



CULTURE PROGRAMME

Education, Audiovisual and Culture Executive Agency  
EUROPEAN COMMISSION

## PROGRAMME GUIDE



## CULTURE PROGRAMME (2007 – 2013)

Directorate-General for Education and Culture  
[http://ec.europa.eu/culture/index\\_en.htm](http://ec.europa.eu/culture/index_en.htm)

Education, Audiovisual and Culture Executive Agency  
[http://eacea.ec.europa.eu/culture/index\\_en.htm](http://eacea.ec.europa.eu/culture/index_en.htm)

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***Please note that all the terms and keywords typed in italics in the text are further clarified in the Glossary (Chapter VII)***

## **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<sup>1</sup>. 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 culture<sup>2</sup> in two ways:

- through policies, chiefly cultural policy<sup>3</sup>, 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)<sup>4</sup> (hereafter "the Programme"), but also via other actions such as for example within the framework of regional policy<sup>5</sup>.

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 publication<sup>6</sup> on the Education Audiovisual and Culture Executive Agency's website<sup>7</sup> (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.

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<sup>1</sup> Article 151, formerly 128 and to become article 167 in the Treaty on the Functioning of the European Union once the Lisbon Treaty enters into force.

<sup>2</sup> [http://ec.europa.eu/culture/index\\_en.htm](http://ec.europa.eu/culture/index_en.htm)

<sup>3</sup> Culture policy website: [http://ec.europa.eu/culture/our-policy-development/doc397\\_en.htm](http://ec.europa.eu/culture/our-policy-development/doc397_en.htm)

<sup>4</sup> Established for the period 2007-2013 by European Parliament/Council Decision n° 1855/2006/EC on 12 December 2006 and published in the EU Official Journal n° L 372 on 27 December 2006.

<sup>5</sup> [http://ec.europa.eu/regional\\_policy/index\\_en.htm](http://ec.europa.eu/regional_policy/index_en.htm)

<sup>6</sup> The announcement of the Programme Guide is published in the EU Official Journal: C 141/27 on 7 June 2008

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

## **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 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<sup>8</sup>, 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.

It 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. Paper versions of applications must be sent to the postal address indicated under Chapter II.1. In the future it will also be possible to apply on-line.

## **I.3 Who Can Participate**

### **I.3.1 Eligible Actions and Applicants**

The Programme supports projects, organisations, promotional activities and research in all branches of culture, except the audiovisual branch for which there is a separate programme named MEDIA<sup>9</sup>. Cultural operators, including cultural enterprises, can

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<sup>8</sup> 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.

<sup>9</sup> [http://eacea.ec.europa.eu/media/index\\_en.htm](http://eacea.ec.europa.eu/media/index_en.htm)

participate in the Programme as long as they are acting in a non-profit-making cultural capacity.

Eligible applicants must:

- be a *public*<sup>10</sup> or private organisation with legal personality, whose principal activity is in the cultural sphere (cultural and creative sectors); and
- have their registered legal seat in one of the *eligible countries*.

Natural persons are not eligible to apply for a grant under this Programme.

### **I.3.2 Eligible Countries**

Countries eligible under this Programme are:

- EU Member States<sup>11</sup>;
- EEA<sup>12</sup> countries (Iceland, Liechtenstein, Norway);
- Countries candidate to EU membership (Croatia, Turkey and Former Yugoslav Republic of Macedonia) plus Serbia.

The countries of the western Balkans (Albania, Bosnia-Herzegovina and Montenegro) could become eligible in the future, subject to the conclusion of a Memorandum of Understanding concerning the participation of each of those countries in the Programme<sup>13</sup>.

All those countries that are not included in the above list of *eligible countries* are referred to as *Third Countries*.

## **I.4 Objectives and Strands of the Culture Programme**

### **I.4.1 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 *eligible countries*<sup>14</sup>, with a view to encouraging the emergence of European citizenship.

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<sup>10</sup> Public organisation is considered as any organisation, any part of whose costs are financed from the State budget as of right, either by central, regional or local government. That is, these costs are financed from public sector funds raised through taxation or fines or fees regulated by law, without going through an application process which might result in their being unsuccessful in obtaining funds. Organisations that depend on state funding for their existence and receive grants year after year, but for which there exists at least the theoretical possibility that they may fail to receive money in a given year are considered to be private organisations.

<sup>11</sup> The 27 EU Member States: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

<sup>12</sup> European Economic Area.

<sup>13</sup> Further information on developments concerning these Third Countries will be announced on the website of the Executive Agency: <http://eacea.ec.europa.eu>

<sup>14</sup> See Chapter I.3.2 for the list of eligible countries.

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 focussed 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.4.2 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 four categories, which are detailed below.

#### **Strand 1.1: Multi-annual Cooperation Projects (lasting from three to five years)**

The first category seeks to foster multi-annual, trans-national cultural links by encouraging a minimum of six cultural operators from at least six *eligible countries* to cooperate and work within and across sectors to develop 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 *eligible countries* over a maximum period of two years. Actions that explore means of long-term co-operation are especially targeted. Funds of between EUR 50.000 and 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: 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.8.

The action must generate a concrete international cooperation dimension. The cooperation projects involve at least three cultural operators, from at least three *eligible countries* and cultural cooperation with at least one organisation from the selected *Third Country* and/or involve cultural activities carried out in the selected *Third Country*. Funds of between EUR 50.000 and maximum EUR 200.000 are available, but EU support is limited to maximum 50% of the total *eligible cost*.

### **Support for Organisations Active at European Level in the Field of Culture (Strand 2)**

Cultural organisations working, or wanting to work, at European level in the field of culture can receive support for their operating costs. This *strand* targets organisations that promote a sense of shared cultural experience with a truly European dimension.

The grant awarded under this *strand* is a support to operating costs incurred for the permanent activities of *beneficiary* organisations. 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.

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

- a) Ambassadors
- b) Advocacy networks
- c) Festivals
- d) Policy support structures for the Culture Agenda, further divided into two subcategories:
  - i) Structured dialogue platforms
  - ii) Policy analysis groupings

Funds of maximum between EUR 100.000 and EUR 600.000 are available, depending on the category applied for, but EU support is limited to maximum 80% of the total *eligible costs*.

### **Support for Analyses and for the Collection and Dissemination of Information and for Maximising the Impact of Projects in the Field of Cultural Cooperation (strand 3)**

Support 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 Points<sup>15</sup> are funded in all *eligible countries*.

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

## **I.5 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.

2008: Year of Intercultural Dialogue, which is one of the Programme's general objectives

2009: Year of Creativity and Innovation

2010: Year for Combating Poverty and Social Exclusion

Links can also be developed with any future years which may be devoted to other themes beyond 2010.

## **I.6 Who Manages the Programme**

### **I.6.1 The European Commission**

The European Commission's Directorate General for Education and Culture (DG EAC) is responsible for the Programme and directly manages some of its activities, while most of them are implemented by delegation<sup>16</sup> through the Education,

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<sup>15</sup> See Chapter I.6.3 for more details.

<sup>16</sup> Commission Decision of 26 April /2007 delegating powers to the Education, Audiovisual and Culture Executive Agency with a view to performance of tasks linked to implementation of Community

Audiovisual and Culture Executive Agency, which operates under its control and is also based in Brussels (Belgium).

The following activities, all falling under *strand* 1.3 of the Programme except 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 as indicated next to each activity):

- Support to the European Capitals of Culture<sup>17</sup>
- Awarding of European prizes in the cultural field<sup>18</sup>
- Support to cooperation with international organisations<sup>19</sup>
- Special actions<sup>20</sup>
- Support for the collection and dissemination of information and for maximising the impact of projects in the field of cultural cooperation<sup>21</sup> (*strand* 3.3).

### **I.6.2 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 last two:

- 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)
- Cultural Cooperation projects with *Third Countries* (*strand* 1.3 – see Chapter IV for more details)
- Support for Organisations Active at European level in the Field of Culture (*strand* 2) (see Chapter VI for more details)
- Support for Cultural Contact Points (*strand* 3.1)
- Support for Analyses in the Field of Cultural Cooperation (*strand* 3.2)

### **I.6.3 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.

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programmes in the fields of education, audiovisual and culture, including in particular the implementation of appropriations entered in the Community budget No C(2007) 1842, as amended on 26 May 2008.

<sup>17</sup> [http://ec.europa.eu/culture/our-programmes-and-actions/doc413\\_en.htm](http://ec.europa.eu/culture/our-programmes-and-actions/doc413_en.htm)

<sup>18</sup> [http://ec.europa.eu/culture/our-programmes-and-actions/doc511\\_en.htm](http://ec.europa.eu/culture/our-programmes-and-actions/doc511_en.htm)

<sup>19</sup> [http://ec.europa.eu/culture/our-policy-development/doc403\\_en.htm](http://ec.europa.eu/culture/our-policy-development/doc403_en.htm)

<sup>20</sup> [http://ec.europa.eu/culture/our-programmes-and-actions/doc417\\_en.htm](http://ec.europa.eu/culture/our-programmes-and-actions/doc417_en.htm)

<sup>21</sup> [http://ec.europa.eu/culture/our-programmes-and-actions/doc505\\_en.htm](http://ec.europa.eu/culture/our-programmes-and-actions/doc505_en.htm)

While this guide is meant to respond to general information needs, the Cultural Contact Points have been established in all *eligible countries* 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 individual 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](http://ec.europa.eu/culture/annexes-culture/doc1232_en.htm)

## **I.7 Budget**

The Programme has a total budget of EUR 400 million<sup>22</sup> 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 different strands mentioned in this guide. The annual breakdown of funds will be published on the website of the Executive Agency as soon as adopted.

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<sup>22</sup> Non-EU *eligible countries* also contribute to the Programme's budget.

## I.8 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 selection results at latest	Starting date	Duration
<b>Strand 1.1</b> Multi-annual Cooperation Projects	1 October	31 March of the following year	1 May of the following year	3 to 5 years
<b>Strand 1.2.1</b> Cooperation Projects	1 October	31 March of the following year	1 May of the following year	Max. 24 months
<b>Strand 1.2.2</b> Literary Translation Projects	1 February	31 July of the same year	1 September	Max. 24 months
<b>Strand 1.3</b> Cultural Cooperation Projects with Third Countries*  *the selected Third Countries will be announced every year on the Executive Agency's website	1 May	30 September of the same year	1 November	Max. 24 months
<b>Strand 2</b> Annual operating grant for organisations active at European level in the field of Culture: a) Ambassadors b) Advocacy Networks c) Festivals d) Policy support structures for the Culture Agenda	1 November	31 March of the following year	The financial year following the submission of the application	<i>The financial year</i>
<b>Strand 2</b> Framework partnership (3 years) for organisations active at European level in the field of culture a) Ambassadors b) Advocacy Networks c) Festivals d) Policy support structures for the Culture Agenda	1 November 2010	31 March 2011	<i>The financial year 2011</i>	<i>The financial years 2011-2013</i>

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 application and the publication of selection results the following procedures take place:

- The assessment and selection of applications
- The consultation of representatives from the *eligible countries* in the *Programme Committee* and the European Parliament regarding the selection results, which takes a minimum of six weeks.

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

## CHAPTER II Application and Selection Procedure

### II.1 Applications

Proposals must be submitted by the set deadline for each *strand* of the Programme, using the official application form that may be downloaded from the website of the Executive Agency.<sup>23</sup>

Application packages are not returned at the end of the selection procedure.

Proposals 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<sup>24</sup>.

No changes to the dossier can be made after the application has been submitted. However, if there is a need to clarify certain aspects, the Executive Agency may contact the applicant for this purpose.

Address to which the proposals 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 award of EU grants 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 according to a general procedure, which is completed through the following steps.

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<sup>23</sup> The links relevant to each *strand* are indicated in Part Two of the Programme Guide.

<sup>24</sup> January 1 - New Year's Day, January 2 - day after New Year's day, Easter Monday, May 1 - Labour Day, May 9 - Europe Day, Ascension Day, Whit Monday, July 21 - Belgian National Holiday, August 15 - Assumption Day, November 1 - All Saints' Day, December 24pm – Christmas Eve, December 25 - Christmas Day, December 31 - New Year's Eve.

## II.2.1 Eligibility Criteria

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

A proposal is eligible if:

- it fulfils the eligibility criteria and the conditions of the specific Programme *strand* for which it is submitted
- it is sent by the deadline of submission of proposals set in the Calendar under Chapter I.8 (date as postmark or mail service stamp); proposals sent by fax or e-mail are not eligible
- it is written in one of the EU official languages<sup>25</sup>.

*NB. 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, one copy of the application form, all annexes to the application form and requested supporting documents; proposals that are not complete and valid (i.e. original documents missing) by the set deadline of submission are not eligible;
- it is signed.

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

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

### II.2.1.1 Legal Status

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

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<sup>25</sup> [http://europa.eu/abc/european\\_countries/languages/index\\_en.htm](http://europa.eu/abc/european_countries/languages/index_en.htm)

### **Legal entities governed by public law**

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

### **Legal entities governed by private law**

- ❖ the Legal Entity identification form\* duly completed and signed<sup>26</sup>
- ❖ 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 (statute of entity)

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

[http://www.ec.europa.eu/budget/execution/legal\\_entities\\_en.htm](http://www.ec.europa.eu/budget/execution/legal_entities_en.htm)

## **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 EU general budget<sup>27</sup> (hereafter "the Financial Regulation") set out below.

<sup>26</sup> Please do not indicate any VAT number if you are not subject to VAT.

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

[http://ec.europa.eu/dgs/budget/index\\_en.htm](http://ec.europa.eu/dgs/budget/index_en.htm)

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 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 allows assessing whether:

- the applicant organisations have the professional competences 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)<sup>28</sup>;
- ❖ 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*).

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<sup>28</sup> 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 case this activity report is in another official language of the European Union.

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

- ❖ profit and loss accounts together with the balance sheets for the last *financial year* for which the accounts have been closed (and not older than 18 months).

The last two requirements do not apply to:

- *public organisations* and international organisations under public law established by inter-governmental agreements and specialist agencies created by such organisations.

### II.2.3.2 External Audit Report

Grant for projects

If the requested EU grant is more than EUR 500.000, the application must be accompanied by an audit report produced by a registered and independent external auditor, certifying the accounts for the last year available (and in any case not older than 18 months).

This applies to the applicant's (*coordinator*) accounts only.

Operating costs

All requests for an operating grant (*strand 2*) of more than EUR 100.000 have to be accompanied by an audit report produced by a registered independent external auditor, certifying the accounts for the last year available (and, in any case, not older than 18 months).

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

## **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 *eligible countries*<sup>29</sup>.

The *evaluation committee* makes a recommendation for the distribution of the grants. It proposes a list of organisations or projects meriting a grant based on the scoring received.

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

For all selections, the list of proposals to co-finance is submitted to the *Programme Committee*, composed of representatives of the *eligible countries*, for their opinion and is, subsequently, transmitted to the European Parliament for its *right of scrutiny*.

This consultation process takes a minimum of six weeks.

## **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 EU grant awarded and setting the conditions under which the grant is awarded (for more information on the *Grant Agreement / Grant Decision* please refer to Chapter V.8).

## **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](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.

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

## CHAPTER III Financial and Other Conditions

### III.1 Financial Conditions

As with all EU grants, financial contributions awarded under the Culture Programme are subject to the rules deriving from the Financial Regulations, such as the General Conditions<sup>30</sup>. Their application 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 is only granted after assessment of the interim (if any) and final report and can be reduced on inspection of the actual implementation of the action.

The *beneficiary* and *co-beneficiary's* (where applicable) *bank account* 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 calculated according to the flat-rate based financing (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 EU budget for the same action. An organisation may be awarded only one operating grant per *financial year*.

Organisations which have applied or plan to apply for another EU grant under the Culture Programme or under any other programme of the European institutions 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 a grant for projects, the staff costs of the organisation can not be taken into

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<sup>30</sup> As annexed to the Grant Agreement and Grant Decision are available on the website of the Executive Agency.

consideration in the *eligible budget* for the project, as the staff costs are in principle covered by the operating grant. The same rule applies for the 7% indirect costs (see Chapter III.3.1), which are also covered 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 such cases, expenditure eligible for financing may not have been incurred prior to the date of submission of the grant application.

#### **III.1.5 Non-Profit<sup>31</sup>**

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 EU grant will be reduced accordingly after the analysis of the final report taking into consideration the information in the application (Article 173 of the Financial Regulation's Implementing Rules: '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 (accounting rate), 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.

Grants calculated according to the flat-rate based financing for Literary Translation (see Chapter III.3.2) are not affected by this rule.

#### **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 the financial capacity form and the official accounts of the organisation (see Chapter II.2.3.1), the Executive Agency considers 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.

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<sup>31</sup> For further details, please see "non-profit rule" Article 165 of the Financial Regulation's Implementing Rules.

This financial guarantee, in Euro (hereafter "EUR"), shall be provided by an approved bank or financial institution established in one of the EU Member States. If the *beneficiary* is established in another *eligible country*, 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 an EU Member State.

The guarantee may be replaced by a joint and several guarantees by a third party or by a joint guarantee of 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*.

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

### **III.2 Type 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) and cultural cooperation projects with *Third Countries* (*strand* 1.3). 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 as they provide financial support to costs necessary for the proper conduct of the usual and permanent activities of an organisation. These costs include staff costs, costs of internal meetings, publications, information and dissemination and other costs directly linked to the organisation's work programme.

### **III.3 How the Grant is Calculated**

The grant is calculated either based on:

- a detailed budget (see Chapter III.3.1)
- or
- a flat rate financing<sup>32</sup> (see Chapter III.3.2).

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<sup>32</sup> This type of co-funding is subject to a decision of the Commission.

### III.3.1 Budget Based Financing

Budget based grants are calculated on the basis of a balanced, detailed estimated budget, established in EUR. The calculation of the final grant amount is based on a detailed final financial statement accompanied by supporting documentation for the expenditure.

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

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

The applicant must indicate the sources and amounts of all other finance receiving or requested during the *eligibility period* and for any other action.

Beneficiaries and co-beneficiaries (where applicable) undertake to implement actions as submitted 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.

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, 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.

Applicants from countries outside the "euro zone" must use the official EUR exchange rate (accounting rate) published by the Commission's Directorate General of Budget<sup>33</sup> for the month preceding their application.

#### III.3.1.1 Eligible Costs

Eligible costs of the action are costs actually incurred by the *beneficiary* or *co-beneficiary* (where applicable), which meet 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;

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<sup>33</sup> <http://ec.europa.eu/budget/inforeuro>

- 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-beneficiary* 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-beneficiary* (where applicable)

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.

**Attention: 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, those of *co-beneficiaries*. 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 Commission<sup>34</sup>;

<sup>34</sup> For further details regarding the daily allowance, please have a look at the Executive Agency's website.

- rental or purchase cost of durable equipment (new or second-hand). The equipment concerned must be depreciated in accordance with the tax and accounting rules applicable to the beneficiaries and where appropriate, those of co-beneficiaries, and generally accepted for equipment of the same type. Only the proportion of the equipment's *depreciation* corresponding to the duration of the action and the rate of actual use for purposes of the action may be taken into account, except where the nature and/or the context of its use justifies different treatment;
- cost of consumables and supplies;
- costs of the certification of the final financial statements and of the audit report of annual accounts, where applicable, certifying the actions financial statements requested with the final financial statement (see Chapter III.7);
- cost arising from contracts awarded by the *beneficiary* or the *co-beneficiaries* 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).

**Attention 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-beneficiary* must not exceed 15% of the total *eligible budget*.

This rule does not apply to projects submitted under Stand 1.3, Cultural Cooperation projects with *Third Countries*.

**Attention 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-beneficiary*.

**Eligible indirect costs (administrative/operating costs)**

These are general administrative/operating costs incurred by the *beneficiary*, or, where applicable, the *co-beneficiaries* 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 and a maximum of EUR 180.000<sup>35</sup>, is eligible under *indirect costs*.

<sup>35</sup> For Multi-annual Cooperation projects (strand 1.1).

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

### **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 EU grant
- excessive or reckless expenditure
- *contributions in kind*

### **III.3.2 Flat Rate Based Financing**

The flat rates have been introduced to simplify the 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 organisation – 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 to decide how to best use 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 the automatic calculation of the potential grant.

## **III.4 Grant Agreement or Grant Decision**

EU support to successful proposals takes the form of a *Grant Agreement* or a *Grant Decision* between the Executive Agency and the *beneficiary*.

### **III.4.1 Grant Agreement**

The *Grant Agreement* (in two original sets), 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 *strand 2* (operating grants), and is implemented through 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 the following *strands*:

- Operating Grant (strand 2), and
- Literary Translation projects (*strand 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 and – if accepted – an amendment to the *Grant Agreement / Grant Decision* shall be sent to the co-organiser. Requests for an extension of more than 3 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**

Where implementation of the action requires subcontracting or the awarding of a procurement or service contract, the *beneficiary* and, where applicable, its *co-beneficiaries* must obtain competitive tenders from potential contractors (a minimum of 5 offers for procurement above EUR 60.000) and award the contract to the bid offering best value for money, observing the principles of transparency and equal treatment of potential contractors and taking care to avoid *conflicts of interests*.

The value of the subcontracting cannot exceed 1/3 of the awarded EU grant.

The *beneficiary* and where applicable its *co-beneficiaries* 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 control in case of audit.

### **III.6 Reporting Obligations**

Payment of further pre-financing / balance of the grant shall be made after check 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 on Final Financial Statements**

For all cooperation projects (*strands* 1.1, 1.2.1 and 1.3) the final financial statements and underlying annual accounts have to be certified by a registered and independent external auditor. In case of an operating grant (*strand* 2), this is required if the awarded grant is equal to or more than EUR 100.000. In case of public organisations, this certification may be produced by a competent and independent public officer.

The certificate shall be attached to the request of final payment made by the *beneficiary* certifying the following:

"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* / *Grant Decision*."

### **III.8 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* / *Grant Decision* and all the requested guarantees are received, if applicable. A pre-financing may be divided into different instalments. Please see specific strands in Part Two for more details.

For Grant Decisions, the *beneficiary* should confirm his intention to implement the action, by written notice within 10 calendar days from the notification of the Grant

Decision. A pre-financing payment shall be made within 45 days from the receipt of this confirmation, and if applicable, from 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.

Where applicable, the pre-financing payment is intended to provide cash flow to the *beneficiary* and where applicable to the *co-beneficiaries*.

If the pre-financing paid into the *beneficiary* and *co-beneficiary's* (where applicable) *bank account/s* give rise to interest or equivalent profits in accordance with the legislation of the country where the account is held and provided that the pre-financing is more than EUR 50.000 such interest shall be recovered by the Executive Agency.

### **Interim payment**

Where applicable, an interim payment is intended to reimburse the *beneficiary* for expenditure on the basis of a detailed statement of the costs incurred once the action has reached a sufficient level of completion as defined in the relevant *Grant Agreement*. It may clear all or part of any pre-financing.

### **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 specific *strands* in Part Two.

In case the *beneficiary* is established in a country outside the "euro zone", the expenses should be converted into EUR, using the official euro exchange rate<sup>36</sup> (accounting rate), for the month of the submission of the final report as foreseen in the *Grant Agreement / Grant Decision*<sup>37</sup>. For the Operating Grants, beneficiaries are to use the exchange rate of the seventh month of their financial year.

## **III.9 Audits**

Selected applications may be subject to audits. The responsible person in the organisation undertakes to provide evidence that the EU grant 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.

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<sup>36</sup> <http://ec.europa.eu/budget/inforeuro/>

<sup>37</sup> The latest date of submission of the final report is stipulated in the Grant Agreement/Grant Decision.

### III.10 Visibility, Publicity, Exploitation and Dissemination of Results

#### III.10.1 Visibility and Publicity

All activities funded have to contribute to promoting the Programme. Enhancing visibility means that actions and products funded within the Programme must clearly mention that they have received EU support. This support should also be made known in relations with the media.

Beneficiaries and co-beneficiaries should make use of all opportunities to ensure appropriate media coverage (local, regional, national, 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 to the wider public that the EU is supporting an action of good quality and which interests them directly.

Visibility is mainly to be ensured while the action takes place. Therefore, it should be integrated in the planning of the action. Co-ordinator and co-beneficiaries must clearly acknowledge the EU grant 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 EU, 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 on the following website:

[http://eacea.ec.europa.eu/about/logos\\_en.htm](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 coordinator and co-organisers
- amount awarded and rate of co-financing
- content of the action co-financed
- a summary of the results achieved
- a concise presentation of the action co-financed and what it entailed aimed at the general public. This presentation is provided by applicants upon submission of the application and shall be updated when the action has been completed.

### III.10.2 Exploitation and Dissemination of Results

Exploitation and dissemination of the results of action(s) 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<sup>38</sup>.

A web-based tool called EVE<sup>39</sup> has been designed to facilitate the exchange of good practices and information for the exploitation and dissemination of results.

As a part of their obligations all recipients of EU grants under the Programme shall input the necessary data into EVE as requested.

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(s) more visible, better known and sustainable.

For example, they could plan to produce material facilitating the dissemination and exploitation of results, like flyers, DVDs, websites, publications etc. Because of these activities, the results of an action will continue to be used and have a positive effect on the largest possible number of people once the action has come to an end.

By planning exploitation as part of their action(s), *beneficiary* and *co-beneficiary* (where applicable) 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.

In particular, Multi-annual Cooperation projects shall plan a yearly trip to Brussels or to any other venue indicated by the Commission or the Executive Agency, to showcase their action(s). This travel cost has to be incorporated in their budget already at application stage.

### III.11 Search for Partner and Information on Actions Already Financed

Information on organisations and activity(ies) already financed under the Culture Programmes is available on the following websites:

For Culture Programme 2000:

[http://ec.europa.eu/culture/our-programmes-and-actions/doc411\\_en.htm](http://ec.europa.eu/culture/our-programmes-and-actions/doc411_en.htm)

For Culture Programme (2007-2013):

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

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<sup>38</sup> A more complete glossary of dissemination and exploitation activities is available on:  
[http://ec.europa.eu/dgs/education\\_culture/valorisation/glossary\\_en.html](http://ec.europa.eu/dgs/education_culture/valorisation/glossary_en.html)

<sup>39</sup> [http://ec.europa.eu/dgs/education\\_culture/eve/index.html](http://ec.europa.eu/dgs/education_culture/eve/index.html)

### **III.12 Legal Basis**

The following rules, as well as any future updates or amendments they might be subject to, 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 EU general budget;
- 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 (Financial Regulation's Implementing Rules);
- Council Regulation (EC, EURATOM) No 1995/2006 of 13 December 2006 amending Regulation (EC, EURATOM) No 1605/2002 on the Financial Regulation applicable to the EU general budget;
- 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)

#### IV.1      Introduction

Multi-annual Cooperation projects (*strand 1.1*), Cooperation projects (*strand 1.2.1*) and Cultural Cooperation projects with Third Countries (*strand 1.3*) can be realised in all sectors of culture. They should enhance the cultural area shared by Europeans with a view to encouraging the emergence of a sense of European citizenship. The Cultural Cooperation projects with *Third Countries* should in addition create understanding between the European and *Third Countries* cultures.

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

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*, or the one to whom the *Grant Decision* is addressed.
- **Co-organiser:** a cultural operator from an *eligible country* 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*.

In case the project is selected for co-financing, each *co-organiser* must sign a *mandate* 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 project. The model *mandate* is provided by the Executive Agency. Signed *mandates* of all co-organisers are annexed to the *Grant Agreement / Grant Decision*.

- **Associated Partner:** a cultural operator from an *eligible country* or a *Third Country*, who takes part in the implementation of the proposed activities of a project, but not the same 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*.
- **Partner in the Third Country (strand 1.3):** 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

partner(s) 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**

### **When to apply**

Applications may be submitted every year according to the Calendar in Chapter I.8.

### **How to apply**

Please refer to Chapter II (Applications).

## **IV.3 Who is Eligible to Apply**

Eligible applicants

- must be a *public* or private organisation with legal personality, whose principal activity is in the cultural sphere (cultural and creative sectors);
- must have their registered legal seat in one of the *eligible countries*<sup>40</sup>;

They must have the professional competencies and qualifications required to complete the proposed action and have stable and sufficient sources of funding to maintain the proposed activities throughout the period during which the action is being carried out and to participate in its financing (see Chapter II.2.3.1).

Natural persons are not eligible to apply for a grant under this Programme.

## **IV.4 What Projects are Eligible**

### **IV.4.1 Multi-annual Cooperation Projects (strand 1.1)**

must :

- correspond to the specific objectives of the Programme (promote trans-national mobility of people working in the cultural sector; encourage trans-national circulation of cultural and artistic works and products; or encourage intercultural dialogue);
- have a duration of between three and five years;
- involve a minimum of six cultural operators from six different *eligible countries*;
- be based on a *Cooperation Agreement* between the cultural operators involved. This document is signed by the *coordinator* and *co-organisers* and describes their cooperation;
- request a grant between EUR 200.000 and EUR 500.000 for each year of activity;

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<sup>40</sup> See Chapter I.3.2

- present a balanced budget (expenditure = income) and comply with the maximum ceiling EU co-funding set at 50% of the total *eligible budget*.

#### **IV.4.2 Cooperation Projects (strand 1.2.1)**

Cooperation projects must :

- correspond to the specific objectives of the Programme (promote trans-national mobility of people working in the cultural sector; encourage trans-national circulation of cultural and artistic works and products; or encourage intercultural dialogue);
- have a duration of maximum 24 months;
- involve a minimum of three cultural operators from three different *eligible countries*;
- request a grant between EUR 50.000 and EUR 200.000 present a balanced budget (expenditure = income) and comply with the maximum ceiling of EU co-funding set at 50% of the total *eligible budget*.

#### **IV.4.3 Cultural Cooperation Projects with Third Countries (strand 1.3)**

Cultural Cooperation projects with Third Countries must:

- generate a real European added value as well as an international cooperation dimension;
- have a duration of maximum 24 months;
- involve a minimum of three cultural operators from three different *eligible countries*;
- involve cultural cooperation with at least one organisation from the selected *Third Country*. At least 50% of the action should take place in the *Third Country*;
- be based on a *Cooperation Agreement* between the cultural operators involved (*coordinator, co-organiser and partner(s) in the Third Country*). This document is signed by the *coordinator and co-organisers* and describes their cooperation;
- request a grant between EUR 50.000 and EUR 200.000;
- present a balanced budget (expenditure = income) and comply with the maximum ceiling EU co-funding set at 50% of the total *eligible budget*.

**Attention I:**

The projects referred to under Chapters IV.4.1 – IV.4.3 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.

**Attention II:**

Proposals for projects submitted by cultural operators who, in their capacity as coordinators (beneficiaries) receive funding for an ongoing Multi-annual Cooperation project in the framework of the 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 another Multi-annual Cooperation project (strand 1.1) or a cooperation project (strand 1.2.1) nor a Cooperation project in Third Countries (strand 1.3) unless the eligibility period of the Multi-annual Cooperation projects is over at the moment of the beginning of the new eligibility period of the other projects.

## IV.5 Selection Criteria

### Operational and Financial capacity

(please see Chapter II.2.3 Selection criteria)

## IV.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 can be outlined 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 activities proposed are designed and can be carried out successfully with a high **level of excellence**
- 4) the **quality of partnership** between coordinator and co-organisers
- 5) the extent to which the activities can produce **outputs** which achieve the objectives of the Programme
- 6) the extent to which the results of activities proposed will be appropriately **communicated** and **promoted**
- 7) the extent to which the activities can generate a long lasting impact (**sustainability**)
- 8) **international cooperation** dimension (only for cooperation projects in Third Countries, *strand 1.3*)

Projects will be assessed on a scale from 0 to 35 points. For *strand* 1.3 projects will be assessed on a scale from 0 to 40 points. A ranked list of the projects, which receive, at least, 3,5 points for each award criterion from 1) to 3) - and 8) for *strand* 1.3 projects - and, at least, 75% scoring in total, will be compiled.

### 1) European Added Value (0-5 total points)

Pursuant to the general objectives of the Programme, the activities proposed are supposed to enhance the cultural area shared by Europeans through the development of **cultural cooperation** between artists, stakeholders and cultural institutions in the *eligible countries*. 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 EU funding or cooperations that have been specifically designed to carry out the project in question.

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

The extent to which the activities proposed 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 **transnational circulation of artistic and cultural works and products**;
- encouraging **intercultural dialogue**.

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

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

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

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

- The degree of **originality, innovation and creativity** of the proposed activities;

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

#### 4) Quality of partnership (0-5 total 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-organiser to project management : method of management applied to the proposed activities, clarity of the tasks assigned to the staff and clear description of the role of each co-organiser involved in the project;
- The **consistency** between the activities proposed, the budget allocated to each of them and the staff available to implement the project;
- The **quality of application and budget**: seriousness and completeness of the application, clarity and relevance of proposed methodology, clarity of the project description in terms of objectives-activities-outputs and detailed nature of the budget breakdown.

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

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

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

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

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

- The **relevance of the communication plan** with respect to the type of the project and the target audience;
- The **relevance and adequacy of the budget** assigned to the communication/dissemination/promotion plan with respect to the direct and indirect impact expected;

- The **methodology** used to ensure the visibility of the activities proposed, the detailed communication/dissemination/promotion plan and the various promotional tools (website, press, brochures, radio, etc.) used.

## **7) Long-term impact - Sustainability (0-5 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 level.

**Only for *strand* 1.3: Cultural Cooperation Projects with Third Countries.**

## **8) International Cooperation Dimension (0-5 total 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 mentioned in Chapter IV.4.3.

### **IV.7 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 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.8 Use of Grant Agreement / Grant Decision**

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

## IV.9 Payment Arrangements

### IV.9.1 Pre-financing

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

Pre-financing is intended to provide the *beneficiary* with a cash flow and may be divided in a number of installments according to the duration of the project co-financed.

Requests for further pre-financing payments (if applicable) or the interim payment should be accompanied by the submission of interim reports. The interim report should contain an interim technical implementation report and interim financial statements (ie. financial accounts, list of invoices), thereby providing an overview of the progress of the project from an implementation and financial point of view.

The possibility of several pre-financing payments exists<sup>41</sup> only for Multi-annual Cooperation projects (*strand* 1.1).

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<sup>41</sup> It is reminded that Multi-annual Cooperation projects must have a duration of minimum 3 (36 months) and maximum 5 years (60 months).

**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 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.

**Attention**

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-financings 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 cultural cooperation projects with Third Countries (strand 1.3), a pre-financing payment shall be made in the following way:**

A pre-financing payment corresponding to 70% of the awarded grant following the procedure in Chapter III.8.

#### **IV.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, a final report shall be submitted in line with the deadline specified in the *Grant Agreement / Grant Decision*. The final report shall contain a final technical implementation report and final financial statement (including list of invoices and certificate on the financial statement, see Chapter III.7), thereby providing a full account of the project's results and costs incurred. Copies of the project products (i.e. publication, poster, invitation, DVD, CD-rom, T-shirt, a.o.), 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*.

These documents are available on the website of the Executive Agency.

If the *eligible costs* actually incurred by the coordinator/co-organisers during the project are lower than anticipated, the Executive Agency shall apply the rate of co-financing, quoted in the *Grant Agreement / Grant Decision*. 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**

This *strand* aims to enable the largest possible spread of European literature among European citizens through the support of the translation and publication of European literature into the different languages of the countries participating in the Programme. In order to encourage the European added value and European integration, special attention will be given to:

- a) the translation of high quality literature at European level for the broadest possible public and
- b) the translation of literature from those countries that have joined the EU since 2004.

### **V.2 Submission of Applications**

#### **When to apply**

Applications may be submitted every year. For details, please see Calendar in Chapter I.8.

#### **How to apply**

Please refer to Chapter II (Applications).

### **V.3 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 *eligible countries*.

### **V.4 What Projects are Eligible**

Translation of works of fiction from one European language into another European language is eligible.

#### **V.4.1 Eligible Works**

- Only works of fiction are eligible, irrespective of their literary genre, such as, novels, tales, short stories, theatre plays, poetry, comics;
- Applicants shall not propose more than 10 works of fiction for translation per selection round;

- Works must have been already published;
- Works may not have been previously translated into the target language;
- The grant applied for is between EUR 2.000 and EUR 60.000 per selection round;
- The duration of the project shall not exceed 24 months.

The project cannot start before the earliest starting date indicated in the Calendar (see Chapter I.8).

#### V.4.2 Eligible Languages

Eligible languages are the official languages<sup>42</sup> of the *eligible countries* plus Latin and ancient Greek.

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;
- A European dimension must be proved in order to avoid the translation of national literature into another official language of the same country<sup>43</sup>;
- Works to be translated must be written by authors who are nationals of or residents in an *eligible country*;
- The target language must be the translator's mother tongue, except in case of lesser-used languages if the publisher duly demonstrates that he can not find a suitable translator.

#### V.5 Selection Criteria

Operational capacity

(Please see Chapter II.2.3 Selection criteria).

For translation projects the assessment of the *operational capacity* is based in particular on the following:

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

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

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<sup>42</sup> As defined by the Constitution or by the basic laws of the respective country.

<sup>43</sup> For example, the translation of an English book of an Irish author, by an Irish publisher, in to Gaelic would not be eligible.

- Curriculum vitae of the legal representative of the applicant organisation and curriculum vitae of the person(s) responsible for the overall coordination of the proposed action;
- Activity report covering the past two years (such as catalogues);
- Any material to support the application (e.g. such as press release);
- 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;
- Copy of the contract between the publisher and the translator for each book proposed for translation;
- Copy of the contract covering translation rights for each book proposed for translation and, if needed, extension to this contract;
- Declaration on the honour signed by the owner of the rights, in the case of free cession of rights;
- Signed and dated declaration from the publisher that the name of the translator and the EU support shall be clearly indicated in each translated work.

## V.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. The final selection decision will in particular be determined on the basis of the *award criteria*.

The *award criteria* comprise qualitative and quantitative indicators and can be outlined 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 activities proposed are designed and can be carried out successfully with a high **level of excellence**
- 4) the extent to which the activities can produce **outputs** which achieve the objectives of the Programme
- 5) the extent to which the results of activities proposed will be appropriately **communicated** and **promoted**

Projects will be assessed on a scale from 0 to 25 points. A ranked list of the projects which receive at least 3,5 points for each award criterion from 1) to 3) and at least 75% scoring in total, will be compiled.

The *award criteria* are:

**1) The extent to which the project can generate a real European added value (0-5 points)**

Pursuant to the general objectives of the Programme, the activities proposed are supposed to help enhance the cultural area shared by Europeans in the *eligible countries*. In this respect, the following criteria will be assessed;

- The project's **European added value** as justified by the applicant in relation to his choice of works to be translated under the action. In other words, the extent to which this choice of works demonstrates an outlook that goes beyond local, regional or even national interests and aims to develop synergies at European-wide level;
- The way the choice of the proposed translation work may have a greater effect and their objectives can be better achieved at **European level** than at national level.

**2) The relevance of the activities to the specific objectives of the Programme (0-5 points)**

Assessment of the extent to which the translations proposed can promote in particular the following specific objectives of the Programme:

- Encouraging the **trans-national circulation of artistic and cultural works and products**;
- Encouraging **intercultural dialogue**.

**3) The extent to which the activities proposed are designed and can be carried out successfully with a high level of excellence (0-5 points)**

Translations not only have to meet the Programme's objectives, but also have to be carried out successfully with high quality. In this respect, the following criteria will be assessed:

- The **literary quality** of the work to be translated;
- The **seriousness** and **renown** of the publishing house as regard to 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 proposed methodology, clarity and feasibility of the proposed timetable of implementation, overall consistency of the budget and coherence and costs effectiveness of the budget breakdown relevant to each work proposed for translation.

**4) The extent to which the activities can produce outputs which achieve the objectives of the Programme (0-5 points)**

The activities proposed have to give as many European citizens as possible

improved access to European culture. In this respect, the following criteria will be assessed:

- The **number of translated books** which will be published taking into account the size of the country(ies) where the translation work is published and with average practices for the genre concerned.

**5) The result of the activities proposed has to be appropriately disseminated and promoted (0-5 points)**

In this respect, the following criteria will be assessed:

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

## **V.7 Financial Conditions**

No grant support will be given to books for which the translation costs are covered by other grants (private or public) or those which already have been translated into the target language requested.

The grant can cover translation costs provided these costs do not represent more than 50% of the total operating costs for translation and publication of the book(s) (applicable for budget based financing grants).

The grant is calculated according to the flat rate based financing. Only for poetry, the budget based financing applies.

### **V.7.1 Flat Rate Based Financing<sup>44</sup>**

Under this measure, the calculation is based on a fixed amount per page per language. One page is considered as 1500 characters without spaces.

The number of pages shall be calculated on the basis of the original language of the book. The rate to be used is the rate of the target language. The rates differ per language. The rates are based on the different cost levels for translation and publication in each of the languages. The grant is awarded in the form of a lump sum amount which constitutes the EU grant for the translation and publication of the book(s).

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<sup>44</sup> Commission Decision C(2008) 2781.

Flat rates applicable in the eligible countries per language<sup>45</sup>:  
(shown here in alphabetical order of the language codes)

Language	Code	Rate per page in EUR
Bulgarian	BG	12.6
Czech	CS	12.68
Danish	DA	15.77
German	DE	25.14
Greek	EL	18.49
English	EN	24.61
Spanish	ES	21.28
Estonian	ET	18.22
Finnish	FI	24.75
French	FR	23.89
Gaelic	GA	26.04
Croatian	HR	15.13
Hungarian	HU	18.18
Icelandic	IS	33.7

Language	Code	Rate per page in EUR
Italian	IT	27.87
Lithuanian	LT	15.73
Latvian	LV	17.05
Maltese	MT	17.20
Dutch	NL	23.38
Norwegian	NO	24.04
Polish	PL	16.15
Portuguese	PT	16.25
Romanian	RO	9.06
Slovakian	SK	12.68
Slovenian	SL	15.13
Serbian	SR	15.13
Swedish	SV	28.99
Turkish	TR	8.37

The rates will be regularly updated.

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

#### **An example:**

Calculation of the total grant:

- one book in Romanian language with 350 pages (1500 characters without spaces) to be translated into Dutch NL: 350 x 23,38 (flat rate for Dutch NL): The total calculated grant is EUR 8.183.

#### **V.7.2 Budget Based Financing for Poetry Only**

The amount of the grant 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 operating costs. Contrary to Chapter III, for budget based translation projects the following costs are considered eligible:

<sup>45</sup> The rates cover all other official languages of the countries concerned. Example: for Catalan and Basque, the Spanish rate applies. For the languages of the countries from the former Republic Yugoslavia such as, Slovenia, Serbia, Croatia and FYRO Macedonia the same rate applies.

### **Eligible direct costs**

Eligible direct costs are those costs which, in accordance with the eligibility conditions set out in the previous paragraph, can be identified as specific costs directly linked to the implementation of the action and which can therefore be booked to it directly.

In particular, the following direct costs are eligible, provided that they satisfy the criteria set out in the previous paragraph:

- the staff costs assigned to the action, i.e. actual payment to the translators 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*.

### **Ineligible costs**

The following costs are **not applicable** to Literary Translation projects:

- travel and subsistence allowances for staff participating in the action;
- rental or purchase cost of durable equipment (new or second-hand);
- cost of consumables and supplies;
- cost arising directly from requirements imposed by the implementation of the action (dissemination of information, specific evaluation of the action, audits, translations, reproductions, etc.), including, where applicable, the costs of any financial services (especially the cost of financial guarantees);
- refundable VAT.

### **Eligible indirect costs**

Not applicable

## **V.8 Grant Agreement / Grant Decision**

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

## **V.9 Payment Arrangements**

The grants awarded are paid in one instalment at the end of the action, once the final report is approved.

Documents requested for final payment are for

a) Flat rate based financing:

- Final report to be filled in for each translation, recording, amongst others, the name of the translator;

- One copy of each translated work.

b) Budget based financing for poetry only:

- Final report to be filled in for each translation, recording, amongst others, the name of the translator.
- Final financial statement, including supporting documents, indicating clearly the amounts with and without VAT;
- One copy of each translated 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 costs.

## **CHAPTER VI Support for Organisations Active at European Level in the Field of Culture (strand 2, Operating Grants)**

### **VI.1 Introduction**

This *strand* aims to co-finance expenditure regarding 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.

Four categories of organisations are eligible under this *strand*. An organisation can only apply for one of those categories or for one subcategory if it applies under category d).

#### **VI.1.1 Four Categories**

##### **a) Ambassadors**

Organisations which, through their influence in the cultural field at European level, have 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 *eligible countries*.

##### **b) Advocacy Networks**

Advocacy networks entrusted by the associated members of the network and which ensure a significant representation of specific category(ies) of cultural operators or the cultural fields at European level. The networks have to exist since at least one year.

The networks should gather members which are legally established in at least fifteen *eligible countries*. 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 *eligible countries*.

##### **c) Festivals**

Organisations carrying out festival(s) which perform supranational activities with clear European added value and geographical outreach as well as broad European visibility covering at least seven *eligible countries*. Festivals have to be renowned and recognised at European level and exist at least since five years.

Please note that the Programme does not support activities relating to the audiovisual and cinematographic sectors (such as film festivals).

## d) Policy Support Structures for the Culture Agenda

In the framework of the European Agenda for Culture<sup>46</sup>, support can be provided for organisations actively engaging in a structured dialogue with the European Commission 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 level<sup>47</sup> by the Council.

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<sup>48</sup>.

Two sub-categories of organisations may be supported under this category:

### i) Structured dialogue platforms

Culture civil society platforms engaged in a structured dialogue with the Commission in the framework of the European Agenda for culture.

Such structured dialogue platforms must respond to policy priorities defined by the Commission in specific calls for expression of interest<sup>49</sup> and conform to their specifications. The platforms are established further to the publication of each call for expression of interest by the Commission and focus on the themes indicated in each call.

The platforms shall be composed of non-governmental organisations from the cultural sector (such as networks, foundations, professional organisations) with a trans-national or European-wide dimension.

Members of the platform must represent collectively cultural operators established in at least fifteen *eligible countries*.

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<sup>46</sup> 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>

<sup>47</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2007:287:0001:0004:EN:PDF>

<sup>48</sup> [http://portal.unesco.org/en/ev.php-URL\\_ID=31038&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/en/ev.php-URL_ID=31038&URL_DO=DO_TOPIC&URL_SECTION=201.html)

<sup>49</sup> The first call has been published in 03/2008. See: [http://ec.europa.eu/culture/pdf/doc1203\\_en.pdf](http://ec.europa.eu/culture/pdf/doc1203_en.pdf)

## ii) Policy analysis groupings

Groupings of various types of private or public stakeholders<sup>50</sup> (such as cultural departments of national, regional or local authorities, cultural observatories or foundations, universities specialised in cultural affairs) which have direct and practical experience in the analysis, evaluation or impact assessment of cultural policies on one or more priorities linked to the European Agenda for culture as defined by the Council<sup>51</sup>.

Support can be given for such groupings to exchange and compare existing data and evaluation methodologies at national/local levels and produce new methodologies or data on the considered topic as well as to maximise the impact and have an EU wide reporting and dissemination of the results.

Groupings should gather members which are legally established in at least three *eligible countries*. Coordination and other eligible activities can be led and designed by one of the organisations which is a member of the grouping.

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

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

- Ambassadors: approximately 40% of the available budget
- Advocacy networks: approximately 30% of the available budget
- Festivals: approximately 20% of the available budget
- Policy support structures for the Culture Agenda: approximately 10% of the available budget

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

### **VI.1.2 Annual or Multi-annual Support**

Organisations can choose to apply either for:

#### **a) an annual operating grant (every year until 2013)**

Organisations may submit an application for an annual operating grant every year until the end of the Programme (please see Calendar Chapter I.8). Organisations which receive a multi-annual grant through a framework partnership do not have to apply for an annual grant for the duration of the framework 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

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<sup>50</sup> Public authorities may only be members of those "groupings", meaning that they may not be recipient of the grant. See point VI.3 Who is eligible.

<sup>51</sup> See Council Resolution referred to at the beginning of Chapter VI.1.1.d.

## **b) a framework 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 framework partnership. The next application date for such a partnership is 2010. The partnership formalises the organisation's relationship with the Executive Agency for 3 years, from 2011 - 2013, to enable it to achieve its long-term objectives.

Organisations that wish to apply for a framework partnership should submit in addition to a detailed annual work programme for the first 12 months (i.e. 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 provides in particular for 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 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 framework partnership.

## **VI.2 Submission of Applications**

### **When to apply**

- Annual operating grants: applications are possible every year up to 2012.
- Framework partnerships: applications are only possible in 2010.

For Calendar details please see Chapter I.8.

### **How to apply**

Please refer to Chapter II (Applications).

## **VI.3 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. Natural persons are also not eligible to apply for a grant;

- have existed legally for at least two years when the application is submitted<sup>52</sup>;
- have their registered office based in one of the *eligible countries*;
- be a non-profit-making organisation;
- have a legal mandate in the field of culture. Therefore, the applying organisation must be pursuing an aim of general European interest in the field of culture or an objective forming part of the EU policy in this area;
- fulfil the conditions for their category mentioned under Chapter VI.1.1.

#### **VI.4 Eligibility Period**

The period of eligibility must correspond to the applicant's *financial year*.

#### **VI.5 Selection Criteria**

Proposals shall be assessed on the basis of the *operational capacity* and *financial capacity*. (please refer to Chapter II.2.3)

#### **VI.6 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 framework 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 framework partnership, the selection decision will be taken on the basis of the planned achievements of the content and impact of the ***three-year action plan (2011-2013) and the detailed annual work programme for 2011 and its coherence*** with the organisation's three-year action plan, against the *award criteria* defined below.

For all categories, applications will be assessed on a scale from 0 to 30 points. A ranked list of the applications which receive at least 3,5 points for each award criterion from 1) to 3) and at least 75% scoring in total, will be compiled.

The *award criteria* are as follows:

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<sup>52</sup> Please note that for category b) Advocacy Networks, the minimum duration of legal existence is one year. Furthermore this rule does not apply for sub-category d) i) Structured Dialogue Platforms.

- 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

### **Common award criteria for all four categories**

#### **Ambassadors, Advocacy networks, Festivals and Policy support structures for the Culture Agenda:**

#### **Excellence of proposed cultural activities (criterion 3) (0-5 points)**

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

- The skills and experience of the persons in charge of the management and implementation of activities;
- The relevance of the activities proposed in terms of representing European culture at its highest level, the impact on both the European audience and the general public and the social dimension of the activities;
- The clarity and the consistency between the activities proposed, the budget allocated to each of them and the *operational* and *financial capacity* of the organisation;
- The quality of application and budget: seriousness and completeness of the application, clarity and relevance of proposed methodology, clarity of the action description in terms of objectives and activities;
- outputs and detailed nature of the budget breakdown.

#### **Communication and promotion of activities (criterion 5) (0-5 points)**

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

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

### **Sustainability (criterion 6) (0-5 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 trans-national mobility of people working in the cultural sector, to encourage trans-national circulation of cultural and artistic works and products and to encourage dialogue between cultures.

### **Additional specific award criteria for each of the four categories**

#### **a) Ambassadors:**

#### **European added value and European dimension of the proposed activities (criterion 1) (0-5 points)**

The following factors will be assessed:

- The way the objectives, methodology and nature of the proposed activities demonstrate an outlook that goes beyond local, regional or even national interests to work towards an aim of representing general European interest in the field of culture;
- The way 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 this European dimension is sought by the planned activities.

### **Relevance to the specific objectives of the Programme (criterion 2) (0-5 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) (0-5 points)**

The following factors will be assessed:

- The number of persons who might benefit directly and indirectly from the results of the activities proposed;
- The number of different European countries that will benefit from the activities proposed including the number of different, countries, places 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) (0-5 points)**

The following factors will be assessed:

- The way the objectives, methodology and nature of the proposed activities demonstrate an outlook that goes beyond local, regional or even national interests to work towards an aim of networking, providing advocacy and establishing structured dialogue in the general European interest in the field of culture;
- The way 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 applicant network represents bodies active in *eligible* or *Third Countries* and disseminates information on EU action, more particularly in order to promote Europe's cultural cooperation;
- The extent to which this European dimension is sought by the planned activities.

### **Relevance to the specific objectives of the Programme (criterion 2) (0-5 points)**

The extent to which the advocacy and dialogue activities can contribute to structure and nurture debates on the development of a European shared cultural area and give a stronger voice to the cultural field in Europe, both at sector and individual levels, will be assessed.

### **Expected level of outputs (criterion 4) (0-5 points)**

The following factors will be assessed:

- The number of persons who might benefit directly and indirectly from the results of the activities proposed;

- The number of different European countries that will benefit from the activities proposed including the number of different countries, places 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 EU Institutions.

**c) Festivals:**

**European added value and European dimension of the proposed activities (criterion 1) (0-5 points)**

With regard to the award criterion "European Added Value and European dimension of the proposed activities" the following factors will be assessed:

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

**Relevance to the specific objectives of the Programme (criterion 2) (0-5 points)**

With regard to the award criterion "Relevance to the specific objectives of the Programme" the extent to which the proposed European activities involve the mobility of people, works and performances and contribute to intercultural dialogue at European level will be assessed.

**Expected level of outputs (criterion 4) (0-5 points)**

With regard to the award criterion "Expected level of outputs" the following factors will be assessed:

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

**d) Policy support structures for the Culture Agenda:**

**European added value and European dimension of the proposed activities (criterion 1) (0-5 points)**

The following factors will be assessed:

- The way the objectives, methodology and nature of the proposed activities demonstrate an outlook that goes beyond local, regional or even national interests to work towards an aim of networking, providing advocacy and establishing structured dialogue in the general European interest in the field of culture;
- The way 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 applicant network represents organisations active in *eligible* or *Third Countries* and disseminates information on EU action, more particularly in order to promote Europe's cultural cooperation;
- The extent to which this European dimension is sought by the planned activities.

### **Relevance to the specific objectives of the Programme (criterion 2) (0-5 points)**

The extent to which the advocacy and dialogue activities can contribute to structure and nurture debates on the development of a European shared cultural area, and in particular on the objectives of the European Agenda for culture, will be assessed.

### **Expected level of outputs (criterion 4) (0-5 points)**

The following factors will be assessed:

- The number of persons who might benefit directly and indirectly from the results of the activities proposed;
- The number of associates and sectors that may be represented at European level and the expected results of contacts with EU Institutions.

## **VI.7 Financial Conditions**

The rate of EU co-financing may not exceed 80% of the eligible operating cost of the applicants.

As a consequence, at least 20% of the total operating budget of the organisation must be co-financed from other sources. The amount of self-financing mentioned under income in the estimated budget is considered to have been definitively secured.

### **VI.7.1 Limitation of the Budget Increase Compared to Previous Budget 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 limitation of the budget compared to previous *financial years* is applied.

The provisional budget cannot increase by more than 10% the actual expenditure incurred in the last year closed (usually year N-2)<sup>53</sup> or it will be capped at this level. The estimated expenditure is assessed against the profit and loss account for that year.

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<sup>53</sup> N is the year for which the grant is applied for.

If the actual expenditure incurred in the year preceding the last year closed (N-3) was higher than in the year N-2, the limitation of the provisional budget may be calculated as 110% of the actual expenditure of the year N-3, assessed against the profit and loss account for that year.

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

## **VI.7.2 Maximum Thresholds**

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:

### **a) Ambassadors:**

<b>Total costs</b>	<b>Maximum grant amount</b>
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 d) Policy support structures for the Culture Agenda:**

<b>Total costs</b>	<b>Maximum grant amount</b>
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

### **c) Festivals:**

<b>Total costs</b>	<b>Maximum grant amount</b>
under EUR 100.000	EUR 50.000
from EUR 100.000 to EUR 150.000	EUR 75.000
above EUR 150.000	EUR 100.000

The prerogative of offering a higher grant amount for organisations carrying out extremely well renowned festivals, which are recognised at European level, is reserved for the two applications achieving the highest scores during the selection procedure. The maximum grant amount that can be awarded to those two festivals can not exceed EUR 200.000 each.

### **VI.7.3 Gradual Decrease of Operating Grants (degressivity rule)**

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

In order to observe this rule, which applies without prejudice to the co-financing rule mentioned above, the percentage of EU co-financing corresponding to the grant awarded for the year in question shall be at least one point below the percentage of EU co-financing corresponding to the grant awarded for the previous *financial year*.

For the 3 years of the Framework Partnership Agreement, the same rule applies.

## **VI.8 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 VI.8.1) or the traditional budget based financing (see Chapter VI.8.2).

The flat rate financing has been introduced to simplify the calculation of the grant. Instead of the traditional system where 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. As the operating grants cover the total costs of an organisation, this saves time and provides greater flexibility for the organisation in the use of the grant. The flat rate system changes the basic calculation of the grant, i.e. without a detailed budget. All the other conditions (limitation of the growth of expenditure from one year to the other, the maximum thresholds and the rule of gradual decrease), however, continue to apply to the flat rate system.

### **VI.8.1 Flat Rate Based Financing<sup>54</sup>**

#### **General provisions**

Under this system, the grant is calculated on the basis of a fixed amount per staff member on the payroll - full and / or part-time - of the organisation up to a maximum. It includes all persons working for the applicant organisation (such as management, secretaries, assistants) on the payroll, but excludes the subcontracting, the voluntary work and trainees. Musicians and other artists can be included in the calculation even if they are not formally staff members and only receive a per diem and/or reimbursement of travel costs.

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

The Executive Agency shall base the calculation of the grant on the actual number of staff employed by the organisation in the year for which the organisation receives the grant. Organisations have to prove the number of staff at the end of the *financial year*

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<sup>54</sup> Commission Decision C(2008) 2729.

in their certified annual accounts, or in a separate certificate by a registered, independent external auditor.

### Calculation of the grant amount

The applicant organisation takes the number of staff / year on its payroll for the calculation of the grant. It can define the number of staff using the total number of staff days and divide them by 220(number of working days / year).

One year = 220 working days

1 working day = minimum of 7,5 hours

Only the working days of persons certified in the annual accounts of the organisation, or in a separate auditor's certificate, are considered for the final calculation of the grant.

The flat rate is variable depending on the country in which the organisation is based reflecting the cost level of each country.

The flat rate to be applied is that of the country where the organisation has its main activities, which is considered the country where at least 50% of the permanent staff of the organisation works. Usually this is the headquarters.

Flat rates applicable in the *eligible countries* for all categories:

Countries	Codes	Rate per person in EUR
Austria	AT	40.295
Belgium	BE	38.627
Bulgaria	BG	11.186
Cyprus	CY	28.880
Czech Republic	CZ	24.890
Germany	DE	36.043
Denmark	DK	40.033
Estonia	EE	21.260
Greece	EL	27.768
Spain	ES	32.053
Finland	FI	36.992
France	FR	35.095
Croatia	HR	16.026
Hungary	HU	20.802
Ireland	IE	45.528
Iceland	IS	42.650
Italy	IT	32.511

Countries	Codes	Rate per person in EUR
Liechtenstein	LI	42.225
Lithuania	LT	17.989
Luxemburg	LU	45.855
Latvia	LV	17.106
FYRO Macedonia	MK	8.569
Malta	MT	22.797
Netherlands	NL	41.244
Norway	NO	45.855
Poland	PL	16.713
Portugal	PT	22.829
Romania	RO	11.709
Serbia	RS	8.569
Sweden	SE	37.940
Slovenia	SI	27.343
Slovakia	SK	19.428
Turkey	TR	9.223
United Kingdom	UK	38.333

The rates will be regularly updated.

An **automatic grant calculator** in the application form calculates the requested maximum grant. In order to allow for the inclusion of part time staff the *calculator* is based on man/days. The amount calculated with the automatic grant *calculator* is the maximum possible grant request before application of the rules mentioned in Chapter VI.7.

As the non-profit rule (see Chapter III.1.5) applies, organisations should not ask for the maximum indicated by the *calculator*, if they can foresee that with that amount it will make a surplus.

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

Within the flat rate system, applicants only have to submit:

a) Ex-ante

- together with their work programme, the latest available closed profit and loss accounts, certified by a registered independent external auditor;
- a summary of provisional expenditure and income statement including the estimated number of staff for the relevant year.

b) Ex-post

- a report detailing the implementation and results of the work programme (final report);
- the profit and loss accounts for the year for the grant received (annual accounts), certified by a registered independent external auditor with a declaration, indicating the total number of staff members (number of staff / year / days). The latter is used to check the actual number of staff and whether the organisation made a profit out of the EU grant, and thus the basis for the calculation of the final grant.

**Example for the calculation of the grant under the flat rate system:**

**Calculation of the total grant**

An Austrian organisation applying for a grant in 2008 within the category Ambassadors has a total expenditure in its last closed and certified profit and loss accounts available of EUR 286.000; It indicates a provisional expenditure for the year 2008 of EUR 290.000 and 5 staff members on the pay roll (consisting of two full time and one half time staff member and fifteen part time artists), working 220 days/year.

**1) Application of the maximum increase of costs rule**

With a provisional expenditure of EUR 290.000, the organisation respects the maximum 10% costs increase rule (see Chapter VI.7.1).

**2) Application of the flat rate**

5 staff members x EUR 40.295 (flat rate for Austria) makes EUR 201.475 for the potential grant.

### 3) Application of the maximum thresholds

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 maximum thresholds in Chapter VI.7.2).

The maximum amount the organisation could apply for is thus EUR 160.000.

As the non-profit rule (see Chapter III.1.5) continues to apply, this means that the Executive Agency is obliged to cut or to reduce the grant, in case at the end of the year the annual accounts show a surplus. 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 with that amount it would make a surplus on its annual accounts, but request a lower amount.

### 4) Application of the degressivity rule

Also, according to the financial regulation, operating grants have to decrease over time. In order to observe this rule the percentage of EU co-financing corresponding to the grant awarded for 2008 shall be at least one point below the percentage of EU co-financing corresponding to the grant awarded for the previous *financial year* 2007. 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 comparison to the previous year<sup>55</sup>.

## VI.8.2 Budget Based Financing

The amount of the grant is calculated on the basis of a balanced, detailed forecast budget, expressed in EUR for each budgetary year. The information a budget should contain as well as the definition of *eligible costs* is described in Chapter III.3.1 "Budget based financing".

The same rules as described in Chapter VI.7 apply: limitation of the growth of the budget, maximum thresholds, degressivity and non-profit rules as described above apply.

## 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. See Chapter III.1.6 for 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.

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<sup>55</sup> Depending on the actual situation of an organisation this reduction may be more or less significant.

## VI.9.2 Interim Payment

An interim payment is intended to reimburse the *beneficiary* for expenditure on the basis of a detailed statement of the costs incurred once the action has reached a sufficient level of completion as defined in the relevant *Grant Agreement*. It may clear all or part of any pre-financing.

## VI.9.3 Final Payment

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

### **-Documents to be submitted for flat rate based financing:**

- the final activity report on the implementation of the work programme and 2 copies of all publications;
- the annual accounts for the year for the grant received, including a statement on the number of staff, certified by a registered independent external auditor or, in case of public organisations, by a competent and independent public officer.

In case 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 on the implementation of the work programme and 2 copies of all publications;
- 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);
- certificate on financial accounts: certificate on the work programme's final financial statements and underlying accounts, produced by a registered independent auditor or, in case of public organisation, a competent and independent public officer. The certificate shall certify, in accordance with a methodology approved by the Executive Agency, that the costs declared by the organisation in the final financial statements on which the request of payment is based are real, accurately recorded and eligible and that all receipts have been declared, in accordance with the agreement.

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 Agreement*, to the actual costs. Where applicable, the *beneficiary* will be required to reimburse any excess amounts paid by the Executive Agency in the form of pre-financing.

In case the organisation has not fully implemented the agreed work programme or made a surplus, the grant shall be reduced.

## CHAPTER VII Glossary (Key Words)

*NB. Entries are presented in alphabetical order.*

**Associated Partner:** A cultural operator from a eligible country 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 for projects related and recipient of the grant.

**Budgetary authority:** The European Council and the European Parliament establish the EU budget on a proposal from the European Commission.

**Call for proposals:** This is one of the means of implementing EU 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 EU financing; conditions for submission of proposals; possible start-up date for the actions co-financed and timetable for the award procedure. Calls for proposals are published on the website of the EU Institutions and in the EU Official Journal. This Programme Guide contains the individual calls for proposals for the strands mentioned in Part Two.

**Certificate on final financial statements:** For all projects (*strands* 1.1, 1.2.1 and 1.3) the final financial statements and underlying annual accounts have to be certified by a registered and independent external auditor. In case of an operating grant (*strand* 2), this is required if the awarded grant is more than EUR 100.000. In case of public organisations, this certification may be produced by a competent and independent public officer.

The certificate shall be attached to the request of final payment made by the *beneficiary* certifying the following:

"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 / Grant Decision*."

**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 EU. 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:** Cooperation projects (*strands 1.1, 1.2.1 and 1.3*): A contribution in kind is any contribution made by a third party, which is not paid by the beneficiary and the co-beneficiaries. 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.

However, the Executive Agency can accept, in duly substantiated exceptional cases, that the co-financing of the action should be made up in part of contributions in kind. In this case, the value calculated for such contributions must not exceed:

- the costs actually borne and duly supported by accounting documents of the third parties who made these contributions to the beneficiary or co-beneficiaries free of charge but bear the corresponding costs;
- the costs generally accepted by the market in question for the type of contribution concerned when no costs are borne.

Contributions involving buildings shall not be covered by this possibility.

Operating grants (*strand 2*): Contributions in kind are not accepted. Not even as non-eligible income and non-eligible expenditure.

**Cooperation agreement:** This refers to Multi-annual Cooperation projects (*strand 1.1*) and Cultural Cooperation with *Third Countries* projects (*strand 1.3*) only. These projects must be based on a cooperation agreement, i.e. a common document having a legal form valid in one of the eligible countries and signed by coordinator and co-organisers involved. This document describes precisely the objectives of the project, the activities which will be implemented in order to achieve these objectives and the role of each co-organiser (including the coordinator) in the design and implementation of the project, as well as the amount of their financial contribution.

**Coordinator (beneficiary):** 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 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-beneficiary:** Co-organisers under strand 1.1 Multi-annual Cooperation projects, strand 1.2.1 Cooperation projects and strand 1.3 Cooperation projects with Third Countries, are co-beneficiaries. This means that their costs related to the project are also eligible. Conclusion of the agreement and payment of the grant will however always be solely to the *coordinator*.

**Co-organiser (co-beneficiary):** A cultural operator from an eligible country 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.

**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.

**Depreciation of equipment:** In case of purchase of equipment used for the purposes of the project or the annual work programme co-financed, 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.

**Eligible Budget:** The budget of a proposal must be in EUR and consist of two parts: the estimated costs eligible for EU funding 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-beneficiaries*, while implementing the co-financed action or the *beneficiary* organisation, while implementing the activities of 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.

**Eligible countries:** The countries participating in the Programme (for more information see Chapter I.3.2)

**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 work

programme co-financed 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 general nature and are pertinent to all applicants of grants granted 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:** If the requested grant is more than EUR 500.000, in case of a project grant, or EUR 100.000, in 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*).

**Financial capacity of the applicant:** This is one of the *selection criteria*, which are assessed during the selection process 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 the *financial capacity*, the Financial Capacity Form must be submitted. In case the *financial capacity* is judged insufficient, the Executive Agency may reject the application, request additional information, require a guarantee or propose a *Grant Agreement/Grant Decision* without pre-financing.

**Financial Identification Form:** The Executive Agency services cannot proceed to the award of a grant nor can they proceed to the authorisation of pre-financing of final payments, as long as the co-ordinates of beneficiaries are not recorded and centrally validated. For that purpose, applicants must submit a Financial Identification form which would allow the verification of the *bank account* linked to 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).

**Final Financial year:** The period covered by the annual accounts of the organisation; in most cases from the 1<sup>st</sup> January until the 31<sup>st</sup> December.

**Flat rates:** This applies to the calculation of the entire 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 members of an organisation.

**Grant Agreement:** EU funding to successful proposals 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 grant awarded and comes to effect upon signature of the last of the two parties, i.e. the Executive Agency. It may be amended during the *eligibility period* of the action.

**Grant Calculator:** 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 automatically calculates the relevant amounts.

**Grant Decision:** EU funding to successful proposals 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 grant awarded. It may be amended during the *Eligibility Period*.

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

**Legal Entity:** To be eligible, applicants must be private or public law organisations with a legal personality. To make it possible to identify the legal entity of applicants, the *Legal Entity Form*, together with the appropriate supporting documents (i.e. statutes, law decree) must be submitted.

**Mandate:** This is applicable for Multi-annual Cooperation projects (*strand* 1.1) and cooperation projects (1.2.1) only. Based on the *Grant Agreement/Grant Decision*, 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 mandate is provided by the Executive Agency and is annexed to the *Grant Agreement/Grant Decision*.

**Operational capacity:** This is one of the *selection criteria*, which are assessed during the selection process of submitted proposals. Applicants must have the professional competencies 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 Third Country (strand 1.3):** 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 partner(s) in the *Third Country* are not eligible, unless they are directly paid or refunded by the *Coordinator* and/or the *Co-organisers*.

**Programme Committee:** Based on the decision establishing the Culture Programme, the Commission and the Executive Agency are assisted by a committee composed of representatives of the *eligible countries* when implementing the Programme (i.e. Programme Guide, calls for proposals, 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 organisation, any part of whose costs are financed from the state budget as of right, either by central, regional or local government. That is, these costs are financed from public sector funds raised through taxation or fines or fees regulated by law, without going through an application process which might result in their being unsuccessful in obtaining funds. Organisations that depend on state funding for their existence and receive grants year after year, but for which there exists at least the theoretical possibility that they may fail to receive money one year are considered as private organisations.

**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 the Parliament on a proposal by the Commission). For this role, the Parliament disposes of 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 the Parliament after consultation of the *Programme Committee*.

**Selection criteria:** These criteria serve as the basis to assess 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 EU co-financing is foreseen under the Culture Programme (2007-2013).

**Sub-contracting (implementation contracts/award of procurement contracts):** Any services and/or goods in connection with the proposed action or work programme, which is provided by a third party, other than the applicant organisations, and is paid for or reimbursed in full by the applicant organisations, irrespective of the form of legal agreement made between them and the third party. Sub-contracting parties must be listed in the application form and the direct costs linked to the activities implemented by these parties must be clearly indicated in the budget.

**Third Countries:** Any country other than the *Eligible Countries*.