

EU FUNDING: OPPORTUNITIES FOR NOT-FOR-PROFITS

EU FUNDING PROGRAMMES PRESENT GREAT OPPORTUNITIES FOR NOT-FOR-PROFITS. HERE'S HOW THE PROGRAMMES WORK AND HOW YOUR ORGANISATION CAN BENEFIT.

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The European Commission awards money in the form of grants in order to implement projects or activities in relation to and supporting European Union policies. These policy fields are very diverse,

ranging from research, SME competitiveness, education and health to consumer protection, protection of the environment and humanitarian aid.

The funds available are substantial. For example, the 7th Framework Programme (FP7) of the European Community for research, technological development and demonstration activities has € 50.5 billion available over the period 2007-2013.

The beneficiaries of EU grants can

be private and public organisations. In exceptional cases, such as FP7, individuals may also be eligible. All types of private entities can obtain EU grants: companies, including SMEs, and not-for-profit organisations.

However, depending on the programme, the eligibility of private organisations may be limited to not-for-profits only. Because of these restrictions, it is extremely important to pay special attention to the eligibility criteria before deciding to apply for a grant. EU grants are not provided to entities per se, but to projects.

EU projects usually run for one to five years and the costs that the European Commission can cover - at least partially - are the following:

- + staff time (including travel)
- + equipment
- + consumables
- + patents
- + third party experts and services (subcontracting)
- + dissemination of project results (publications, websites and conferences)
- + indirect costs (overheads)

The specific conditions which need to be fulfilled in order to award a grant vary from one

field to another, according to the rules which govern each program. Often projects should be presented by a consortium consisting of at least three legal entities that must be independent of each other, two of which may be established in the same EU Member State. Generally, the higher the geographic spread of the partners, the higher the chances of success. This means that finding the right partner is an important factor in the grant application process.

This represents a prime opportunity for European trade associations and federations, which, with their large international networks, can have a key role in building consortia.

Involvement in European funding projects helps European Federations to offer distinct added value to members of their national societies.

Grants are subject to annual programming and are not awarded on a case-by-case basis. By 31 March each year, the European Commission publishes an Annual Work Program on its website where the broad outlines of the grants envisaged over the year (area of activity, objectives, timetable, available budget, award conditions, etc.) are given. Subsequently, the Commission publishes the calls for proposals on its website, which invite

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candidates to present, within a given deadline, a proposal for action that corresponds to the objectives stated in the call. It should be noted that a call can only be considered official when it has been published in the Official Journal of the EU (OJEU).

All applications are examined and evaluated on the basis of criteria announced in the calls for proposals. These evaluations are often outsourced to large consultancies.

Since grants cover a very diverse range of fields, the specific conditions which need to be fulfilled vary from one field to another,

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depending on the rules established by each Commission Directorate General and underlined in the grant program. However, some basic principles apply in every case:

- + EU funding contributes to the project on the basis of complementary financing (co-financing). It does not finance 100% of the budget of projects but only a portion. However, this part may be significant (up to 85%). Only projects taking place outside the European Union have the possibility to be financed in full through EU programmes;
- + EU funding is there to enable a given operation to break even financially and cannot lead to a profit for their beneficiaries;
- + Funding cannot be awarded retroactively for actions that are already completed;
- + Only one grant may be awarded for the same action

In order to receive support from the European Commission, project proposals have to:

- + Be relevant to the objectives of the call;
- + Be innovative;
- + Be viable after the end of community funding (long term sustainability);
- + Have an impact at a European or global level;
- + Be in line with the political and operational

objectives of the European Commission;

- + Demonstrate the ability to implement the proposed project in practice

EU grants are awarded through ad-hoc tendering procedures that can be regarded as a 'beauty contest'. Therefore, meeting the minimum criteria is no guarantee for success: only the best projects are selected for funding.

EU funding programs offer great opportunities for not-for-profits. However, there are pitfalls and the administrative burden can be heavy. A critical consideration for associations applying for funding is to examine the skill sets required and the most cost-effective means of staffing. A careful evaluation of the workload and awareness of the risk (there is no guarantee that a grant will be awarded) is crucial before deciding whether to allocate current staff, hire additional staff or outsource.

Consultancies and association management companies (AMCs) can help your organisation apply for EU funding and demonstrate the necessary implementation skills required. If the grant is awarded, they can also help your organisation with the necessary staff to implement and to manage the project.