



EUROPEAN COMMISSION  
Directorate-General for Education, Youth, Sport and Culture  
Culture and Creativity  
Creative Europe

## Call for proposals - EAC/S21/2019

### PROFESSIONALISATION AND TRAINING

#### Preparatory Action Music Moves Europe: Boosting European Music Diversity and Talent

#### 1. INTRODUCTION – BACKGROUND

##### 1.1. Overall EU policy context for culture

This call for proposals serves the implementation of the distinct activity “Professionalisation and Training” within the context of the Preparatory action “**Music Moves Europe: Boosting European music diversity and talent**” in accordance with the Commission decision C(2019)1819 of 12 March 2019 adopting the 2019 annual work programme for the implementation of Pilot Projects and Preparatory Actions in the area of education, youth, sport and culture<sup>1</sup>.

The European Union's role in the culture area is specified in Article 167 of the Treaty of the Functioning of the EU. The activities in this field at EU level are defined by the multiannual Work Plan for Culture (2019-2022)<sup>2</sup> of the Council and are framed in particular by the New European Agenda for Culture adopted by the European Commission<sup>3</sup>, which aims to reinforce the role and position of culture in an increasingly globalised world.

In this context, the role of the European Commission (hereinafter: the Commission) is to help address common challenges, such as the impact of the digital shift, changing models of cultural governance, and the need to support the innovation potential of the cultural and creative sectors.

The Creative Europe Programme has served since 2014 as a consolidated framework programme in support of Europe's cultural and audio-visual sectors. It has supported the implementation of actions in line with the EU's cultural policy. In the context of the preparations of the post 2020 Multiannual Financial Framework (MFF), the negotiations on the next Creative Europe programme have started<sup>4</sup> with the aim to build on the existing Programme's achievements to date, and to scale up efforts to safeguard cultural diversity and strengthen competitiveness of the cultural and creative sectors.

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<sup>1</sup> Commission Decision C (2019) 1819 of 12 March 2019, page 41 point 3.3 – Full text available here: <https://ec.europa.eu/programmes/erasmus-plus/sites/erasmusplus2/files/2019-annual-work-programme.pdf>

<sup>2</sup> [https://ec.europa.eu/culture/news/2018/new-work-plan-culture-start-2019\\_en](https://ec.europa.eu/culture/news/2018/new-work-plan-culture-start-2019_en)

<sup>3</sup> Com (2018)267 final, 22.05.2019

<sup>4</sup> The Commission published the proposals for the next MFF and the next generations of EU programmes in May 2018. See: <https://ec.europa.eu/digital-single-market/en/news/proposal-regulation-establishing-creative-europe-programme>

## **1.2. The music sector in Europe**

Music constitutes an important pillar of European culture. Aside from its economic significance – it employs more people than film and generates more than 25bn EUR revenue annually – the music sector is also an essential component of Europe’s cultural diversity, social inclusiveness and soft power diplomacy and it brings positive changes to many levels of society.

Based on small and medium businesses with a strong potential for growth and job creation, the European music sector has been strongly influenced by the digital shift: new distribution channels, powerful digital players, innovative start-ups, business models and consumption patterns have emerged over the last decades.

The music industry is therefore changing and finds itself at the forefront of an uncharted territory, most certainly paving the way for the other content industries. The unstable music ecosystem calls for an increasing need to mobilise the sector as well as policy makers to face such new challenges and explore the related new opportunities. As actions and policy initiatives at national level often prove neither sufficient nor suitable to encompass the global nature of the industry and of the consumption schemes, there is a need and a demand for an EU intervention to support Europe's key assets in the music field: creativity, diversity and competitiveness in a context of globalisation.

In 2019, the Preparatory action “Music Moves Europe: Boosting European music diversity and talent” should build on and complement the two calls for tender and the two calls for proposals that the Commission launched in May 2018, during the first year of its implementation. It should address the music sector's specific needs in the short and medium-term. With an increased budget of 3 million EUR, the 2019 Preparatory action offers an opportunity to develop initiatives on a larger scale than it was possible in 2018 and to explore ways of cooperation in different relevant areas for the music sector.

## **1.3. The Music Moves Europe Preparatory action**

The Commission's legislative proposal for the next Creative Europe Programme includes the “sectorial support for music” as a new element for the benefit of the music sector, in addition to existing funding opportunities (i.e. cooperation projects, networks, platforms)<sup>5</sup>.

In general terms, such support would be directed towards European diversity and talent, the competitiveness of the European music sector as well as an increased access of citizens to music in all its diversity.

The Preparatory action “Music Moves Europe: Boosting European music diversity and talent” aims at paving the way towards such sectorial support. To this end, the implementation of the 2019 Preparatory action will follow a two-fold approach:

- to build on and develop further actions in the fields of "training" and "export";
- to implement and evaluate actions in new areas, i.e.: "small venues", "co-creation", "health effects", "music education".

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<sup>5</sup> See note 4 above.

The 2019 Preparatory action is designed to meet six specific objectives. The present call for proposals aims at promoting one of the objectives, namely building on the 2018 Preparatory action, to develop further elements for future programme support in the field of “professionalisation and training” of young musicians and professionals in the music sector, focussing on business-related skills (e.g. digital, management, economical skills).

### **Training Programme for young musicians and professionals in the music sector**

The dialogue with representatives from the music sector in Europe and different studies have shown that there is a need for professionalization of the cultural sector in general and the music sector in particular as it experiences radical changes and is therefore facing major challenges. Those professional development needs are equally relevant for young professionals as for more established one in need of up-dating existing skills to meet the rapidly changing business environment. However, this call will focus on providing young musicians and professionals in the music sector who are still at the beginning of their professional career with the skills they need to develop their careers. This means not only acquiring creative and digital skills but also social, management and economic skills like drawing up a business plan, develop marketing schemes or understand the European and national legal environment, such as the copyright regulatory framework. It is also about fostering a better mutual understanding of the different work environments of artists and other professions in the music business because lines between “traditional” professional profiles – as we have known them in the past - are blurring, job descriptions are changing and new professional profiles are emerging. In order to succeed, young musicians and professionals should gain a better overview of the whole value chain of the music industry and an inside into different sub-sectors.

## **2. OBJECTIVES – THEMES – PRIORITIES**

### **2.1. OBJECTIVES**

#### **General objectives**

In line with the Preparatory action 2018, the overall aim of this call is to identify and to support at least 10 innovative and sustainable pilot training programmes for young musicians and professionals in the music sector with a clear European added-value<sup>6</sup>. The objective is to test small-scale models with a European dimension on how to improve the sector’s capacity and to contribute to its professionalization. In this respect, the focus lies on business-related skills (e.g. digital, management, economical skills) and not on the artistic-related skills. Lessons learnt from these pilot training projects should improve the sector's understanding on the questions of professionalization. These findings should feed into an integrated strategy for music support for the next generation of EU funding programmes after 2020, which could support European diversity and talent, the competitiveness of the sector as well as increased access of citizens to music in all its diversity.

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<sup>6</sup> Art. 5 of Regulation 1295/2013 establishing the Creative Europe Programme (2014-2020) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1295>

## Specific objectives

The proposals should demonstrate their contribution to the general objective by covering at least two of the following specific objectives:

1. Address the professional development needs to gain individual and organisational professional expertise, e.g. business-related skills, in order to increase the capacity of the young musicians and music professionals to succeed in the music market;
2. Help young artists and other professionals in the music sector to get a better understanding of the value chain of the music industry, e.g. to get an insight into different sub-sectors, especially where potential for mutual learning or exchange of best practice would be beneficial;
3. Promote transnational exchange or transnational approaches to ensure knowledge transfer, also in terms of its relevance to European/international careers or to European cross-border music initiatives;
4. Fostering sustainable co-operations and creation of networks.

## 2.2. EXPECTED RESULTS

The call intends to support proposals that deliver the following non-exhaustive examples of results and are clearly link to the objectives:

- Implementing at least 10 European training programmes contributing to the professionalization of musicians and music professionals;
- Demonstration of suitable actions and training schemes that improve the understanding on the questions of professionalization in general and the business related skills in particular;
- Enhancing the expertise of young musicians and professionals in the music business at the beginning of their career and providing them with a better understanding of the music value chain;
- Contributing to an integrated strategy for music development for the next generation of EU funding after 2020.

## 3. TIMETABLE

	<b>Steps</b>	<b>Date and time or indicative period</b>
(a)	Publication of the call	<i>31/07/2019</i>
<b>(b)</b>	<b>Deadline for submitting applications</b>	<b><i>31/10/2019, 12:00 (Brussels local time)</i></b>
(c)	Evaluation period	<i>November-December 2019</i>
(d)	Information to applicants	<i>February 2020</i>
(e)	Signature of grant agreements	<i>April 2020</i>

#### **4. BUDGET AVAILABLE**

The total budget earmarked for the co-financing of projects under this call for proposals is estimated at EUR 900,000.00.

The maximum grant per project will be EUR 90,000.00.

The maximum co-financing rate will be 80% (see under section 11.1.1)

The Commission expects to fund at least 10 proposals.

The Commission reserves the right not to distribute all the funds available.

#### **5. ADMISSIBILITY REQUIREMENTS**

In order to be admissible, applications must be:

- sent no later than the deadline for submitting applications referred to in section 3;
- submitted in writing (see section 14), using the application form in paper version, together with an electronic copy on a usb stick;
- drafted in one of the EU official languages, preferably in English or French.

Failure to comply with those requirements will lead to rejection of the application.

#### **6. ELIGIBILITY CRITERIA<sup>7</sup>**

##### **6.1. Eligible applicants**

In order to be eligible, projects must be presented by applicants meeting the following criteria:

- be an established training/education provider demonstrating relevant music sector expertise or training/education/music sector partnerships;
- be a public or private organisation with legal personality.

Proposals may therefore be submitted by any of the following applicants:

- profit or non-profit organisations;
- national, regional or local public authorities;
- universities;
- SMEs.

**Natural persons are not eligible.**

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<sup>7</sup> *Articles 194(1)(b) and 197 FR*

### **Affiliated entities**

Entities affiliated<sup>8</sup> to the applicants are not eligible to receive funding under this Call for proposals.

### **Country of establishment**

Only applications from legal entities established in the following countries are eligible:

- EU Member States;
- non-EU countries that are participating in the Creative Europe Programme Culture<sup>9</sup>.

### **For British applicants:**

Please be aware that eligibility criteria must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the EU during the grant period without an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article II.7 of the grant agreement.

A proposal may be submitted by **one** entity or a **consortium**, composed of at least two legal entities.

In case a proposal is submitted by a consortium, the proposal must identify all the members of the consortium and among them the coordinator.

### **Supporting documents**

In order to assess the applicants' eligibility, the following supporting documents are requested:

Examples of supporting documents:

- **private entity**: extract from the official journal, copy of articles of association, extract of trade or association register, certificate of liability to VAT (if, as in certain countries, the trade register number and VAT number are identical, only one of these documents is required);
- **public entity**: copy of the resolution, decision or other official document establishing the public-law entity;

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<sup>8</sup> In accordance with Article 187 FR, entities that satisfy the eligibility criteria and that do not fall within one of the situations referred to in Articles 136(1) and 141(1) FR and that have a link with the applicant, in particular a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation, will be considered as entities affiliated to the applicant.

<sup>9</sup> [https://eacea.ec.europa.eu/creative-europe/library/eligibility-organisations-non-eu-countries\\_en](https://eacea.ec.europa.eu/creative-europe/library/eligibility-organisations-non-eu-countries_en)

## 6.2. Eligible activities

The following types of activities, inter alia, are eligible under this call for proposals provided that they focus on **business-related skills**:

- Training schemes using in-person teaching as well as e-learning methods, including seminars or workshops;
- Mentoring and peer learning schemes;
- Trainee schemes with paid placements.

Eligible activities need to have a **European dimension**, for instance recruiting participants/trainees or teaching staff/mentors/lecturers from at least two different countries or proposing a training scheme taking place in at least two different countries or encouraging European mobility.

The following activities are **not eligible** under this call for proposal:

- Studies, analyses, mapping projects;
- Cultural (co-)creation, vocal, instrumental or musical training or performances which are not an essential element or the result of the training on business-related skills.

To deliver tangible results, these small-scale models should reach at least **9 musicians or young professionals** in the music sector taking part and completing such training activities.

The creation or improvement of networks and the exchange of good practices to increase the professionalization of the sector would be an asset.

### **Implementation period**

- activities may not start before the notification to the applicant of the award decision,
- activities may start before the signature of the agreement provided that the applicant clearly states in the proposal that applicant bears the financial risks for covering the cost of the operations carried out before the signature of the agreement;
- activities must start at the latest on 1 June 2020;
- the maximum duration of projects is 15 months;

Applications for projects scheduled to run for a longer period than that specified in this call for proposals will not be accepted.

## 7. EXCLUSION CRITERIA

### 7.1. Exclusion

The authorising officer shall exclude an applicant from participating in call for proposals procedures where:

- (a) the applicant is bankrupt, subject to insolvency or winding-up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended, or it is in any analogous situation arising from a similar procedure provided for under EU or national laws or regulations;

- (b) it has been established by a final judgment or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;
- (c) it has been established by a final judgment or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful intent or gross negligence, including, in particular, any of the following:
  - (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of eligibility or selection criteria or in the performance of a contract, a grant agreement or a grant decision;
  - (ii) entering into agreement with other applicants with the aim of distorting competition;
  - (iii) violating intellectual property rights;
  - (iv) attempting to influence the decision-making process of the Commission during the award procedure;
  - (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;
- (d) it has been established by a final judgment that the applicant is guilty of any of the following:
  - (i) fraud, within the meaning of Article 3 of Directive (EU) 2017/1371 of the European Parliament and of the Council and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;
  - (ii) corruption, as defined in Article 4(2) of Directive (EU) 2017/1371 or Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997, or conduct referred to in Article 2(1) of Council Framework Decision 2003/568/JHA, or corruption as defined in the applicable law;
  - (iii) conduct related to a criminal organisation, as referred to in Article 2 of Council Framework Decision 2008/841/JHA;
  - (iv) money laundering or terrorist financing within the meaning of Article 1(3), (4) and (5) of Directive (EU) 2015/849 of the European Parliament and of the Council;
  - (v) terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
  - (vi) child labour or other offences concerning trafficking in human beings as referred to in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;
- (e) the applicant has shown significant deficiencies in complying with main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered

following checks, audits or investigations by an authorising officer, OLAF or the Court of Auditors;

- (f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;
- (g) It has been established by a final judgement or final administrative decision that the applicant has created an entity in a different jurisdiction with the intent to circumvent fiscal, social or any other legal obligations of mandatory application in the jurisdiction of its registered office, central administration or principal place of business;
- (h) it has been established by a final judgement or final administrative decision that an entity has been created with the intent referred to in point (g);
- (i) for the situations referred to in points (c) to (h) above, the applicant is subject to:
  - (i) facts established in the context of audits or investigations carried out by European Public Prosecutor's Office after its establishment, the Court of Auditors, the European Anti-Fraud Office or the internal auditor, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;
  - (ii) non-final judgments or non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
  - (iii) facts referred to in decisions of persons or entities being entrusted with EU budget implementation tasks;
  - (iv) information transmitted by Member States implementing Union funds;
  - (v) decisions of the Commission relating to the infringement of Union competition law or of a national competent authority relating to the infringement of Union or national competition law; or
  - (vi) decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

## **7.2. Remedial measures<sup>10</sup>**

If an applicant declares one of the situations of exclusion listed above (see section 7.4), it must indicate the measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. This may include e.g. technical, organisational and personnel measures to correct the conduct and prevent further occurrence, compensation of damage or payment of fines or of any taxes or social security contributions. The relevant documentary evidence which illustrates the remedial measures taken must be provided in annex to the declaration. This does not apply for situations referred in point (d) of section 7.1.

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<sup>10</sup> *Article 136(7) FR*

### **7.3. Rejection from the call for proposals**

The authorising officer shall not award a grant to an applicant who:

- (a) is in an exclusion situation established in accordance with section 7.1; or
- (b) has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information; or
- (c) was previously involved in the preparation of documents used in the award procedure where this entails a breach of the principle of equal treatment, including distortion of competition, that cannot be remedied otherwise.

Administrative sanctions (exclusion)<sup>11</sup> may be imposed on applicants, if any of the declarations or information provided as a condition for participating in this procedure prove to be false.

### **7.4. Supporting documents<sup>12</sup>**

Applicants must provide a declaration on their honour certifying that they are not in one of the situations referred to in Articles 136(1) and 141 FR, by filling in the relevant form attached to the application form accompanying the call for proposals and available in Annex II.

This obligation may be fulfilled in one of the following ways:

#### **For mono-beneficiary grants:**

- the applicant signs a declaration in its name;

#### **For multi-beneficiary grants:**

- the coordinator of a consortium signs a declaration on behalf of all applicants; OR
- each applicant in the consortium sign a separate declaration in their own name.

## **8. SELECTION CRITERIA<sup>13</sup>**

### **8.1. Financial capacity<sup>14</sup>**

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the duration of the grant and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following methodology, which is further detailed in Annex VIIa of the call for proposals.

The applicant should provide the following documents as evidence of financial capacity application:

- a declaration on their honour (Annex II of this call for proposals).

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<sup>11</sup> Article 138 FR

<sup>12</sup> Article 137 FR

<sup>13</sup> Article 198 FR

<sup>14</sup> Article 198 FR.

However, in case of doubt and only for grants exceeding EUR 60 000, the assessment committee reserves the right to request supporting documents and to carry out a financial analysis as described at point 4 of the above mentioned methodology (cf. Article 198.4 of the FR)

Moreover for grants exceeding EUR 60 000, entities falling into one of the high-risk categories mentioned at point 3.1 of the methodology must provide proof of their financial capacity and are required to undergo the financial analysis provided for in point 4 of the same methodology.

On the basis of the documents submitted, if the Commission considers that financial capacity is weak, s/he may:

- request further information;
- decide not to give pre-financing;
- decide to give pre-financing paid in instalments;
- decide to give pre-financing covered by a bank guarantee (see section 11.7 below);
- where applicable, require the joint and several financial liability of all the co-beneficiaries.

If the RAO considers that the financial capacity is insufficient s/he will reject the application.

## **8.2. Operational capacity<sup>15</sup>**

Applicants, including all members of the team implementing the project, must have the professional competencies necessary to complete the proposed action. In particular, they must demonstrate:

- proven track record of providing training/education **or** for training/education/music sector partnerships, proven record of relevant specialist knowledge/skills to be transmitted/taught combined with sound training methodologies;
- good understanding of the key challenges for towards stronger professionalization in a European and international context;
- good understanding of the music value chain and the cross-sectoral challenges within the music sector;
- good understanding of the technological innovation relevant for the music sector;
- capacity to deliver results within the requested timescale.

In this respect, applicants have to submit a declaration on their honour, and the following supporting documents:

- curriculum vitae or description of the profile of the people primarily responsible for managing and implementing the operation (accompanied where appropriate, like in the field of research and education, by a list of relevant publications);
- the organisation's activity reports;
- an exhaustive lists of previous projects and activities performed and connected to the policy field of a given call or to the actions to be carried out;

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<sup>15</sup> Article 196 and 198 FR.

## **9. AWARD CRITERIA<sup>16</sup>**

Eligible applications/projects will be assessed on the basis of the following criteria: Relevance, Quality of the activities and Management of the project.

The applications will first be assessed against the ‘relevance’ award criterion. Applications that do not reach the **minimum quality threshold of 60% of the maximum possible score for relevance will not be assessed further.**

### **9.1. Relevance (0-40 points)**

The relevance of the project and its expected contribution to the objectives set out under section 2 of the call, including:

- Expected impact and added value at European level in terms of improving the understanding of the questions of professionalization;
- European dimension of the project.

### **9.2. Quality of the activities (0-40 points)**

The quality of the overall design of the activities and how the project will be implemented in practice, including:

- Cost effectiveness of the proposed action, and in particular the quality of the means of implementation and the resources deployed in relation to the objectives envisaged,
- Transferability of the expected results building on “lessons learnt”;
- Sustainability (the extent to which the actions or the network will continue after the end of the project);
- Promotion and visibility of the expected results.

### **9.3. Management of the project (0-20 points)**

The extent to which the applicant demonstrates its ability to organise, coordinate and implement the various aspects of the proposed activities, including:

- Rationale of the proposed methodology and organisation of the training scheme (including the recruitment of the teaching staff/lecturers/mentors, the selection of the participants/trainees, the timetable, monitoring and quality assurance);
- Evaluation method of the expected results, including impact assessment.

## **10. LEGAL COMMITMENTS<sup>17</sup>**

In the event of a grant awarded by the Commission, a grant agreement, drawn up in euro and detailing the conditions and level of funding, will be sent to the applicant, as well as the information on the procedure to formalise the agreement of the parties.

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<sup>16</sup> Article 199 FR

<sup>17</sup> Article 201 FR.

Two copies of the original agreement must be signed first by the beneficiary or coordinator on behalf of the consortium and returned to the Commission immediately. The Commission will sign it last.

**The applicants understand that submission of a grant application implies acceptance of the general conditions attached to this call for proposals. These general conditions bind the beneficiary to whom the grant is awarded and shall constitute an annex to the grant decision.**

## **11. FINANCIAL PROVISIONS**

### **11.1. Form of the grant<sup>18</sup>**

#### **11.1.1 Reimbursement of costs actually incurred**

The grant will be defined by applying a maximum co-financing rate of 80% to the eligible costs actually incurred and declared by the beneficiary.

For details on eligibility of costs, please refer to section 11.2.

### **11.2. Eligible costs<sup>19</sup>**

Eligible costs shall meet all the following criteria:

- they are incurred by the beneficiary.
- they are incurred during the duration of the action, with the exception of costs relating to final reports and audit certificates;
  - The period of eligibility of costs will start as specified in the grant agreement.
  - If a beneficiary can demonstrate the need to start the action before the agreement is signed, the costs eligibility period may start before that signature, under the conditions indicated in the point 6 (Implementation period). Under no circumstances can the eligibility period start before the date of submission of the grant application.
- they are indicated in the estimated budget of the action;
- they are necessary for the implementation of the action which is the subject of the grant;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

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<sup>18</sup> Articles 125 and 194(1)(c) FR

<sup>19</sup> Article 186 FR

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action/project with the corresponding accounting statements and supporting documents.

Eligible costs may be direct or indirect.

### **11.2.1. Eligible direct costs**

The eligible direct costs for the action are those costs which:

**with due regard to the conditions of eligibility set out above**, are identifiable as specific costs directly linked to the performance of the action and which can therefore be booked to it directly, such as :

- (a) *the costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the action, provided that these costs are in line with the beneficiary's usual policy on remuneration.*

*Those costs include actual salaries plus social security contributions and other statutory costs included in the remuneration. They may also comprise additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used;*

*The costs of natural persons working under a contract with the beneficiary other than an employment contract or who are seconded to the beneficiary by a third party against payment may also be included under such personnel costs, provided that the following conditions are fulfilled:*

- (i) *the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);*
- (ii) *the result of the work belongs to the beneficiary (unless exceptionally agreed otherwise); and*
- (iii) *the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary;*

The recommended methods for the calculation of direct personnel costs are provided in the **Appendix** at the end of this document.

- (b) *costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;*
- (c) *the depreciation costs of equipment or other assets (new or second-hand) as recorded in the beneficiary's accounting statements, provided that the asset:*
- (i) *is written off in accordance with the international accounting standards and the beneficiary's usual accounting practices; and*
- (ii) *has been purchased in accordance with the rules on implementation contracts laid down in the grant agreement, if the purchase occurred within the implementation period;*

*The costs of renting or leasing equipment or other assets are also eligible, provided that these costs do not exceed the depreciation costs of similar equipment or assets and are exclusive of any finance fee;*

*Only the portion of the equipment's depreciation, rental or lease costs corresponding to the implementation period and the rate of actual use for the purposes of the action may be taken into account when determining the eligible costs. By way of exception, the full cost of purchase of equipment may be eligible under the Special Conditions, if this is justified by the nature of the action and the context of the use of the equipment or assets;*

- (d) costs of consumables and supplies, provided that they:
  - (i) are purchased in accordance with the rules on implementation contracts laid down in the grant agreement; and*
  - (ii) are directly assigned to the action;**
- (e) costs arising directly from requirements imposed by the Agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with the rules on implementation contracts laid down in the grant agreement;*
- (f) costs derived from subcontracts, provided that specific conditions on subcontracting as laid down in the grant agreement are met;*
- (g) costs of financial support to third parties, provided that the conditions laid down in the grant agreement are met;*
- (h) duties, taxes and charges paid by the beneficiary, notably value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the grant agreement.*

### **11.2.2. Eligible indirect costs (overheads)**

Indirect costs are costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it.

A flat-rate amount of 7% of the total eligible direct costs of the action, is eligible as indirect costs, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action/project.

Indirect costs may not include costs entered under another budget heading.

**Applicants' attention is drawn to the fact that if they are receiving an operating grant financed by the EU or Euratom budget, they may not declare indirect costs for the period(s) covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.**

In order to demonstrate this, in principle, the beneficiary should:

- a. use *analytical cost accounting that allows to separate all costs (including overheads) attributable to the operating grant and the action grant. For that purpose the beneficiary should use reliable accounting codes and allocation keys*

ensuring that *the allocation* of the costs is done in a *fair, objective and realistic way*.

b. *record separately*:

- all costs incurred for the operating grants (i.e. personnel, general running costs and other operating costs linked to the part of its usual annual activities), and
- all costs incurred for the action grants (including the actual indirect costs linked to the action)

If the operating grant covers the entire usual annual activity and budget of the beneficiary, the latter is not entitled to receive any indirect costs under the action grant.

### **11.3. Ineligible costs**

The following items are not considered as eligible costs:

- a) return on capital and dividends paid by a beneficiary;
- b) debt and debt service charges;
- c) provisions for losses or debts;
- d) interest owed;
- e) doubtful debts;
- f) exchange losses;
- g) costs of transfers from the Commission charged by the bank of a beneficiary;
- h) costs declared by the beneficiary under another action receiving a grant financed from the Union budget. Such grants include grants awarded by a Member State and financed from the Union budget and grants awarded by bodies other than the Commission for the purpose of implementing the Union budget. In particular, beneficiaries receiving an operating grant financed by the EU or Euratom budget cannot declare indirect costs for the period(s) covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.
- i) contributions in kind from third parties;
- j) excessive or reckless expenditure;
- k) deductible VAT<sup>20</sup>.

### **11.4. Balanced budget<sup>21</sup>**

The estimated budget of the action must be attached to the application form. It must have revenue and expenditure in balance.

The budget must be drawn up in euros.

Applicants for whom costs will not be incurred in euros should use the exchange rate published on the Infor-euro website available at:

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<sup>20</sup> VAT which cannot be deducted is considered as eligible costs.

<sup>21</sup> Article 196(1)(e) FR

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)

The applicant must ensure that the resources which are necessary to carry out the action are not entirely provided by the EU grant.

Co-financing of the action may take the form of:

- the beneficiary's own resources,
- income generated by the action or work programme, like for instance training fees,
- financial contributions from third parties.

Overall co-financing<sup>22</sup> may also include in-kind contributions from third parties, i.e. non-financial resources made available free of charge by third parties to the beneficiary or to the consortium. The corresponding costs of third parties are not eligible under the grant, e.g. providing a meeting room or equipment for free, etc.

In-kind contributions shall be presented separately in the estimated budget to reflect the total resources allocated to the action. Their approximate value shall be indicated in the estimated budget and shall not be subject to subsequent changes.

### **11.5. Calculation of the final grant amount**

The final amount of the grant is calculated by the Commission at the time of the payment of the balance. The calculation involves the following steps:

Step 1 — Application of the reimbursement rate to the eligible costs

The amount under step 1 is obtained by applying the reimbursement rate specified in section 11.1.1 to the eligible costs actually incurred and accepted by the Commission.

Step 2 — Limit to the maximum amount of the grant

The total amount paid to the beneficiaries by the Commission may in no circumstances exceed the maximum amount of the grant as indicated in the grant agreement. If the amount obtained following Step 1 is higher than this maximum amount, the final amount of the grant is limited to the latter.

If volunteers' work is declared as part of direct eligible costs, the final amount of the grant is limited to the amount of total eligible costs approved by the Commission minus the amount of volunteers' work approved by the Commission.

Step 3 — Reduction due to the no-profit rule

‘Profit’ means the surplus of receipts over the total eligible costs of the action, where receipts are the amount obtained following Steps 1 and 2 plus the revenue generated by the action for beneficiaries other than non-profit organisations.

In-kind and financial contributions by third parties are not considered receipts.

The total eligible costs of the action are the consolidated total eligible costs approved by the Commission. The revenue generated by the action is the consolidated revenue

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<sup>22</sup> *Article 190 FR*

established, generated or confirmed for beneficiaries other than non-profit organisations on the date on which the request for payment of the balance is drawn up.

If there is a profit, it will be deducted in proportion to the final rate of reimbursement of the actual eligible costs of the action approved by the Commission.]

#### Step 4 — Reduction due to improper implementation or breach of other obligations

The Commission may reduce the maximum amount of the grant if the action has not been implemented properly (i.e. if it has not been implemented or has been implemented poorly, partially or late), or if another obligation under the Agreement has been breached.

The amount of the reduction will be proportionate to the degree to which the action has been implemented improperly or to the seriousness of the breach.

### 11.6. Reporting and payment arrangements<sup>23</sup>

The beneficiary may request the following payments provided that the conditions of the grant agreement are fulfilled (e.g. payment deadlines, ceilings, etc.). The payment requests shall be accompanied by the documents provided below and detailed in the grant agreement:

Payment request <sup>24</sup>	Accompanying documents <sup>25</sup>
A <b>pre-financing payment</b> corresponding to 60% of the maximum grant amount	
<p><b>Payment of the balance</b></p> <p>The Commission will establish the amount of this payment on the basis of the calculation of the final grant amount (see section 11.5 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the Commission through a recovery order<sup>26</sup>.</p>	<ul style="list-style-type: none"> <li>– final technical report</li> <li>– final financial statement</li> <li>– summary financial statement aggregating the financial statements already submitted previously and indicating the receipts</li> </ul>

In case of a weak financial capacity, section 8.1 above applies.

### 11.7. Pre-financing guarantee<sup>27</sup>

A pre-financing guarantee for up to the same amount as the pre-financing may be requested in order to limit the financial risks linked to the pre-financing payment.

The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the EU Member States. When the beneficiary is established in a third country, the Commission may agree that a bank or financial

<sup>23</sup> Articles 115, 202 and 203 FR.

<sup>24</sup> Article 115 FR

<sup>25</sup> Article 203(2) FR

<sup>26</sup> Article 115(2) FR

<sup>27</sup> Articles 152 and 153 FR

institution established in that third country may provide the guarantee if it considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. Amounts blocked in bank accounts shall not be accepted as financial guarantees.

The guarantee may be replaced by:

- a joint and several guarantee by a third party or,
- a joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.

The guarantee shall be released as the pre-financing is gradually cleared against interim payments or the payment of the balance, in accordance with the conditions laid down in the grant agreement.

## **11.8. Other financial conditions**

### **(a) Non-cumulative award<sup>28</sup>**

An action may only receive one grant from the EU budget.

### **(b) Non-retroactivity<sup>29</sup>**

No grant may be awarded retrospectively for actions already completed.

A grant may be awarded for an action which has already begun only where the applicant can demonstrate in the grant application the need to start the action before the grant agreement is signed, under the conditions indicated under point 6 (Implementation period).

In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application.

### **(c) Implementation contracts/subcontracting<sup>30</sup>**

Where the implementation of the action requires the award of procurement contracts (implementation contracts), the beneficiary may award the contract in accordance with its usual purchasing practices provided that the contract is awarded to the tender offering best value for money or the lowest price (as appropriate), avoiding conflicts of interest.

The beneficiary is expected to clearly document the tendering procedure and retain the documentation in the event of an audit.

Entities acting in their capacity as contracting authorities within the meaning of Directive 2014/24/EU<sup>31</sup> or contracting entities within the meaning of Directive 2014/25/EU<sup>32</sup> must comply with the applicable national public procurement rules.

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<sup>28</sup> Article 191 FR

<sup>29</sup> Article 193 FR

<sup>30</sup> Article 205 FR

<sup>31</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65-242)

Beneficiaries may subcontract tasks forming part of the action. If they do so, they must ensure that, in addition to the above-mentioned conditions of best value for money and absence of conflicts of interests, the following conditions are also complied with:

- a. subcontracting does not cover core tasks of the action;
- b. recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation;
- c. the estimated costs of the subcontracting are clearly identifiable in the estimated budget;
- d. any recourse to subcontracting, if not provided for in description of the action, is communicated by the beneficiary and approved by the Commission. The Commission may grant approval:
  - (i) before any recourse to subcontracting, if the beneficiaries requests an amendment
  - (ii) after recourse to subcontracting if the subcontracting:
    - (i) is specifically justified in the interim or final technical report and
    - (ii) does not entail changes to the grant agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;
- e. the beneficiaries ensure that certain conditions applicable to beneficiaries, enumerated in the grant agreement (e.g. visibility, confidentiality, etc.), are also applicable to the subcontractors.

**(d) Financial support to third parties<sup>33</sup>**

The applications may not envisage provision of financial support to third parties.

## **12. PUBLICITY**

### **12.1. By the beneficiaries**

Beneficiaries must clearly acknowledge the European Union's contribution in all publications or in conjunction with activities for which the grant is used.

In this respect, beneficiaries are required to give prominence to the name and emblem of the European Commission on all their publications, posters, programmes and other products realised under the co-financed project.

To do this they must use the text, the emblem and the disclaimer available at [https://europa.eu/european-union/about-eu/symbols/flag\\_en#download](https://europa.eu/european-union/about-eu/symbols/flag_en#download)

If this requirement is not fully complied with, the beneficiary's grant may be reduced in accordance with the provisions of the grant agreement.

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<sup>32</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243-374)

<sup>33</sup> *Article 204 FR*

## 12.2. By the Commission<sup>34</sup>

With the exception of scholarships paid to natural persons and other direct support paid to natural persons in most need, all information relating to grants awarded in the course of a financial year shall be published on an internet site of the European Union institutions no later than the 30 June of the year following the financial year in which the grants were awarded.

The Commission will publish the following information:

- name of the beneficiary;
- address of the beneficiary when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level<sup>35</sup> if he/she is domiciled within the EU or equivalent if domiciled outside the EU;
- subject of the grant;
- amount awarded.

Upon a reasoned and duly substantiated request by the beneficiary, the publication shall be waived if such disclosure risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the beneficiaries.

## 13. PROCESSING OF PERSONAL DATA

If processing your reply to the call for proposals involves the recording and processing of personal data (such as your name, address and CV), such data will be processed pursuant to Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC. Unless indicated otherwise, the questions and any personal data requested that are required to evaluate the application in accordance with the call for proposal will be processed solely for that purpose by DG EAC D.2 Creative Europe.

Personal data may be registered in the Early Detection and Exclusion System by the Commission, should the beneficiary be in one of the situations mentioned in Articles 136 and 141 of Regulation (EU, Euratom) 2018/1046<sup>36</sup>. For more information see the Privacy Statement on:

[https://ec.europa.eu/info/data-protection-public-procurement-procedures\\_en](https://ec.europa.eu/info/data-protection-public-procurement-procedures_en).

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<sup>34</sup> *Articles 38 and 189 FR.*

<sup>35</sup> Commission Regulation (EC) No 105/2007 of 1 February 2007 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS), OJ L39, 10.2.2007, p.1.

<sup>36</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>

## 14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted by the deadline set out under section 3.

No modification to the application is allowed once the deadline for submission has elapsed. However, if there is a need to clarify certain aspects or to correct clerical mistakes, the Commission may contact the applicant during the evaluation process<sup>37</sup>.

Applicants will be informed in writing about the results of the selection process<sup>38</sup>.

Application forms are available in the Annex Ia and Ib.

Applications must be submitted in the correct form, duly completed and dated.

Applications must be submitted in 2 paper copies (one original clearly identified as such, plus 1 paper copy) plus 1 electronic copy on a USB stick. The original paper copy must be signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation.

All additional information considered necessary by the applicant can be included on separate sheets.

Applications must be sent to the following address<sup>39</sup>

*European Commission – Directorate-General for Education, Youth, Sport and Culture  
Directorate D – Culture and creativity  
Unit D.2 – Creative Europe – (Call EAC/S21/2019)  
Barbara Gessler  
J-70, 2/019  
B – 1049 Brussels Belgium*

- (i) by post (evidence will be constituted by the postmark),
- (ii) by hand-delivery, (evidence will be constituted by the acknowledgement of receipt),  
or
- (iii) by courier service (evidence will be constituted by the acknowledgement of receipt).

Applications sent by fax or e-mail will not be accepted.

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<sup>37</sup> Articles 151 and 200(3) FR

<sup>38</sup> Article 200 FR

## **Contacts**

*European Commission – Directorate-General for Education, Youth, Sport and Culture*

*Directorate D – Culture and creativity*

*Unit D.2 – Creative Europe – (Call EAC/S21/2019)*

*Barbara Gessler*

*J-70, 2/019*

*1049 Brussels Belgium*

*Email: EAC-S21-MME-Training@ec.europa.eu*

During the application process the answers to individual questions of applicants will be published continuously at [https://ec.europa.eu/programmes/creative-europe/calls\\_en](https://ec.europa.eu/programmes/creative-europe/calls_en) in a reasonable time before the deadline for submission in order to allow sufficient time for completing the preparation of the proposals.

Applicants are advised to check this webpage regularly and to send individual questions to EAC-S21-MME-Training@ec.europa.eu at the latest 10 working days before the deadline (in section 3).

## **Annexes:**

Annex Ia Grant Application form – monobeneficiary

Annex Ib Grant Application form – multibeneficiary

Annex II Declaration on Honour

Annex III Budget template

Annex IVa Model grant agreement – monobeneficiary, for information

Annex IVb Model grant agreement – multibeneficiary, for information

Annex V Financial report template

Annex VI List of supporting documents

Annex VIIa Methodology for assessing the financial capacity

Annex VIIb Economic and Financial Analysis form

## **Appendix - Specific conditions for direct personnel costs**

### **1. Calculation**

The ways of calculating eligible direct personnel costs laid down in points (a) and (b) below are recommended and accepted as offering assurance as to the costs declared being actual.

The Commission may accept a different method of calculating personnel costs used by the beneficiary, if it considers that it offers an adequate level of assurance of the costs declared being actual.

#### **a) for persons working exclusively on the action:**

*{monthly rate for the person*

*multiplied by*

*number of actual months worked on the action }*

The months declared for these persons may not be declared for any other EU or Euratom grant.

The **monthly rate** is calculated as follows:

*{annual personnel costs for the person*

*divided by 12 }*

using the personnel costs for each full financial year covered by the reporting period concerned.

If a financial year is not closed at the end of the reporting period, the beneficiaries must use the monthly rate of the last closed financial year available;

#### **b) for persons working part time on the action**

(i) If the person is assigned to the action at a fixed pro-rata of their working time:

*{monthly rate for the person multiplied by pro-rata assigned to the action*

*multiplied by*

*number of actual months worked on the action }*

The working time pro-rata declared for these persons may not be declared for any other EU or Euratom grant.

The monthly rate is calculated as above.

(ii) In other cases:

*{ hourly rate for the person multiplied by number of actual hours worked on the action }*

*or*

*{ daily rate for the person multiplied by number of actual days worked on the action }*

(rounded up or down to the nearest half-day)

The number of actual hours/days declared for a person must be identifiable and verifiable.

The total number of hours/days declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive hours/days used for the calculations of the hourly/daily rate. Therefore, the maximum number of hours/days that can be declared for the grant are:

*{ number of annual productive hours/days for the year (see below) }*

*minus*

*total number of hours and days declared by the beneficiary, for that person for that year, for other EU or Euratom grants}.*

The '**hourly/daily rate**' is calculated as follows:

*{ annual personnel costs for the person }*

*divided by*

*number of individual annual productive hours/days} using the personnel costs and the number of annual productive hours/days for each full financial year covered by the reporting period concerned.*

If a financial year is not closed at the end of the reporting period, the beneficiaries must use the hourly/daily rate of the last closed financial year available.

The 'number of individual annual productive hours/days' is the total actual hours/days worked by the person in the year. It may not include holidays and other absences (such as sick leave, maternity leave, special leave, etc). However, it may include overtime and time spent in meetings, trainings and other similar activities.

## **2. Documentation to support personnel costs declared as actual costs**

For **persons working exclusively on the action**, where the direct personnel costs are calculated following **point (a)**, there is no need to keep time records, if the beneficiary signs a **declaration** confirming that the persons concerned have worked exclusively on the action.

For **persons assigned to the action at a fixed pro-rata of their working time**, where the direct personnel costs are calculated following **point (b)(i)**, there is no need to keep time records, if the beneficiary signs a declaration that the persons concerned have effectively worked at the fixed pro-rata on the action.

For **persons working part time on the action**, where direct personnel costs are calculated following **point (b)(ii)**, the beneficiaries must keep **time records** for the number of hours/days declared. The time records must be in writing and approved by the persons working on the action and their supervisors, at least monthly.

In the absence of reliable time records of the hours worked on the action, the Commission may accept alternative evidence supporting the number of hours/days declared, if it considers that it offers an adequate level of assurance.