

Questions and Answers concerning Creative Europe activities in light of the COVID-19 pandemic¹

EUROPEAN COMMISSION

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The Word Health Organization officially declared, on Wednesday 11 March, the COVID-19 as a global pandemic. Therefore, to respond to the exceptional situation caused by this global pandemic, it is justifiable to apply the principle of force majeure. Considering the principle of prudence, which underlines and inspires all of our activities, it would be difficult to do otherwise given the current circumstances, under which a large and important number of activities in the framework of the Creative Europe programme – planned or currently undertaken in the framework of already selected projects - have already been cancelled or will be postponed.

The European Commission's main objective is the safety and protection of all Creative Europe participants/beneficiaries, while fully respecting all the containment measures taken at national level. The work of the European Commission is aiming at helping project beneficiaries as well as other participants in the programme, to deal with the negative consequences of the crisis.

The Commission will continue to adapt its response to this unprecedented situation as it evolves, clarifying and simplifying the application of rules and procedures where necessary, in cooperation with the Education, Audiovisual and Culture Executive Agency (EACEA) and counting on the support of Creative Europe Desks.

This document gives answers to questions that were raised and those that may come up. It will be regularly updated to take account of further concerns.



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 $^{1\} https://ec.europa.eu/programmes/creative-europe/content/coronavirus-and-creative-europe-programme-frequently-asked-questions_en$



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1. Questions about open calls for proposals

1.1 If you apply to a call for proposals whose deadline is approaching

The Commission has extended the deadline for applications for a number of Creative Europe calls for proposals. The new deadlines can be found here.

2. Questions for selected applicants

2.1 Can I send a scanned copy to complete my grant agreement for a project?

Please contact the Education, Audiovisual and Culture Executive Agency (EACEA), using the contact details given in the notification letter you have received. Given the current exceptional circumstances, EACEA may agree to temporarily accept exchanges of signed and scanned copies of grant agreements. However, this will have to be validated by a formal exchange of signed paper copies once the restrictions in place in relation to the COVID-19 pandemic have been lifted.

3. Questions for current beneficiaries

3.1 Can we cover additional or exceptional costs, such as those linked to extra flight ticket to get home early with Creative Europe funds?

Yes, you may consider these additional or exceptional travel costs, directly and exclusively linked to the project, as "eligible" as long as the overall budget for your project covered by the grant agreement in question is not exceeded, and that incurred costs cannot be reimbursed from other sources. When the eligibility of the costs is assessed, you might need to provide proof of the need to reimburse these additional and/or non-refundable costs. However, the Agency will have to assess these additional or exceptional travel costs case-by-case. Please refer to the note already published by the Agency.

3.2 Will the operational support from Creative Europe be given (wages) in the event that activities within the project are being cancelled?

Even in cases where some Creative Europe activities foreseen in the funded project are cancelled, costs directly and exclusively linked to cancelled activities may be considered as eligible under your EU grant, provided that you can demonstrate costs could not be avoided and the cancelled activities could not be reimbursed from other sources and you submit relevant supporting documents in this sense. However, the Agency will have to assess these costs case-by-case.

3.3 What are the Grant Agreement's options if it is not possible to implement the project as foreseen?

Beneficiaries whose project implementation is impaired or prevented by the COVID-19 situation may use the following options.



Extension of the project duration and / or modification of the content of the project activities

Where the execution of contracts is impeded because of COVID-19 (for example due to unavailability of key staff, the impossibility of carrying on work in a zone affected by the virus or any other case which can be regarded as force majeure), EACEA may accept replacement activities or delayed performance. This could be done following a justified request by the beneficiary/contractor/expert to amend the contract including by extending the period of its implementation/ performance. However, the maximum grant amount indicated in the grant agreement cannot be increased.

Suspension of the project implementation

If you consider that the COVID-19 situation makes your project implementation (or part of it) impossible or excessively difficult, you can notify to the Agency your decision to suspend the implementation of the project (or part of it). The notification of suspension must explain how the implementation of your project is impaired by the out-break of COVID-19 (e.g. date of occurrences, territories and activities affected), and the foreseeable date of resumption. The Agency will verify that the suspension is well motivated.

Please note that the date of effect is the date of notification of the suspension to the Agency and that any costs incurred by the beneficiaries during the period of suspension for the implementation of the suspended project or part of the action will be ineligible and shall not be reimbursed or covered by the grant.

Once the restrictions in place in relation to the COVID-19 pandemic have been lifted and allow resuming the implementation of the action, the beneficiary shall inform the Agency immediately and present a request for amendment of the grant agreement as provided for in the grant agreement, together with the desired date of resumption and, if appropriate, the required adaptation of the implementation of the action. The timing and duration of the extension will depend on the limitations of the programme rules, and/or any postponement already granted.

Please note that if the amendment requested puts into question the award of the grant, in particular, in light of the conditions provided in the call for proposals and the level of the implementation of the project, the amendment request will be rejected and the grant may be terminated. Finally, please also note that the maximum grant amount provided in the grant agreement cannot be increased because of the suspension.

Postponement of the start of the action

Postponement of the starting date of the action is possible for grant agreements about to be signed and, via an amendment, for grant agreements already signed but with a starting date in the future (no work has started yet). A starting date fixed later in time may delay the pre-financing payment.

Termination of the grant agreement

If you consider that you are no longer in a position to implement your project because of the COVID-19 situation, you must inform the Agency and can decide to terminate your grant agreement, following the dedicated procedure provided in the grant agreement.

However, in any circumstances, the Agency has to assess the application of these options mentioned in the paragraphs above case-by-case.



3.4 Will the incurred expenses for cancelled activities be covered by the EU grant?

In the cases where the Creative Europe activities are cancelled and organisations have incurred costs, directly and exclusively linked to these activities, which fulfil the eligibility conditions and that cannot be reimbursed from other sources, they may be considered as eligible under the grant. Organisations are invited to keep proof of the "force majeure" event, and of the fact that they could not be reimbursed from other sources. However, the Agency will assess these incurred costs case-by-case. In case of doubt, please contact your project officer at the Agency.

3.5 In case of postponing events becoming increasingly difficult, is it allowed to replace events with other formats and activities more suited to the current situation e.g. webinars, publications, videos?

Yes, where the execution of contracts is impeded because of COVID-19 (for example due to unavailability of key staff, the impossibility of carrying on work in a zone affected by the virus or any other case which can be regarded as force majeure), EACEA may accept replacement activities. This could be done following a justified request by the beneficiary/contractor/expert to amend the contract including by extending the period of its implementation/ performance.

Furthermore, in any circumstances, the Agency has to assess the application of this option mentioned in the paragraph above case-by-case.

However, the maximum grant amount indicated in the grant agreement cannot be increased

3.6 Until when can some activities be postponed, while still being eligible within the project duration?

Where the execution of contracts is impeded because of COVID-19 (for example due to unavailability of key staff, the impossibility of carrying on work in a zone affected by the virus or any other case which can be regarded as force majeure), EACEA may accept delayed performance. This could be done following a justified request by the beneficiary/contractor/expert to amend the contract including by extending the period of its implementation/ performance.

Furthermore, in any circumstances, the Agency will assess the application of this option mentioned in the paragraph above case-by-case.

However, the maximum grant amount indicated in the grant agreement cannot be increased.

3.7 If an organisation is coordinating a project which is extended due to COVID-19, would it remain eligible to apply for a new project that was originally set to start after the end of the previous one, despite a possible overlap?

Yes as long as it complies with the rules of the call concerned, in particular the eligibility and selection criteria, and in compliance with the rule prohibiting cumulative awards for the same action and no double funding for the same costs.

3.8 If a beneficiary is facing significant losses and has incurred costs for postponed or cancelled events, can it apply for additional funding to mitigate losses and support the rescheduling of events where appropriate?

Unfortunately, it is not possible to ask for additional funds under an ongoing grant agreement.



3.9 For freelancers, who are especially affected by the cancellation of events and other activities, as their sole income often depends on these activities will the Commission allow the eligibility of a "solidarity fee" that beneficiaries can offer as payment to freelancers who were already hired for cancelled events and activities.

A particular "solidarity fee" is not allowed. However, in case the event for which freelancers were hired is cancelled due to COVID-19, expenses linked to the freelancers directly and exclusively linked to the event, are "eligible" as long as the overall budget for your project covered by the grant agreement in question is not exceeded, and that incurred costs cannot be cancelled nor reimbursed from other sources.

When the eligibility of the costs is assessed, the beneficiaries should submit all relevant supporting documents to provide proof of the need to reimburse these additional and/or non-refundable costs. However, the Agency will have to assess these additional or exceptional costs case-by-case. In case of doubt, please contact your project officer at the Agency.

3.10 Is it possible to reshuffle budgets within a grant?

Budget variations can be implemented within the conditions specified in the grant agreement. If the changes are more significant, they can be acknowledged via an amendment to the grant agreement. In any case, the total budget and grant cannot be increased. However, the Agency will assess these proposed budget variations case-by-case. Please contact EACEA for further information on this issue.

3.11 Are delays allowed in submitting deliverables and submitting final reports?

Yes, delays are admitted given the circumstances. If the final reports cannot be submitted within the delays specified in the grant agreement, please contact EACEA in order to inform the Executive Agency about the delay.

3.12 Can exceptions be granted, if some elements are missing from final reports?

All mandatory elements of final reports should be delivered. If deliverables related directly and exclusively to cancelled activities cannot be provided, this can be accepted if clearly explained and justified in the final report.

3.13 What happens if the proposed co-financing rate does not match with the original proposal? Could the EU co-financing share be increased?

In the current situation where certain activities foreseen in the project are cancelled because of the COVID 19 circumstances, which triggers a reduction of the estimated total eligible costs of the action, it is acceptable to amend the GA in order to increase the co-financing rate upon request from the beneficiary, if:

- The request is motivated and the drop out of activities results from the COVID 19 circumstances;
- The estimated budget of the action and the Annex 1 of the grant agreement are also amended accordingly to take into account the drop out of certain activities;
- Such increase of the co-financing rate does not breach to the rules of the call;
- The maximum amount of the grant in the grant agreement/decision is not increased and the budget remains in balance.

3.14 Would it be possible to raise the 10% shift between budget lines without amendment to at least 50%, e.g., to shift the travel budget to communication and video production costs (in order to support online and video-steaming activities), to realize digital activities and prod-



ucts (webinars, concert streaming, digital GA, etc...), to staff costs (any of the staff costs categories), or for membership organisations to compensate some of the membership fees suspended due to the members' income loss?

Exceeding the 10%-ceiling of allowed budget transfers provided for in the grant agreement can be done if the beneficiary submits a justified request for amendment to raise such ceiling following the dedicated procedure provided for in the grant agreement.

3.15 The coordinator of a project (especially if classified as "financially weak" and refused an advanced payment of 70% of the funding) is obliged to submit a progress report at the half-way point of the project. The report must demonstrate that at least 70% of the first EU funding instalment has already been spent in order to receive the second funding instalment in full. This will now be impossible in many cases due to cancellations and postponements of activities into the second half of the project and due to the nature of some activities not allowing for an online replacement. Would it be possible to delay the deadline for the progress report to the point at which 30% of the overall budget has been spent, allowing for project activities still to take place, but at a later date?

If the implementation is duly postponed, the deadline for submitting progress report can be postponed as well. However, if the report is linked to a payment, this will delay the payment as well.

3.16 Alternatively, would it be possible to pay out the second part of the funding without having to prove that 70% of the first instalment has been spent?

If the statement on the use of the previous pre-financing instalment submitted in accordance with the grant agreement shows that less than 70 % of the previous pre-financing instalment paid has been used to cover costs of the action, the amount of the new pre-financing to be paid must be reduced by the difference between the 70 % ceiling and the amount used.

3.17 Questions concerning the European NETWORKS scheme:

3.17.1 Will it be possible to prolong project year 3 (for wave 1 and wave 2) and/or project year 4 (especially relevant for wave 1)? Under which conditions?

To extend on-going specific agreement, a justified request by the beneficiary to amend the contract including by extending the period of its implementation/performance should be presented to EACEA. We can also confirm that given the current force majeure situation, it is in theory possible to extend the grant agreement, if duly justified, even beyond the maximum duration stipulated in the call for proposals. The extension of the contract needs to be proportionate to the needs of the action, and assessed on a case-by-case basis.

3.17.2 If activities of a European Network have not been possible in spring and summer 2020, can the corresponding budget (including the EU-funding) that was not used be transferred to year 4? This would result in a higher budget (and higher amount of funding) for year 4.

Unfortunately, the Financial Regulation does not permit to transfer the committed budget from one year to another.



4. General questions

4.1 Where can I address questions on the impact of the Covid-19 outbreak on Creative Europe-CULTURE activities?

Beneficiary organisations coordinating projects, applicants or other initiatives should contact for support the organisation which granted their project, either:

- The <u>Education</u>, <u>Audiovisual and Culture Executive Agency (EACEA)</u>, for Cooperation projects, Networks, Platforms, Literary Translation scheme (for ongoing projects: eacea-culture-contractual@ec.europa.eu) and Cultural Cooperation in the Western Balkans 2019
- The European Commission, Creative Europe Unit, EAC-UNITE-D2@ec.europa.eu, for other funded initiatives (European Capitals of Culture, European Union Prizes, EHL)

4.2 Where can I address questions on the impact of the Covid-19 outbreak on Creative Europe-MEDIA activities?

For answers regarding the Creative Europe MEDIA activities, contact the <u>Education, Audiovisual and Culture Executive Agency (EACEA)</u>.

