



## EUROPEAN COMMISSION

Directorate-General for Communications Networks, Content and Technology

Media Policy

Audiovisual Industry and Media Support Programmes

### CALL FOR PROPOSALS – Connect/2017/3346110

## MODULES FOR MASTER DEGREES IN ART AND SCIENCE

### 1. INTRODUCTION – BACKGROUND

Cultural and Creative Industries<sup>1</sup> are based on cultural values, cultural diversity, individual and collective creativity, skills and talent with the potential to generate innovation, wealth and jobs through the creation of social and economic value jobs<sup>2</sup>.

Culture and creative industries in Europe provide more than 12 million full time jobs, which amounts to 7,5% of the EU's workforce. Creative activities contribute significantly to youth employment and employed more people aged 15 - 29 than any other sector.

Moreover, culture and creative industries are 'amongst the most entrepreneurial sectors, developing transferable skills such as creative thinking, problem solving team work and resourcefulness'.<sup>3</sup>

Talented people are the backbone of the Culture and Creative Industries and an engine of innovation. Europe has a unique concentration of schools and universities teaching cultural and creative skills. There are more than 5,500 universities, undergraduate and post-graduates schools in Europe dedicated to art and cultural. They include some of the best at global scale<sup>4</sup>.

Digitisation is profoundly shaping the Cultural and Creative Industries, creating new opportunities for creators, as well as for the access, distribution and promotion of cultural content and goods.

However, the lack of cross-cutting curricula, linking creativity with technological and digital skills, as well as entrepreneurial skills among graduates in culture and arts disciplines can hinder the growth potential of the Culture and Creative Industries.

---

<sup>1</sup> Cultural and creative industries are those industries that are based on cultural values, cultural diversity, individual and/or collective creativity, skills and talent with the potential to generate innovation, wealth and jobs through the creation of social and economic value, in particular from intellectual property; they include the following sectors relying on cultural and creative inputs: architecture, archives and libraries, artistic crafts, audiovisual (including film, television, software and video games, and multimedia and recorded music), cultural heritage, design, creativity-driven high-end industries and fashion, festivals, live music, performing arts, books and publishing (newspapers and magazines), radio and visual arts, and advertising (cf. European Parliament report on a coherent EU policy for cultural and creative industries (2016/2072(INI)).

<sup>2</sup> European Parliament report on a coherent EU policy for cultural and creative industries (2016/2072(INI)).

<sup>3</sup> European Parliament report on a coherent EU policy for cultural and creative industries (2016/2072(INI)).

<sup>4</sup> Cultural times - The first global map of cultural and creative industries. December 2015, Ernst and Young

To respond to this gap at European level, it is proposed to promote an interdisciplinary approach in existing masters' degrees by fostering cross-sectorial curricula combining entrepreneurship and technology with arts, to equip students with the skillset needed in the digital economy and society and produce adaptable and creative workforces.

This call for proposals is established under article 15 of the Creative Europe Regulation<sup>5</sup>.

The objectives of the call were laid out in the 2017 annual work programme for the implementation of the Creative Europe Programme.<sup>6</sup> Chapter 2.3.1.3 (Policy development – Module for Master degrees in Art and Science) foresees an experimental pilot call: 'Creative Industries are experiencing a significant skills gap at the crossing of creativity and technology. To respond to this gap at European level, it is proposed to promote an interdisciplinary approach in masters and university courses fostering cross-sectorial curricula combining technology with the Arts to produce knowledgeable and creative workforces.'

This call compliments the:

- Knowledge Alliances under Erasmus+
- Erasmus Mundus Joint Master Degrees under Erasmus+
- STARTS initiative under Horizon 2020
- European Institute of Innovation and Technology EU initiative (EIT)

## **2. OBJECTIVE(S) – THEME(S) – PRIORITIES**

The action will be implemented through the design and implementation of innovative interdisciplinary modules that will be included in existing arts, culture, science, engineering, technology and/or other relevant masters. These modules should be innovative in blending arts and ICT with entrepreneurial skills and business exposure and use creativity techniques in their teaching and learning methods.

The modules should be designed with a view to:

- Equipping students in arts in creativity, business and technology with the knowledge and core transferable competences they need to think and work across cultural and creative sectors and disciplines;
- Improving the quality and relevance of teaching and learning in arts and culture disciplines by linking creativity, business and technology;
- Developing an entrepreneurial culture among the students and the teaching staff;
- Stimulating innovative learning environments within and across disciplines through the integration of creative, digital and entrepreneurial education;

The implementation of the module will entail:

- Testing, validating the modules and improving their content if needed;
- Applying the European Credit Transfer and Accumulation System (ECTS) to the modules;
- Sharing of results and exchanges on most effective practices and lessons learnt among the partners;

---

<sup>5</sup> Article 15 Regulation (EU) 1295/2013 of 11.12.2013 establishing the Creative Europe Programme (2014 to 2020)

<sup>6</sup> The 2017 annual work programme for the implementation of the Creative Europe Programme was adopted under the Commission Implementing Decision C(2016)5822 of 16 September 2016.

- Identifying the potential of transfer of the most efficient and innovative practices to other courses or disciplines

The modules are expected to bring positive and long-lasting effects in the development of cross-sectorial approaches bringing arts, audiovisual, entrepreneurship and ICT together and thus foster the innovation capacity of the higher education institutions.

### **3. TIMETABLE**

	Stages	Date and time or indicative period
a)	Publication of the call	July 2017
b)	Deadline for submitting applications	10/10/2017 – 23h59
c)	Evaluation period	October/November 2017
d)	Information to applicants	November 2017
e)	Signature of grant agreement	December 2017
f)	Max. period of eligibility	1/1/2018 – 31/07/2020

### **4. BUDGET AVAILABLE**

The total budget earmarked for the co-financing is estimated at EUR 1.5 million.

The maximum rate of co-financing is 80% of eligible costs. Applicants may propose a lower co-funding rate.

Depending on the quality of the proposals, the Commission may fund up to four proposals with a maximum budget of 500.000€ per proposal.

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

### **5. ADMISSIBILITY REQUIREMENTS**

Applications must be sent no later than the deadline for submitting applications referred to in section 3.

Applications must be submitted in writing (see section 14), using the application form available at <https://ec.europa.eu/digital-single-market/en/newsroom/call-proposals/all>

Applications must be drafted in English.

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

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

### **6.1. Eligible applicants**

#### **Applicant/coordinator:**

The coordinator of the application must be a higher education institution (HEI)<sup>8</sup>, established in an eligible country, which designs and runs master programmes. The coordinator submits the proposal on behalf of the partners. The coordinator ensures that the action is implemented by all the partners as planned.

#### **Partners:**

Partners are organisations which contribute actively to the achievement of the objectives of the action.

Partners may include:

- a higher education institution;
- a cultural or audiovisual operator
- culture and creative industries, being a public or private, a small, medium or large enterprise
- a research institute;
- a public body at local, regional or national level;
- an intermediary or association which represents enterprises;
- an accreditation, certification or qualification body.

Each full partner must sign a mandate to confer to the coordinator the responsibility of acting as main beneficiary and act in his name during the implementation of the action. Full partners are those participating organisations which contribute actively to the achievement of the action of this Call for Proposal.

Associated partners (optional): The consortium can involve associated partners who contribute to the implementation of specific action tasks/activities or support the dissemination and sustainability of the action. For contractual management issues, “associated partners” are not considered as part of the project partners, and they do not receive funding. However their involvement and role in the project and different activities have to be clearly described.

#### **Eligible countries**

Only applications involving organisations established in the following countries are eligible to participate:

---

<sup>7</sup> Article 131 FR, 201 RAP

<sup>8</sup> A higher education institution is any type of higher education institution which, in accordance with national law or practice, offers recognised degrees or other recognised tertiary level qualifications, whatever such establishment may be called, or any institution which, in accordance with national law or practice, offers vocational education or training at tertiary level.

1. The 28 Member States of the European Union;
2. The EFTA/EEA countries: Iceland and Norway.

### **Minimum partnership composition**

Applicants shall form a consortium of at least one higher education institution (lead applicant) and two partner organisations from three different eligible countries and consist of a lead applicant and partners.

The lead applicant (the coordinator) must be legally established in one of the eligible countries.

One partner must be a cultural or audio-visual operator active in the cultural and creative sectors as defined in article 2 of the Regulation N° 1295/2013 establishing the Creative Europe Programme.

The remaining applicant(s) may come from other relevant sectors and be legally established in any of the eligible countries.

Applications must be submitted by the legal representative of the lead applicant organisation on behalf of all applicants.

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 ;
  - **natural persons:** photocopy of identity card and/or passport; certificate of liability to VAT, if applicable (e.g. some self-employed persons)
  - **entities without legal personality:** documents providing evidence that their representative(s) have the capacity to undertake legal obligations on their behalf.

## **6.2. Eligible activities**

The following types of activities are eligible, inter alia, under this call for proposals:

- Set-up phase: Design of an innovative multidisciplinary module that would fit within existing master courses
- Implementing phase: Prototyping, deployment, testing, validation and improvement actions including integration in existing master programmes
- Conferences, seminars, peer learning and training activities

- Actions aiming at the creation of networks,
- Exchanges of methodologies and good practices
- Studies, analyses, mapping projects
- Awareness and dissemination actions

## **Eligibility and implementation period**

Activities are to be completed by 31 July 2020.

The maximum duration is 28 months.

Applications scheduled to run for a longer period than that specified in this Call for Proposals are welcome, yet this Call only foresees co-financing until 31 July 2020.

## **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, where its assets are being administered by a liquidator or by a court, where it is in an arrangement with creditors, where its business activities are suspended, or where it is in any analogous situation arising from a similar procedure provided for under 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 law of the country in which it is established, with those of the country in which the authorising officer is located or those of the country of the performance of the contract;

(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 conduct which has an impact on its professional credibility where such conduct denotes 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 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 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 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, and in Article 2(1) of Council Framework Decision 2003/568/JHA, as well as corruption as defined in the law of the country where the contracting authority is located, the country in which the applicant is established or the country of the performance of the contract;
- (iii) participation in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA;
- (iv) money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;
- (v) terrorist-related 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 forms of trafficking in human beings as defined 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) for the situations of grave professional misconduct, fraud, corruption, other criminal offences, significant deficiencies in the performance of the contract or irregularity, the applicant is subject to:

- (i) facts established in the context of audits or investigations carried out by the Court of Auditors, OLAF or internal audit, 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 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) decisions of the ECB, the EIB, the European Investment Fund or international organisations;
- (iv) decisions of the Commission relating to the infringement of the Union's competition rules or of a national competent authority relating to the infringement of Union or national competition law.
- (v) 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

If an applicant declares one of the situations of exclusion listed above (see section 7.4), it should 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 prevent further occurrence, compensation of damage or payment of fines. 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 .

## 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<sup>9</sup>;
- b. has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information;
- c. was previously involved in the preparation of calls for proposal documents where this entails a distortion of competition that cannot be remedied otherwise.

The same exclusion criteria apply to affiliated entities.

Administrative and financial penalties may be imposed on applicants, or affiliated entities where applicable, who are guilty of misrepresentation.

## 7.4. Supporting documents<sup>10</sup>

Applicants and affiliated entities must provide a declaration on their honour certifying that they are not in one of the situations referred to in articles 106(1) and 107 FR, by filling in the relevant form attached to the application form accompanying the call for proposals and available at <https://ec.europa.eu/digital-single-market/en/newsroom/call-proposals/all>.

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

each applicant in the consortium signs a declaration in its name and on behalf its affiliated entities.

## 8. SELECTION CRITERIA<sup>11</sup>

### 8.1. Financial capacity<sup>12</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 supporting documents to be submitted with the application:

- a) Low value grants ( $\leq$  EUR 60 000):
  - a declaration on their honour.

---

<sup>9</sup> Article 106 FR

<sup>10</sup> Article 197 RAP

<sup>11</sup> Article 132 FR, 202 RAP

<sup>12</sup> Article 131, 132 FR, 202 RAP.



b) Grants  $\geq$  EUR 60 000:

- a declaration on their honour and

EITHER

- the profit and loss account as well as the balance sheet for the last financial year for which the accounts were closed;
- for newly created entities: the business plan might replace the above documents;

OR

- the table provided for in the application form, filled in with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form.

On the basis of the documents submitted, if the RAO 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 11.4 below);
- where applicable, require the joint and several financial liability of all the co-beneficiaries.

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

## 8.2. Operational capacity<sup>13</sup>

Applicants must have the professional competencies as well as appropriate qualifications necessary to complete the proposed action. In this respect, applicants have to submit a declaration on their honour, and the following supporting documents [*this list provides examples of supporting documents and is non-exhaustive; it must be adapted to the activities supported by the call for proposals*]:

- 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/actions and activities performed and connected to the policy field of a given call or to the actions to be carried out;
- a description of the technical equipment, tools or facilities and patents at the disposal of the applicant;
- an inventory of natural or economic resources involved in the action.

---

<sup>13</sup> Article 131 FR, 202 RAP.

## 9. AWARD CRITERIA<sup>14</sup>

Eligible applications/actions will be assessed on the basis of the following criteria:

Criteria	Definition	Points max. 100
<b>Relevance of the action</b>	<p>The relevance of the proposal to:</p> <ul style="list-style-type: none"> <li>the objectives of the action particularly taking into account its contribution to fostering the needs of the Culture and Creative Industries;</li> </ul> <p>The extent to which the proposal:</p> <ul style="list-style-type: none"> <li>is novel, innovative and complements and adds value to other initiatives already carried out by the partners or other higher education institutes;</li> <li>brings added value at EU level through results that would not be attained by one partner alone in a single country and promotes multidisciplinary approaches between different disciplines and countries;</li> </ul>	25
<b>Quality of the action design and implementation</b>	<ul style="list-style-type: none"> <li>The clarity, completeness and quality of the action in design and implementation phases;</li> <li>The consistency between the objectives of the action and the activities proposed;</li> <li>The quality and feasibility of the methodology proposed.</li> </ul>	25
<b>Quality of the consortium and the cooperation arrangements</b>	<p>The extent to which:</p> <ul style="list-style-type: none"> <li>the consortium involves an appropriate mix of partners with the necessary profile, experience and expertise to successfully deliver all aspects of the action;</li> <li>the tasks/resources are well defined and demonstrate the active contribution of all partners.</li> </ul>	25
<b>Impact and dissemination</b>	<ul style="list-style-type: none"> <li>The quality of the plan to evaluate the outcomes and the integration in existing master programmes;</li> <li>The potential impact of the action on the participants;</li> <li>The potential impact of the action on the design of the educational programmes of the partner organisations;</li> <li>The sustainability of the action after the EU grant has been used up.</li> </ul>	25

To be selected for accreditation, proposals must score at least 60 points in total. Furthermore, they must score at least half of the maximum points for each award criterion.

<sup>14</sup> Article 132 FR, 203 RAP

## 10. LEGAL COMMITMENTS<sup>15</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.

The 2 copies of the original agreement must be signed first by the Coordinator on behalf of the consortium and returned to the Commission immediately. The Commission will sign it last.

## 11. FINANCIAL PROVISIONS

### 11.1 Eligible costs

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 no circumstances can the eligibility period start before the date of submission of the grant application.
- they are indicated in the estimated budget;
- 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 requirements of sound financial management, in particular regarding economy and efficiency.

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

The same criteria apply to costs incurred by the affiliated entities.

Eligible costs may be direct or indirect.

#### **11.1.1. Eligible direct costs**

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

**with due regard for 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 :

---

<sup>15</sup> Article 121 FR, 174 RAP.

- (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 calculation of direct personnel costs are provided in Appendix.

- (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 entailed by 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 non-deductible value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the grant agreement.*

### **11.1.2. 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.

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.

## **11.2 Ineligible 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.*

## **11.3 Form of the grant**

### **11.3.1 Reimbursement of costs actually incurred**<sup>16</sup>

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 and its affiliated entities.

#### **Conditions for compliance of the beneficiary's usual cost accounting practices:**

The beneficiary must ensure that the cost accounting practices used for the purpose of declaring eligible costs are in compliance with the following conditions:

- (a) the cost accounting practices that are used must constitute the usual cost accounting practices of the beneficiary. The beneficiary must apply those practices in a consistent manner, based on objective criteria irrespective of the source of funding (EU financing or other);
- (b) the costs declared can be directly reconciled with the amounts recorded in its general accounts; and
- (c) the categories of costs used for the purpose of determining the costs declared do not include any ineligible costs or costs already covered by other forms of grant.

---

<sup>16</sup> Article 126 FR

## **11.4 Balanced budget<sup>17</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 in the Official Journal of the European Union or on the Infor-euro website available at: [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 be 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,
- financial contributions from third parties.

Overall co-financing 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.<sup>18</sup> The corresponding costs of third parties are not eligible under the grant, e.g. volunteer work, providing a meeting room for free, etc.

The value of the contribution in kind must not exceed:

- either the costs actually borne and duly supported by accounting documents;
- or, in the absence of such documents, the costs generally accepted on the market in question.

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

In-kind contributions shall comply with national tax and social security rules.

## **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 application of the reimbursement rate specified in section 11.3.1 to the eligible costs accepted by the Commission, to which the co-financing rate applies their total value shall be added.

---

<sup>17</sup>Article 196.2 RAP

<sup>18</sup>Article 127 FR

## **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.

## **Step 3 — Reduction due to the no-profit rule**

‘Profit’ means the surplus of the amount obtained following Steps 1 and 2 plus the total receipts of the action, over the total eligible costs of the action.

The total eligible costs of the action are the consolidated total eligible costs approved by the Commission. The total receipts of the action are the consolidated total receipts established, generated or confirmed on the date on which the request for payment of the balance is drawn up by the beneficiary.

The following are considered receipts:

- (a) income generated by the action;
- (b) financial contributions given by third parties to a beneficiary or to an affiliated entity, if they are specifically assigned by the third parties to the financing of the eligible costs of the action reimbursed by the Commission.

The following are not considered receipts:

- (a) financial contributions by third parties, if they may be used to cover costs other than the eligible costs under the grant agreement;
- (b) financial contributions by third parties with no obligation to repay any amount unused at the end of the implementation period.

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>19</sup>**

**11.6.1** 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

---

<sup>19</sup> Article 90, 135 FR, 207 RAP.



requests shall be accompanied by the documents provided below and detailed in the grant agreement:

Payment request	Accompanying documents
A <b>pre-financing payment</b> <sup>20</sup> corresponding to 20% of the grant amount	
A <b>second pre-financing payment</b> <sup>21</sup> corresponding to maximum 20% of the grant amount.	(a) technical report on progress (b) statement on the use of the previous pre-financing instalment
<p><b>An interim payment</b><sup>22</sup>.</p> <p>For the purpose of determining the amount due as interim payment, the reimbursement rate to be applied to the eligible costs approved by the Commission shall be up to 80%.</p> <p>The total amount of pre-financing and interim payments shall not exceed 90% of the maximum grant amount.</p>	(a) interim technical report (b) interim financial statement (c) a certificate on the financial statements and underlying accounts
<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>23</sup>.</p>	(a) final technical report; (b) final financial statement; (c) summary financial statement aggregating the financial statements already submitted previously and indicating the receipts (d) a certificate on the financial statements and underlying accounts

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

### 11.6.2 Pre-financing guarantee<sup>24</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 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.

<sup>20</sup> Article 109, 110 RAP

<sup>21</sup> Article 207.1 RAP.

<sup>22</sup> Article 109, 110 RAP

<sup>23</sup> Article 109, 110 RAP

<sup>24</sup> Article 134 FR, 206 RAP

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.

## 11.7 Other financial conditions

### a) **Non-cumulative award**<sup>25</sup>

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

In no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate in the grant application the sources and amounts of Union funding received or applied for the same action or part of the action or for its (the applicant's) functioning during the same financial year as well as any other funding received or applied for the same action.<sup>26</sup>

### b) **Non-retroactivity**<sup>27</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.

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>28</sup>

Where the implementation of the action requires the award of procurement contracts (implementation contracts), the beneficiary must award the contract to the bid offering best value for money or the lowest price (as appropriate), avoiding conflicts of interests.

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

Entities acting in their capacity of contracting authorities in the meaning of Directive 2014/24/EU<sup>29</sup> or contracting entities in the meaning of Directive 2014/25/EU<sup>30</sup> must comply with the applicable national public procurement rules.

---

<sup>25</sup> Article 129 FR

<sup>26</sup> Article 196.4 RAP

<sup>27</sup> Article 130 FR

<sup>28</sup> Article 137 FR, 209 RAP

<sup>29</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

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:
    - is specifically justified in the interim or final technical report and
    - 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>31</sup>**

The applications may envisage provision of financial support to third parties. In such case the applications must include:

- an exhaustive list of the types of activities for which a third party may receive financial support;
- the definition of the persons or categories of persons which may receive financial support;
- the criteria for awarding financial support;
- the maximum amount to be granted to each third party and the criteria for determining it.

The amount of financial support per third party must not exceed 60 000 EUR.

## **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.

---

<sup>30</sup> Directive 2014/24/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

<sup>31</sup> Article 137 FR, 210 RAP

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 action.

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

## **12.2 By the Commission<sup>32</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>33</sup> if he/she is domiciled within EU or equivalent if domiciled outside 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**

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. 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 Connect.

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 Article 106(1) and 107 of the Financial Regulation 966/2012<sup>34</sup> (for more information see the Privacy Statement on:

[http://ec.europa.eu/budget/library/explained/management/protecting/privacy\\_statement\\_des\\_en.pdf](http://ec.europa.eu/budget/library/explained/management/protecting/privacy_statement_des_en.pdf)).

## **14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS**

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

---

<sup>32</sup> Article 35, 128.3 FR, 21, 191 RAP.

<sup>33</sup> European Union Official Journal L 39, of 10 February 2007.

<sup>34</sup> <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32012R0966>

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>35</sup>.

Applicants will be informed in writing about the results of the selection process.<sup>36</sup>

Application forms are available at <https://ec.europa.eu/digital-single-market/en/newsroom/call-proposals/all>.

Applications must be submitted in the correct form, duly completed and dated. They must be submitted in 3 copies (one original clearly identified as such, plus 2 copies) and signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation.

Where applicable, all additional information considered necessary by the applicant can be included on separate sheets.

Applicants are encouraged to include an electronic format of the proposal (e.g., USB flash drive or CD) with the printed original and copies requested. However, electronic submission is not mandatory.

Applications must be sent to the following address:

*European Commission*

*Directorate-General for Communications Networks, Content & Technology*

*Directorate I – Unit I3- Audiovisual Industry and Media Support Programmes*

*Office: BU25 05/130*

*1049 Brussels*

*Belgium*

- **by post, date as postmark;**
- **in person, date as receipt,**
- **by courier service, date of receipt by the courier service.**

Applications sent by fax or e-mail will not be accepted, but please send an email to [CNECT-I3@ec.europa.eu](mailto:CNECT-I3@ec.europa.eu) to inform us about your submission on paper.

---

<sup>35</sup> Article 96 FR

<sup>36</sup> Article 133 FR, 205 RAP

➤ **Contacts**

Questions and requests for clarification may be sent until **30 September 2017** to:

[CNECT-I3@ec.europa.eu](mailto:CNECT-I3@ec.europa.eu)

Questions must be drafted in English and will receive a reply within 5 working days. Replies will be provided in English.

Questions will be gathered and published anonymously in the FAQs section on:

<https://ec.europa.eu/digital-single-market/news-redirect/112093>

➤ **Annexes:**

- Application form and its annexes
- Model grant agreement and its annexes

(e-signed)

Griet VAN CAENEGEM

Authorising Officer by sub-delegation

Directorate I

**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.

In case beneficiary uses a different method of calculating personnel costs, the Commission may accept it, 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. Records and other documentation to support the 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.