

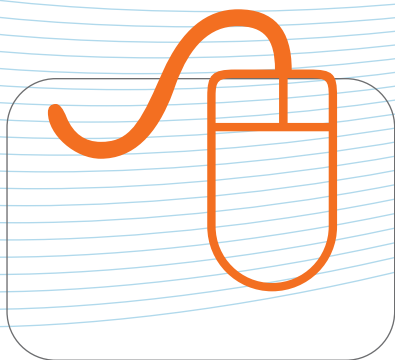
# New funds, better rules

Overview of new financial rules and  
funding opportunities 2007-2013



A beginners' guide

2008  
Edition



European Commission

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# New funds, better rules

Overview of new financial rules and  
funding opportunities 2007-2013



**Are you a newcomer to EU funds?**

See this overview of main  
funding opportunities



(pp 3-16)

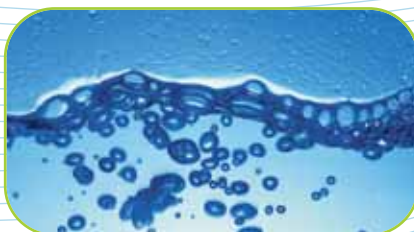


**Do you think the financial procedures  
are too heavy?**

See what has changed



(pp 17-18)



**Are the funds transparent and  
the control effective?**

Check here



(pp 19-20)



**How much is at stake?**

Have a look at the list  
of new programmes



(pp 21-22)



*"The new EU programmes for 2007-2013 provide a blueprint for economic progress. For this ambitious goal to become reality, it is vital to have financial rules which measure up to real life situations. Maximum simplicity, with red tape reduced to a minimum - these are the key ideas behind the new rules. The result - simpler procedures, improved transparency and accountability - will ensure better control over how this public money is spent."*

**Dalia Grybauskaitė**

Commissioner for Financial Programming and Budget

## Why new rules?

In 2007 the European Union is launching a new set of programmes: up to **€ 975 billion** over a seven-year period. These new funds will be easier to access, more transparent and better accounted for than in the past thanks to the reform of the EU financial management rules.

The new rules will **reduce red tape**. This will make EU grants easier to access especially for beneficiaries with limited resources such as small NGOs and small companies. For the first time ever EU research grants will be available for individual researchers.

Better **accountability** and increased **transparency** are vital to ensure that EU funds, which are public money, are used properly at all levels. The new rules introduce an obligation to publish the lists of beneficiaries who receive EU money through governments in Member States, third countries or through international organisations, and the exchange of information on proved fraud cases. Member States will also **improve reporting** on how they spend EU funds managed directly by them. Such measures will increase the effectiveness of EU policies and help protect taxpayers' interests.

The success of the new funding period 2007-2013 is a challenge for all those involved: first of all, the beneficiaries themselves, who will use the funds to carry out their projects; the European Parliament, who gave its crucial support to the process of modernisation of the financial management rules; the Member States, which actually manage almost 80% of the EU funds; and finally the European Commission, which holds the ultimate responsibility for how these funds are spent.

The new rules will provide better, simpler and more practical solutions for all those working with EU funds, while ensuring effective control over public spending.

# Funding opportunities for YOU



Are you a newcomer to EU funding and feel a bit lost among the different funding mechanisms, players involved and programmes? Then this guide is for you. In this section you will find:

- **tips on how to get started**
- **a brief look at different forms of EU funding**
- **practical examples for selected groups of EU funds beneficiaries**

## Getting started...

Depending on the type of funding and the profile of your project, there are people and networks whose task it is to provide you with all the information you need to get started! A lot of useful information is also available on the internet.

### 1. Contact EU information networks

#### Companies and SMEs

##### Enterprise Europe Network

[http://www.enterprise-europe-network.ec.europa.eu/index\\_en.htm](http://www.enterprise-europe-network.ec.europa.eu/index_en.htm)

**600 partner organisations** in more than **40 countries**.

#### Other potential beneficiaries

##### Europe Direct

- **call** : 00800 6 7 8 9 10 11
- **visit** your local Europe Direct centre:  
<http://ec.europa.eu/europedirect>
- send an **e-mail** or contact an **operator** on-line:  
<http://ec.europa.eu/europedirect>

Information available in any of the official EU languages.



### 2. Visit EUROPA portal

The Commission's portal on **grants**:  
[http://ec.europa.eu/grants/index\\_en.htm](http://ec.europa.eu/grants/index_en.htm)

The Commission's portal on **public contracts**:  
[http://ec.europa.eu/public\\_contracts/index\\_en.htm](http://ec.europa.eu/public_contracts/index_en.htm)



# ... Funding opportunities for you



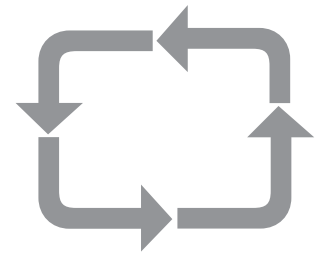
## 3. Contact your national, regional or local authorities

As a majority of EU funds are managed at national or regional level, the national, regional or local authorities often provide the necessary information and support facilities.

For a list of **managing authorities** for structural funds in every region go to:

[http://ec.europa.eu/regional\\_policy/manage/authority/authority\\_en.cfm](http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm)

A list of links to national **ministries for agriculture** is available at: [http://ec.europa.eu/agriculture/use/index\\_en.htm](http://ec.europa.eu/agriculture/use/index_en.htm)



## 4. Contact your professional association

If your project is linked to your professional activity, you may find support from your **professional organisation**. Some EU funding is job-specific: teachers and trainers may receive support under the Lifelong Learning Programme, and film-makers under Media 2007. Your professional network may already have expertise in accessing EU funds and may provide you with practical tips.



# Forms of financing

## 1. What are the main types of financing from the EU budget?

Are you looking for money to **fund** your project?

### GRANTS

awarded to **co-finance** specific projects or objectives, usually through **calls for proposals**

Are you looking for opportunities to **sell** your services or goods?

### PUBLIC CONTRACTS

awarded through **calls for tenders** (public procurement) to **buy services, goods or works** in order to ensure the operations of EU institutions or programmes

## 2. Who is managing the money and decides on awarding grants/contracts?

### EU Member States

Over 76% of the EU budget is managed by national and regional authorities. This includes **structural funds** and **agricultural subsidies**.

### European Commission

Roughly 22% are centrally managed programmes (e.g. in research, education, health, youth actions).

Third countries and international organisations (e.g. Red Cross, UN): 2%.

# Funding opportunities for YOU



## Small companies

### What are the main sources of funding available to me?

- If you run a small or medium-sized enterprise (SME), you may benefit from EU funding through grants, loans and, in some cases, guarantees. Support is available either directly (EU grants) or through programmes managed at national level. SMEs can also benefit from a series of non-financial assistance measures in the form of programmes and business support services.

#### Funding through EU grants

- This funding is mostly thematic with specific objectives - environment, research, training - designed and implemented by various Departments of the European Commission or executive agencies.
- SMEs or other organisations (e.g. business associations, business support providers or consultants) can usually apply directly for the programmes, generally on condition that they present sustainable, value-added and trans-national projects.

#### Structural funds

- Direct aid to SMEs to co-finance their investments is only possible in the economically less developed regions (the co-called 'convergence' regions).
- In other regions, priority has been given to actions having a high leverage effect (e.g. entrepreneurship training, support services, business incubators, technology transfer mechanisms, networking, etc.), as opposed to direct aid to individual SMEs.
- The European Commission, the European Investment Bank and the European Investment Fund have launched a joint initiative to improve access to finance for SMEs in less developed regions. The initiative, called **Joint European Resources for Micro to Medium Enterprises** (or **JEREMIE**), will enable Member States and regions to use part of their structural funds to provide guarantees for loans as well as equity and venture capital finance to SMEs. The programme will become operational in 2008.

#### Financial instruments

- These schemes do not provide direct funding to SMEs, but are usually processed through **financial intermediaries** such as banks, credit institutions or investment funds. They are intended to increase the volume of credit available to SMEs and to encourage these intermediaries to develop their SME lending capacity.
- Under the **Competitiveness and Innovation Framework Programme** (CIP), €1130 million has been allocated for financial instruments for the period 2007-2013. These are organised under three schemes, managed in cooperation with the **European Investment Fund** (EIF) and other international financial institutions:
  - › the High Growth and Innovative SME Facility (GIF) aims to increase the supply of equity for innovative SMEs both in their early stages (GIF1) and in the expansion phase (GIF2). GIF shares risk and reward with private equity investors, providing important leverage for the supply of equity to innovative companies;
  - › the SME Guarantee Facility provides additional guarantees in order to increase the supply of debt finance to SMEs;
  - › the Capacity Building Scheme supports financial intermediaries in some Member States.



# ... Funding opportunities for you



## How do I apply?

- For EU grants, application procedures are set out in the calls for proposals for specific programmes, and you will apply directly to the European Commission or an executive agency which runs the programme in question.
- Programmes funded through structural funds are managed at national or regional level, where the projects are selected.
- Financial instruments for SMEs are usually available through financial intermediaries such as banks or credit institutions.



## Where can I find further details?

- **Enterprise Europe Network**  
**600 partner organisations** in more than **40 countries**.  
[http://www.enterprise-europe-network.ec.europa.eu/index\\_en.htm](http://www.enterprise-europe-network.ec.europa.eu/index_en.htm)
- European portal for SMEs (with an overview of the main funding opportunities available):  
[http://ec.europa.eu/enterprise/sme/index\\_en.htm](http://ec.europa.eu/enterprise/sme/index_en.htm)
- For funding opportunities by policy area see the Commission's portal on grants:  
[http://ec.europa.eu/grants/index\\_en.htm](http://ec.europa.eu/grants/index_en.htm)
- The website of the Directorate-General for Regional Policy provides information on the European Union's action in support of regional development:  
[http://ec.europa.eu/regional\\_policy/index\\_en.htm](http://ec.europa.eu/regional_policy/index_en.htm)  
  
This includes a list of managing authorities for structural funds in every region:  
[http://ec.europa.eu/regional\\_policy/manage/authority/authority\\_en.cfm](http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm)
- The European Social Fund:  
[http://ec.europa.eu/employment\\_social/esf/](http://ec.europa.eu/employment_social/esf/)
- JEREMIE initiative:  
<http://www.eif.org/jeremie/>
- For more information on financial instruments see:  
[http://ec.europa.eu/cip/index\\_en.htm](http://ec.europa.eu/cip/index_en.htm)  
and <http://www.eif.org/>
- The new Instrument for Pre-accession Assistance (IPA) will offer funding opportunities not only for EU companies but also for those from EU accession countries. For more information go to:  
[http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/instrument-pre-accession\\_en.htm](http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/instrument-pre-accession_en.htm)



## Did you know?



- SMEs are defined by the EU as having fewer than 250 employees. In addition, they can have an annual turnover of up to €50 million, or a balance sheet total of no more than € 43 million.

# Funding opportunities for YOU



## NGOs

### What are the main sources of funding available to me?

- Non-governmental and civil society organisations are a natural target group eligible for a vast part of EU funding, as they are involved in many areas covered by EU policies on a **non-profit basis**, a precondition for receiving funding from EU coffers.
- Actually, it is difficult to find an EU programme which would not in one way or another include a funding opportunity for NGOs. Funding is available both under programmes run by national and local authorities which are financed through structural funds, and under Commission-run programmes.
- It is estimated that over € 1,000 million a year is allocated to NGO projects directly by the Commission, the major part in the field of **external relations** for development co-operation, human rights, democracy programmes, and, in particular, humanitarian aid (€ 400 million). Other important allocations are in the social (€ 70 million), educational (€50 million), and environmental sectors **within the EU**.
- In practical terms, your NGO may receive two types of funding:
  - › You may submit a proposal for a concrete project under an EU programme which covers your area of activity and, if successful, this particular project will be co-financed by the EU through an **action grant**.
  - › Under some programmes, and provided your NGO 'pursues an aim of general European interest or has an objective forming part of a European Union policy', the EU may directly subsidise your organisation through an **operating grant**. If this is the case, the grant is based on an analysis of the dimension of your activities, their scope, your annual work plan, its compatibility with the policy priorities, etc. rather than on individual projects. Examples of centrally managed programmes which foresee operating grants for NGOs include Europe for Citizens (Action 2: Active Civil Society in Europe), Culture 2007 (Second strand: support for bodies active at the European level in the field of culture), and Progress (support for EU-level NGOs active in social inclusion, non-discrimination and gender equality).



### How do I apply?

- This will depend on the **type of funding**:
  - › structural funds are managed at national or regional level and, as a result, applications are submitted to and evaluated by national or regional authorities;
  - › for EU grants, application procedures are set out in the calls for proposals for specific programmes, and you will apply directly to the European Commission or an executive agency which runs the programme in question.



# ... Funding opportunities for you

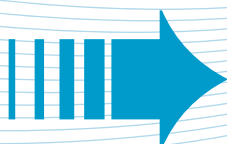


## Where can I find further details?

- For funding opportunities by policy area see the Commission's portal on grants:  
[http://ec.europa.eu/grants/index\\_en.htm](http://ec.europa.eu/grants/index_en.htm)
- The European Commission and Civil Society:  
[http://ec.europa.eu/civil\\_society/index\\_en.htm](http://ec.europa.eu/civil_society/index_en.htm)
- The website of the Directorate-General for Regional Policy provides information on the European Union's action in support of regional development:  
[http://ec.europa.eu/regional\\_policy/index\\_en.htm](http://ec.europa.eu/regional_policy/index_en.htm)  
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[http://ec.europa.eu/regional\\_policy/manage/authority/authority\\_en.cfm](http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm)
- The European Social Fund:  
[http://ec.europa.eu/employment\\_social/esf/](http://ec.europa.eu/employment_social/esf/)
- The EuropeAid Co-operation Office:  
[http://ec.europa.eu/europeaid/index\\_en.htm](http://ec.europa.eu/europeaid/index_en.htm)



## Did you know?



### Is my organisation an NGO?

'NGO' and 'civil society organisations' are not legal terms. The specific criteria on which an organisation is considered eligible for EU funding are detailed in individual calls for proposals. Nevertheless, 'NGO' is a useful shorthand term to refer to a range of organisations that normally share the following characteristics:

- NGOs are not created to generate profit (although they may have paid employees and engage in revenue-generating activities, they do not distribute profits to members);
- NGOs are voluntary;
- NGOs must have some degree of formal or institutional existence (e.g. statutes or other governing document setting out their mission, objectives and scope). They are accountable to their members and donors;
- NGOs are independent, in particular of government, public authorities, political parties or commercial organisations;
- NGOs are not self-serving in aims and related values. Their aim is to serve the public as a whole or specific groups of people.

NGOs' size as well as the scope of their activities can vary considerably. Some NGOs consist of a rather limited number of persons; others may have thousands of members and hundreds of professional staff. In functional terms NGOs can focus on operational and/or advocacy activities. *Operational* NGOs contribute to the delivery of services (such as in the field of welfare), whereas the primary aim of *advocacy* NGOs is to influence the policies of public authorities and public opinion in general.

# Funding opportunities for YOU



## Young people

### What are the main sources of funding available to me?

#### Lifelong Learning Programme

- If you want to study abroad, **Erasmus**, part of the Lifelong Learning Programme, may help. Well over 1.5 million students have so far benefited from Erasmus grants. The European Commission hopes to reach a total of 3 million students by 2012 so use this opportunity!
- Within the Lifelong Learning Programme, **Comenius** provides funding opportunities for young people in school education up to the end of upper secondary education, notably through school partnerships across Europe; **Leonardo da Vinci** offers opportunities for those in vocational education and training, e.g. through training placements in another country.

#### Youth in Action

- The programme co-funds projects which reinforce active civic engagement of young people, voluntary work, mutual understanding and open-minded approach to the world, as well as provide help for youth workers and support youth policy making.
- It is open for young **people aged 15-28** (13-30 for some specific actions).
- Examples of **activities** which may receive funding include youth exchanges; youth initiatives where young people participate directly in activities they have devised themselves; projects aimed at increasing young people's participation in the mechanisms of representative democracy; volunteering projects (please note that individual volunteers cannot apply directly; only legally established organisations accredited with the European Voluntary Service can apply); training and networking of those active in youth work and youth organisations; information campaigns for young people.



### How do I apply?

#### Lifelong Learning Programme

- To be eligible for an **Erasmus** grant, you must be enrolled in a formal programme of study at higher education level which leads to a degree or a diploma in one of the 31 participating countries (EU Member States plus Norway, Liechtenstein, Iceland and Turkey), and have successfully completed at least the first year of your university studies.
- The international relations office or the Erasmus office of your university is the first port of call for information on how to participate in the programme. As many as 90% of the EU's universities participate in the Erasmus programme. Grants are allocated to students after a selection process organised by the home university. A fundamental precondition for the Erasmus mobility programme is that **the host university does not charge any fee**.
- The amount of the Erasmus grant varies from one participating country to another, but it is not intended to cover all student expenses. It can be combined with additional funds provided by the university or other institutions.



# ... Funding opportunities for you



- You will have to sign a learning agreement with your own university and the host institution. The learning agreement is an informal contract that indicates precisely which modules you will be studying. At the end of the study period abroad, the host university will produce a report recording your results. Consequently, the time you spend abroad is counted **as an integral part of the study programme** from your home university.
- For information on application procedures for **other programmes** under the Lifelong Learning Programme contact the Education, Audiovisual and Culture Executive Agency.

## Youth in Action

- Each 'programme country' (i.e. EU Member States plus Iceland, Liechtenstein, Norway and Turkey) has a **National Agency** whose task it is to select local projects, administer grants and provide the necessary information. Therefore, if you are thinking of funding your project through Youth in Action, a recommended first step might be to get in touch with the National Agency in your country.
- A limited number of specific project types are dealt with directly at the European level, in most cases through the Education, Audiovisual and Culture Executive Agency.
- Applications must be submitted on the relevant application forms provided by the National or Executive Agency.

## Where can I find further details?

- Directorate General for Education and Culture, calls for proposals: [http://ec.europa.eu/dgs/education\\_culture/calls/grants\\_en.html](http://ec.europa.eu/dgs/education_culture/calls/grants_en.html)
- Youth in Action programme: [http://ec.europa.eu/youth/index\\_en.html](http://ec.europa.eu/youth/index_en.html)  
[eac-youthinaction@ec.europa.eu](mailto:eac-youthinaction@ec.europa.eu)
- Lifelong Learning Programme guide: [http://ec.europa.eu/education/programmes/llp/index\\_en.html](http://ec.europa.eu/education/programmes/llp/index_en.html)
- European Youth Portal: <http://europa.eu/youth/>
- Education, Audiovisual and Culture Executive Agency: <http://eacea.ec.europa.eu>, [youth@ec.europa.eu](mailto:youth@ec.europa.eu)
- Eurodesk (a network providing information relevant to young people and those who work with them on European opportunities in the education, training and youth fields): <http://www.eurodesk.org>
- SALTO Resource Centres:  
SALTO stands for 'Support and Advanced Learning and Training Opportunities'. These are structures established within the Youth in Action programme to provide training and information for youth organisations.  
<http://www.salto-youth.net>



## Did you know?



- Under Youth in Action projects from **informal groups of young people** are welcome!
- About 1/3 of the Erasmus students receive a **job offer abroad**.

# Funding opportunities for YOU



## Researchers

### What are the main sources of funding available to me?

#### 7<sup>th</sup> Framework Programme

- With over **€53 billion** to be spent from 2007 until 2013, the 7th Framework Programme (FP7) is the EU's main instrument for funding research.
- FP7 has five major 'building blocks' or **specific programmes**:
  - › **Cooperation**: support for projects run by transnational consortia in ten thematic areas ranging from health issues to space research;
  - › **Ideas**: support for 'frontier research' projects implemented by research teams or individual researchers;
  - › **People**: researcher mobility and career development;
  - › **Capacities**: support for research capacities and infrastructure;
  - › **Nuclear Research**, including fusion energy research.
- As is the case with all EU grants, FP7 is based on **co-financing**. The standard reimbursement rate for research and technological development activities is 50%, though some organisations (e.g. SMEs or non-profit public bodies) can receive up to 75%. Certain activities (e.g. networking, training) may be reimbursed up to 100% of the eligible costs. The grants are determined on the basis of calls for proposals and a peer review process.



### How do I apply?

- Participation in FP7 is open to a wide range of **organisations and individuals**. An indicative list includes:
  - › research groups at universities or research institutes;
  - › companies intending to innovate;
  - › SMEs (small and medium-sized enterprises) or their groupings;
  - › public administration;
  - › researchers (from early-stage to experienced);
  - › institutions running research infrastructures;
  - › civil society organisations;
  - › organisations and researchers from third countries and international organisations.
- In all EU Member States, as well as several other countries, **National Contact Points** have been set up to give personalised help, so a first step could be to contact them, and explain your situation and your ideas. Their job is to point you to the part of FP7 that might be of interest to you and help you with your application.
- Specific funding opportunities are announced through the **calls for proposals**, published in the EU's Official Journal; you may also find them on the FP7 section of **CORDIS**, a website dedicated to EU-supported research.
- You reply by submitting your proposal through the web-based online tool called EPSS (**Electronic Proposal Submission Service**), which is the obligatory channel to be used. For successful proposals, the European Commission enters into financial and technical negotiations on the details of the project, finalised by a grant agreement. This sets out the rights and obligations of the beneficiaries and the EU, including the EU's financial contribution to your research costs.



# ... Funding opportunities for you



## Where can I find further details?

- List of National Contact Points:  
[www.cordis.europa.eu/fp7/get-support\\_en.html](http://www.cordis.europa.eu/fp7/get-support_en.html)
- **CORDIS website:**  
The site contains a great deal of information about FP7, including the latest updates, the calendar of calls for proposals, the texts of the calls, frequently asked questions (FAQ), and more.  
[www.cordis.europa.eu/fp7/](http://www.cordis.europa.eu/fp7/)
- **The European Commission's Research website:**  
This site contains simple, downloadable fact sheets explaining FP7, available in 23 languages.  
[www.ec.europa.eu/research/fp7/](http://www.ec.europa.eu/research/fp7/)
- **Research Enquiry Service:**  
[www.ec.europa.eu/research/enquiries](http://www.ec.europa.eu/research/enquiries)
- **European Research Council:**  
<http://erc.europa.eu/>



## Did you know?



- For the first time in the EU research programmes, FP7 can now also support projects by **single researchers or teams** through the investigator-led programmes of the new European Research Council.
- A significant share of expenditure under the new **structural funds** will target policies which promote growth and competitiveness. Check out the national plans adopted to see what research-related funding options are available.

# Funding opportunities for YOU



## Farmers

### What are the main sources of funding available to me?

#### Direct payments

- If you are an EU farmer, you are most likely eligible to receive direct payments, the major form of EU funding in agriculture. The 2003 reform of the Common Agricultural Policy introduced a new system of direct payments, known as the Single Payment Scheme, under which aid is no longer linked to production. The main aim of the single payment is to support farmers' incomes in return for them respecting standards of environmental protection, animal welfare, food safety and keeping the land in good condition. Farmers are encouraged to take their decisions based on market signals.
- Under certain limited conditions, Member States may decide to reduce the value of payment entitlements and continue to make direct payments linked to production

#### Rural Development

- Under the Rural Development 2007-2013 policy, EU Member States will invest over €91 billion to improve competitiveness for farming and forestry, to protect the environment and the countryside, to improve the quality of life and diversification of the rural economy. A fourth area (Leader) introduces funding opportunities for locally based approaches to rural development.

### How do I apply?

#### Direct payments

- Direct payments are administered through **paying agencies** appointed by national authorities.
- To be eligible for the single payment, a farmer requires payment entitlements and land. Entitlements are calculated on the basis of the payments received by the farmer during a reference period (historical model) or the number of eligible hectares farmed (regional model).

#### Rural Development

- These funds are distributed through programmes run by national governments: the government appoints the Managing Authority whose task at project management level is to inform potential beneficiaries of how to get support, those rules which apply and the EU contribution available.



# ... Funding opportunities for you



## Where can I find further details?

- Please contact the ministry of agriculture in your country or your local agricultural association.

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

- Information on agriculture and rural development policy:

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



## Did you know?



- To receive direct payments, farmers must meet **standards** concerning public, animal and plant health, the environment and animal welfare and keep their land in good agricultural and environmental condition. Where farmers fail to meet these standards, the direct payments they can claim for could be reduced or even withdrawn completely for the year concerned.

# Funding opportunities for YOU



## Public bodies

### What are the main sources of funding available to me?

- Public bodies, including local authorities, can benefit from many EU funding opportunities, ranging from investments to develop the institutional capacity and efficiency of public services, to local infrastructure projects. Below are just a few **examples** of the many options available.

#### Cohesion policy

- This is where most funding for local infrastructure projects or initiatives to boost employment comes from. This money is available through programmes under **structural funds**, which are largely managed by national or regional authorities. Between 2007-2013 the EU will spend over €347 billion on regional projects to stimulate job creation and growth:
  - › more than 80% of these funds will go to the EU's poorest 84 regions in 17 Member States;
  - › almost 16% of the money will be available for the remaining regions;
  - › more than 2.5% will be spent on cross-border co-operation through joint local and regional initiatives.
- Funding from the European Social Fund will be available for national, regional and local administrations to strengthen their institutional capacity and the activities they run, especially in those services which have a direct impact on the labour market (employment services, education and training institutions).

#### Jessica and Jaspers

- These names stand for two new initiatives designed to support public administration and local authorities, operated through a cooperation between the European Commission, the European Investment Bank Group and other international financial institutions.
- **Jessica** (Joint European Support for Sustainable Investment in City Areas) will help public bodies team up with partners, including private enterprises, to create funds which will support urban renewal and development projects.
- **Jaspers** (Joint Assistance in Supporting Projects in European Regions) offers assistance for public administrations for the preparation of high-quality projects which are eligible for support from structural funds. Priority is given to large projects and to projects in the new Member States. The assistance provided may cover technical, economic and financial aspects and any other preparatory work needed to deliver a fully developed project.

#### Other EU grants

- Centrally managed programmes also provide funding opportunities for public administration, including local authorities. They cover a whole range of EU **policy areas**, such as: promoting cultural activities (Culture 2007), employment and social solidarity (Progress), research (7th Framework Programme) and innovative approach to information technologies in the public sector (ICT Policy Support Programme, which is part of the Competitiveness and Innovation Programme).
- The Europe for Citizens programme offers funding opportunities for **town-twinning** initiatives through financing citizens' meetings and thematic networking of twinned towns.



# ... Funding opportunities for you



- Projects aiming at increasing **public security** can be co-financed from EU coffers. Public bodies dealing with law enforcement, crime prevention and the protection of victims and witnesses may receive funding from the Prevention and Fight against Crime programme. This programme targets in particular terrorism, trafficking of people, offences against children, illicit drugs and arms trafficking, corruption and fraud. The total amount to be spent under Prevention and Fight against Crime between 2007 and 2013 is over €605 million.

## European Globalisation Adjustment Fund

- A Member State faced with sudden redundancies caused by changing global trade patterns may request support to help **workers who have been made redundant reintegrate into the labour market**. A maximum of €500 million will be available per year.
- Governments will be able to fund activities such as job search assistance, personalised retraining, promoting entrepreneurship, as well as temporary 'in-work supplements' such as allowances for those participating in training or for workers over 50.
- Please note that these funds will be made available to individual workers (not companies) only **through national authorities**, not through regions or local authorities.

## How do I apply?

- This will depend on the **type of funding**:
  - › structural funds are managed at national or regional level and, as a result, applications are submitted to and evaluated by national or regional authorities;
  - › for EU grants, application procedures are set out in the calls for proposals for specific programmes, and you will apply directly to the European Commission or an executive agency which runs the programme in question.



## Where can I find further details?

- The website of the Directorate-General for Regional Policy provides information on the European Union's action in support of regional development:  
[http://ec.europa.eu/regional\\_policy/index\\_en.htm](http://ec.europa.eu/regional_policy/index_en.htm)  
This includes a list of managing authorities for structural funds in every region:  
[http://ec.europa.eu/regional\\_policy/manage/authority/authority\\_en.cfm](http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm)
- The European Social Fund: [http://ec.europa.eu/employment\\_social/esf/](http://ec.europa.eu/employment_social/esf/)
- Information about financial allocations per region:  
[http://ec.europa.eu/regional\\_policy/atlas2007/fiche\\_index\\_en.htm](http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm)
- For funding opportunities by policy area see the Commission's portal on grants:  
[http://ec.europa.eu/grants/index\\_en.htm](http://ec.europa.eu/grants/index_en.htm)
- Jessica and Jaspers: [http://ec.europa.eu/regional\\_policy/funds/2007/jjj/index\\_en.htm](http://ec.europa.eu/regional_policy/funds/2007/jjj/index_en.htm)
- The Committee of the Regions: <http://www.cor.europa.eu>
- Council of European Municipalities and Regions: <http://www.ccre.org/>
- European Globalisation Adjustment Fund:  
[http://ec.europa.eu/employment\\_social/egf/index\\_en.html](http://ec.europa.eu/employment_social/egf/index_en.html)
- The ICT Policy Support Programme:  
[http://ec.europa.eu/information\\_society/activities/ict\\_psp/index\\_en.htm](http://ec.europa.eu/information_society/activities/ict_psp/index_en.htm)



## Did you know?



- The **town-twinning** movement began in Europe shortly after the Second World War. Each year the European Commission awards the 'Golden Stars of Town-twinning' to 10 outstanding projects that have contributed successfully to European integration.

# Easier access to EU funding



The EU's financial management rules are laid down in the **Financial Regulation** and its **implementing rules**, which together with sector-specific legal bases govern all transactions concerning EU funds. In this section you will find examples of the main practical improvements to make access to EU funding easier.

## Practical improvements for grants

- **Lighter documentation** requirements will apply to the newly defined *grants of small amount* (less than or equal to €25,000).
- Beneficiary organisations must partially finance their projects (so-called *co-financing*). Now, where justified, they will be able to replace this with **co-financing in kind** (for example through the work done by some of their staff).
- To obtain significant payments at the outset of their project (so-called *pre-financing*), beneficiary organisations such as NGOs need to provide **financial guarantees**, which often represent a substantial financial obstacle. With the new rules, after assessing the risks, this requirement for grant pre-financing below €60,000 may be waived.
- For organisations applying for EU funds, thresholds for which an **external audit** is required are increased from €300,000 to grants of €500,000 or more for specific projects, and from €75,000 to grants of €100,000 or more to finance operational costs of organisations.
- So that applicants can be informed quickly of the possibility of success of their applications, the submission procedure and the evaluation procedure can be divided into **two separate stages**, making it possible to reject at an early stage those proposals which have no prospect of being successful.
- The rules governing **purchases made by beneficiaries to implement a grant** have been simplified. For purchases below €60,000, the rules to be followed by the beneficiary will be limited to two basic principles: the principle of sound financial management and the absence of any conflict of interest.

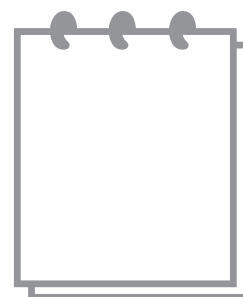


## ... Easier access to EU funding



# Practical improvements for public contracts

- In general, simpler **procedures** will be used for purchases by the European Commission with a value below € 60,000, instead of € 50,000. In particular, the requirements on proof of financial capacity may be waived for contracts below the new threshold.
- For low-value contracts, it can be a disproportionate burden to require **evidence** from the seller that they have no previous convictions for malpractice, are not bankrupt and are making proper tax and social security contributions. The new text raises significantly those thresholds below which bidders may be allowed to replace these documents with a simple declaration on their honour.
- Similar simplifications have been introduced for public contracts in the field of **external aid**, but with even higher thresholds (€200,000 for services; €150,000 for supplies; €5,000,000 for works).
- EU institutions will be able to carry out procurement procedures **jointly** with Member State authorities, which provides more flexibility, in order to use taxpayers' money more effectively.
- Whenever appropriate, technically feasible and cost-effective, contracts having greater financial impact will be awarded in the form of **separate lots** to increase efficiency and competition.
- Time limits for **exclusion** from EU contracts will be clearly specified.



# Budget management

- In **end-of-year humanitarian or crisis management situations**, the European Commission will be able to react immediately by using unspent funds still available without asking for the prior consent of the budgetary authority.
- Similarly, legal constraints before the launch of **pilot and preparatory** actions in the field of the Common Foreign and Security Policy will be adjusted to increase responsiveness.
- It will be easier to delegate the management of these funds to duly recognised **national organisations in the third countries** receiving EU aid.
- It will be easier for the European Commission to **delegate tasks** to the European Investment Bank and to the European Investment Fund to be able to take advantage of their expertise.
- The European Commission, with due account for internationally-accepted standards, will be able to treat as **equivalent** to its own the procurement procedures applied by national agencies and third countries.
- Managers within the EU institutions will be given **more flexibility** to run their activities:
  - › by providing them with more effective management mechanisms (such as the increased possibility of paying grants in the form of lump-sums or flat-rate financing);
  - › by removing certain unduly bureaucratic constraints (such as the recovery of pre-financing interest when very small amounts are concerned).



## Where can I find further details?

- Financial regulation and its implementing rules: [http://ec.europa.eu/budget/documents/implement\\_control\\_en.htm](http://ec.europa.eu/budget/documents/implement_control_en.htm)

# Better transparency and control



The new financial rules provide further measures to ensure maximum transparency and stricter control of how the EU funding is distributed and spent. This section will give a brief overview of key transparency standards and control requirements.

## Transparency

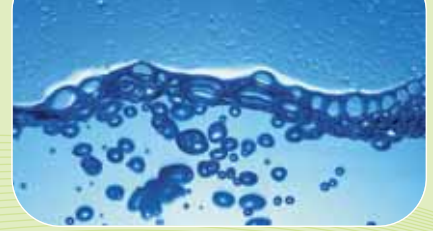
- **Who do the Member States give EU money to?** In the case of direct payments to farmers and structural funds, it is the national or regional authorities who manage the funds. Until now, the publication of the names of the beneficiaries of these funds was up to these authorities to decide. However **the new rules make the publication of the names of beneficiaries of agricultural and structural funds obligatory**. It is a major breakthrough in making EU funding fully transparent, as these funds make up three-quarters of EU expenditure.

The publication of names of beneficiaries will be mandatory for the structural funds under the 2007 budget. This means that the names of beneficiaries will be published as of 2008. For the beneficiaries of agricultural funds, this rule will become applicable for the 2008 budget, so the names will be published as of 2009.

- **Who receives money from the European Commission?** By 30 June each year the Commission departments publish on the Europa website lists of grants that they awarded during the previous year, with the exception of those awarded in the form of scholarships to individuals. On top of that, the European Commission compiles a detailed annual report on the allocation of its grants, intended for use by Members of the European Parliament and the Council of Ministers.
- **Transparent procedures for all:** whether you apply for a grant directly from the European Commission or through a national programme co-financed by the EU, or you take part in a call for tender to deliver services or products to an EU institution, you will benefit from the same strict principles of transparency and equal treatment laid down in the Financial Regulation and its implementing rules.
- Transparent procedures also mean **equal access to information**. Calls for proposals are published on the European Commission web sites; the same principle applies to EU funds managed at the national or regional level: the rules concerning information and publicity requirements are set by the European Commission and applied consistently throughout the EU. Calls for tenders from the European Commission can be found on the Europa web pages of the various Directorates-General of the European Commission and in the Supplement to the Official Journal of the European Union, whose electronic on-line format is the TED database.

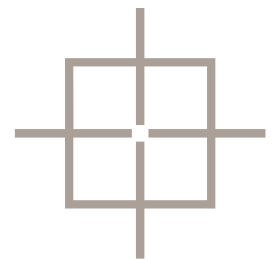


## ... Better transparency and control



# Accountability and control

- The College of the 27 European Commissioners have the ultimate **political responsibility** for ensuring that EU funds are spent properly. Each year they endorse the EU's annual accounts, including data on all money spent during the year, which are then subject to the annual discharge of the European Parliament.
- Each head of a Commission department (i.e. each Director-General) issues an **Annual Activity Report**. These reports provide an analysis of internal control and financial management systems set up by each department to ensure EU funds are properly managed. They are an objective source of information: directors are obliged to enter reservations in areas where audits have indicated potential problems.
- Most EU funding is managed at **national level** which means national governments must take their share of the responsibility as to how this money is spent. **The new rules improve Member States' reporting**. National governments have committed themselves to putting in place effective and efficient internal control systems and making the necessary checks on EU funds under their management. Each Member State is now obliged to provide an annual summary of the audits available on these funds.
- Under the new rules, the European Commission will also have a better tool to prevent fraud and corruption: a **central database of organisations excluded from EU funding**. This database (available now for EU grants and public contracts) will from 2009 contain all relevant information on persons and entities condemned for fraud, corruption, involvement in criminal organisations or any other illegal activity which is detrimental to the EU's financial interest in the Member States, third countries and international organisations involved in the implementation of EU programmes.
- Since 2005 the EU books have been based on the so-called **accrual accounting standards**. This is a modern and transparent accounting system, which only very few national governments apply. The system mirrors some of the modern accounting standards used by the private sector.



### Where can I find further details?

Financial regulation and its implementing rules:

[http://ec.europa.eu/budget/documents/implement\\_control\\_en.htm](http://ec.europa.eu/budget/documents/implement_control_en.htm)

List of beneficiaries of EU grants: [http://ec.europa.eu/grants/beneficiaries\\_en.htm](http://ec.europa.eu/grants/beneficiaries_en.htm)

List of beneficiaries of EU contracts:

[http://ec.europa.eu/public\\_contracts/beneficiaries\\_en.htm](http://ec.europa.eu/public_contracts/beneficiaries_en.htm)

TED database: <http://ted.europa.eu/>

Commissioner Dalia Grybauskaitė's website:

[http://ec.europa.eu/commission\\_barroso/grybauskaite/index.htm](http://ec.europa.eu/commission_barroso/grybauskaite/index.htm)

EU budget: <http://ec.europa.eu/budget/>

Transparency initiative: [http://ec.europa.eu/transparency/index\\_en.htm](http://ec.europa.eu/transparency/index_en.htm)

Guide on 'Modernising the EU accounts':

[http://ec.europa.eu/budget/publications/fin\\_manag\\_account\\_en.htm](http://ec.europa.eu/budget/publications/fin_manag_account_en.htm)



# Amounts available 2007-2013



## HEADING 1A - COMPETITIVENESS FOR GROWTH AND EMPLOYMENT

	Period (as in legal basis)	Total amount in current prices (EUR million)
7th Research Framework Programmes	(07-13)	54,547.47
Trans-European Networks (TEN) Transport	(07-13)	8,013.00
Trans-European Networks (TEN) Energy	(07-13)	155.00
Galileo (satellite radio navigation)	(07-13)	3,005.00
Marco Polo II (environmental performance of the freight transport system)	(07-13)	450.00
Lifelong Learning	(07-13)	6,970.00
Competitiveness and Innovation Framework Programme (C.I.P)	(07-13)	3,621.30
PROGRESS (Programme for Employment and Social Solidarity)	(07-13)	743.25
Custom 2008-2013 (facilitating legitimate trade; preventing unfair and illegal trade)	(08-13)	323.80
Fiscalis 2008-2013 (cooperation between tax authorities; fight against tax fraud)	(08-13)	156.90
Hercule II (protection of the EU's financial interests)	(07-13)	98.53
Nuclear decommissioning: A) Ignalina; B) Bohunice	(07-13)	1,260.00
Pericles (protection of the euro against counterfeiting)	(07-13)	7.00
Anti-pollution measures	(07-13)	154.00
Erasmus Mundus 2*	(09-13)	493.69

## HEADING 1B - COHESION FOR GROWTH AND EMPLOYMENT

Total Structural Funds, including:	(07-13)	277,657.74
<i>European Regional Development Fund (indicative)</i>		198,941.36
<i>European Social Fund (indicative)</i>		78,716.37
Total Cohesion Fund	(07-13)	69,752.33

## HEADING 2 - PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES

Market expenditure and direct aids (indicative)**	(07-13)	316,586.70
Rural Development	(07-13)	91,962.33
Common Fisheries Policy and Law of the Sea	(07-13)	2,411.60
European Fisheries Fund	(07-13)	4,339.67
Life+ (financial instrument for the environment)	(07-13)	2,143.41

## HEADING 3A - FREEDOM, SECURITY AND JUSTICE

European Fund for the Integration of Third-country Nationals	(07-13)	825.00
Fundamental Rights and Citizenship	(07-13)	96.50
Criminal Justice	(07-13)	199.00
Prevention, Preparedness and Consequence Management of Terrorism	(07-13)	139.40
Prevention of and Fight against Crime	(07-13)	605.60
European Refugee Fund (support for EU efforts in receiving refugees; common asylum procedures)	(08-13)	628.00
European Return Fund (return of third country nationals illegally residing in the EU)	(08-13)	676.00
External Borders Fund	(07-13)	1,820.00
Daphne (fight against violence)	(07-13)	116.85
Civil Justice	(07-13)	109.30
Drugs Prevention & Information	(07-13)	21.35

# ... Amounts available 2007-2013



## HEADING 3B - CITIZENSHIP

Civil Protection Financial Instrument	(07-13)	133.80
Public Health	(08-13)	321.50
Consumer Protection	(07-13)	156.80
Culture 2007	(07-13)	400.00
Youth in Action	(07-13)	885.00
Media 2007 (support for the European audiovisual sector)	(07-13)	754.95
Europe for Citizens	(07-13)	215.00

## HEADING 4 - EUROPEAN UNION AS A GLOBAL PARTNER

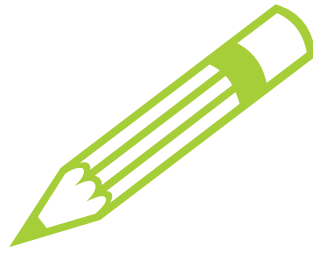
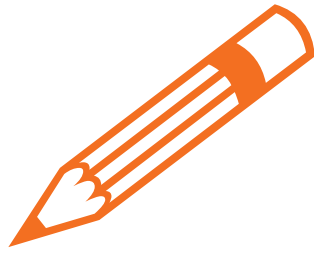
Instrument for Pre-Accession (IPA)	(07-13)	11,468.00
Instrument for Nuclear Safety Cooperation	(07-13)	524.00
Macro Financial Assistance	(07-13)	753.30
CFSP (Common Foreign and Security Policy)	(07-13)	1,980.00
Loan Guarantee Reserve	(07-13)	1,400.00
Instrument for cooperation with industrialised and other high income countries and territories (ICI)	(07-13)	172.00
Civil Protection Financial Instrument	(07-13)	56.00
European Neighbourhood and Partnership Instrument (ENPI)	(07-13)	11,181.00
Development Cooperation Instrument (DCI)	(07-13)	16,897.00
European Instrument for Democracy and Human Rights (EIDHR)	(07-13)	1,104.00
Instrument For Stability	(07-13)	2,062.00
Humanitarian Aid	(07-13)	5,614.00
Emergency Aid Reserve***		1,744.00

## Other instruments

European Union Solidarity Fund (financial assistance in the event of a major disaster in a Member State or a candidate country)****	up to 1,000.00 per year
European Globalisation Adjustment Fund*****	up to 500.00 per year

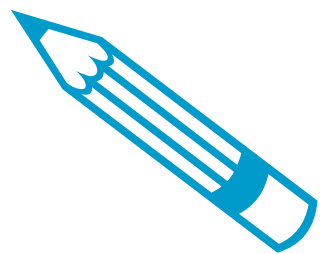
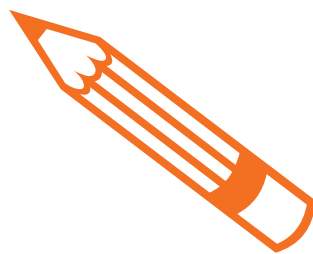
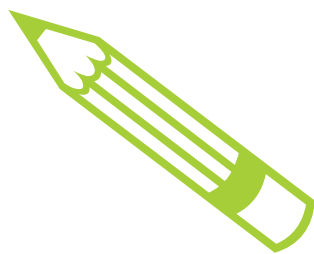
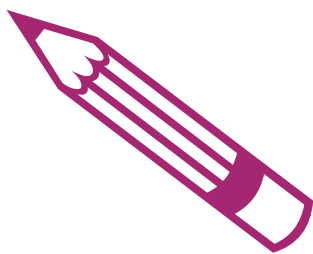
- \* Commission proposal; adoption pending at the time of publication;
- \*\* After transfer to Rural Development;
- \*\*\* Not included within the ceiling of Heading 4;
- \*\*\*\* On top of the Financial Framework ceilings;
- \*\*\*\*\* Financed through unused funds in the EU budget.

Figures based on reference amounts in legal bases. When necessary, the amounts may be subject to changes, based on a common decision by the institutions.



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Handwriting practice lines consisting of 20 horizontal dotted lines.



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EU budget

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

Commissioner Dalia Grybauskaitė

[http://ec.europa.eu/commission\\_barroso/grybauskaite/index.htm](http://ec.europa.eu/commission_barroso/grybauskaite/index.htm)

Directorate-General for Budget

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

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