards an aim of representing general European interests in the field of culture;

- the extent to which the proposed activities may have a greater effect and their objectives can be better achieved at European level than at national level;
- the extent to which the organisation through the influence of its activities at a European level, fulfils the role of European Cultural 'Ambassador' and, as such, its aptitude to be a real 'representative' of European culture;
- the extent to which the planned activities are designed to nurture this European dimension.

Relevance to the specific objectives of the Programme (criterion 2, 0-20 points)

The extent to which the proposed activities contribute to the mobility of people and works and contribute to intercultural dialogue will be assessed.

Expected level of outputs (criterion 4, 0-15 points)

The following factors will be assessed:

- the number of persons who might benefit directly and indirectly from the results of the proposed activities;
- the number of European countries that will benefit from the proposed activities, including the number of countries, sites and venues that will host the activities;
- the number of associates and sectors that may be effectively and permanently represented at European level.

(b) Advocacy networks:

European added value and European dimension of the proposed activities (criterion 1, 0-20 points)

The following factors will be assessed:

- how the objectives, methodology and nature of the proposed activities demonstrate an outlook that goes beyond local, regional or even national interests to work towards an aim of networking, providing advocacy and establishing structured dialogue in the general European interest in the field of culture;
- the extent to which the proposed activities may have a greater impact and their objectives be better achieved at European level than at national level;
- the extent to which the applicant network represents bodies active in *countries taking part in the Programme or Third Countries* and disseminates information on the activity of the European Union, more particularly in order to promote European cultural cooperation;
- the extent to which the planned activities are designed to nurture this European dimension.

Relevance to the specific objectives of the Programme (criterion 2, 0-20 points)

The extent to which the advocacy and dialogue activities can contribute to structuring and nurturing debates on the development of a European shared cultural area

and give a stronger voice to the cultural field in Europe at both the sectoral and individual levels will be assessed.

Expected level of outputs (criterion 4, 0-15 points)

The following factors will be assessed:

- the number of persons who might benefit directly and indirectly from the results of the proposed activities;
- the number of European countries that will benefit from the proposed activities, including the number of countries, sites and venues that will host the activities;
- the number of associates and sectors that may be represented at European level and the expected results of contacts with the institutions of the European Union.

(c) Structured dialogue platforms

European added value and European dimension of the proposed activities (criterion 1, 0-20 points)

The following factors will be assessed:

- how each of the member of the platform contributes through its network and experience of cultural policies to diversifying and enlarging the perspective of the platform on the thematic priority defined in the call for expression of interest;
- how the objectives, methodology and nature of the proposed activities demonstrate an outlook that goes beyond local, regional or even national interests to work towards an aim of better understand the impact of cultural policies in the general European interest;
- the extent to which the proposed activities may have a greater impact and their objectives be better achieved at European level than at national level;
- the extent to which communication activities related to the dissemination of results can reach out to interested stakeholders at European level.

Relevance to the specific objectives of the Programme (criterion 2, 0-20 points)

The following factors will be assessed:

- the relevance of the proposed activities to contribute to the structured dialogue with the Commission on the theme specified in the call for expression of interest.
- the extent to which the proposed activities can contribute to structuring and nurturing policy debates on the development of a European shared cultural area, and particularly on the objectives of the European Cultural Agenda, will be assessed.

Expected level of outputs (criterion 4, 0-15 points)

The following factors will be assessed:

- the number of consultation processes and recommendations which may result from the work of the platform.
- the number of actors and organisations who might benefit directly and indirectly from the results of the proposed activities.

VII.5 Financial conditions

The rate of co-financing provided by the European Union may not exceed 80% of the operating costs in respect of the submitted work programme.

As a consequence, at least 20% of the total operating budget for the work programme must be funded from other sources.

VII.5.1 Limitation of budget increases in relation to previous financial years

To ensure a transparent allocation of the budget available for operating grants to organisations active at European level in the field of culture and in order to avoid unjustified inflation of the budget, the principle of limiting expenditure estimates in relation to previous *financial years* shall be applied.

The estimated expenditure on the implementation of the work programme may not increase by more than 10% the actual expenditure incurred during year $n-2$,⁴⁸ or else it will be capped at that level. The estimated expenditure will be assessed against the profit and loss account for that year.

If the actual expenditure incurred in the year preceding the last year for which accounts have been closed (year $n-3$) was higher than in year $n-2$, the limitation of the provisional budget may be calculated by using $n-3$ as the reference year.

This rule applies for annual as well as Multi-annual Operating Grants.

VII.5.2 Ceilings

Without prejudice to the maximum 80% co-financing rule or to the provisions of the Financial Regulation, the grant requested by each applicant must not exceed the following scales defined for each category:

⁴⁸ Year n is the year for which the grant application is made.

(a) Ambassadors:

Estimated expenditure on implementation of the work programme	Maximum grant amount
under EUR 100 000	EUR 75.000
from EUR 100 000 to EUR 149 999	EUR 80 000
from EUR 150 000 to EUR 199 999	EUR 120 000
from EUR 200 000 to EUR 299 999	EUR 160 000
from EUR 300 000 to EUR 449 999	EUR 240 000
from EUR 450 000 to EUR 799 999	EUR 360 000
from EUR 800 000 to EUR 1 200 000	EUR 480 000
above EUR 1 200 000	EUR 600 000

(b) Advocacy networks and (c) Platforms:

Estimated expenditure on implementation of the work programme	Maximum grant amount
under EUR 100 000	EUR 75 000
from EUR 100 000 to EUR 150 000	EUR 80 000
above EUR 150 000	EUR 120 000

VII.5.3 Gradual reduction of operating grants (Degressivity Rule)

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

This rule is applied as follows:

Where the co-financing rate exceeds 5%, the co-financing rate for year n will be one percentage point lower than the rate for year $n-1$. A 60% rate in year n is therefore reduced to 59% in year $n+1$.

Where the co-financing rate is 5% or lower, the co-financing rate for year n will be reduced by 5% of the co-financing rate for year $n-1$. Example A: a co-financing rate of 5% for year n is reduced to 4.75% for year $n+1$. Example B: a rate of 4% for year n falls to 3.8% in year $n+1$.

The same rule applies over the three years of a framework partnership agreement.

VII.6 How the grant is calculated

For the calculation of the operating grant, applicant organisations can choose between two systems of financing: flat-rate financing (see Chapter VII.6.1) or the traditional budget-based financing (see Chapter VII.6.2).

Flat-rate financing has been introduced to simplify the calculation of the grant. Instead of the traditional system in which the grant is calculated on the basis of a detailed budget, the flat-rate system provides a fixed amount per staff member of the

organisation. This saves time and offers the organisation greater flexibility in the use of the grant. The flat-rate system changes the way in which the grant is calculated, rendering a detailed budget superfluous. All the other conditions (limitation of the growth of expenditure from one year to the other, the maximum thresholds and the degressivity rule), however, continue to apply to the flat-rate system.

VII.6.1 Flat-rate financing⁴⁹

General provisions

Under this system, the grant is calculated on the basis of a fixed amount per staff member employed by the organisation on a full-time and/or part-time basis for the purpose of implementing the proposed work programme up to a defined ceiling. It covers all persons working on the implementation of the work programme proposed by the organisation, such as managerial, secretarial and auxiliary staff on its payroll, but excludes subcontractors, volunteers and persons on practical training courses. Musicians and other artists may be included in the calculation even if they are not formally staff members and receive only a *per diem* allowance and/or reimbursement of travel costs. The grant calculated in this way is deemed to cover all of the organisation's operating costs up to the prescribed ceiling.

The organisation may use the grant to implement the proposed annual work programme without being limited by pre-defined budget-heading thresholds, which provides more flexibility.

The Executive Agency bases the calculation of the grant on the actual number of staff employed by the organisation for the implementation of the proposed work programme in the year for which the organisation receives the grant. Organisations have to prove the number of these staff members at the end of the *financial year* in a certificate endorsed by an approved auditor. They must also submit their annual accounts, which are to be certified in cases where the grant amounts to EUR 100 000 or more.

Calculation of the grant amount

The applicant organisation bases the calculation of the grant on the number of person/years assigned to the implementation of the work programme. It can calculate this number using the total number of staff days worked and dividing them by 220, i.e. the number of working days per year.

One year = 220 working days

One working day = at least 7½ hours

Only the working days of persons certified in the audit certificate described above are taken into account in the final calculation of the grant.

The flat rate is variable depending on the country in which the organisation is based, thereby reflecting cost levels in each country.

The flat rate to be applied is that of the country where the organisation has its main

⁴⁹ Commission Decision C(2008) 2729.

activities, which is defined as the country where at least 50% of the permanent staff of the organisation works. Usually this is the headquarters.

Flat rates applicable to all categories in the countries taking part in the Programme:

Countries	Codes	Rate per person in EUR
Austria	AT	42.747
Belgium	BE	39.905
Bulgaria	BG	14.318
Cyprus	CY	33.213
Czech Republic	CZ	27.874
Germany	DE	40.078
Denmark	DK	41.638
Estonia	EE	23.367
Greece	EL	32.693
Spain	ES	35.571
Finland	FI	40.633
France	FR	37.443
Croatia	HR	21.738
Hungary	HU	22.327
Ireland	IE	46.942
Iceland	IS	41.811
Italy	IT	35.363

Countries	Codes	Rate per person in EUR
Liechtenstein	LI	47.289
Lithuania	LT	21.460
Luxembourg	LU	47.289
Latvia	LV	19.866
FYROM	MK	11.302
Malta	MT	26.453
Montenegro		11.302
Netherlands	NL	46.457
Norway	NO	47.289
Poland	PL	19.554
Portugal	PT	26.349
Romania	RO	16.295
Serbia	RS	11.302
Sweden	SE	41.603
Slovenia	SI	31.515
Slovakia	SK	25.031
Turkey	TR	15.775
United Kingdom	UK	40.286

The rates are regularly updated.

A ready reckoner in the application form can be used to calculate the requested maximum grant. In order to allow for the inclusion of part-time staff the *reckoner* is based on person/days. The amount calculated with the ready reckoner is the maximum possible grant request before application of the rules referred to in Chapter VII.5.

As the no-profit rule (see Chapter III.1.5) applies, organisations should not ask for the maximum indicated by the *reckoner* if they can foresee that the amount in question will leave them with a surplus.

The Executive Agency reserves the right to propose a co-financing amount lower than the amount requested by the applicant.

Under the flat-rate system, applicants have to submit only the following documentation:

(a) *Ex ante* (on submission of the application):

- closed profit and loss accounts for the latest available year, certified by an approved external auditor in the case of requests for grants amounting to

- EUR 100 000 or more; these accounts should not be older than 18 months;
- the work programme proposed by the organisation, describing the activities that fall within the scope of the Culture Programme;
 - a statement of expenditure on the implementation of the project in year $n-2$ in cases where the organisation engages in activities outside the scope of the Culture Programme;
 - a summarised provisional statement of expenditure and income, including the estimated number of staff for the relevant year.

(b) *Ex post* (on submission of the final report)

- a report giving details of the implementation and results of the work programme (the final report);
- profit and loss accounts for the year in respect of which the grant was received (annual accounts), certified by an approved external auditor in cases where the grant amounts to EUR 100 000 or more;
- a declaration certified by an approved external auditor indicating the number of people (person/years and person/days) having worked on the implementation of the work programme.

These documents serve to verify the actual number of assigned staff and whether or not the organisation made a profit out of the operating grant, which details form the basis for the calculation of the final grant.

Example of the calculation of a grant under the flat-rate system:

Calculation of the total grant

An Austrian organisation whose proposed work programme covers the entire range of its activities applies for a grant in 2008 within the Ambassadors category. Its most recent closed and certified profit and loss accounts show total expenditure of EUR 286 000. It indicates provisional expenditure of EUR 290 000 for the year 2008 and five staff members on the payroll (consisting of two full-time employees, one employee working half days and artists employed for 15% of the working day, all of whom are employed for 220 days a year.

(1) Application of the rule limiting expenditure increases

With provisional expenditure of EUR 290 000, the organisation respects the rule limiting increases in annual expenditure to 10% (see Chapter VII.5.1).

(2) Application of the flat rate

5 staff members x EUR 40 295 (flat rate for Austria) makes a potential grant of EUR 201 475.

(3) Application of the grant ceiling

As the organisation's total costs in the preceding year were EUR 290 000, the maximum grant it can request would be EUR 160 000 (see Chapter VII.5.2 on grant ceilings).

The maximum amount the organisation could apply for is thus EUR 160 000.

As the no-profit rule (see Chapter III.1.5) continues to apply, this means that the Executive Agency is obliged to reduce the grant if the annual accounts are likely to show a surplus at the end of the year. Organisations should take this into account when applying for a grant. In the example mentioned above, the Austrian organisation should not apply for the maximum grant of EUR 160 000 if it knows already that the amount in question will leave it with a surplus in its annual accounts but should request a lower amount.

(4) Application of the degressivity rule

According to the Financial Regulation, operating grants also have to decrease over time. In the case of the Austrian organisation, imagine it received in the previous year an operating grant of EUR 143 000 (50% of its total costs in that year). In that case the new grant cannot represent more than 49% of its total expenditure. As a result the maximum grant it can request would be EUR 142 100 (49% of EUR 290 000), which would mean a reduction of EUR 900 in relation to the previous year.⁵⁰

VII.6.2 Budget-based financing

The amount of the grant is calculated on the basis of a balanced, detailed forecast budget, drawn up in EUR, for the implementation of the proposed work programme in each budgetary year. The information a budget should contain as well as the definition of *eligible costs* is described in Chapter III.3.1 on budget-based financing.

The rules described in Chapter VII.5 apply: limitation of the growth of the budget, grant ceilings, degressivity and no-profit rules.

VII.7 Payment arrangements

VII.7.1 Pre-financing

N.B. If a bank guarantee is required, the conditions governing the payment procedures below will differ. See Chapter III.1.6 for more details.

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

VII.7.2 Final payment

The Executive Agency establishes the amount of the final payment on the basis of the final report.

Documents to be submitted for flat-rate financing:

- the final activity report containing details of the implementation and results of the

⁵⁰ Depending on the actual situation of an organisation, this reduction may be more or less significant.

work programme;

- profit and loss accounts for the year in respect of which the grant was received (annual accounts), certified by an approved external auditor in cases where the grant amounts to EUR 100 000 or more;
- a declaration certified by an approved external auditor indicating the number of people having worked on the implementation of the work programme.

If the organisation has not fully implemented the agreed work programme or made a surplus, the grant will be reduced.

Documents to be submitted for budget-based financing:

- the final activity report containing details of the implementation and results of the work programme;
- the final financial statement of the *eligible costs* actually incurred, following the structure of the estimated budget;
- a full summary statement of the receipts and expenditure of the work programme (list of invoices);
- profit and loss accounts for the year in respect of which the grant was received (annual accounts), certified by an approved external auditor in cases where the grant amounts to EUR 100 000 or more.

Please refer to Chapter III.7 for the rules governing the certification of final financial statements.

If the *eligible costs* actually incurred by the *beneficiary* during the financial year are lower than anticipated, the Executive Agency applies the rate of co-financing quoted in the *Grant Agreement* to the actual costs. Where applicable, the *beneficiary* will be required to reimburse any excess amounts paid by the Executive Agency in the form of a pre-financing payment.

If the organisation has not fully implemented the agreed work programme or made a surplus, the grant will be reduced.

CHAPTER VIII Cooperation projects between organisations involved in cultural policy analysis (Strand 3.2)

VIII.1 Introduction

Strand 3.2 seeks to support cooperation projects between private or public organisations (such as cultural departments of national, regional or local authorities, cultural observatories or foundations, university departments specialised in cultural affairs, professional organisations and networks) which have direct and practical experience in the analysis, evaluation, or impact assessment of cultural policies at local, regional, national and/or European levels, related to one or more of the 3 objectives of the European Agenda for culture⁵¹:

- Promotion of cultural diversity and intercultural dialogue;
- Promotion of culture as a catalyst for creativity in the framework of the Lisbon Strategy for growth and jobs;
- Promotion of culture as a vital element in the Union's international relations, implementing the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.⁵²

Actions must involve at least three organisations legally established in at least three countries taking part in the Programme.

Support can be given to the following activities:

- secretariat and coordination of the grouping
- exchange, analysis, comparison and consolidation of existing quantitative and qualitative data and evaluation methods;
- production of proposals and recommendations for new evaluation methods or quantitative and qualitative data. The launching of new specific studies or data collections is not covered.

Who is a Coordinator, a Co-organiser, an Associated Partner

Cultural operators may be involved in the implementation of these Cooperation projects in the following capacities:

- **Coordinator:** a cultural operator from an *eligible country*, who undertakes a coordinating role during the implementation of the project. This role is translated into an overall responsibility for carrying out the action in accordance with the *Grant Agreement*, as well as a concrete and essential involvement in the design,

⁵¹ See the Communication on European agenda for culture in a globalizing world, COM (2007) 2004 final. http://europa.eu/legislation_summaries/culture/l29019_en.htm

⁵² http://portal.unesco.org/en/ev.php-URL_ID=31038&URL_DO=DO_TOPIC&URL_SECTION=201.html

implementation and financing of the project. The coordinator acts as the legal co-signatory for the *Grant Agreement*.

- **Co-organiser:** a cultural operator from a country taking part in the Programme involved in the design and implementation of the project and contributing to its funding. The involvement of each *co-organiser* must be clearly indicated in the application form.

In addition, each *co-organiser* must sign a *mandate* by which the signatory grants power of attorney to the coordinator to act in his name and for his account during the implementation of the project and undertakes to provide a particular financial contribution to the project. The *mandates* signed by all the *co-organisers* are attached to the application and, if the project is selected, annexed to the *Grant Agreement* or *Grant Decision*.

Merely supplying goods or services for the project, whether or not on a contractual basis, does not confer the status of a *co-organiser*.

- **Associated Partner:** a cultural operator from an *eligible country* who takes part in the implementation of the proposed activities of a project, but not to the same extent and at the same level of participation as a *co-organiser*; in particular, an *associated partner* is not required to contribute financially to the project; costs incurred by *Associated Partners* are not eligible, unless they are directly paid or refunded by the *coordinator* and/or *co-organisers*.

VIII.2 Submission of applications

Submission deadline

Applications may be sent every year no later than the date indicated in the calendar in Chapter I.7.

How to apply

Please refer to Chapter II.

VIII.3 Specific eligibility criteria

To be eligible, applications must meet the specific criteria enumerated below. For the eligibility criteria that are common to all strands of the Programme, please refer to Chapter II.2.1.

VIII.3.1 Eligible applicants

The only eligible applicants are public or private organisations with legal personality and whose head office is in one of the countries taking part in the Programme.

The main activity of the applicant must be in the field of Culture.

VIII.3.2 Eligible projects

To be eligible, projects must:

- have a duration of 12 to 24 months;
- involve a minimum of three organisations (the co-ordinator and at least two co-organisers and/or associated partners) drawn from three different countries taking part in the Programme;
- when the application involves co-organisers, contain a signed mandate for each co-organiser listing his essential obligations;
- be based on a cooperation agreement concluded by the participating organisations (coordinator, co-organiser and/or associated partner); this agreement is signed by the coordinator, the co-organisers and the associated partners and describes the nature of their cooperation;
- request a grant of no more than EUR 120 000 for each year of activity;
- contain a balanced budget, i.e. one in which expenditure equals receipts, and adhere to the ceiling for co-financing by the European Union, set at 60% of the total eligible budget.

VIII.4 Selection criteria

Operational and financial capacity

(please see Chapter II.2.3 - Selection Criteria)

VIII.5 What are the award criteria?

Awarding of a grant is not only dependent on the examination of the eligibility and exclusion criteria and the *operational* and *financial capacity* of the organisation(s). The final selection decision will be determined in particular on the basis of the *award criteria*.

The *award criteria* comprise qualitative and quantitative indicators and are as follows:

1. the extent to which the project can generate real **European added value**
2. the relevance of the activities to the **specific objectives** of the Programme in connection with the European Agenda for culture
3. the extent to which the proposed activities are designed and can be carried out successfully with a high **level of excellence**
4. the **quality of partnership** between *coordinator* and *co-organisers*
5. the extent to which the activities can produce **outputs** which achieve the objectives of the Programme
6. the extent to which the results of proposed activities will be appropriately **communicated** and **promoted**
7. the extent to which the activities can generate a long lasting impact (**sustainability**)

Projects will be assessed on a scale from 0 to 100 points and will be ranked according to their merit.

(1) European added value (0-20 points)

The criterion "European added value" will be assessed taking into account the following factors:

- how the objectives, methodology and nature of the proposed activities demonstrate an outlook that goes beyond local, regional or even national interests to work towards an aim of better understanding the impact of cultural policies in the general European interest;
- how each of the organisations involved in the cooperation project contributes through the planned activities and its experience in analysis, evaluation or impact assessment of cultural policies to diversifying and enlarging the perspective on one or more of the 3 objectives of the European Agenda for culture;
- the extent to which the proposed activities may have a greater impact and their objectives be better achieved at European level than at national level;
- the extent to which this European dimension is sought by the planned activities.

(2) Relevance to the specific objectives of the Programme (0-20 points)

The criterion "Relevance to the specific objectives of the Programme in connection with the European Agenda for culture" will be assessed taking into account the following factors:

- the relevance of the proposed activities to contribute to the implementation of the objectives of the European Agenda for culture
- the extent to which the proposed activities can contribute to structuring and nurturing policy debates on the objectives of the European Cultural Agenda.

(3) Excellence of proposed cultural activities (0-20 points)

The criterion "Excellence of proposed activities" will be assessed taking into account the following factors:

The extent to which the proposed activities are designed and can be carried out with a high level of excellence. Proposals not only have to meet the criteria and the objectives of the Culture Programme in connection with the European Agenda for culture, but also have to be carried out to a high standard. In this respect, the following factors will be assessed:

- the skills and experience of the persons in charge of the management and implementation of activities;
- the clarity of the proposed activities and their consistency with the capacity and experience of the organisations involved.

(4) Quality of partnership (0-10 points)

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

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

(5) Expected level of outputs (0-10 points)

The criterion "Expected level of output" will be assessed taking into account the following factors:

- the quantity and quality of new evidence, data consolidations and/or analysis and methodological recommendations which may result from the project.
- the number of actors and organisations who might benefit directly and indirectly from the results of the proposed activities.

(6) Communication and promotion of activities (0-10 points)

The results of proposed activities have to be appropriately disseminated and promoted, beyond any legal obligation to use the logos of the European Union. In this respect, the following factors will be assessed:

- The **relevance of the communication plan** with respect to the type of the project and the target audience;
- The **relevance and adequacy of the budget** assigned to the communication/dissemination/promotion plan with respect to the direct and indirect impact expected;
- The **methodology** used to ensure the visibility of the proposed activities, the detailed communication/dissemination/promotion plan and the various promotional tools (website, press, brochures, radio, etc.) used.
- The extent to which communication activities related to the dissemination of results can reach out to interested stakeholders at national and European level.

(7) Long-term impact – sustainability (0-10 points)

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

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

VIII.6 Financial conditions

The budget shall include *eligible costs* incurred by the *coordinator* and/or the *co-organisers* in connection with the management and implementation of the project.

For more information on financial rules applicable, including in particular a detailed description of the budget and an account of eligible and *non-eligible costs*, please refer to Chapter III.2.

The awarded grant is calculated on the basis of the estimated budget and can cover up to 60% of the *eligible costs*.

VIII.7 Use of grant agreement or grant decision

Grant Agreements are used (see Chapter III.4).

VIII.8 Payment arrangements

VIII.8.1 Pre-financing

N.B. *If a bank guarantee is required, the conditions associated with the payment arrangements here below are not the same (for more information on guarantees, see Chapter III.1.6).*

One single pre-financing payment corresponding to 70% of the awarded grant is made within 45 days following the date on which the Agency signed the Grant Agreement in accordance with the procedure described in Chapter III.9.

VIII.8.2 Final payment

The Executive Agency shall establish the amount of the final payment on the basis of the final report.

In order to receive the final payment, the *beneficiary* must submit a final report by the deadline specified in the *Grant Agreement*. The final report shall contain a final technical implementation report, thereby providing a full account of the results of the project, as well as a final financial statement including a list of invoices. Please refer to Chapter III.7 for the rules governing the certification of final financial statements. Copies of the project products (i.e. publications, posters, invitations, DVDs, CD-ROMs, T-shirts, etc.), as well as any publicity material, shall be submitted together with the final report.

A pre-formatted document for the technical implementation report which helps structure and target the relevant information, as well as an automatic tool which links up the final financial statement with the list of invoices and facilitates the calculation of costs, are provided for the use of *beneficiaries*.

If the *eligible costs* actually incurred by the coordinator/*co-organisers* during the period of eligibility are lower than anticipated, the Executive Agency shall apply the rate of co-financing quoted in the *Grant Agreement*. This may lead to a reduction of the awarded grant.

Where applicable, the *beneficiary* will be required to reimburse any excess amounts paid by the Executive Agency.

CHAPTER IX Glossary (key words)

N.B. Entries are presented in alphabetical order.

Associated Partner: a cultural operator from a country taking part in the Programme or from a *Third Country* who participates in the implementation of the proposed activities of a project, but not to the extent and level of participation of a *co-organiser*. Costs incurred by associated partners are not eligible, unless they are directly paid or refunded by the *coordinator* and/or *co-organisers*.

Award criteria: these criteria form the basis for assessing the quality of the proposals with regard to the objectives and requirements set out for each Programme strand. They comprise both quality and quantity elements, each of which is assigned a specific weight.

Bank account: this is the *beneficiary's* bank account or sub-account, denominated in EUR, through which any payments linked to the action shall be made. The Executive Agency will create a file with details of this bank account or sub-account based on the *Financial Identification Form* supplied by the coordinator.

Beneficiary: the organisation legally responsible for the implementation of the action and recipient of the grant.

Budgetary authority: the European Council and the European Parliament establish the budget of the European Union on the basis of a proposal from the European Commission.

Call for proposals: this is one of the means of implementing Community programmes. A call for proposals is published annually and specifies a number of elements: the objectives pursued and the annual budget allocated to the type of action concerned, the *eligibility, exclusion, selection and award criteria*, as well as the relevant supporting documents to be submitted, conditions for obtaining funding from the European Union, conditions for the submission of proposals, possible start-up dates for co-financed actions and the timetable for the award procedure. Calls for proposals are published on the website of the Institutions of the European Union and in the Official Journal of the European Union. This Programme Guide contains the individual calls for proposals for the strands referred to in Part Two.

Certificate on final financial statements: for strands 1.1, 1.2.1, 1.3.5 and 1.3.6, the final financial statements (annex III and the list of invoices) have to be certified by a registered and independent external auditor or, in the case of public bodies, by a competent and independent public officer.

The certificate shall be attached to the request for final payment submitted by the beneficiary and shall certify: "The costs declared by the beneficiary/co-beneficiary in the financial statements on which the request for payment is based are real, accurately recorded and eligible in accordance with the terms of the Grant Agreement".

Conflict of interests: according to the Financial Regulation (Article 52),

1. All financial actors and any other person involved in budget implementation, management, audit or control shall be prohibited from taking any action which may bring their own interests into conflict with those of the Communities. Should such a case arise, the person in question must refrain from such actions and refer the matter to the competent authority.

2. There is a conflict of interests where the impartial and objective exercise of the functions of a financial actor or other person, as referred to in paragraph 1, is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with the *beneficiary*.'

Contribution in kind: A contribution in kind is any contribution made by a third party which is not paid by the *beneficiary* and the *co-organisers* (ie costs which are not recorded in the accountancy of the co-ordinator and/or co-organisers for strands 1.1, 1.2.1, 1.3.5, 1.3.6 and 3.2) / beneficiary of the grant agreement for the other strands). It may be contributions in the form of durable capital goods and equipment, raw materials, unpaid charity work by a private individual or corporate body, or staff seconded from another organisation (other than the *coordinator/co-organisers* or the *beneficiary* organisation) receiving remuneration from the organisation of origin.

Contributions in kind shall not constitute eligible costs.

Cooperation agreement: this refers to strands 1.1, 1.3.5 and 3.2. These projects must be based on a *cooperation agreement*, i.e. a common document having a legal form valid in one of the countries taking part in the project and signed by the relevant *coordinator* and *co-organisers* and by the partner or *partners in the third country* and attached to the application. This document describes precisely the objectives of the project, the activities which will be implemented in order to achieve these objectives and the role of each *co-organiser* (including the *coordinator*) in the design and implementation of the project, as well as the amount of their financial contribution.

Coordinator (beneficiary): a cultural operator from a country taking part in the Programme, who performs a coordinating role during the implementation of the project. This role is translated into an overall responsibility for carrying out the activities in accordance with the *Grant Agreement/Grant Decision*, as well as a concrete and essential involvement in the design, implementation and financing of the project. The *coordinator* acts as the legal co-signatory of the *Grant Agreement*.

Co-organiser: a cultural operator from a country taking part in the Programme with a concrete and essential involvement in the design, implementation and financing of the project. The involvement of each *co-organiser* must be clearly indicated in the application form. Sole delivery of either services or goods with respect to the project, whether on a contractual basis or not, is not considered in-line with the definition of *co-organiser*.

Depreciation of equipment: in the event of the purchase of equipment used for the purposes of the project or the co-financed annual work programme, depreciation shall be applied. Only depreciation during the *eligibility period*, as defined in the *Grant Agreement*, is an eligible *direct cost*, to the extent that the equipment is

specifically used for the project or in relation to the activities of the work programme co-financed. The depreciation rules to be applied are the national tax and accounting rules of the *beneficiary* organisation.

Direct costs: eligible direct costs are those costs which can be identified as specific costs directly linked to the implementation of the project or the work programme and which can therefore be booked to it directly.

Eligible budget: the budget of a proposal must be in EUR and consist of two parts: the estimated costs eligible for funding by the European Union and the estimated income (including the requested grant). The budget must be always in balance (expenditure = income). It must be presented in accordance with the model attached to the application form for each *strand*.

Eligible costs: necessary, specific and reasonable expenditure incurred by the *beneficiary/co-organisers* in implementing the co-financed action or by the *beneficiary* organisation in implementing the activities defined in its annual work programme. It must be recorded in the accounts in accordance with the applicable accounting principles. The internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action with the corresponding accounting statements and supporting documents.

Eligibility criteria: the eligibility criteria are set out for each Programme *strand* and are verified during the first step of the selection process of submitted proposals. Only proposals which comply with the corresponding eligibility criteria are subject to an in-depth assessment on the basis of *selection* and *award criteria*.

Eligibility period: the period during which *eligible costs* must be generated, that is costs which are necessary for the implementation of the action or the co-financed work programme and give rise to an obligation to pay. The period of eligibility is stipulated in the *Grant Agreement/Grant Decision*.

Exclusion criteria: these criteria are of a general nature and are pertinent to all applicants of grants awarded by the Commission. Applicants must certify that they comply with the provisions set out in Articles 93(1), 94 and 96(2)(a) of the Financial Regulation.

External audit: When submitting an application: if the requested grant amounts to EUR 500 000 or more in the case of a project grant or EUR 100 000 in the case of an operating grant, the application must be accompanied by an external audit report produced by an approved auditor. This must include certified audited accounts of the last *financial year* available (not older than 18 months). The following are exempted from this obligation: *public organisations* in line with the definition of this Programme Guide; international organisations under public law; secondary or higher education establishments; *beneficiaries* with joint and several liability (in case of *Grant Agreements/Grant Decisions* involving several beneficiaries).

When submitting a request for payment: the financial accounts of the co-ordinator or beneficiary of the grant agreement (balance sheet and profit and loss accounts) of the last financial year have to be certified by a registered and independent external

auditor or, in the case of public bodies, by a competent and independent public officer. The external audit report shall be attached to any request for payment (including further pre-financing payments) in the following cases:

- (a) grants for actions of EUR 750 000
- (b) operating grants of EUR 100 000 or more.

For projects that do not belong to either of the above categories, only an audit certificate relating to the financial statements (annex III and list of invoices) is required.

Financial capacity of the applicant: this is one of the *selection criteria* which are assessed during the process for the selection of submitted proposals. Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out and to participate in its funding. In order to facilitate the verification of *financial capacity*, the Financial Capacity Form must be submitted. If an applicant's *financial capacity* is judged insufficient, the Executive Agency may reject the application, request additional information (for example a signed declaration from an associated partner confirming the amount of cofinancing), require a guarantee or propose a *Grant Agreement/Grant Decision* without pre-financing.

Financial Identification Form: the Executive Agency services cannot award a grant, nor can they authorise pre-financing of final payments, as long as the particulars of *beneficiaries* have not been recorded and centrally validated. For that purpose, applicants must submit a Financial Identification Form which would allow verification of the *bank account* associated with the *Grant Agreement/Grant Decision*. This form must be signed by the account holder and certified by the bank (i.e. official stamp of the bank and signature of a representative of the bank).

Financial year: the period covered by the annual accounts of an organisation, in most cases from 1 January until 31 December.

Flat rates: these are used to calculate the total amount of the grant in the case of operating grants (Strand 2) and literary-translation projects (Strand 1.2.2). Under this system, the grant is calculated on the basis of a fixed amount: e.g. a fixed amount per page or a fixed amount per staff member of an organisation.

Grant Agreement: funding of meritorious proposals by the European Union may take the form of a *Grant Agreement* between the Executive Agency and the *beneficiary*. The *Grant Agreement* sets out the terms and conditions governing the awarded grant and takes effect upon signature by the last of the two parties, i.e. the Executive Agency. It may be amended during the *eligibility period* of the action.

Grant Decision: funding of meritorious proposals by the European Union may take the form of a Grant Decision, which is signed unilaterally by the Executive Agency. The Grant Decision sets out the terms and conditions governing the awarded grant. It may be amended during the *eligibility period*.

Indirect costs (administrative/operating costs): these are *eligible costs* which are not identifiable as specific costs directly linked to the implementation of the action (i.e. cannot be booked to it directly), but which can be identified and justified as having been incurred in connection with the action. They may include costs such as rent, heating, electricity, gas, communication costs and postage.

Legal entity: to be eligible, applicants must be legal entities, i.e. private or public organisations with legal personality. To make it possible to ascertain whether applicants are legal entities, the *Legal Entity Form*, together with the appropriate supporting documents (i.e. articles of association or statutory decree) must be submitted.

Mandate: this is applicable to Multi-annual cooperation projects (*Strand 1.1*), cooperation projects (1.2.1), cooperation projects with Third Countries (1.3.5) and cooperation projects between organisations involved in cultural policy analysis (3.2). By virtue of the *Grant Agreement*, the *coordinator* has full responsibility for the action vis-à-vis the Executive Agency. Each *co-organiser* must sign this document by which the signatory grants power of attorney to the *coordinator* to act in their name and for their account during the implementation of the action. The co-organiser's financial contribution to the project must be indicated in the mandate. The mandate must be attached to the application and is annexed to the *Grant Agreement*.

Operational capacity: this is one of the *selection criteria* which are assessed during the process for the selection of submitted proposals. Applicants must have the professional skills and qualifications required to complete the proposed action or work programme. To that effect, an *activity report* and the *curricula vitae* of the persons responsible for the implementation of the proposed work programme or action on behalf of each applicant organisation must be submitted as part of the application.

Partner in the selected Third Country (Strand 1.3.5): to be regarded as a partner in the selected *Third Country*, a cultural operator must have its legal registered seat in the selected *Third Country*, should participate in the design and implementation of the proposed activities and sign the *cooperation agreement*. Costs incurred by partner(s) in the *Third Country* are not eligible, unless they are directly paid or refunded by the *coordinator* and/or the *co-organisers*. The list of selected third countries for each year is published in the Executive Agency's website at least 4 months before the submission deadline.

Programme Committee: based on the decision establishing the Culture Programme, the Commission and the Executive Agency are assisted by a committee comprising representatives of the *countries taking part in the Programme* when drawing up the Programme (i.e. Programme Guide and the list of proposals selected for co-financing). This committee is kept informed or is invited to deliver its opinion on relevant proposals.

Public organisation: any body part of whose expenditure is automatically funded by the public treasury, whether from the central, regional or local-government budget. Such expenditure, in other words, is covered by public-sector funds raised by means of taxation, fines or commission payments regulated by law without the need for

recourse to an application procedure which could be an obstacle to the acquisition of those funds. Organisations whose existence depends on public funding and which receive grants year after year but which are theoretically liable not to receive any funding in a given year are not regarded by the Agency as public organisations but as private organisations.

Ready reckoner: this facility is available for literary translation projects (Strand 1.2.2) and operating grants (Strand 2). It is included in the specific application forms and permits instant calculation of the applicable amounts.

Right of scrutiny: the European Parliament has a right of scrutiny over implementing measures falling under the co-decision procedure (i.e. decisions taken by the Council and Parliament on the basis of a proposal from the Commission). In order to exercise this right, Parliament has one month to examine a draft measure before the Commission takes the formal decision. The time limit starts as soon as the proposed implementing measure (i.e. list of proposals selected for co-financing) is transmitted to Parliament after consultation of the *Programme Committee*.

Selected third country: they are the target country/(ies) for Cultural Cooperation projects with Third countries (Strand 1.3.5). The project must involve at least one partner legally registered in that country and have activities taking place in that country (at least 50%). Every year one or more *Third Country/(ies)* is/are selected. The country(ies) selected each year are indicated on the website of the Executive Agency at the latest 4 months before the deadline for submission indicated in Chapter I.7

Selection criteria: these criteria serve as the basis for the assessment of the *operational capacity* and the *financial capacity* of applicant organisations to complete the proposed action or work programme (see also *Operational capacity* and *Financial capacity*).

Strand: specific action for which provision is made for co-financing by the European Union in the Culture Programme for 2007-2013.

Subcontracting (implementation contracts/awarding of procurement contracts): any services and/or goods provided for the proposed action or work programme by a party other than the applicant organisations and paid for or reimbursed in full by the applicant organisations, irrespective of the form of legal agreement made between them and the third party. Subcontracting parties must be listed in the application form, and the direct costs linked to the activities carried out by these parties must be clearly indicated in the budget. The total amount of procurement contracts shall not exceed half of the grant awarded.

Third Country: any country other than the countries taking part in the Programme.