Europeana Foundation Governing Board Meeting

25 February 2016
16h30 - 18h00 CET
Teleconference

Pros & Cons of Grant Agreement v. Procurement
The bulk of this paper was presented to the Foundation Board on 19 November 2016. It is updated with more recent information.
Action proposed: For information and discussion

Background

Our Directorate has been asked for written explanations of why procurement is considered by them to be advantageous to Europeana over the continuation of the mechanism of Grant Agreement. This was also requested by several MS as an outcome of the MSEG meeting on 14th October. To date EF has not received anything written. A summary has apparently been written into the non-paper for the meeting of 28 January 2016.

For both types of funding there is no inherent longer-term security,
Both cause cash flow problems for Europeana,
Both are funded under the Connecting Europe Facility which is largely concerned with Telecomms and Transport not culture, resulting in a fundamental lack of understanding for the needs of cultural heritage.

Grant Agreement

- Submission of a project against a call for proposals,
- Allows for the submitters to create a Description of Work that they believe in and know how to resource and execute,
- The Grant is awarded as the result of a process of independent reviewers evaluating the submission to be worthy of funding. Against the comments of the reviewers and some input from the Commission (on consistency and viability) the project is negotiated with the Submitting Coordinator,
- Requires a level of co funding. For the CEF funding this is largely around ineligible overheads such as staff training or sickness insurance,
- Co funding has been supplied by the Member States over the past 7 years.

<u>Advantages</u>

- A known system,
- Commission is the final arbiter should any difficulties arise in the consortium,

Co-financed by the European Union
Connecting Europe Facility

- The joint funding of Commission and Member States means ownership of the assets generated by the project is by the consortium and in the case of Europeana by the Europeana Foundation which is “owned” by the CulturalHheritage Foundations, by the European tax payer and the Member States,
- Influence on the strategy and yearly operational plans comes from the wide network of experts and cultural heritage institutions who know the sector and its needs.

Disadvantages

- Commission scrutinizing the financial validity of subcontracting decisions,
- Commission interpreting if value for money has been obtained without redress to the project reviewers, who mostly have given good or excellent stamps of approval to the project(s),
- Need for overhead and matching funding remains and therefore co-funding from the MS for whatever percentage of matching funding or overhead required.

Procurement

- Submission against a Description of Work written by the Commission calling for executors of the work,
- Evaluation of proposals is not known, nor how negotiation takes palce.

Advantages

- Co funding is reduced and may disappear,
- A fixed sum is agreed on and the results measured not how the money has been spent to achieve those results,
- A profit is allowed if the work is achieved at lower cost.

Disadvantages

- Ownership of Europeana is fundamentally changed from co ownership by MS to total ownership by the Commission,
- The Description of Work is not written by the people with most understanding,
- The involvement of the Europeana Network and the Cultural Heritage organisations in the setting of priorities is missing and could lead to problems of buy in, particularly all the work of the Network is voluntary,
- Loss of commitment from this huge volunteer workforce (3500 cultural heritage institutions, 173 aggregators, 1400 individuals) means we will have a massive reduction on what can be achieved,
- Some areas of work such as copyright and interoperability of data, or innovation in the sector on open data or linked data are not likely to feature in the Description of Work under a Directorate that is prioritising the portal to the exclusion of platform and reuse,
- Some overhead support funding might still be required if the costs of running the Foundation are still deemed ineligible,
- Payment is in arrears i.e. first payment is one month after the date of commencement,
- Possibly a VAT issue with the exchange of services between MS.

Council Conclusions January Draft

Article 15 – calls for greater inclusivity of MS. Current arrangement is that the sitting presidency has a place on the Europeana Foundation Board with the aim of sharing information with all other MS. The previous and following presidencies are invited as observers.

A procurement model could be at odds with article 15 and greater inclusivity and active participation of MS.

Circulation:
Europeana Foundation Governing Board Members & Observers

Classification:
Public