



EUROPEAN COMMISSION

Directorate-General for Communications Networks, Content and Technology

Media Policy

Media Convergence and Social Media

## CALL FOR PROPOSALS

Connect/2018/6144024

### Pilot Project

### Art and the digital: Unleashing creativity for European industry, regions and society

#### 1. INTRODUCTION – BACKGROUND

Europe's capacity to compete in the global market will depend on its capacity to convert scientific and technological knowledge into innovative products and services. Even more, Europe's appeal for citizens will depend on how cities and regions can create an inspiring environment for their citizens and businesses that opens new opportunities for all. The claim is that combining European creativity in culture and the arts with its lead in science and technology can make this happen.

In this respect, the transformation of society by digital technologies is opening new opportunities for collaboration across disciplines and sectors; in particular, for a committed partnership between digital technology and creativity in the arts (possibly including crafts, design or fashion). New digital media (like augmented reality or social media), smart cities technologies, smart materials (like wearables or bio-inspired materials), Artificial Intelligence, data science, or 3D printing will team up with artistic practices to transform European cities and regions, culturally, socially, and economically. Such collaboration will help enhance social inclusion, create new businesses opportunities, push for sustainable development or revive urban centres.

The contention is that, in order to enable such cross-overs between technology and creative sectors, we need local art-technology centres as catalysts that bring together all players (artists, technology, industry, businesses, creatives from all sectors...). Fostering and framing (on an institutional, policy and funding level) such centres is the core goal of the present call.

The 2015 Latvian Presidency conclusions on '*crossovers from culture to businesses*' invited the European institutions to consider enhancing collaboration between arts and technology for a holistic exploration of opportunities in the digital age. The Commission - DG Connect - has reacted by launching the S+T+ARTS == **STARTS** programme - innovation at the nexus of **Science**, **Technology** and the **ARTS** in their H2020 program.

STARTS is promoting innovation for industry and society with the arts as a catalyst for unconventional thinking about and exploration/use of technology. This call for proposals will explore how to broaden STARTS beyond its industry focus and extend it from pure

industrial settings to regional and urban development where the digital plays today a prominent role and where a joint effort of art and digital technologies could help create a burgeoning environment for prospering cities.

There is already a number of regions and cities that attempt to have art and technology jointly work on activities that allow development of urban infrastructures, both social and business related. This call will solicit proposals that link existing and planned initiatives across Europe in order to create a Europe-wide network of like-minded cities/regions counting on synergies between the arts and digital technologies to boost local business and to enhance social cohesion.

The objectives of the present call for proposals are two-fold (for details see section 2):

(a) Nurturing a network of pertinent players in cities and regions across Europe willing to create or offer existing local infrastructures (buildings, institutions etc.) to foster collaborations of artists and technologists.

The network will engage a dialogue between public and private actors how to setup, fund, manage, and use existing and emerging local art and technology centres and will help emerge a Europe-wide net of STARTS type centres. It will lay out a policy framework in order to support/finance emerging and expanding local centres that enable collaboration of the arts with technology and business. Such funding should come from local players but may include European funding via e.g. structural funds.

(b) Funding seed activities in existing or emerging art and technology centres that will help lay the ground to achieve the vision expressed by an art-technology framework for innovation in an urban or regional context. Such activities could include exhibitions, workshops between artists and engineers, or workshops where artists and engineers jointly teach digital skills to citizens or even businesses.

## **Legal Basis**

Pilot project within the meaning of Article 58(2)(a) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

The annual work programme was adopted under Commission Decision **C/2018/6834** of 22/10/2018.

## **The present call for proposals**

The present call for proposals will select a consortium to execute the project as outlined above (objectives (a) and (b)) and detailed in section 2.

The consortium should comprise partners (local research/technology organisations or art centres, local city councils, foundations, etc.) that are already involved in activities linking art and technology, in particular in creating (or in offering existing) infrastructures in cities or regions that enable links of art and technology. For details on eligibility of consortia, see section 6.

## **2. OBJECTIVES – ACTIVITIES – METHODOLOGY**

### **2.1 Objectives and activities**

The pilot project will work on two objectives:

#### (a) Networking and Policy framing:

The pilot project will deliver a clear policy framework for action how to support links of art and technology that could positively impact urban and regional development.

A main task will be to set up a network of key players (local authorities, foundations, business, art organisations, investors, etc.) willing to promote the idea of art and technology collaboration as a driver of urban and regional development. The network may start from stakeholders in the participating cities and regions but should foresee measures to extend to other cities/regions.

The network should investigate pathways (including financial) towards the creation of local art-technology centres and initiatives that put to use art and technology collaboration in a societal context of urban/regional development. An additional policy goal will be to contribute to pertinent activities of European institutions (including framework programmes, structural funds, education programmes' links to foundations willing to foster such centres etc.) by raising the awareness of the value-added of crossovers from art to innovation for all of European society. The project will draw policy recommendations on how crossovers from art to technology and innovation in cities and regions can be implemented in European Union activities by making links to regional and commission funding schemes, like structural funds for regions or the newly created digital innovation hubs.

The project will fund

-Networking events of stakeholders in cities/regions already at the forefront of this movement and those starting activities in this area.

-Possible mentor activities (e.g. teaming up with investors, discussing possible support with local foundations, training in EC structural funding activities). Applicants should propose a list of activities that could credibly foster emergence and support of art-technology collaboration on a local level.

#### (b) Seed activities:

The pilot project will seed-fund novel ideas for art-technology collaborations. It will fund activities of the following type:

- Have technology and the arts team up to make the digital more accessible to citizens in particular the young generation (digital skills and critical thinking). 'STARTS academies' that unite engineers and artists in teaching digital skills to citizens or motivate and enable them to appropriate digital technologies (e.g. use of data by and for citizens).

-Exhibitions and installations that showcase innovation rooted in art-technology collaboration: e.g. artistic explorations of digital technology in context of urban development (for example data science and art jointly make data – like e.g. mobility data - useful in context of urban development).

- Support exploitation of results from art –technology collaboration by e.g. local business and allow inclusion of artist in local development projects where art and technology team up to enhance the social fabric.

- Support collaboration of artists with local businesses and with industry, e.g. by sponsoring residencies of artists in businesses/technology institutions or of engineers in artist ateliers.

The above activities are not prescriptive/mandatory and other activities can be proposed.

The consortium should be able to co-fund (50%) these seed activities.

## **2.2 Desired outcomes**

Regarding objective (a):

Create an open network of pertinent players in regions and cities interested in art and technology collaboration for local development. Stimulate creation of urban STARTS centres or reuse of existing centres as STARTS centres and ensure their funding.

Work on a European (policy) perspective of how to solicit and fund local activities that put forward digital technologies and art collaboration to stimulate social cohesion and local business development by building on local cultural assets.

Regarding objective (b):

Organise co-funded seed activities that show the appeal of art-technology collaboration (including e.g. STARTS academies, STARTS events, STARTS residencies, and STARTS exhibitions in the participating cities). These seed activities should solicit further activities in the participating cities that bring together artists, business and technology to work on local development projects.

## **2.3 Methodology**

In developing objectives (a) and (b), the following general guidelines apply:

- Strong links with local stakeholders that can drive art-technology activities, both public (e.g, city authorities) and private (e.g. foundations), should be achieved
- Strong links with the artistic community and local business community and technology institutions should be established.
- The targeted businesses and end-users should comprise a variety of sectors, not exclusively the creative sector. In particular digital industry should be targeted.
- The long-term goal of establishing local art-technology centres (or dedicated art-technology activities) should drive the overall proposal for activities.

- The choice of activities in objective (b) should be based on their likely-hood to help stimulate the idea of art and technology collaboration as a driver of local development.

### Structure of the application

To be admissible (see section 5), applicants must follow the structure given in section III.1 of the Grant Application Form.

### 3. TIMETABLE

	Steps	Date and time or indicative period
(a)	Publication of the call	Q4 2018
(b)	<b>Deadline for submitting applications</b>	January 22 <sup>nd</sup> , 2019
(c)	Evaluation period	Q1 2019
(d)	Information to applicants	Q1/Q2 2019
(e)	Signature of grant agreement	Q1/Q2 2019

Scheduled start date for the action: as soon as possible upon signature of grant agreement but no later than 1 May 2019.

### 4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of projects under this call for proposals is estimated at **1.000.000 EUR (one million euros)**.

The Commission expects to fund 1 proposal.

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

The financial contribution from the Commission cannot exceed **60%** of the total eligible costs, 70% of eligible costs linked to objective (a) and 50% of eligible costs linked to objective (b). It is foreseen to split budget approximately equally between objectives (a) and (b). Personnel costs shall not exceed 40% of total costs.

Remark: it will be important that the consortium has access to co-financing capacity for the seed activities of objective (b).

### 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 and in electronic form (pdf format); and

- drafted in one of the EU official languages .

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

## **6. ELIGIBILITY CRITERIA**

### **6.1. Eligible applicants**

Proposals may be submitted by any of the following applicants:

- non-profit organisation (private or public);
- public authorities (national, regional, local);
- universities;
- educational institutions;
- research centres
- profit making entities.

Natural persons are not eligible to apply for a grant under this call for proposals.

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 concluding 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.17.3 of the grant agreement.

#### **Affiliated entities**

Entities affiliated<sup>1</sup> to the applicants are not eligible to receive funding under this Call for proposals. They may take part in the action as affiliated entities at their own costs only.

#### **Country of establishment**

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

- EU Member States.

#### **Consortium requirements**

- In order to be eligible, a proposal must be submitted by a consortium composed of at least 3 legal entities.
- The consortium must involve at a minimum three regions/cities (via an appropriate representative) with existing activities in art and technology. Presence of institutions in these cities/regions (e.g. foundations or businesses, local public authorities) willing to contribute financially to emergence of art-technology centres in these cities and to the seed activities described in section 2.1 is mandatory.

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<sup>1</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.

## **Supporting documents**

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

- **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 ;

## **6.2. Eligible activities**

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

- Events and Exhibition;
- Residencies of artists in technology institutions: fees, travel and daily allowance covering all needs;
- financial support to third parties (see point 11.7. d)).

## **Implementation period**

- the project's duration must be between 12 months and 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] [Agency] 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**

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.

## **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) 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**

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 at <https://ec.europa.eu/digital-single-market/news-redirect/632682>.

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

- (i) the coordinator of a consortium signs a declaration on behalf of all applicants; OR
- (ii) each applicant in the consortium signs a declaration in its name; OR
- (iii) each applicant in the consortium each sign a separate declaration in their own name.

## 8. SELECTION CRITERIA

### 8.1. Financial capacity

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.

b) Grants  $>$  EUR 60 000:

- a declaration on their honour

AND

- 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;

AND

- the table provided for in the annex to the application form, filled in with the relevant statutory accounting figures.

c) Grants for an action  $>$  EUR 750 000:

- (i) the information and supporting documents mentioned in point b) above, and
- (ii) **an audit report** produced by an approved external auditor certifying the accounts for the last financial year available, where such an audit report is available or whenever a statutory report is required by law.

If the audit report is not available AND a statutory report is not required by law, a self-declaration signed by the applicant's authorised representative certifying the validity of its accounts for the last financial year available must be provided.

In the event of an application grouping several applicants (consortium), the above thresholds apply to each applicant.

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 11.4 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**

Applicants must have the professional competencies as well as appropriate qualifications necessary to complete the proposed action. The applicants must demonstrate collectively prior activity at the crossings of art and technology. Some partners should have had prior exposure to STARTS activities and some partners to putting forward art and technology collaboration on a city/regional level.

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

- A description of the applicants' relevant competences and previous experiences;
- curriculum vitae of the people primarily responsible for managing and implementing the operation. This CV must prove capacity to work at the intersection of art, technology and regional development. The CV must help establish a track record for having organised activities and projects that link art and technology.

## 9. AWARD CRITERIA

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

<u>Award criterion</u>	<u>Maximum score</u>	<u>Threshold</u>
<p><b>Excellence</b></p> <p>Does the proposal address the two objectives (a) and (b) in a credible manner? Does the proposal demonstrate understanding of artistic and technological excellence and its links to urban/regional development?</p> <p>Is there a clear plan to establish an open network of pertinent players in art and technology across European cities and regions and to ultimate enlarge this network beyond the core group?</p> <p>Are the seed activities credible in terms of furthering the idea of art and technology collaboration as a driver of urban/regional development? (both economic and social)</p>	<b>30</b>	<b>21</b>
<p><b>Impact</b></p> <p>Are the proposed activities likely to lead to the lasting emergence of local art-technology centres, e.g. in terms of ensuring sustainable funding?</p> <p>What concrete long-term perspectives do the activities open for the cities/regions involved and for art and technology collaboration in Europe?</p> <p>Can the proposal demonstrate capacity to develop a policy framework (on EC and regional level) to help emerge and sustain local art and technology centers?</p>	<b>40</b>	<b>28</b>
<p><b>Consortium and Management</b></p> <p>Is the commitment of partners (including financial) to create local art-technology centers credible?</p> <p>Is there a clearly spelt out procedure of co-funding of activities in objective (b)? Is there a balance between resources devoted to partners and resources made accessible to the wider community (e.g. artists)?</p> <p>Is there a realistic allocation of financial and human resources per partner, per objective, and per work package?</p>	<b>30</b>	<b>21</b>
<b>TOTAL</b>	<b>100</b>	<b>75</b>

Minimum score per criterion (threshold): Proposals scoring less than 70% of the maximum score for any award criterion will be considered of insufficient quality and rejected.

Minimum total score (threshold): Proposals with a total score of less than 75 points at the end of the evaluation process will be considered of insufficient quality and rejected.

## **10. LEGAL COMMITMENTS**

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.

Two 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. Form of the grant**

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

The grant shall take the form of reimbursement of a specified proportion of eligible costs actually incurred and declared by the beneficiary.

The maximum co-financing rates applicable under this call for proposals are as follows:

- (a) For activities in objective (a): 70 % of the eligible costs;
- (b) For activities in objective (b): 50 % of the eligible costs;

The financial contribution from the Commission overall cannot exceed **60%** of the total eligible costs. It is foreseen to split budget approximately equally between objectives (a) and (b). Personnel costs shall not exceed 40% of the total costs.

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

### **11.2. 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 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.

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 Appendix.

- (b) *costs for the work of volunteers up to the limit of 50 % of the overall Union and other co-financing of the action – not applicable;*
- (c) *costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;*
- (d) *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;*

- (e) *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;**
- (f) *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;*
- (g) *costs derived from subcontracts, provided that specific conditions on subcontracting as laid down in the grant agreement are met;*
- (h) *costs of financial support to third parties, provided that the conditions laid down in the grant agreement are met;*
- (i) *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.

#### **11.4. Balanced budget**

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. 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,
- 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. 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.

##### **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 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**

#### **11.6.1 Payment arrangements**

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:

<b>Payment request</b>	<b>Accompanying documents</b>
A <b>pre-financing payment</b> corresponding to 55% of the maximum grant amount	[financial guarantee (see section 11.6.2)]
<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.</p>	<p>(a) final technical report</p> <p>(b) final financial statement</p> <p>(c) summary financial statement aggregating the financial statements already submitted previously and indicating the receipts</p> <p>(d) [a certificate on the financial statements and underlying accounts]<sup>2</sup></p>

<sup>2</sup> The decision on the request for certificates on the financial statements and the threshold will be taken by the RAO during the evaluation of the proposal.

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

### **11.6.2 Pre-financing guarantee**

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.

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**

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

Under 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.

#### **b) Non-retroactivity**

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**

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 or contracting entities within the meaning of Directive 2014/25/EU must comply with the applicable national public procurement rules.

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**

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 out of the following fixed list: residencies of artists in technology institutions or local businesses in the cities involved in proposal, exhibitions, workshops;
- the definition of the persons or categories of persons which may receive financial support out of the following categories: artists involved in above-mentioned activities;
- 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 10.000 EUR (ten thousand euros).

The total maximum amount of financial support to all third parties is 200.000 EUR (two hundred thousand euros).

## **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.

### **12.2. By the Commission**

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>3</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**

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 Mr Paolo Cesarini, Head of Unit, Unit Media Convergence and Social Media, Directorate-General for Communications Networks, Content and Technology..

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<sup>3</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.

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>4</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).

## **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.

Applicants will be informed in writing about the results of the selection process.

Application forms are available at <https://ec.europa.eu/digital-single-market/news-redirect/632682>.

Applications must be submitted in the correct form and following the guidelines as outlined in section III.1 of the Grant Application Form, duly completed and dated. They must be submitted in two copies (one original clearly identified as such, plus one copy) 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.

An electronic version (pdf) on USB stick or CD must be provided together with the printed original and copies requested. This electronic version must not be a scan of the paper version but must be searchable.

Applications must be sent to the following address:

*European Commission  
Directorate-General for Communications Networks, Content &  
Technology  
Directorate I – Unit I4 – Media Convergence and Social Media  
For the attention of the Head of Unit (BU25 05/094)  
B-1049 Brussels  
Belgium*

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

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

### ➤ **Contacts**

Ralph Dum: [Ralph.Dum@ec.europa.eu](mailto:Ralph.Dum@ec.europa.eu)

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<sup>4</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>

➤ **Annexes:**

- Grant application form and its annexes
  - Checklist of documents to be provided
  - Estimated budget form
  - Bank account form
  - BS and P&L table
- Model Declaration of honour
- Model grant agreement and its annexes

(e-signed)

Griet VAN CAENEGEM

Authorising Officer by sub-delegation

Directorate I

## 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.