



EUROPEAN COMMISSION

Directorate-General for Communications Networks, Content and Technology

Media Policy

Audiovisual Industry and Media Support Programmes

CALL FOR PROPOSALS CNECT 2018/6087456

Subtitling European cultural TV content across Europe

1. INTRODUCTION – BACKGROUND

Preparatory action within the meaning of Article 58(2)(b) 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 on 22/10/2018 under Commission Decision C/2018/6834

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

The aim of the Preparatory Action "Subtitling European Cultural TV content across Europe" is to try out innovative strategies to enhance the circulation of European content throughout Europe.

The objective is to test the added value of subtitling on the on-line circulation and outreach of European cultural programming in the European Union. Concretely, the preparatory action should support the provision of a minimum of 300 hours of diverse European factual subtitled cultural content online in a number of European territories via 1 to 3 projects; and to assess the impact of this provision. The results of the undertaken actions should be shared with stakeholders and policy makers, notably through the organisation of a public workshop.

The Call for proposals aims to meet three specific objectives, namely:

1. Test new business models for European audio-visual media service providers and assess whether providing subtitled versions of European TV programmes can help bridge the difficulties caused by linguistic fragmentation and increase audience numbers both within and beyond the European Union;
2. Facilitate cross border online dissemination of cultural content which is often slowed down by linguistic borders;
3. Compare the audience reach of similar audio-visual content with and without subtitling and share the results publicly with EU stakeholders and public policy makers.

Expected results:

- Strengthening the availability of and cross border audience for European factual cultural content via the online provision of a minimum of 300 hours of factual cultural content within certain territories of the European Union;
- Providing analysis to inform policy development on the impact of online provision of non-national subtitled factual content with a view to extending the audience of this factual cultural content in the European Union.

3. TIMETABLE

The indicative schedule for the different steps and stages of the selection procedure are as follows:

	Steps	Date and time or indicative period
(a)	Publication of the call	29/11/2018
(b)	Deadline for submitting applications	14/01/2019- PM 24:00
(c)	Evaluation period	Mid-January / February 2019
(d)	Information to applicants	February / March 2019
(e)	Signature of grant agreement(s)	March 2019

Scheduled start date for the action: as soon as possible upon signature of grant agreement but no later than 2nd quarter 2019.

4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of projects under this call for proposals is estimated at 1.750.000 euros (one million seven hundred fifty thousand euros).

The maximum rate of **co-financing is 60%** of eligible costs. Applicants may propose a lower co-funding rate.

Depending on the quality of the proposals, the Commission may fund up to 3 proposals.

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

5. ADMISSIBILITY REQUIREMENTS

In order to be admissible, applications must be:

- sent no later than the deadline for submitting applications referred to in section 3;
- submitted in writing (see section 14), using the application form available at <https://ec.europa.eu/digital-single-market/news-redirect/638835> 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

To be eligible, applicant(s) must :

- be a public or private organization with legal personality (natural persons are not eligible to apply for a grant under this call)
- be a single entity or a grouping of entities established (having their registered legal office) in one of the member states of the European Union and owned directly or by majority participation, by nationals from such countries.
- be a service provider or a group of service providers of a non-linear audio-visual media services within the meaning of the AVMS Directive 2010/13/EU, with a critical mass of audio-visual content (for instance an on-line channel or a catch-up service of a broadcaster);

Legal entities having a legal or capital link with applicants, which is neither limited to the action nor established for the sole purpose of its implementation, may take part in the action as affiliated entities, and may declare eligible costs as specified in section 11.2.

For that purpose, applicants shall identify such affiliated entities in the application form.

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.

Country of establishment

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

- EU Member States;

Supporting documents

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

Examples of supporting documents:

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

6.2. Eligible activities

To be eligible, the service must:

- provide European factual content and contain a strong cultural added value (for instance the service might include documentaries, TV magazines and programmes with a culture dimension on a wide variety of topics – like history, travel, investigations, the arts, culture, science, geopolitics and society.

Services focusing on cinema or TV fiction and animation as well as light entertainment, sport, news and current affairs content are however **ineligible** for the purposes of this action.

- have been available for a minimum of two years;
- have a significant audience in the country of origin and be already available in territories to be targeted by the new linguistic offer (a baseline audience to be defined by the applicant);

Only those applications corresponding to the objectives described above will be considered as eligible.

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

- costs of subtitling;
- evaluation and research cost;
- promotional cost (including an organisation of a contest to raise awareness about the project amongst the European audience and promote subtitled content available thanks to the preparatory action);
- costs associated with the launch, promotion and implementation of a public event disclosing the results of the action with policy makers and other stakeholders;
- audit costs.
- financial support to third parties (see point 11.8. d).

This call **may not support** any projects including pornographic or racist material or advocating violence.

Implementation period

The **maximum** period for implementation of the action (including the public conference with stakeholders where the results are to be presented to policy makers and stakeholders) is **24 months**.

The activities shall start not later than 2nd quarter 2019 and shall be completed within 24 months.

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

7. EXCLUSION CRITERIA

7.1. Exclusion

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

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

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

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

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

7.2. Remedial measures

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.

The same exclusion criteria apply to affiliated entities.

Administrative sanctions (exclusion) may be imposed on applicants, or affiliated entities where applicable, 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 and affiliated entities 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/638835>.

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 and their affiliated entities; OR
- (ii) each applicant in the consortium signs a declaration in its name and on behalf of its affiliated entities; OR
- (iii) each applicant in the consortium and the affiliated entities 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 two financial years for which the accounts were closed;
 - for newly created entities: the business plan might replace the above documents;
 - the table with the financial figures provided for in 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 two financial years 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 two financial years available must be provided.

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

In the case of legal entities forming **one** applicant (the "sole applicant"), as specified in section 6.1, the above requirements apply to each one of those entities.

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

- request further information;
- decide not to give pre-financing;
- decide to give pre-financing paid in instalments;
- decide to give pre-financing covered by a bank guarantee (see section 11.7.2 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. In this respect, applicants have to submit a declaration on their honour, and the following supporting documents:

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

In the case of legal entities forming **one** applicant (the "sole" applicant), as specified in section 6.1, the above requirements apply to each one of those entities.

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>
Award Criterion No 1: Quality of the activity content <ul style="list-style-type: none"> - Number, quality, diversity, cultural dimension and editorial coherence of the audiovisual content covered by the action; 20 - Number and complementary nature of the linguistic areas and territories covered by the action; 15 - Suitability of the marketing strategy and local partnerships ; 20 - Degree of innovation of the action . 5 	60	36
Award Criterion No 2: Management of the project <ul style="list-style-type: none"> - Quality of the applicant existing service ; 10 - Quality of the project management plan, including quality of the personel involved and governance structure ; 10 - Quality of the proposed methodology for collecting, analysing and putting into perspective the results obtained ; 10 - <i>Cost/benefit of the proposed action .</i> 10 	40	24
TOTAL	100	60

Minimum score per criterion (threshold): Proposals scoring less than **60%** 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 **60 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 will be defined by applying a maximum co-financing rate of **60 %** to the eligible costs actually incurred and declared by the beneficiary and its affiliated entities.

Personnel Costs shall not exceed 40% of the total eligible cost of the action.

Sub-contracting costs shall not exceed 60% of the total eligible cost of the action.

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.

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

Eligible costs may be direct or indirect.

11.2.1. Eligible direct costs

The eligible direct costs for the action are the 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; Personnel Costs may not account for more than 40% of the total eligible cost of the action.

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

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

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

- (d) costs of consumables and supplies, provided that they:
 - (i) are purchased in accordance with the rules on implementation contracts laid down in the grant agreement; and**

(ii) are directly assigned to the action;

- (e) costs arising directly from requirements imposed by the Agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with the rules on implementation contracts laid down in the grant agreement;
- (f) costs derived from subcontracts, provided that specific conditions on subcontracting as laid down in the grant agreement are met;

Any amount paid to an external party which is not part of the contractor's consortium of the partnership and is carrying out a specific one-off task in connection with the action must be detailed under sub-contracting heading.

Sub-contracting costs are only admissible if the staff of the member organisations of the partnership does not have the skills required. Sub-contracting costs may not account for more than 60% of the total eligible cost of the action.

Subcontracting costs must be substantiated by receipted invoices. In the event of sub-contracting exceeding EUR 60 000, the beneficiaries must clearly document the tendering procedure, submit a copy of the relevant documents together with the final report at the end of the action and retain the documentation in the event of an audit.

The sub-contracting costs required, the justification for sub-contracting and the procedure to be followed in identifying the relevant sub-contractor, should be clearly set out in the note accompanying the Estimated Budget. Sub-contracting costs should be limited to those specified in the original application. Any significant change will require the express prior agreement of the Commission.

- (g) costs of financial support to third parties, provided that the conditions laid down in the grant agreement are met;
- (h) duties, taxes and charges paid by the beneficiary, notably value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the grant agreement.
- (i) advertising and promotion costs, including:

Publicity Material: design, layout and printing of publicity material, production of advertising spots, flyers, design and layout of press advertising,
Other costs have to be clearly identified and detailed for them to be eligible.

Publicity Space: purchase of advertising spaces (TV, radio, internet, press as appropriate), distribution of publicity material (trailers, flyers, posters, mailing...) and other advertising costs.
Other costs have to be clearly identified and detailed for them to be eligible.

Promotion material and events: material such as press files, press screenings; previews and receptions for launching the service in the territory, organisation of test screenings and market research; Press Agency, Press officer, Publicist and PR fees, other promotion costs.
Other costs have to be clearly identified and detailed for them to be eligible.

(j) *Subtitling Costs*

These costs include the costs of the subtitling of the European factual audio-visual content to be provided by the service.

(k) *Cost of evaluation activities*

These costs include the costs of evaluation activities to compare the audience reach of the audio-visual content with and without subtitling; and the costs of sharing the results of this research publically with EU stakeholders and public policy makers.

(l) *Other costs*

Audit Fees.

In the framework of the execution of an eventual financial support contract, the Commission requires the beneficiary to produce a statement of the final costs of the action. This document can be certified by an independent approved auditor, external to the company on the basis of justifying documents and the accountancy records of the beneficiary. The costs of this certification are the only costs eligible beyond the eligibility period.

(m) *All other Costs*

A space is provided in the form for the disclosure of other costs directly linked to the action and which are not expressly provided for in the form and have to be clearly identified and detailed in the application form and in the financial report for them to be eligible. Moreover, those costs normally associated with the running of the company are not eligible under this heading.

These “other costs” must not fall under costs listed under Section 11.3 - Ineligible costs

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 **maximum 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.

Overhead costs encompass the following categories:

- a) **Premises and related expenses** (e.g. rent, insurance, administration and management cost)
- b) **Office expenses and consumables** (e.g. telephone, postal services, photocopies, goods or equipment)

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. Eligible costs that may be covered by the single lump sum

NOT applicable

11.5. 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 available at:

http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm

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

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

- the beneficiary's own resources,
- income generated by the action,
- 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.

11.6. 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 10.1.1 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 and affiliated entities other than non-profit organisations.

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 and affiliated entities other than non-profit organisations on the date on which the request for payment of the balance is drawn up.

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;
- (c) in-kind and financial contributions by third parties.

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.

11.7. Reporting and payment arrangements

11.7.1 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:

Payment request	Accompanying documents
A pre-financing payment corresponding to 40 % of the maximum grant amount	[financial guarantee (see section 11.7.2)]
A second pre-financing payment corresponding to 30 % of the maximum grant amount. The second pre-financing could be made around mid-term of the action	(a) technical report on progress (b) statement on the use of the previous pre-financing instalment (c) [financial guarantee (see section 11.7.2)]
Payment of the balance The Commission will establish the amount of this payment on the basis of the calculation of the final grant amount (see section 11.6 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	(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

order.	accounts ¹
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In case of a weak financial capacity, section 8.1 above applies.

11.7.2 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.

11.8. 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

¹ 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.

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.

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, limited to the fixed list of eligible activities within the call, including an organisation of a promotional contest; ,
- 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

In case the financial support takes the form of a prize (for instance after organising a competition to raise awareness about the project amongst the European audience and promote subtitled content available thanks to the preparatory action), the beneficiaries shall give such financial support in accordance with specified conditions, which shall at least contain:

- the conditions for participation;
- the award criteria;
- the amount/form of the prize;
- the payment arrangements.

12. PUBLICITY

12.1. By the beneficiaries

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

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

To do this they must use the text, the emblem and the disclaimer available at https://ec.europa.eu/info/resources-partners/european-commission-visual-identity_en.

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

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 level² 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

² 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.

are required to evaluate the application in accordance with the call for proposal will be processed solely for that purpose by CNECT I.3 Unit.

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. For more information see the Privacy Statement on:

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/638835>.

Applications must be submitted in the correct form, duly completed and dated. They must be submitted in **3** copies (**1** 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.

Applications must be sent to the following address:

European Commission
Directorate General Communication Networks, Content and Technology
Directorate I – Unit I3- Audiovisual Industry and Media Support Programmes
For the attention of the Head of Unit
Office: BU25 05/130
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 only by e-mail will not be accepted.

In addition to the submission by registered mail, an electronic version of the following documents must be submitted **by 14/01/2019** (PM 24:00 Brussels time at the latest) to the following email address: CNECT-I3@ec.europa.eu

- grant application form
- grant application budget
- declarations of honour

- financial viability check tools

➤ **Contacts**

Questions and requests for clarification may be sent **until 08/01/2019** to CNECT-13@ec.europa.eu with a reference to the Call's title and number.

Questions will be gathered and published anonymously in the FAQs section on: <https://ec.europa.eu/digital-single-market/news-redirect/638835>.

➤ **Annexes:**

- Application form and its annexes
 - Checklist of documents to be provided
 - Estimated budget form
 - Legal entity form
 - Bank account form
 - BS and P&L table
- Model declaration of honour
- Model Grant agreement

(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.

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.