



EUROPEAN COMMISSION
EMPLOYMENT AND SOCIAL AFFAIRS DG
Adaptability, social dialogue and social rights

BUDGET HEADING B3-4000

INDUSTRIAL RELATIONS AND SOCIAL DIALOGUE

CALL FOR PROPOSALS

2003

VP/2003/03

**In view of the large number of enquiries, please do not telephone.
Questions should be sent by e-mail only to: empl-b3-4000@cec.eu.int**

TABLE OF CONTENTS

1.	OBJECTIVES OF THIS BUDGET HEADING	5
2.	APPLICANTS ELIGIBLE FOR THE SUB-PROGRAMMES	7
3.	ELIGIBLE MEASURES	9
	I. Support for European social dialogue	9
	II. Promoting the financial participation of workers	10
	III. Improving expertise in the field of industrial relations	11
	IV. Corporate social responsibility and fundamental social rights	12
4.	EXAMINATION OF GRANT APPLICATIONS	15
	I. Submission and implementation dates	15
	II. Co-financing rates for the sub-programmes	16
	III. Selection criteria	17
	IV. Award criteria	18
5.	PRACTICAL PROCEDURES	19
	I. STEP 1: Where can the form be found?	19
	II. STEP 2: What does the grant application need to include?	20
	III. STEP 3: Where does the application need to be sent?	22
	IV. STEP 4: What next? Accepted and rejected applications	23
6.	REMARKS ON THE AGREEMENT GOVERNING THE GRANT	24
	Annex	27

BUDGET HEADING B3-4000 INDUSTRIAL RELATIONS AND SOCIAL DIALOGUE
--

1. OBJECTIVES OF THIS BUDGET HEADING

In line with the comments in the budget, this budget heading is intended to cover grants for promoting social dialogue at cross-industry and sectoral level in accordance with Articles 138 and 139 of the Treaty. The appropriations will therefore be used to finance consultations, meetings, negotiations and other operations designed to achieve these objectives and to promote actions outlined in the Commission's Communication on *The European social dialogue, a force for innovation and change* (COM(2002) 341 final).

The budget heading also covers measures to promote actions outlined in the Commission's Communication *On a framework for the promotion of employee financial participation* (COM(2002) 364 final).

As its name suggests, this heading may also finance operations in the field of industrial relations, especially measures designed to develop expertise and exchange of information on a European basis. This includes measures in connection with the Commission's Green Paper *Promoting a framework for Corporate Social Responsibility* (COM(2001) 366 final) and the Commission's Communication concerning *Corporate Social Responsibility: A business contribution to Sustainable Development* (COM(2002) 347 final).

Also eligible are projects designed to develop codes of conduct and social labelling intended to ensure respect for fundamental social rights in the social and employment fields, involving companies, trade unions and non-governmental organisations concerned with protecting fundamental social rights.

This budget heading can also be used to finance operations involving representatives of the social partners in the applicant countries. Special attention will be paid to improving the level of female participation. These two components are of a horizontal nature, i.e. they apply to all the sub-programmes.

Access for disabled persons must be guaranteed for measures funded under this heading.

On the basis of these objectives, four sub-programmes have been defined:

- | | |
|-----|---|
| I | Support for European social dialogue |
| II | Promoting the financial participation of workers |
| III | Improving expertise in the field of industrial relations |
| IV | Corporate social responsibility and fundamental social rights |

A commitment appropriation of € 11 850 000 has been entered for 2003. At least half of the appropriations are intended to support the European social dialogue (sub-programme I).

2. APPLICANTS ELIGIBLE FOR THE SUB-PROGRAMMES

Applicants must submit evidence with their applications demonstrating that they belong to one of the following categories (e.g. articles of association or equivalent) in accordance with the new Financial Regulation

(<http://forum.europa.eu.int/Public/irc/empl/proposals/library>).

Social partners	<p>European social partner organisations currently consulted in accordance with Article 138 of the Treaty. A list of these organisations is included in Annex 1 of the Communication on <i>The European social dialogue, a force for innovation and change</i> (COM(2002) 341 final)</p> <p>National or regional organisations affiliated to such organisations as long as the project is part of a European approach and is developed in cooperation with their European organisation</p> <p>European social partner organisations not covered by the above, for example for operations involving the preparation and launch of European social dialogue at sectoral level</p>
Organisations linked to industrial relations	<p>Research centres and institutes, universities</p> <p>Networks of companies or of workers' organisations active in the field of industrial relations and the financial participation of workers</p> <p>Company networks active in the field of initiatives linked to Corporate Social Responsibility</p>
Public authorities	National, regional and local authorities responsible for the subjects covered by the budget heading
Non-governmental organisations involved in promoting fundamental social rights	<p>Non-profit organisations or associations independent of the public authorities, managed in a manner which is both democratic and consistent with relevant national provisions, and active in:</p> <ul style="list-style-type: none"> - the field of social measures and fundamental social rights - promoting financial participation and - promoting responsible and ethical production and consumption

3. ELIGIBLE MEASURES

The operations must be fully carried out within the Member States of the European Union or in one of the 13 candidate countries. However the registered offices of the applicant must be based in one of the EU Member States. Persons resident in third countries may participate in operations supported under this budget line, but it is not possible to reimburse any expenses of such persons for travel, accommodation, subsistence or staff costs from a grant under B3-4000.

I. Support for European social dialogue

This first sub-programme is itself divided into six categories of operation:

- measures to prepare European social dialogue, e.g. preparatory surveys, meetings and conferences;
- measures regarded as part of the social dialogue within the meaning of Article 138 of the Treaty, involving negotiations, meetings to prepare for negotiations or relating to the implementation of agreements and other outcomes;
- measures to implement the European social partners' work programme (eg the organisation of roundtables, exchanges of experience and networks of players);
- measures to monitor European social dialogue activities, e.g. conferences and initiatives to disseminate the results of European social dialogue through European or national events, whether as paper publications or in electronic form;
- measures to social dialogue in the candidate countries and to prepare for enlargement;
- measures by European and national social partners which contribute to the European Employment Strategy (EES), in particular actions to implement the EES and to monitor and analyse its impact on labour markets.

II. Promoting the financial participation of workers

The objective of projects submitted under this sub-programme should be to exchange information and best practice, raise awareness, improve knowledge of financial participation systems, contribute to a better understanding of the benefits of these systems and the obstacles to their further development, and provide training for the social partners in the operation of financial participation systems.

The following measures are eligible:

- meetings, seminars and conferences,
- surveys and studies,
- the structured exchange of information and monitoring of developments, including benchmarking,
- the setting-up of networks,
- training measures.

Innovative projects will have priority. The term "innovative" refers to projects which improve the availability of information on these practices and which involve the various

partners concerned. In the case of projects which are not proposed by social partners, the involvement of the latter in the operation will be regarded as a positive factor.

III. Improving expertise in the field of industrial relations

The aim of this sub-programme is to improve expertise in industrial relations (especially in European and comparative terms), to promote the exchange of information and experience among parties actively involved in industrial relations (companies, workers, public authorities and research centres) and to promote the development of industrial relations in Europe.

The following operations may be co-financed:

- general seminars or conferences on industrial relations, including preparatory studies;
- measures linked to the development of European social legislation (implementation of directives, groundwork on the future of work, etc.);
- initiatives designed to further the collection and use of information on national industrial relations systems and on developments at European level (parties involved, institutions, developments, etc.);
- initiatives connected with the use or preparation of the report on industrial relations;
- organisation of round tables, exchanges of experience and networks of players and/or experts.

IV. Corporate social responsibility and fundamental social rights

The objective of this sub-programme is to promote corporate social responsibility, including socially responsible production, consumption and investment. Projects with the aim of promoting innovation, transparency and convergence of CSR practices and instruments are eligible for support.

The following initiatives are eligible:

- initiatives aiming to promote convergence (effectiveness) and transparency (credibility) or CSR practices and tools, such as codes of conduct, social labels and audits, social accounting, reporting and assurance, and socially responsible investment, in particular through the development of common approaches, tools, terminology and methodologies, bringing together existing instruments and initiatives;
- initiatives aiming to improve knowledge about CSR and to facilitate the exchange of experience and good practice, in particular through networking and co-ordination of such initiatives, the development of Total Responsibility Management systems and the exchange of good practices in integrating CSR principles in education at all levels.

The following operations are eligible:

- seminars, training sessions, conferences and roundtables, including related dissemination through publications and the Internet;
- preparatory research seeking to identify and benchmark experience and good practices;
- preparatory research seeking to identify issues in the field of content, application, monitoring and verification of CSR practices and instruments;
- support for training for social auditors.

Priority will be given to the following projects:

- projects aiming to promote convergence and transparency of CSR practices and tools;
- projects involving several stakeholders and fostering a dialogue between enterprises, trade unions, civil society organisations and other stakeholders;
- projects based on the development and/or negotiation of instruments between or with the social partners;
- projects building on existing EU legislation and internationally agreed instruments such as the OECD Guidelines for multinational enterprises, the Council of Europe Social Charter, ILO core labour conventions and the International Bill of Human Rights;
- projects with a sustainable multiplier effect;
- projects with a transnational dimension;
- projects with an innovative dimension.

4. EXAMINATION OF GRANT APPLICATIONS

I. Submission and implementation dates

Only applications for operations starting in 2003 will be considered. In view of the time needed to examine applications, operations may not start before the deadlines given below. *Any expenditure incurred before written confirmation that the application has been accepted is at the applicant's risk.*

Applications will be examined by an Evaluation Committee which will meet within 30 working days following the deadlines for submission indicated below. For each meeting of this committee, *complete* applications must be submitted to the Commission by the deadline (as evidenced by the postmark).

The available appropriations may be exhausted before the end of the budget year and it is therefore in the applicant's interest to submit a proposal as early as possible.

The **deadlines** for the submission of applications are as follows:

- **15 March 2003** for operations commencing no earlier than **15 April 2003**;
- **1 June 2003** for operations commencing no earlier than **1 August 2003**;
- **1 September 2003** for operations commencing no earlier than **1 November 2003** and no later than **22 December 2003**.

Proposals which indicate an earlier starting date than the ones indicated above will not be considered by the Evaluation Committee!

Applications will be examined and selected taking account of the budget comment, the criteria laid down in this document (see below) and the principle of balanced support.

II. Co-financing rates for the sub-programmes

In general, this budget heading allows support to be given to projects to which the applicants contribute *at least 20 %* of the total cost of the operation. Contributions in kind will not be taken into account. *Any application which requests a grant of more than 80 % will be excluded automatically from the selection.*

In *derogation* from the previous paragraph, the Commission may decide to finance up to 95% of the total cost of operations involving negotiations in accordance with Articles 138 and 139 of the Treaty, meetings to prepare for negotiations (sub-programme I b), or operations relating to the implementation of the results of the European social dialogue.

III. Selection criteria

In order to be eligible, applicants and operations must meet the following criteria.

Eligibility of applicant

- Articles of association or other documents proving the eligibility of the organisation
- Letter of support from the European social partner organisation in the case of an application from a national member organisation
- CV of project manager
- Balance sheet of the organisation
- For grant requests over € 300 000, an external audit report should be included, certifying the last year available and assessing financial viability.

Eligibility of operation

- Links with at least one objective of the budget heading
- Compliance with the Community co-financing percentage of maximum 80 %
- Where applicable, letters of commitment from other providers of funding, stating the amounts

- Where applicable, letters of commitment from other partners involved, for example in managing the project or providing scientific support
- Compliance with the rules on dates of submission and start of the operation.

IV. Award criteria

Proposals will be assessed according to the following criteria and priorities:

- i. The extent to which the operation meets the objectives of the budget heading
- ii. The extent to which the operation has a *genuine* transnational dimension (in terms of the number and distribution of partners and countries involved)
- iii. The added value of the operation
- iv. The cost-effectiveness of the operation
- v. The involvement of the social partners in the operation and/or link with European social dialogue
- vi. Arrangements to publicise the operation, and dissemination methods envisaged
- vii. The level of the applicant's own contribution
- viii. Innovativeness

The amount of the average grant in 2002 was in the range of € 80 000. Experience has demonstrated that larger-scale, transnational projects tend to contribute most effectively to achieving the objectives of the budget line.

5. PRACTICAL PROCEDURES

I. STEP 1: Where can the form be found?

The compulsory grant application forms and other useful documents (eg. the new Financial Regulation and implementing rules) can be downloaded from the following web address: <http://forum.europa.eu.int/Public/irc/empl/proposals/library>.

The application forms are also available *in electronic form* from the Unit for "Interprofessional social dialogue - Industrial relations - Adaptation to change " in the European Commission's Directorate-General for Employment and Social Affairs. They may be requested from the following e-mail address: empl-b3-4000@cec.eu.int - *Please send an e-mail to this address and indicate in the "subject" field "Request for application forms B3-4000"*.

II. **STEP 2: What does the grant application need to include?**

Applicant organisations must submit the following documents to the Commission together with their original application. *Applicants should note that the Evaluation Committee will not examine applications lacking one or more of these documents:*

1	Letter of application: official covering letter of application for funding, quoting the reference of the call for proposals, signed by the legal representative.
2	Compulsory Excel grant application form, budget estimate form in € and original bank details form <i>including a signature and stamp from the bank</i> , duly completed, dated and signed by the legal representative. Please also ensure the checklist is filled in.
3	Detailed work programme for the project signed by the legal representative. This has to be a <i>separate</i> document; the project description in the grant application form is <i>not sufficient</i> . It must provide a detailed description of the project, a timetable for the activities, and a detailed budget estimate which respects the format of the "Project budget estimate" form and which provides any additional relevant information concerning the budget for the project, including subcontracting plans (see Annex).
4	Electronic version of the application in an Excel workbook to be sent by e-mail to empl-b3-4000@cec.eu.int .
5	Articles of association and VAT No: <ul style="list-style-type: none"> • Copy of articles of association / statutes or equivalent • Certificate of official registration, where applicable; • Document confirming the applicant's tax or VAT number, if available.
6	Letters of support: <ul style="list-style-type: none"> • if the applicant organisation is a national, regional or local member of a European social partner organisation, a letter of support from the European social partners' organisation; • if partners are involved in project management, for example providing scientific support and/or financing, a letter of commitment from <i>each</i> of the partners, specifying the amounts of any funding provided.
7	The curriculum vitae of the project manager.
8	The balance sheet of the organisation. For grant requests over € 300 000, an external audit report should be included, certifying the last year available and assessing financial viability.
9	The declaration of honour¹ at the end of the application form must be signed by the legal representative, certifying that the applicant is not in one of the situations listed in Article 93 of the Financial Regulation concerning social security, taxes, bankruptcy, misconduct, fraud, corruption or any other illegal activity, and has not failed to comply with any contractual obligations with the Communities in other grant award or contract procedures.

¹ Financial Regulation OJ L 248, 16.9.2002, p. 1-48:

<http://forum.europa.eu.int/Public/irc/empl/proposals/library>

Applicants should also ensure that they consult the Annex at the end of this Call for Proposals, as it lists important additional information which needs to be taken into account in drawing up proposals.

III. STEP 3: Where does the application need to be sent?

Please send your covering letter of application, your application form with all the necessary documents as *signed originals* and add *3 copies* of the application form, the project budget estimate form, work programme and CV by the deadlines indicated above, to the following address:

***Budget heading B3-4000
European Commission - DG EMPL/D.1
J37 6/26 - 1049 Brussels
Belgium***

Please send your application by registered mail or express courier service *only* and *keep proof of the date of sending*. If an applicant submits more than one proposal, each one must be submitted separately.

In addition, an electronic copy of the application form (Excel workbook) and the detailed project description must be sent to the following e-mail address:
empl-b3-4000@cec.eu.int.

ALL ENQUIRIES MUST BE MADE BY E-MAIL ONLY. PLEASE DO NOT TELEPHONE.

IV. STEP 4: What next? Accepted and rejected applications

Rejected projects

The Commission will notify unsuccessful applicants no later than one month after the meeting of the Evaluation Committee at which the application was examined. Rejected projects may be resubmitted following amendments. They will, however, only be considered at a subsequent selection meeting, *if a new and complete application file including all supporting documents* is sent to the Commission by the relevant deadline (see the list of deadlines above). Documents submitted to previous meetings of the Evaluation Committee *will not* be taken into account.

The Commission reserves the right to reject projects from organisations which have failed to comply with their contractual obligations in relation to earlier agreements.

Selected projects

Successful applicants will receive two original copies of the grant agreement for acceptance and signature. Both these copies must be sent back to the Commission, which will then return one of them once it has been signed by both parties. The following section explains in greater detail other important considerations concerning agreements governing successful grant awards.

6. REMARKS ON THE AGREEMENT GOVERNING THE GRANT

The payment arrangements will be laid down in the agreement. They depend on the duration of the agreement and the amount of the grant.

The Commission reserves the right to reject and/or limit the funding of specific elements in the budget estimate and to adapt the amounts and the co-financing rate.

The Commission may also adjust the duration of the operation proposed in the application.

The grant agreement (eg. the budget and implementation period) may only be modified in exceptional circumstances. Such requests must be received no later than two months before the end of the period stipulated in the agreement. The normal maximum duration of an operation is 12 months.

The partial or total withholding by the applicant of any information that may have an impact on the Commission's final decision will entail the automatic disqualification of the application or, if discovered at a later stage, will entitle the Commission to terminate the agreement and demand the full repayment of all sums received by the beneficiary under it.

Successful applicants should consult the section on subcontracting in the Annex and note that the Commission reserves the right to verify that the beneficiary has carried out the subcontracting in accordance with the description provided and with the rules included in the grant agreement. Failure to comply with these conditions will constitute grounds for non-acceptance of the costs of subcontracting in the final accounts of the beneficiary.

It should be noted that it is *obligatory* for conferences and publications to publicise the fact that the operation has received funding from the Commission, respecting the indications for the use of text and emblem given at the following web address:
http://europa.eu.int/abc/symbols/emblem/index_en.htm.

Failure to respect this requirement will constitute grounds for penalties.

The project manager should keep the Commission informed on the development of the measure and informed in good time of the main events being organised as part of the operation. It should be noted that the Commission covers the travel and subsistence costs of its own officials and these should not therefore be included in the budget estimate.

A final report and a statement of accounts for the operation must be submitted under the terms of the agreement. They must be submitted to the Commission no later than three months after the end of the agreed implementation period for the operation, unless otherwise stated in the agreement. They must include both income and expenditure set out in the same way as in the budget estimate, reports on the operations, a list of participants with the original signatures of participants, and details of all products developed for the operation itself or as a result of the operation, in the various languages provided for in the project. The balance of the grant will not be paid, and sums already received will have to be paid back, if any of these items is missing.

Supporting documents must be kept for ten years for the purposes of any on-the-spot inspections.

IMPORTANT ADDITIONAL INFORMATION

The attention of applicants is drawn to the following points:

- The estimated budget must be expressed in € (euro).
- There can be no duplicate Community funding of the same expenditure.
- If actual eligible expenditure is lower than estimated, the Commission's contribution will be reduced in proportion. In the costs are higher, the contribution cannot be increased.
- These appropriations are exclusively earmarked for funding specific operations, and organisations' operating costs are therefore not regarded as eligible expenditure.
- As these operations are not being undertaken for the Commission's benefit, they do not give entitlement to exemption from VAT.
- The gross salaries² of **permanent or temporary staff** involved in the operation are considered as direct eligible costs. The names and positions of these members of staff must be provided and the beneficiary of the grant must be able to justify these staff costs at the end of the project through supporting documents.
- **Travel expenses** must be based on the criteria applied by the Commission itself. Journeys must be carried out by the most direct and economic route. For information: rail – first class; air (only for journeys over 400 km each way or for a sea crossing) – economy class fare; car – reimbursement on the basis of the first-class rail fare. For any air travel, please obtain the cheapest fare.
- **Subsistence costs** (incl. local transport, accommodation, breakfast and two meals): the **maximum** daily allowances accepted, **in €** (valid from 29 January 2000), are as follows:

EU Member States					
BE	149.63	FR	130.29	AT	121.81
DK	179.28	IRL	165.20	PT	142.98
DE	127.10	IT	129.82	UK	199.21
EL	113.19	LUX	143.48	FIN	155.60
ES	141.30	NL	147.69	SV	156.54
Candidate Countries					
	Hotel	Meals		Hotel	Meals
BUG	Real costs*	45.00	POL	Real costs*	35.00
EST	Real costs*	70.00	ROM	Real costs*	45.00
LET	Real costs*	70.00	SVK	Real costs*	35.00
LIT	Real costs*	70.00	CZR	Real costs*	35.00
CYP	Real costs*	35.00	TUK	110.00	50.00
HUN	Real costs*	35.00	SLO	105.00	50.00
MAL	Real costs*	35.00			

² Including net salary, social security charges and other remuneration-related costs.

* Real costs: There are no fixed limits for the price of hotel rooms. The draft budget must therefore be based on the real price charged by the hotel for 1 night. As a general rule the Commission recommends a daily subsistence rate for EST, LET and LIT of approx. € 170 and for all other Candidate Countries of €135.

- **Publications and translation:** an estimate should be provided of the number of pages, languages and print-run.
- **Subcontracting:** A grant is a direct payment of a non-commercial nature by the Commission to promote an EU policy aim. A grant may not have the purpose or effect of producing a profit. Applicants should have the operational capacity to complete the project to be supported. Applications by agencies acting as intermediaries on behalf of others are not permitted. However, when justified and necessary, parts of the project may be subcontracted to another person or organisation. In this case, the beneficiary shall ensure that the terms applicable to itself under the agreement are also applicable to the subcontractors. The work programme of the grant application must include a declaration and justification of the nature and value of all the activities which are to be subcontracted. The planned selection and award procedures should be carefully explained. If the project is accepted, the following rules for subcontracting must be complied with:
 - The principles of transparency and equal treatment should be complied with, and any conflict of interests should be avoided.
 - Contracts must be awarded in writing to the tender offering best value for money, i.e. the one offering the best price-quality ratio.
 - In the written contract between the grant beneficiary and the subcontractor, the latter must undertake to accept checks and/or audits under the same conditions as those applied to the direct beneficiary of the financial agreement with the Commission.
 - The description of the subcontracting plans and procedures included in the work programme of the beneficiary will form a part of the grant agreement. The Commission reserves the right to verify that the beneficiary has carried out the subcontracting in accordance with this description and with the rules included in the grant agreement. Failure to comply with these conditions will constitute grounds for non-acceptance of the costs of subcontracting in the final accounts of the beneficiary.
- **Expenditure which is *not eligible*** includes the following:
 - cost of purchasing infrastructure equipment (with the exception of depreciation relating to purchased equipment, based on the project duration);
 - expenditure on luxuries;
 - expenditure incurred outside the contract period;
 - costs which would have been incurred even if the project had not taken place;
 - costs not consistent with market conditions;
 - costs not entered in the account, which are not identifiable or not verifiable;
 - invested capital costs, debts owed, interest on debts owed, bad debts receivable and exchange rate losses.
- **Reserves for contingencies** are limited to a maximum of 5% of direct eligible costs (excluding reserves). At the end of the project they will not appear in the final

account. If they have been used, they must be shown and justified under the headings under which they have been used.

- **Overheads** associated with the operation are limited to a maximum flat-rate of 7% of total eligible costs.³ Should an applicant run several projects in the same year, the Commission can reduce this maximum flat-rate with regard to the work programs in order to avoid double financing.
- Precise conditions concerning possible budget changes between items are set out in the agreement.

³ The Commission accepts a flat-rate of max. 7% for overhead expenses - such as telecommunication costs, costs for office material, stamps and costs for postal services etc. - as indirect eligible costs. **Mailing costs** are considered as overhead costs and **cannot** be accepted under the headings "publications" or "administration".