



European
Commission



Beginners' Guide to EU Funding

Overview of the financial rules and
funding opportunities
2007–13

2012 Edition

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Beginners' Guide to EU Funding

Overview of the financial rules and **funding opportunities** 2007–13

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Editorial

In response to the evolution of the global economy and its impact on Europe, in 2007, the Commission proposed a set of programmes to boost innovation and foster growth across Europe's regions.

In the difficult years that followed, these funding opportunities contributed to the anti-crisis measures and helped to maintain the pace towards the challenging goals of the Europe 2020 strategy for a Union of 27 Member States. The 2007–13 programmes put great emphasis on research; supporting and building networks for goods, people and energy; contributing to combating climate change effects; and delivering growth as well as more and better jobs. To achieve these ambitious objectives, the EU has put in place simple, practical and transparent rules to access funds.

We have set the framework for competitiveness, solidarity and cohesion in Europe. We offer the support needed to help you implement your ideas and materialise your projects that bring EU added value to our shared goals. Let's work together to make the most of these investments and put Europe back on a growth track.

Janusz Lewandowski
Commissioner for
Financial Programming and Budget

Why a third edition?

- This guide is one of our most appreciated publications. Following numerous requests for a reprint, we decided to issue a revised version which includes the most up-to-date information on the programmes available within the present multiannual financial framework for the years 2007–13. These programmes offer a wide range of funding opportunities that would benefit us all. As there are still funds to be used, we think the publication will generate the attention of those who have, perhaps, thought of an EU budget, but have not yet decided to apply.
- Are you a researcher looking for a grant to develop your idea? Are you a student wishing to study abroad? Or, maybe, you simply want to develop your own business and you're looking for financial support? This edition of our Beginners' Guide will give you a wide overview of the funds available in the different sectors, contact details, information on the rules you need to follow to access the funds and advice on where to start looking for more detailed information on a particular funding opportunity.
- Planning ahead is the essence of good governance; therefore, we have started working on the new generation of funds after 2013. We want to offer you more Europe for the same money. If you want to follow these developments, check our dedicated EUROPA pages: http://ec.europa.eu/budget/reform/index_en.htm

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 the EU information networks



► Companies and SMEs

Enterprise Europe Network

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**
online: <http://ec.europa.eu/europedirect>

2. Visit the EUROPA portal

The Commission's portal on **grants** and **public contracts**:

http://ec.europa.eu/small-business/index_en.htm

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 the Structural Funds in every region, go to:

http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm?pay=108&list=no

A list of links to national **ministries for agriculture** is available at:

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 the **Structural Funds** and **agricultural subsidies**.

European Commission

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

Third countries and international organisations

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





Small companies

What are the main sources of funding available to our company?



- 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 such as the business support services provided by the Enterprise Europe Network or the Intellectual Property Rights (IPR) helpdesk.

Funding through EU grants

- This funding is mostly thematic with specific objectives (environment, research, training, etc.) 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 to the programmes, generally on condition that they present sustainable, added-value and transnational projects. The criteria to apply are specified in the call.

Structural Funds

- Direct aid to SMEs to co-finance their investments is only possible in the economically less developed regions (the so-called **convergence** regions).
- In other regions, priority is given to actions having a high leverage effect (e.g. entrepreneurship training, support services, business incubators, technology transfer mechanisms, networking) rather than 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, **Joint European Resources for Micro to Medium Enterprises** (or **JEREMIE**), enables 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.

Financial instruments

- These schemes do not 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.
- The European Progress Microfinance Facility enables microfinance institutions across the EU to increase lending to entrepreneurs by issuing guarantees to providers of microfinance, thereby sharing their risk of loss, and by increasing their microcredit volume through funded instruments (i.e. loans and equity).
- Under the **Competitiveness and Innovation Framework Programme** (CIP), EUR 1 130 million has been allocated for financial instruments for the period 2007–13. These are organised under two 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.

HOW DID THE EU FUNDS HELP?

British-German cooperation brings about digital field guides

As a result of the collaboration of two micro-companies brought together by the Enterprise Europe Network, there is now a new range of ecology-based applications for smartphones and tablet computers. Their first project, **TreelD**, helps users identify tree species by asking questions and then provides a list of ranked options. The application reached No 3 in the iTunes Education chart.

For more information see: http://ec.europa.eu/small-business/success-stories/2011/august/index_en.htm

Examples of projects or areas funded

Offering quality services for disabled people on the job market; microcredit providers; ecology-based applications for smartphones and tablet computers; dance schools; energy distribution and information technologies; online tender portal; catering businesses.

For an overview of the main funding opportunities available to European SMEs, check: http://ec.europa.eu/enterprise/newsroom/cf/_getdocument.cfm?doc_id=4619

More success stories?

Check: <http://www.erasmus-entrepreneurs.eu>





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 the 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?

- The Enterprise Europe Network with some 600 partner organisations in more than 40 countries helps small businesses to make the most of the European marketplace. Working through local businesses organisations, the network can help you develop your business in new markets, source or license new technologies, access EU finance and EU funding:
http://www.enterprise-europe-network.ec.europa.eu/index_en.htm
- The European Small Business Portal (with an overview of the main funding opportunities available):
http://ec.europa.eu/small-business/index_en.htm
- For funding opportunities by policy area, see the Commission's portal on grants:
http://ec.europa.eu/contracts_grants/grants_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
- For a list of managing authorities for the Structural Funds in every region, go to:
http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm
- The European Social Fund:
<http://ec.europa.eu/esf>
- The JEREMIE initiative:
<http://www.eif.org/jeremie>

- For more information on financial instruments see:
the Competitiveness and Innovation Programme: http://ec.europa.eu/cip/index_en.htm
and the European Investment Fund: <http://www.eif.org>
- The Instrument for Pre-accession Assistance (IPA):
http://ec.europa.eu/enlargement/instruments/overview/index_en.htm
- The European Progress Microfinance Facility:
<http://ec.europa.eu/social/main.jsp?langId=en&catId=836>

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 EUR 50 million, or a balance sheet total of no more than EUR 43 million.





NGOs

What are the main sources of funding available to us?



- 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 the Structural Funds, and under Commission-run programmes.
- It is estimated that over EUR 1 000 million a year is allocated to NGO projects directly by the Commission, the major part of which is in the area of **external relations** for development cooperation, human rights, democracy programmes and, in particular, humanitarian aid (EUR 400 million). Other important allocations are in the social (EUR 70 million), educational (EUR 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 DID THE EU FUNDS HELP?

Emergency health response for the population affected by armed conflicts in South Kivu, Democratic Republic of the Congo

The programme contributes to reducing mortality in the vulnerable population of Kitutu by improving the quality and accessibility of health care. Medical assistance in this area of 109 710 inhabitants is provided by a referral hospital and 22 health centres. **People in Need** has focused primarily on the health sector and concentrates on support to the centres, particularly through the training of health centre personnel, provision of essential drugs and equipment, or through the provision of financial support in order to ensure free primary treatment for IDPs (Internally Displaced Persons) and vulnerable women.

Examples of projects or areas funded

Humanitarian support in Afghanistan; Humanitarian support in Colombia; Integrated Food Security and Nutrition programme to address acute malnutrition and food insecurity among vulnerable populations of Ukiah and Teknaf Upazila; Emergency responses to vulnerable regions; Improvement in the available water resources (quantity and quality); Community-based drought risk management in Dhas, Miyo and Moyale woredas, Borena zone, Oromiya region, Ethiopia; Emergency cash-for-work for vulnerable households in the West Bank and Gaza Strip.

More information

http://ec.europa.eu/echo/files/funding/agreements/agreements_2010.pdf

http://eacea.ec.europa.eu/citizenship/funding/2009/selection/documents/list_selected_projects_action2_3.pdf



How do I apply?

- This will depend on the **type of funding**:
 - ▶ the 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 or, in some cases (under EU external aid), to the EU Delegation or the beneficiary country.



Where can I find further details?

- For funding opportunities by policy area, see the Commission's portal on grants:
http://ec.europa.eu/contracts_grants/grants_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
- For a list of managing authorities for the Structural Funds in every region, go to:
http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm
- The European Social Fund:
<http://ec.europa.eu/esf>
- The EuropeAid Cooperation Office:
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) as 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.



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 2.5 million students have so far benefited from Erasmus grants. The European Commission hopes to reach a total of 3 million students by 2012/13, 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 an open-minded approach to the world, as well as providing help for youth workers and support youth policymaking.
- It is open to young **people aged 15–28** (13–30 for some specific actions).
- Examples of **activities** which may receive funding include: 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 organisation information campaigns for young people.



HOW DID THE EU FUNDS HELP?

New vision of minority rights

The project's objective was to give a voice to organisations working with disadvantaged and marginalised young people suffering discrimination and violence due to family situations, cultural, religious or ethnic reasons, and to give them the possibility to share their experience in fighting for minority rights. The project intended to act as a catalyst for a debate on the protection of minority rights in order to encourage youngsters and youth organisations to propose solutions and to take part in an open dialogue within their multicultural communities.

Countries involved: Côte d'Ivoire, Czech Republic, India, Italy, Spain and Turkey

Examples of projects or areas funded

Volunteers for exchanging best practices and promoting the development of youth work in South Africa; volunteers for promoting young people's active citizenship and personal commitment and improving their understanding of the value of community development and of cultural differences through voluntary work abroad (Ecuador, Uganda and China); volunteers for European Voluntary Service (EVS) projects promoting intercultural dialogue and social inclusion of people from different socioeconomic environments and different personal backgrounds; exploring ICT as a support tool to the learning experience of children with special needs; tackling the challenges posed by migration and including intercultural dialogue in learning; promoting social inclusion; and creating a safe climate in schools.

More information

http://ec.europa.eu/youth/sharing-experience/doc/thematic_compendia/good_practcies_internation_coop.pdf

http://ec.europa.eu/education/pub/pdf/lp/lp10_en.pdf



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 34 participating countries (EU Member States plus Croatia, the former Yugoslav Republic of Macedonia, Iceland, Norway, Liechtenstein, Switzerland 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.
- 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 Croatia, 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 about funding your project through Youth in Action, a recommended first step may 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.

International cooperation in education and training

The European Commission supports a wide range of training activities through scholarships and partnerships offered by the Erasmus Mundus and Tempus programmes.



Where can I find further details?

- The Directorate-General for Education and Culture's calls for proposals:
http://ec.europa.eu/dgs/education_culture/calls/grants_en.html
- Youth on the Move:
<http://ec.europa.eu/youthonthemove>
- Youth in Action programme:
http://ec.europa.eu/youth/index_en.htm
Eac-youthinaction@ec.europa.eu
- Lifelong Learning Programme guide including more information on Erasmus, Comenius and Leonardo da Vinci:
http://ec.europa.eu/education/programmes/llp/index_en.html
- International cooperation in education and training:
http://ec.europa.eu/education/external-relation-programmes/doc1172_en.htm
- European Youth Portal:
<http://europa.eu/youth>
- The Education, Audiovisual and Culture Executive Agency:
<http://eacea.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 (Support and Advanced Learning and Training Opportunities) Resource Centres are structures established within the Youth in Action programme to provide training and information for youth organisations:
<http://www.salto-youth.net>
- Publications about EU opportunities in education, culture and youth:
http://ec.europa.eu/dgs/education_culture/publ/educ-training_en.html#what



DID YOU KNOW?

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



Researchers



What are the main sources of funding available to me?



Seventh framework programme

- With over **EUR 53 billion** to be spent from 2007 until 2013, the seventh 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 10 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 DID THE EU FUNDS HELP?

Innovative bio-packaging

A team of researchers based in Grenoble, France, is developing new paper-based materials that can compete with plastic films and other flexible packaging in terms of performance and cost, but with much lower environmental impacts. The new materials are recyclable and biodegradable in less than six months (compared to the 200-year period required for materials such as polyethylene), and will be made from more than 70 % bio-based materials.

Examples of projects or areas funded

Mass spectrometry research; studying motor control and cognitive function to gain a better understanding of the basic mechanisms used to control movements; automatically analyse, index and search for video content; gene therapy; developing ever-smaller microchip technology, 32 nm and below.

More information

http://cordis.europa.eu/results/home_en.html



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);
 - ▶ 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 may 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 in 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.



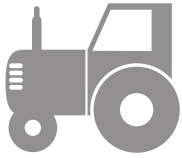
Where can I find further details?

- For a list of National Contact Points, go to:
http://cordis.europa.eu/fp7/ncp_en.html
- The CORDIS website contains a great deal of information about FP7, including the latest updates, a calendar of calls for proposals, the texts of the calls, frequently asked questions (FAQ), and more:
http://cordis.europa.eu/fp7/home_en.html
- The Practical Guide to EU funding opportunities for research and innovation:
http://cordis.europa.eu/eu-funding-guide/home_en.html
- The European Commission's Research & Innovation website which contains simple, downloadable fact sheets explaining FP7, available in 23 languages:
<http://www.ec.europa.eu/research/fp7/>
- Register your organisation's data on the FP7 participants' portal:
http://cordis.europa.eu/fp7/pp_en.html
- Research Enquiry Service:
<http://www.ec.europa.eu/research/enquiries>
- The 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 **Structural Funds** targets policies which promote growth and competitiveness. Check out the national plans adopted to see what research-related funding options are available.





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. Farmers receiving the single payment have to respect standards of environmental protection, animal welfare, food safety and keep the land in good condition or their aid is reduced or even cancelled. Farmers are encouraged to make 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 2007–13 policy, EU Member States will invest EUR 96 billion to improve competitiveness for farming and forestry, protect the environment and the countryside, and 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 DID THE EU FUNDS HELP?

Preservation of arable lands (erosion prevention)

Some areas of Murcia, Spain, with permanent crops are seriously affected by soil degradation caused by hydric erosion. Slopes are easily eroded, which, along with difficult climatology (heavy rains combined with dry spells) and misguided agricultural management, such as frequent and heavy ploughing, can worsen degradation of the land in the region. The project, co-funded by the European Regional Development Fund (ERDF), created strips of vegetal cover by planting bushes and sowing a mixture of cereals in order to control soil erosion. As a result, there is also better management of water and more plant diversity.

Examples of projects or areas funded

Environmental protection; animal welfare; food safety and keeping the land in good condition; improvement in competitiveness for farming and forestry; protection of the countryside; improvement in quality of life; diversification of the rural economy.

More information

For more information about beneficiaries in individual Member States, see:
http://ec.europa.eu/agriculture/funding/index_en.htm.



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 granted on the basis of the payments received during a reference period, either calculated at farmer level (historical model) or at region level (regional level).

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 how to get support, the rules which apply, and the EU contribution available.



Where can I find further details?

- Contact the ministry of agriculture in your country or check the rural development programmes:
http://ec.europa.eu/agriculture/rurdev/countries/index_en.htm
- The European Network for Rural Development:
<http://enrd.ec.europa.eu/>



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 could be reduced or even withdrawn completely for the year concerned.



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 the **Structural Funds**, which are largely managed by national or regional authorities. Between 2007–13, the EU will spend over EUR 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 to the remaining regions;
 - ▶ more than 2.5 % will be spent on cross-border cooperation through joint local and regional initiatives.
- Funding from the European Social Fund will be available to 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 acronyms stand for two initiatives designed to support public administration and local authorities, operated through 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) helps 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 in the preparation of high-quality projects which are eligible for support from the 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 (seventh framework programme); and innovative approaches 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.
- 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 of and Fight against Crime programme. This programme targets, in particular, terrorism, trafficking in human beings, offences against children, illicit drugs and arms trafficking, corruption and fraud. The total amount to be spent under the Prevention of and Fight against Crime programme between 2007 and 2013 is over EUR 605 million.

European Globalisation Adjustment Fund (EGF)

- A Member State faced with sudden redundancies caused by changing global trade patterns or the global financial and economic crisis may request support to help workers who have been made redundant so that they can reintegrate into employment as quickly as possible. A maximum of EUR 500 million can be made available per year.
- The EGF can co-fund activities such as job search assistance, personalised retraining, business creation, as well as temporary allowances for those participating in EGF co-funded activities such as training.
- Note that these funds are made available to fund measures helping individual redundant workers (not companies) and are paid only in response to eligible applications from national authorities, not regions or local authorities.

HOW DID THE EU FUNDS HELP?

European Globalisation Adjustment Fund helps redundant workers in Austria

The total of EUR 9.5 million helped 430 dismissed workers in Austria. They were former metal manufacturers located in the regions of Steiermark and Niederösterreich, and employees of Austria Technologie & Systemtechnik Aktiengesellschaft, a leading printed circuit board manufacturer. The redundancies resulted from the impact of the financial and economic crisis on the basic metal sector and from the relocation of Austrian PCB production to Shanghai.

Examples of projects or areas funded

Assisting European regions and communities to meet the challenge of a rising demand for heating and cooling by providing a web-based tool for regional decision-makers; simplifying administration and the life of citizens in the Opole region (Poland) by developing new information technologies.

More information

http://ec.europa.eu/regional_policy/projects/stories/details_new.cfm?pay=DE&the=88&sto=1795&lan=7®ion=ALL&obj=ALL&per=2&defL=EN.

http://ec.europa.eu/regional_policy/projects/stories/details_new.cfm?pay=PL&the=88&sto=1497&lan=7®ion=ALL&obj=ALL&per=2&defL=EN





How do I apply?

- This will depend on the **type of funding**:
 - ▶ the 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
- For a list of managing authorities for the Structural Funds in every region, go to:
http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm
- The European Social Fund:
<http://ec.europa.eu/esf>
- Information about financial allocations by region:
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/contracts_grants/index_en.htm

- JESSICA and JASPERS:
http://ec.europa.eu/regional_policy/thefunds/instruments/index_en.cfm
- 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/egf>
- The ICT Policy Support Programme:
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.





Easy 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 information for grants

- **Light documentation** requirements apply to grants of small amounts (less than or equal to EUR 25 000).
- Beneficiary organisations must partially finance their projects (so-called co-financing). Where justified, they are able to replace this with **co-financing in kind** (e.g. 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. However, after assessing the risks, this requirement for grant pre-financing below EUR 60 000 may be waived.
- For organisations applying for EU funds, an **external audit** is required for grants of EUR 500 000 or more for specific projects, and for grants of EUR 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.
- Simple rules governing **purchases made by beneficiaries to implement a grant**. For purchases below EUR 60 000, the rules to be followed by the beneficiary are limited to two basic principles: the principle of sound financial management and the absence of any conflict of interest.

Practical information for public contracts



- For purchases by the European Commission with a value below EUR 60 000, the requirements on proof of financial capacity may be waived for contracts.
- 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. However, there are thresholds below which bidders may be allowed to replace these documents with a simple declaration on their honour.
- Similar rules exist for public contracts in the field of **external aid**, but with even higher thresholds (EUR 200 000 for services; EUR 150 000 for supplies; EUR 5 000 000 for works).
- EU institutions are 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 are awarded in the form of **separate lots** to increase efficiency and competition.
- Time limits for **exclusion** from EU contracts are clearly specified.



Where can I find further details?

- The Financial Regulation and its Implementing Rules:
http://ec.europa.eu/budget/biblio/documents/regulations/regulations_en.cfm#rf_modex



Transparency

and control



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

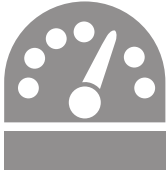
Transparency

- **Who do the Member States give EU money to?** In the case of direct payments to farmers and the Structural Funds, it is the national or regional authorities who manage the funds. Until recently, the publication of the names of the beneficiaries of these funds was up to these authorities to decide. However, according to the rules that entered into force in 2007, **the publication of the names of beneficiaries of agricultural and the Structural Funds is obligatory**. This was a major breakthrough in making EU funding fully transparent, as these funds make up three quarters of EU expenditure.
- The publication of the names of beneficiaries was made mandatory for the Structural Funds under the 2007 budget. This means that the names of beneficiaries were published as of 2008. For the beneficiaries of agricultural funds, this rule has been applicable since the 2008 budget, so the names of beneficiaries have been published since 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 websites; 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 online format is the TED database.

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. 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 obliged to provide an annual summary of the audits available on these funds.
- Since 2009 the European Commission has 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) contains 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?



- The Financial Regulation and its Implementing Rules:
http://ec.europa.eu/budget/biblio/documents/regulations/regulations_en.cfm
- For a list of beneficiaries of EU grants, go to:
http://ec.europa.eu/grants/beneficiaries_en.htm
- For a list of beneficiaries of EU contracts, go to:
http://ec.europa.eu/public_contracts/beneficiaries_en.htm
- The TED database:
<http://ted.europa.eu>
- Commissioner Janusz Lewandowski's website:
http://ec.europa.eu/commission_2010-2014/lewandowski/index_en.htm
- The EU budget:
http://ec.europa.eu/budget/index_en.cfm
- The Transparency Portal:
http://ec.europa.eu/transparency/index_en.htm
- The guide *Modernising the EU accounts*:
http://ec.europa.eu/budget/biblio/publications/publications_en.cfm#modern_acc

Amounts available 2007–13

Programmes related to the Financial Framework 2007–13 (as in legal bases):

Heading	Period	Total amount in current prices (million EUR)
HEADING 1A — COMPETITIVENESS FOR GROWTH AND EMPLOYMENT		
Seventh research framework programmes	(07–13)	50 521.00
Trans-European Networks (TEN) Transport	(07–13)	8 013.00
Trans-European Networks (TEN) Energy	(07–13)	155.00
Egnos and 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 (CIP)	(07–13)	3 621.30
PROGRESS (Programme for Employment and Social Solidarity)	(07–13)	683.25
Custom 2008–13 (facilitating legitimate trade; preventing unfair and illegal trade)	(08–13)	323.80
Fiscalis 2008–13 (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; (C) Kozloduy	(07–13)	1 560.00
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:		278 454.09
<i>European Regional Development Fund (indicative)</i>		201 633.15
<i>European Social Fund (indicative)</i>		76 820.94
Total Cohesion Fund		69 963.12
HEADING 2 — PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES		
Market expenditure and direct aids (indicative) (*)	(07–13)	299 958.72
Rural Development	(07–13)	96 443.83

Heading	Period	Total amount in current prices (million EUR)
Common fisheries policy and Law of the Sea	(07–13)	1 992.42
European Fisheries Fund	(07–13)	4 339.52
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 and information	(07–13)	21.35
HEADING 3B — CITIZENSHIP		
Civil Protection Financial Instrument	(07–13)	133.80
Public Health	(07–13)	321.50
Consumer Protection	(07–13)	200.90
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

Heading	Period	Total amount in current prices (million EUR)
Macro Financial Assistance	(07–13)	753.00
CFSP (Common Foreign and Security Policy)	(07–13)	1 980.00
Guarantee Fund for External actions	(07–13)	1 400.00
Instrument for cooperation with industrialised and other high income countries and territories (ICI and ICI+)	(07–13)	296.00
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

(*) After transfer to Rural Development.

(**) Not included within the ceiling of Heading 4.

(***) On top of the Financial Framework ceilings.

This list of programmes is not exhaustive.

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.

European Commission

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FOR MORE INFORMATION ON EU FINANCES:

EU budget

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

Commissioner Janusz Lewandowski

http://ec.europa.eu/commission_2010-2014/lewandowski/index_en.htm

Directorate-General for Budget

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

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