



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

CALL FOR PROPOSALS – EAC/S18/2018

Music Moves Europe

Training Scheme For Young Music Professionals

1. INTRODUCTION – BACKGROUND

Overall EU policy context for culture

This call for proposals serves the implementation of the 2018 Annual Work Programme as adopted by Commission decision C (2018) 1602 on 21 March 2018 and specifically the 3rd distinct activity under section '3. Implementation'.

The European Union's role in the culture area is specified in [Article 167 of the Treaty of the Functioning of the EU](#). The European Commission's activities in this area are framed in particular by the [European Agenda for Culture](#), which aims to reinforce the role and position of culture in an increasingly globalised world. The role of the Commission is to help address common challenges, such as the impact of the digital shift, changing models of cultural governance, and the need to support the innovation potential of the cultural and creative sectors. The Commission is also committed to promoting cultural diversity, protecting cultural heritage, easing obstacles to the mobility of cultural professionals, and supporting the contribution of cultural and creative industries to boosting growth and jobs across the EU, in line with the principles of the European Agenda. The international dimension of culture is at the core of this Agenda. EU cooperation on culture will be strengthened further in the future under a New European Agenda for Culture.¹

Since 2014 Creative Europe has served as a consolidated framework programme in support of Europe's cultural and audio-visual sectors. It has supported the implementation of actions in line with the EU's cultural policy. In the context of the preparations of the next Multiannual Financial Framework (MFF) post-2020, discussions on the future EU programme for culture have started.²

¹ Following the request from the Leaders' meeting in Gothenburg in November 2017, the Commission is currently preparing an initiative for a New European Agenda for Culture, scheduled for adoption in May.

² The Commission's proposals for the next MFF and the next generations of EU programmes are expected in May/June.

About the music sector in Europe

Music constitutes an important pillar of European culture. There is the economic significance of the sector – it employs more people than film and generates more than 25bn EUR revenue annually. It is also an essential component of Europe’s cultural diversity and it has the power to bring positive changes to many levels of society.

Over the past decade, Europe's music sector has been heavily influenced by the digital shift and increased competition from global players. It has been experiencing significant challenges that have led to fundamental changes in the way music is created, produced, distributed, consumed and monetised. The music industry is adapting to use the opportunities offered (e.g. new business models, extending audience reach, new way of interacting) paving the way for other content industries. A part from the many opportunities, important challenges remain, for instance, the repartition of revenue and the fair remuneration of artists in this new digital environment. The so-called “value gap” has become a subject of much discussion at national and European level in the past few years.

Europe is a strong global player all along the music value chain, including online distribution. Streaming revenues grow extremely rapidly, compensating declines in physical formats and downloads. Europe is home to the world’s biggest music markets (Germany, UK, France and Italy); its music industry can be considered one of the most creative and diverse in the world. However, the European music ecosystem is a fragmented, diverse and complex landscape with structural differences between its main operator groups or sub-sectors (such as classical and amateur music sub-sector, live music sub-sector, recorded music sub-sector, digital distribution sub-sector, etc.). There is also a great deal of national fragmentation along with language barriers, which hamper promotion and visibility of music repertoire across national borders within Europe and beyond. Non-English music repertoire from Europe struggles to cross European borders and obstacles exist to internationalising the careers of artists. The United States and the United Kingdom enjoy a better access to the European music market, for historical, cultural and linguistic reasons, but also because they host the majority of major music labels, international promoters, and distribution services. The dominance of English music repertoire crossing borders through live performances, radio and online services in Europe and powerful American-led corporations³ seem to hamper promotion and visibility of European acts. Concentration and distorted competition are key challenges for the music ecosystem in Europe.

There is a need to support the competitiveness and the diversity of the music sector and to promote musical creation. In this context, also export strategies for European music might be needed to explore non-European markets and their audiences.

EU support for music – Music Moves Europe

In late 2015, therefore, the European Commission started a dialogue with representatives from the music sector in Europe with the aim to identify key challenges and possible ways to tackle them, including EU support. “Music Moves Europe” has since become the framework for these discussions and more broadly for EU initiatives and actions to promote the diversity and competitiveness of Europe’s music sector, in terms of policy

³ Music Moves Europe – A support programme for the European Music Sector, compiled and researched by Pop100 for Yourope, May 2016.

and funding. One important outcome of that dialogue is the [AB Music Working Group report](#) in 2016. The report revealed the need to support music creation, promote musical diversity and to explore the opportunities offered by music online and offline distribution more effectively.

Against this background, in the context of the EU budgetary procedure for 2018, the European Parliament secured a budget of 1.5m EUR for a ***Preparatory Action “Music Moves Europe: Boosting European music diversity and talent”*** with the aim to test suitable actions for more targeted EU funding for music post-2020.⁴ The focus should be on four strands of action: offline and online distribution, artist and repertoire development, professionalization and education, export of European music outside Europe.

The European Commission has been supportive to the process leading to the inclusion of this Preparatory Action in the 2018 EU budget considering that it comes at a timely moment when the Commission is preparing its proposals for new funding instruments post-2020. The implementation of this Preparatory Action is an opportunity to test new ideas on how to complement the existing forms of EU support for music under the Creative Europe programme, notably the co-financing of music cooperation projects, platforms, networks, and the European prize for music (EBBA awards), as well as policy action impacting on the music sector (e.g. in the context of the Digital Single Market).

To implement the Preparatory Action, the Commission will launch four calls (two calls for proposals and two calls for tenders) in the spring 2018 as follows:

- (a) Music Moves Europe - Online and offline distributions
- (b) Music Moves Europe - The feasibility study for the establishment of a European Music Observatory, and a gap analysis of funding needs for the music sector
- (c) Music Moves Europe - Training Scheme For Young Music Professionals
- (d) Music Moves Europe - Study on a European Music Export Strategy

In parallel, the Commission has committed to have a regular dialogue with the European music sector on these and other themes, starting in 2018.

The present call for proposal focuses on the development of a *Training Scheme For Young Music Professionals (c)*.

Training for young professionals

The dialogue with representatives from the music sector in Europe and different studies have shown that there is a need for professionalization of the cultural sector in general and the music sector in particular as it experiences radical changes and is therefore facing major challenges. In this context, professionalization aims at providing young professionals in the music business with the skills they need to develop their careers or to up-date existing skills to meet the rapidly changing demands facing their industry. This means not only acquiring creative and digital skills but also social, management and economic skills like drawing up a business plan, develop marketing schemes or understand the European and national legal environment, such as the copyright regulatory framework. It is also about creating a better mutual understanding of the

⁴ Text of the Preparatory Action:
https://ec.europa.eu/programmes/creative-europe/actions/music-moves-europe_en

different work environments of artists and other professions and specialised subsectors in the music business as lines between classical professional profiles are blurring, job descriptions are changing and new professional profiles are emerging. Contemporary academia have developed relevant concepts of “cultural leadership”⁵ addressing the necessary competences needed for the success of cultural organisations (“Entrepreneurial cultural leadership”). Such leadership could also involve working for the greater good of the sector as a whole, e.g. voluntary or non-profit organisations (“generous cultural leadership”) or taking up social responsibility relating to wider societal involvement (“public cultural leadership”).

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

2.1. OBJECTIVES

Main objectives

The overall aim of this call is to identify and to support up to 10 innovative and sustainable pilot training programmes for young professionals in the music sector testing small-scale models on how to improve the sector’s capacity and resilience and to contribute to its professionalization. Lessons learnt from these pilot training proposals the objective should improve the sector's understanding on the questions of professionalization. These findings should feed into an integrated strategy for music support for the next generation of EU funding programmes after 2020, which could support European diversity and talent, the competitiveness of the sector as well as increased access of citizens to music in all its diversity.

Specific objectives

1. Address the need for a regular up-date of individual and organisational professional expertise in order to increase the capacity of the music professionals to adapt to changes in the music market, also in terms of its relevance to international careers;
2. Promote transnational exchange or cross-fertilisation between different sub-sectors, especially where potential for mutual learning or exchange of practice is identified (building cooperation and spreading best practice);
3. Include transnational approaches where the training scheme supports young professionals engaged with or seeking to develop cross-border music initiatives, particularly where the relevant knowledge and expertise cannot be found at national, regional or local level.

Considering the scale of the pilot scheme, applicants should address at least one of these priority areas showing innovation, excellence and differentiation from existing national or international provisions. Excellence in one area should be prioritised over attempting to address all priorities to a small extent.

⁵ <https://www.encact.org/media/3718-encact-journal-vol-7-issue-1-2017.pdf>

2.2. ACTIVITIES

The proposal should include relevant activities that are necessary for the accomplishment of the above objectives. Activities providing training for young artists and other professionals in the music sector could take the following forms:

1. Transnational and/or cross-sectoral training schemes using in-person teaching as well as e-learning methods;
2. Mentoring and peer learning schemes;
3. Fellowship and residency schemes;
4. Trainee schemes with paid placements.

To deliver tangible results, these small-scale models should reach at least five people taking part and completing such training activities.

2.3. BENEFICIARIES

Established training/education providers or training/education/music sector partnerships demonstrating relevant music sector or specialised expertise in other sectors may apply to the call. Music organisations working with sectoral peers may be accepted for placement or exchange proposals.

2.4. EXPECTED RESULTS

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

- Demonstration of actions and training schemes that improve intelligence and understanding on the questions of professionalization,
- Exchange and collaboration across the different business sectors of the industry as much as between musical subsectors,
- Enhancing the expertise of professionals in the music business at a pivotal point in their career, e.g. to take on or to keep an influential or leading position,
- Contribute to an integrated strategy for music development for the next generation of EU funding after 2020.

3. TIMETABLE

	Stages	Date and time or indicative period
a)	Publication of the call	08/05/2018
b)	Deadline for submitting applications	27/08/2018 13:00 CET
c)	Evaluation period	September-October 2018
d)	Information to applicants	November 2018
e)	Signature of grant agreement	December 2018

4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of projects is estimated at EUR 550,000.00.

The maximum grant will be EUR 55.000 per supported proposal.

The maximum co-funding rate will be 80 % (see under section 11.3.1).

The Commission expects to fund 10 proposals.

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

5. ADMISSIBILITY REQUIREMENTS

- Applications must be sent no later than the deadline for submitting applications referred to in section 3.
- Applications must be submitted in writing (see section 14), using the application form in annex 1.
- Applications must be drafted in one of the EU official languages.

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

6. ELIGIBILITY CRITERIA⁶

6.1. ELIGIBLE APPLICANTS

The following applicants are eligible:

- non-profit organisation (private or public);
- public authorities (national, regional, local);
- universities;
- educational institutions;
- associations;
- natural persons are not eligible except self-employed persons or equivalent (i.e. sole traders) where the company does not possess legal personality separate from that of the natural person.

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

- EU Member States;
- eligible non-EU countries that are participating in the Creative Europe Programme Culture⁷.

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 of the grant agreement.

An application may be submitted by one applicant or a consortium, whether established specifically or not for the action, provided that:

- it is formed of several legal entities complying with the eligibility, non-exclusion and selection criteria set out in this call for proposals, and implementing together the proposed action;
- the application identifies the said entities;
- the application identifies the coordinating and responsible main entity.

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);

⁶ Article 131 FR, 201 RAP

⁷ https://eacea.ec.europa.eu/creative-europe/library/eligibility-organisations-non-eu-countries_en

- **public entity:** copy of the resolution, decision or other official document establishing the public-law entity ;
- **natural persons:** photocopy of identity card and/or passport; certificate of liability to VAT, if applicable (e.g. some self-employed persons)

6.2. ELIGIBLE ACTIVITIES

Types of activities eligible under this call for proposals, inter alia:

- Transnational and/or cross-sectoral training schemes using in-person teaching as well as e-learning methods, including seminars or workshops;
- Mentoring and peer learning schemes;
- Fellowship and residency schemes;
- Trainee schemes with paid placements;
- Activities aiming at the creation and improvement of networks and exchanges of good practices to increase the professionalization of the sector.

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

- Studies, analyses, mapping projects
- Activities aiming at cultural creation or musical training

6.3. IMPLEMENTATION PERIOD

Activities may be implemented according to the followings:

- activities may not be started before the result of the selection is announced;
- activities must start at the latest by 31 December 2018;
- activities are to be completed by 31 December 2019;
- the maximum duration of projects is 12 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, where its assets are being administered by a liquidator or by a court, where it is in an arrangement with creditors, where its business activities are suspended, or where it is in any analogous situation arising from a similar procedure provided for under national laws or regulations;

(b) it has been established by a final judgment or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the law of the country in which it is established, with

those of the country in which the authorising officer is located or those of the country of the performance of the contract;

(c) it has been established by a final judgment or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence, including, in particular, any of the following:

- (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract, a grant agreement or a grant decision;
- (ii) entering into agreement with other applicants with the aim of distorting competition;
- (iii) violating intellectual property rights;
- (iv) attempting to influence the decision-making process of the Commission during the award procedure;
- (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;

(d) it has been established by a final judgment that the applicant is guilty of any of the following:

- (i) fraud, within the meaning of Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;
- (ii) corruption, as defined in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997, and in Article 2(1) of Council Framework Decision 2003/568/JHA, as well as corruption as defined in the law of the country where the contracting authority is located, the country in which the applicant is established or the country of the performance of the contract;
- (iii) participation in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA;
- (iv) money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;
- (v) terrorist-related offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
- (vi) child labour or other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;

(e) the applicant has shown significant deficiencies in complying with main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an authorising officer, OLAF or the Court of Auditors;

(f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95.

(g) for the situations of grave professional misconduct, fraud, corruption, other criminal offences, significant deficiencies in the performance of the contract or irregularity, the applicant is subject to:

- (i) facts established in the context of audits or investigations carried out by the Court of Auditors, OLAF or internal audit, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;
- (ii) non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
- (iii) decisions of the ECB, the EIB, the European Investment Fund or international organisations;
- (iv) decisions of the Commission relating to the infringement of the Union's competition rules or of a national competent authority relating to the infringement of Union or national competition law.
- (v) decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

7.2. REMEDIAL MEASURES

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

7.3. REJECTION FROM THE CALL FOR PROPOSALS

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

- a. is in an exclusion situation established in accordance with section 7.1⁸;
- b. has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information;
- c. was previously involved in the preparation of calls for proposal documents where this entails a distortion of competition that cannot be remedied otherwise.

Administrative and financial penalties may be imposed on applicants who are guilty of misrepresentation.

⁸ Article 106 FR

7.4. SUPPORTING DOCUMENTS⁹

Applicants must provide a declaration on their honour certifying that they are not in one of the situations referred to in articles 106(1) and 107 FR, by filling in the relevant form available as annex II in this call for proposals.

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

- (i) the applicant signs a declaration in its name;
- (ii) in case of consortium, each applicant in the consortium signs a declaration in its name.

8. SELECTION CRITERIA¹⁰

8.1. FINANCIAL CAPACITY¹¹

The financial capacity will be assessed based on the following methodology and its annexes: https://ec.europa.eu/info/sites/info/files/methodology-grants-eac_en.pdf.

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:

Proof of financial capacity is constituted by a declaration on the honour by the grant applicant (see Annex 1 of the Application form).

On the basis of the documents submitted, if the RAO considers the financial capacity to be 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 considers the financial capacity to be insufficient s/he will reject the application

⁹ Article 197 RAP

¹⁰ Article 132 FR, 202 RAP

¹¹ Article 131, 132 FR, 202 RAP.

8.2. OPERATIONAL CAPACITY¹²

Applicants must have the professional competencies as well as appropriate qualifications necessary to complete the proposed action.

Applicants must have the professional competencies necessary to complete the proposed action. In particular, they should demonstrate:

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

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

- curriculum vitae or description of the profile of the people primarily responsible for managing and implementing the operation (see annex V);
- 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 (see annex IV);

In the case of legal entities forming a consortium, as specified in section 6.1, the above requirements apply to the consortium as a whole.

9. AWARD CRITERIA¹³

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

9.1. RELEVANCE (0-40 POINTS)

The relevance of the project and its expected contribution to the objectives of the call, including:

- Innovative ways to achieve objectives set out under section 2.1;
- Expected impact and added value at European level (transnational impact) in terms of improving intelligence and understanding of the questions of professionalization.

¹² Article 131 FR, 202 RAP.

¹³ Article 132 FR, 203 RAP

9.2. QUALITY OF THE ACTIVITIES (0-40 POINTS)

The quality of the overall design of the activities proposed and methodology for achieving the objectives and how the project will be implemented in practice, including:

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

9.3. MANAGEMENT OF THE PROJECT (0-20 POINTS)

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

- Rationale of the proposed methodology and organisation of the training scheme (including the timetable and monitoring).

A minimum quality threshold of 60% of the maximum possible score for each of the award criteria will be applied for the qualitative evaluation. Applications falling below those thresholds shall be rejected.

10. LEGAL COMMITMENTS¹⁴

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

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

11. FINANCIAL PROVISIONS

11.1. ELIGIBLE COSTS

Eligible costs shall meet all the following criteria:

- they are incurred by the beneficiary.
- they are incurred during the duration of the action, with the exception of costs relating to final reports and audit certificates;
 - The period of eligibility of costs will start as specified in the grant agreement.
 - If a beneficiary can demonstrate the need to start the action before the agreement is signed, the costs eligibility period may start before that signature. Under no circumstances can the eligibility period start before the date of submission of the grant application.

¹⁴ Article 121 FR, 174 RAP.

- they are indicated in the estimated budget;
- they are necessary for the implementation of the action which is the subject of the grant;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

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

Eligible costs may be direct or indirect.

11.1.1. Eligible direct costs

The eligible direct costs for the action are those which:

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

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

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

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

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

The recommended methods for calculation of direct personnel costs are provided in Appendix.

- (b) *costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;*
- (c) *the depreciation costs of equipment or other assets (new or second-hand) as recorded in the beneficiary's accounting statements, provided that the asset:*

- (i) *is written off in accordance with the international accounting standards and the beneficiary's usual accounting practices; and*

- (ii) *has been purchased in accordance with the rules on implementation contracts laid down in the grant agreement, if the purchase occurred within the implementation period;*

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

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

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

11.1.2. Eligible indirect costs (overheads)¹⁵

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%¹⁶ 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.

11.2. INELIGIBLE COSTS

- a) return on capital and dividends paid by a beneficiary;
- b) debt and debt service charges;
- c) provisions for losses or debts;
- d) interest owed;
- e) doubtful debts;
- f) exchange losses;
- g) costs of transfers from the Commission charged by the bank of a beneficiary;
- h) costs declared by the beneficiary under another action receiving a grant financed from the Union budget. Such grants include grants awarded by a Member State and financed from the Union budget and grants awarded by bodies other than the Commission for the purpose of implementing the Union budget. In particular, beneficiaries receiving an operating grant financed by the EU or Euratom budget cannot declare indirect costs for the period(s) covered by the operating grant,

¹⁵ *Indirect costs do not apply to operating grants.*

¹⁶ *Unless otherwise indicated in a basic act or authorised by a Commission decision, the flat-rate for indirect costs is up to a maximum of 7% (Article 124(4) FR).*

unless they can demonstrate that the operating grant does not cover any costs of the action.

- i) contributions in kind from third parties;
- j) excessive or reckless expenditure;
- k) deductible VAT

11.3. FORM OF THE GRANT

Reimbursement of costs actually incurred¹⁷

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

11.4. BALANCED BUDGET¹⁸

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

The budget must be drawn up in euros.

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

http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm

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

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

- the beneficiary's own resources,
- income generated by the action,
- 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.¹⁹ The corresponding costs of third parties are not eligible under the grant, e.g. volunteer work, providing a meeting room for free, etc.

The value of the contribution in kind must not exceed:

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

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

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

¹⁷ Article 126 FR

¹⁸ Article 196.2 RAP

¹⁹ Article 127 FR

11.5. CALCULATION OF THE FINAL GRANT AMOUNT

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

Step 1 Application of the reimbursement rate to the eligible costs

The amount under step 1 is obtained by application of the reimbursement rate specified in section 11.3.1 to the eligible costs accepted by the Commission.

Step 2 Limit to the maximum amount of the grant

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

Step 3 Reduction due to the no-profit rule

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

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

The following are considered receipts:

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

The following are not considered receipts:

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

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

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

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

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

11.6. REPORTING AND PAYMENT ARRANGEMENTS²⁰

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 ²¹ corresponding to 60% of the grant amount	(a) a finalised work plan of the planned activities
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 11.5 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 ²² .	(a) final implementation report describing the activities and achievement of the projects, in light of the objectives; (b) final financial statement;

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

Reporting requirements

The beneficiary shall submit technical reports as specified in Section 11.6 on Reporting and Payment Arrangements. Each report shall be submitted in English to the Commission by e-mail, in MS Word format.

Finalised work plan of the planned activities

At the beginning of the project, the beneficiary shall submit a short report with the detailed work plan of the planned activities.

The report should not be longer than 6 pages.

Final implementation report

The final report shall include at least:

- Comprehensive information on all the activities carried out
- Description of the achievements in relation to the planned results
- Problems encountered, solutions found and their impact on the outcomes achieved
- Sustainability of the actions
- Lessons learnt and recommendations for further actions.

The report should not be longer than 35 pages excluding annexes.

²⁰ Article 90, 135 FR, 207 RAP.

²¹ Article 109, 110 RAP

²² Article 109, 110 RAP

11.7. OTHER FINANCIAL CONDITIONS

a) **Non-cumulative award**²³

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

In no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate in the grant application the sources and amounts of Union funding received or applied for the same action or part of the action or for its (the applicant's) functioning during the same financial year as well as any other funding received or applied for the same action.²⁴

b) **Non-retroactivity**²⁵

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**²⁶

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

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

Entities acting in their capacity of contracting authorities in the meaning of Directive 2014/24/EU²⁷ or contracting entities in the meaning of Directive 2014/25/EU²⁸ 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;

²³ Article 129 FR

²⁴ Article 196.4 RAP

²⁵ Article 130 FR

²⁶ Article 137 FR, 209 RAP

²⁷ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC

²⁸ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC

- 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 parties²⁹

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

12. PUBLICITY

12.1. BY THE BENEFICIARIES

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

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

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 COMMISSION³⁰

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.

²⁹ Article 137 FR, 210 RAP

³⁰ Article 35, 128.3 FR, 21, 191 RAP.

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 level³¹ if he/she is domiciled within EU or equivalent if domiciled outside EU;
- subject of the grant;
- amount awarded.

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

13. PROCESSING OF PERSONAL DATA

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, the questions and any personal data requested that are required to evaluate the application in accordance with the call for proposal will be processed solely for that purpose by Barbara Gessler, Head of Unit EAC.D2.

Personal data may be registered in the Early Detection and Exclusion System by the Commission, should the beneficiary be in one of the situations mentioned in Article 106(1) and 107 of the Financial Regulation 966/2012³² (for more information see the Privacy Statement on:

http://ec.europa.eu/budget/library/explained/management/protecting/privacy_statementedes_en.pdf).

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 process³³.

Applicants will be informed in writing about the results of the selection process.³⁴

Applications must be submitted in the correct form, duly completed and dated. They must be submitted in 5 copies (one original clearly identified as such, plus 3 copies and one electronic copy) and signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation.

³¹ European Union Official Journal L 39, of 10 February 2007.

³² <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32012R0966>

³³ Article 96 FR

³⁴ Article 133 FR, 205 RAP

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

Applications must be sent to the following address³⁵:

*European Commission - Directorate-General for Education, Youth, Sport and Culture
Directorate D - Culture and creativity
Unit D2 – Creative Europe - (CALL EAC/S18/2018)
Barbara Gessler
J-70, 2/019
B-1049 Brussels Belgium*

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

Applications sent by fax, e-mail, on UBS keys or any other means than indicated above cannot be accepted.

Contacts

The contact point for any questions is:

- EAC-MUSIC-MOVES-EUROPE@ec.europa.eu

Annexes:

- Annex I.a Grant Application form – mono-beneficiary
- Annex I.b Grant Application form - consortium
- Annex II Declaration on the honour
- Annex III Estimated budget of the action
- Annex IV List of previous projects (see section 8.2 Operational Capacity)
- Annex V List of CVs (see section 8.2 Operational Capacity)
- Annex VI Mandate for consortium

Reference documents:

- Checklist for Applicants
- Model specific grant agreement for an action grant: Single organisation (to be adapted)
- Model specific grant agreement for an action grant: Consortium (to be adapted)
- Model financial statement
- Model technical report

³⁵ Article 195.3 RAP

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.

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

a) for persons working exclusively on the action:

{monthly rate for the person

multiplied by

number of actual months worked on the action }

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

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

{annual personnel costs for the person

divided by 12} using the personnel costs for each full financial year covered by the reporting period concerned.

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

b) for persons working part time on the action

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

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

multiplied by

number of actual months worked on the action }

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

The monthly rate is calculated as above.

(ii) In other cases:

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

or

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

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

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

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

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

minus

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

The ‘**hourly/daily rate**’ is calculated as follows:

{annual personnel costs for the person}

divided by

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

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

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

2. Records and other documentation to support the personnel costs declared as actual costs

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

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

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

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