



EUROPEAN COMMISSION

Directorate-General for Education, Youth, Sport and Culture

Culture and Creativity
Cultural Policy

CALL FOR PROPOSALS EAC/S15/2020

Preparatory Action “Music Moves Europe: Boosting European music diversity and talent”

Innovative support scheme for a sustainable music ecosystem

CORRIGENDUM - 3

1. INTRODUCTION – BACKGROUND

This call for proposal comes under the 2020 Annual work programme for the implementation of the “Preparatory action – Music Moves Europe: Boosting European music diversity and talent”, as foreseen by Commission Decision C(2020)1194 which was amended by Commission decision C(2020)3738¹. The mode of implementation of this Preparatory action was adapted, to take into account the new circumstances in the context of COVID-19, and should allow the Commission to support the recovery and post-crisis development of the European music ecosystem by helping the sector to become more sustainable and adapt to newly emerging trends.

The European music ecosystem belongs to one of the cultural segments that was hit the most by the corona crisis - with an unprecedented impact on the sector’s entire value chain and massive losses incurred. Social interaction is indispensable for musical creation, and live performances constitute an emerging and significant resource of income for artists. The pandemic and the social distancing measures abruptly excluded all the possibilities for them to perform live in front of an audience; rehearsals, new creations and artists-in-residence programmes have been made impossible. While the unique and collective experience of live performance cannot be matched by the online viewing of filmed performances, the crisis has also shown that digital can be a useful means for the distribution of existing and also newly created (live) music acts to a large audience and across borders. In addition, the crisis has shined a light on a number of trends that appeared before the pandemic hit, be it the climate crisis or rising inequalities. For the music ecosystem it has illustrated the importance to address this unsustainable path, the realities of global developments and related structural challenges with more sustainable solutions.

¹ COMMISSION DECISION C(2020)3738 of 12 June 2020 amending Decision C(2020)1194 on the adoption of the work programme for year 2020 for the implementation of pilot projects and preparatory actions in the area of education, youth, sport and culture.

The crisis' significant short-term consequences for the music ecosystem have been addressed with emergency action and safety nets at different levels, including EU support (horizontal measures, and measures targeting all cultural and creative sectors). In addition, steps are needed to help the sector recover in a more sustainable way, adjust to new realities and newly emerging trends post-crisis, and ultimately become more resilient. This can best be achieved by building on the pillars of green transition and digital transformation, on which an overall economic recovery should rest.

In this context, the UN Sustainable Development Goals have become even more crucial than at their inception. Also the Commission's Recovery Plan for Europe, presented on 27 May 2020, is deeply inspired by the idea of competitive sustainability. It has the European Green Deal at its core and it invests in digital transformation. It ultimately aims at reducing inequalities within the EU and reshaping Europe's economy to make it more resilient and sustainable. The package is linking investments for recovery to the sustainable development spirit.

This third and last consecutive year of this Preparatory action comes within these aspirations of the EU for a green, a digital, a just and resilient recovery aligned with the international context.

With a budget of EUR 2 500 000, implemented through one call for proposals, this 2020 Preparatory action offers an opportunity to support the sustainability of the European music ecosystem in order to achieve the policy objectives of Music Moves Europe in a radically changed environment.

This call for proposals ("the Call") is therefore aligned with the EU priorities of the twin transition to a climate-neutral and a digitalised and resilient Europe, it complements other initiatives that provide immediate support to mitigate the negative impact of the corona virus on culture in general and music in particular, and it supplements other support schemes. From a policy perspective, it is designed to allow the Commission to develop further its integrated approach of EU support to music (Music Moves Europe).

2. OBJECTIVES, THEMES AND EXPECTED OUTPUTS

General objective

The underlying objective of the three consecutive Preparatory actions (2018-2020) is to test and prepare future EU support under the next Creative Europe programme (2021-2027). The Commission's legislative proposal for this programme², includes as a new element 'sectorial support for music', specifically targeting the music sector in addition to existing funding opportunities (i.e. cooperation projects, networks, platforms). Different key areas for action have been tested in 2018 and 2019 under these Preparatory actions with a view to prepare future programme support. This Call under the 2020 Preparatory action covers a new field of action, i.e. the sector's recovery and sustainability post-crisis. Sustainability of the European music ecosystem, in terms of environmental, economic and social sustainability, is indeed more topical than ever before. The post-crisis revival can be expected to bring and require structural changes in the way the music ecosystem is operating.

In line with the EU's general aspirations for the recovery and responding to the UN Sustainable Development Goals, the main objective of this Call is hence to contribute to the

² Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013, COM/2018/366 final

sector's recovery from the crisis by helping it to become more sustainable and adapt to newly emerging trends after the crisis.

This Call is intended to select an organisation that will implement a support scheme benefiting the music sector and helping it adapt to this process.

Themes

More precisely, this Call, and the ultimate actions to be implemented thereunder ("Sustainability actions"), should contribute to a green, digital, a just and resilient recovery of the European music ecosystem, and cover the following themes:

- GREEN recovery: increasing the sector's environmental sustainability and ecological awareness with a view to greening the music industry, in particular live acts, festivals and touring, as well as supporting innovative start-ups aiming at decreasing the environmental footprint of online data storing and music distribution.
- DIGITAL recovery: adapting to new emerging trends in digital music consumption, distribution and promotion (e.g. of live music acts online) and developing and promoting sustainable business models that enable monetisation and guarantee remuneration of artists. Digital recovery involves the development of technology-driven products and services in music production, promotion and distribution, as well as capacity building actions for artists in order to make them more competitive and resilient in an increasingly technology-driven market.
- JUST and RESILIENT recovery: better harnessing music's potential as a distinct cohesive force, with a view to contributing to increased solidarity, active citizenship, and social cohesion. This includes a stronger community role for music venues, better access to music both in terms of education and consumption, with a special focus on disadvantaged groups, and fairer remuneration for artists and gender-balance.

Specific objectives

The selected applicant should design, implement and monitor one support scheme that redistributes the funds in the form of grants to final recipients within the music ecosystem. All individual grants distributed must support at least one of the themes for "Sustainability actions" listed above.

The support scheme may consist of one or more calls for proposals covering the three themes for "Sustainability actions", or a combination thereof. The selected applicant will be responsible for the entire cycle of the management of the support scheme, starting with the design of the call(s), followed by the publication of the call(s), the selection of the proposals, contracting and financial management, and monitoring and evaluation.

The support should reach the most relevant parts of the music ecosystem directly and in a balanced manner (e.g. sub-sectors, geographical spread, level of support). To target "Sustainability actions" efficiently, the support scheme should therefore be based on a methodology that ensures that the needs have been carefully assessed (e.g. via available assessments made on the crisis' impact on the cultural and creative sectors and the music sector in particular) and that establishes suitable criteria for selecting final recipients.

The applicant(s) must include a proposal for the scope and architecture of the redistribution scheme, including criteria for the selection of recipients, in the application. The selected applicant should discuss and seek approval of the final design of the support scheme by the Commission.

The selected applicant will also be responsible to set up an effective and efficient data management system supporting the implementation of the scheme, as well as to design and

implement an effective communication strategy, ensuring publicity and visibility of the scheme.

The Commission will establish a Steering committee with the participation of relevant services in order to monitor the implementation of the scheme. The selected applicant will be requested to support the work of the Steering committee by submitting information on the progress of the implementation in form of biannual progress reports, and to participate in the meetings of the Steering committee.

A part from designing, implementing and managing the redistribution scheme, the applicant should commission an independent evaluation of the effectiveness of the scheme and the “Sustainability actions” funded. This analysis should also entail policy recommendations on possible future measures to support the sustainability of the music ecosystem (in terms of green, digital and “just” transformation), including in the next generation of EU programmes, especially the sectorial support for music in the Creative Europe programme.

Expected outputs

This Call for proposals is expected to deliver the following results:

- One completed innovative support scheme for the green, digital and “just” recovery of the European music ecosystem by helping it become more sustainable and resilient (“Sustainability actions”).
- An ex-post analysis of the effectiveness of the redistribution scheme and estimated impact of “Sustainability actions” funded, carried out by an independent evaluator.

3. TIMETABLE

The action is scheduled to start upon signature of the grant agreement. The intention is to inform applicants of the outcome of the award procedure no later than the month of March 2021.

The duration of the action shall not exceed 30 months.

The period of eligibility of costs will start on the day the grant agreement is signed by the last party.

The procedural timeline for the Call is:

	Steps	Date and time or indicative period
(a)	Publication of the call	<i>mid-July 2020</i>
(b)	Deadline for submitting applications	<i>19/11/2020</i> <i>(Please refer to section 14)</i>
(c)	Evaluation period	<i>November 2020 – January 2021</i>
(d)	Information to applicants	<i>February-March 2021</i>
(e)	Signature of grant agreement(s)	<i>March-April 2021</i>

(f)	Start of the action (launch of calls for “sustainability actions”)	<i>by June-July 2021</i>
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4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of projects under this Call is **EUR 2 500 000 (maximum amount of the grant)**.

The financial contribution from the Commission cannot exceed 90% of the total eligible costs.

The Commission expects to fund one proposal.

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/culture/calls_en;
- 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

In order to be eligible, proposals must be presented by applicants meeting the following criteria:

- be a public or private organisation with legal personality (natural persons are not eligible to apply for a grant under this call), this could be
 - o not-for-profit organisations (private or public);
 - o public authorities (national, regional, local);
 - o international organisations;
 - o profit making entities;
- be a consortium of at least two single entities

Natural persons as well as entities without legal personality are not eligible.

Country of establishment

Only applications from legal entities established in one of the 27 EU Member States and non-EU countries participating in the 2014-2020 Creative Europe Programme are eligible.

An updated list of countries eligible to participate in Creative Europe can be found at: http://eacea.ec.europa.eu/creative-europe/library/eligibility-organisations-non-eu-countries_en

For UK applicants: Please be aware that following the entry into force of the EU-UK Withdrawal Agreement* on 1 February 2020 and in particular Articles 127(6), 137 and 138, the references to natural or legal persons residing or established in a Member State of the European Union are to be understood as including natural or legal persons residing or established in the United Kingdom. UK residents and entities are therefore eligible to participate under this call.

** Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community*

Consortium requirements

For the several entities working together (consortium), the above criteria apply to each one of those entities, except when otherwise stated.

The several entities working together as a consortium shall take the form of a partnership of co-beneficiaries, and designate a leading partner who will be the co-ordinator. The co-ordinator will act as an intermediary for all communications between the Commission and the co-beneficiaries. However, beneficiaries are jointly responsible for implementing the action resulting from the grant awarded. To implement the action properly, they must make appropriate internal arrangements, consistent with the terms of the Grant Agreement. In addition:

- In order to be eligible, a proposal must be submitted by a consortium composed of at least two legal entities;
- At least one European organisation representing the music sector with a balanced membership across the EU and the Creative Europe countries, (covering at least 20 out of the 27 EU Member States and non-EU countries participating in the 2014-2020 Creative Europe programme) should be part of the consortium.

For the purpose of declaring eligible costs as specified under section 11.3, the entities composing the applicant shall be treated as affiliated entities in accordance with Article 187 of the Financial Regulation³.

Supporting documents

In order to assess the applicants' eligibility, the applicants, if they are already registered and validated in the participant register of the Funding & tender opportunities, must provide a print screen of their valid PIC number.

In case the participants are not yet validated and registered in the abovementioned participant register, the applicants will have to download the Legal Entity Form, depending on the type of entity, available at https://ec.europa.eu/info/publications/legal-entities_en.

This document will have to be completed, dated and signed and returned to the Commission together with the copies of the supporting documents proving this information in the form.

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);

³ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union (OJ L 193, 30.7.2018, p.1)

- **public entity:** copy of the resolution, decision or other official document establishing the public-law entity.
- representative European organisation from the music ecosystem: a signed declaration by the applicant that the organisation has members or member organisations from at least 20 EU Member States.

6.2. Eligible activities

The following activities are eligible:

- Activities linked to the setting-up and the implementation of one innovative and efficient support scheme to redistribute funds to the music ecosystem to cover its needs for a green, digital, just/resilient recovery (“Sustainability actions”).

Regarding the funds provided to the final recipients in the music ecosystem via this support scheme, the types of “Sustainability actions” that are eligible are defined under point 11.10 d).

Implementation period

- Activities may not start before the signature of the grant agreement;
- The launch of calls for sustainability actions must start by July 2021;
- The maximum duration of the action is 30 months;
- The duration of “Sustainability actions” is flexible within the above milestones.

Applications providing for a support mechanism scheduled to run for a longer period than that specified in this Call 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/culture/calls_en.

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

For mono-beneficiary grants:

- (i) the applicant signs a declaration in its name and on behalf of its affiliated entities; OR
- (ii) the applicant and its affiliated entities each sign a separate declaration in their own name.

For multi-beneficiary grants:

- (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 based on the following methodology, which is further detailed in Annexes Va and Vb of the Call.

The applicant should provide the following documents as evidence of financial capacity:

a) Grants with a pre-financing value of EUR 600 000 or more

For grants of this type, proof of economic and financial capacity is provided by the following documents:

- the declaration on the honour by the grant applicant (see Annex I to the call for proposals "Declaration on the honour");
- the economic and financial capacity analysis form showing the financial data of the economic operator, completed and signed by the operator (see Annexes Va and Vb to the Call for proposals "Methodology and Economic and Financial Capacity Analysis Form");
- for economic operators required under national law to keep a complete set of accounts: the balance sheet, profit and loss account and annexes of the last financial year for which accounts have been closed;
- for economic operators required under national law to keep a simplified set of accounts: the schedule of actual expenditure and income and the annex showing assets and liabilities for the last financial year for which accounts have been closed.

*b) In addition, in case of grants for an action \geq EUR 750 000 or operating grants \geq EUR 100 000 **an audit report** produced by an approved external auditor certifying the accounts shall be provided for the last financial year available.*

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.

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

- request further information;
- decide not to give pre-financing;
- decide to give pre-financing paid in instalments;
- decide to give pre-financing covered by a bank guarantee (see section 11.4 below);
- where applicable, require the joint and several financial liability of all the co-beneficiaries.

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

8.2. Operational capacity

Applicants must have the professional competencies as well as appropriate qualifications necessary to complete the proposed action. Applicants must provide the following evidence at the time of submission:

- minimum 5 years of professional experience within the music sector;
- proven record of setting up and managing at least one (re-)distribution of (public or private) funds at European or national level to support the cultural sector in Europe;
- experience in managing at least 2 international cooperation projects in the fields of arts or culture, financed by the EU in the last 5 years.

The team delivering the service should have the following professional capacities and requirements:

- at least 2 project managers able to communicate fluently, written and orally, in at least two EU languages including English (C1 level);
- at least 2 project managers experienced in managing international cooperation projects in the fields of arts or culture, financed by the EU in the last 5 years;
- at least 1 fund manager, beyond the 2 project managers, being experienced in the implementation of (re)distribution of funds at European or national level to support the cultural sector.

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

- Copy of the activity reports of the past 5 years;
- List of the (re)distribution of funds activity or activities at European or national level to support the cultural sector in Europe, in which the applicant played an implementing role with the following information: name of the activity, name of the fund, amount of the fund, exact role of the applicant in the implementation.

- List of the international cooperation projects in the field of arts or culture, financed by the EU, which the applicant managed, with the following information: name of the projects, name of the funding programme, amount of the cooperation project, and exact role of the applicant in the implementation.
- A declaration proving that the consortium includes at least 3 project managers able to communicate fluently in at least two EU languages including English (C1 level).
- Curriculum vitae or description of the profiles of the people primarily responsible for managing and implementing the action, including the 3 project managers and the fund manager(s);

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

9. AWARD CRITERIA

Criteria	Maximum points
1. Relevance of the action (<i>threshold: minimum 20 points</i>)	30
2. Quality of activities (<i>threshold: minimum 25 points</i>)	40
3. Organisation of the project team (<i>threshold: minimum 20 points</i>)	30

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

Criterion 1: Relevance and geographical outreach (30 points, threshold 20 points)

This criterion will assess:

- the relevance of the proposed action (support scheme), in particular the extent to which it contributes to the objectives, priorities and expected results of the Call;
- the level of understanding of the European music ecosystem and of the sector's needs in terms of green, digital and just/resilient recovery and sustainability;
- the proposed strategic and European focus of the action (number of countries, transferability with a view to possible future support, European dimension, balanced geographical orientation of calls and actions funded under the support scheme);
- the innovative and forward-looking nature of the action (i.e. complement traditional projects funded under the Creative Europe programme by channelling funds specifically to different sub-sectors and parts of the value chain of the music ecosystem addressing post-crisis needs).

Criterion 2: Quality and methodology (40 points, threshold 25 points)

This criterion will assess:

- the coherence of the proposal and the clarity in the description of activities;
- the effectiveness and rationale of the proposed methodology to design and manage the support scheme and organisation of activities (including the timetable and monitoring); this includes an assessment of the extent to which

- the proposed scope of the calls for “Sustainability action” is sufficiently justified and based on a needs’ analysis;
- the procedures and criteria proposed are objective and suitable to select final recipients of the “Sustainability actions”;
- cost effectiveness of the proposed action, and in particular the quality of the means of implementation and the resources deployed in relation to the objectives envisaged; this includes:
 - the risk assessment strategy,
 - cost-efficiency,
 - the proposed mechanism chosen for the financing of “Support to third parties”: real costs, unit costs, flat rate or a combination,
 - allocation of resources (budget and human resources allocated for the management of the calls of the “Sustainability actions” that needs to be reasonable, cost-effective and proportionate),
 - the sustainability and transferability of the expected results.

Criterion 3: Management and Organisation (30 points, threshold 20 points)

This criterion will assess:

- The composition of the team, including the clear and adequate distribution of tasks to the project team members;
- The efficient organisation of the project team and its capability to prepare, implement, manage and monitor the various aspects of the support scheme.

Points will be allocated to eligible applications out of a total of 100 on the basis of the above-specified weighting. Applications falling below the indicated thresholds will be 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 sole beneficiary or by the coordinator on behalf of the consortium and returned to the Commission immediately. The Commission will sign it last.

The applicants understand that submission of a grant application implies acceptance of the general conditions attached to this call for proposals. These general conditions bind the beneficiary to whom the grant is awarded and shall constitute an annex to the grant agreement.

11. FINANCIAL PROVISIONS

11.1. Forms of the grant

11.1.1. Reimbursement of costs actually incurred

The grant will be defined by applying a maximum co-financing rate of **90%** to the eligible costs actually incurred under this grant.

The amount of the grant earmarked for the “**support to third parties**” part of the project should be **EUR 2 000 000 minimum**.

The amount of the grant earmarked for the management of the scheme (“**management costs**”) should be **EUR 300 000 maximum**.

The total maximum grant earmarked under this Call (covering “management costs” and “support to third parties”) is **EUR 2 500 000**.

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 those costs which:

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

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

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

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

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

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

- (b) *costs 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;*
- (g) *duties, taxes and charges paid by the beneficiary, notably value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the grant agreement.*

11.2.2. Financial support to third parties

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

- A list of the types of activities for which a third party may receive financial support;
- The definition of the persons or categories of persons which may receive financial support, out of the following categories:

The financial support should target the entrepreneurs, micro- and small and medium-sized enterprises, as well as associations and organisations operating in the European music market. The detailed definition should be part of the proposal of the applicant(s), which will be subject to evaluation by the Commission.
- The criteria for awarding financial support as follows:

The applicants are requested to make a proposal, which will be subject to evaluation by the Commission.
- The maximum amount to be granted to each third party and the criteria for determining it as follows:
- *Maximum 55 000 EUR per third party and the criteria for determining the amount should be part of the proposal of the applicants, which will be subject to evaluation by the Commission*
- The mechanism chosen to finance the support to third parties: real costs, unit costs, flat rate or a combination.

11.2.3. Eligible indirect costs (overheads)

Indirect costs are costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it.

A flat-rate amount of 7% of the total eligible direct costs of the action, is eligible as indirect costs, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action/project.

Indirect costs may not include costs entered under another budget heading.

Applicants' attention is drawn to the fact that if they are receiving an operating grant financed by the EU or Euratom budget, they may not declare indirect costs for the period(s) covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.

In order to demonstrate this, in principle, the beneficiary should:

- a. use *analytical cost accounting that allows to separate all costs (including overheads)* attributable to the operating grant and the action grant. For that purpose the beneficiary should use *reliable accounting codes and allocation keys* ensuring that *the allocation* of the costs is done in a *fair, objective and realistic way*.
- b. *record separately*:
 - all costs incurred for the operating grants (i.e. personnel, general running costs and other operating costs linked to the part of its usual annual activities), and
 - all costs incurred for the action grants (including the actual indirect costs linked to the action)

If the operating grant covers the entire usual annual activity and budget of the beneficiary, the latter is not entitled to receive any indirect costs under the action grant.

11.3. Ineligible costs

The following items are not considered as eligible costs:

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

- j) excessive or reckless expenditure;
- k) deductible VAT.

11.4. 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 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 entirely provided by the EU grant.

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

- the beneficiary's own resources,
- income generated by the action or work programme,
- financial contributions from third parties.

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 11.1.1 to the eligible costs actually incurred and accepted by the Commission.

Step 2 — Limit to the maximum amount of the grant

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

Step 3 — Reduction due to the no-profit rule

‘Profit’ means the surplus of receipts over the total eligible costs of the [action][work programme], 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.

In-kind and financial contributions by third parties are not considered receipts.

The total eligible costs of the action are the consolidated total eligible costs approved by the Commission. The revenue generated by the action is the consolidated revenue established, generated or confirmed for beneficiaries and affiliated entities other than non-profit organisations on the date on which the request for payment of the balance is drawn up.

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

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

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

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

11.7. Reporting and payment arrangements

If the financial capacity requirements are met (please refer to section 8.1 for the assessment of the financial capacity), two pre-financing payments corresponding to 60% of the grant amount (see section below) will be transferred to the beneficiary within 30 days of the date when the last of the two parties signs the grant agreement. Pre-financing is intended to provide the beneficiary with a float.

If the financial capacity requirements are not met, the Commission may decide to ask for a bank guarantee, or to not pre-finance the activity, and instead to make an interim payment on the basis of eligible expenses already incurred. Interim payments are intended to cover the beneficiary's eligible expenditure on the basis of a request for payment when the action has been partly carried out. For the purpose of determining the amount due as interim payment, the reimbursement rate to be applied to the eligible costs approved by the Commission shall be 50%.

The Commission will establish the amount of the final payment to be made to the beneficiary on the basis of the calculation of the grant amount (see section 11.1.1). 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.

Guarantees will not be required in the case of low value grants, i.e. \leq EUR 60 000.

11.8. 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	On signature of the grant agreement If requested - financial guarantee

20% of the maximum grant amount	
Second pre-financing corresponding to 40% of the maximum grant amount	T+ 4 The first completed and published call for proposals for final recipients If requested - financial guarantee
Interim payment corresponding to 30% of the maximum grant amount	T+17 (a) The last planned call for proposals for final recipients completed and published (b) Mid-term evaluation report on the progress of implementation (c) interim financial statement
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.	T+30 (a) final technical report (b) final financial statement (c) final evaluation report on the lessons learnt of the implementation of the scheme, including policy recommendations (d) summary financial statement aggregating the financial statements already submitted previously and indicating the receipts (e) a certificate on the financial statements and underlying accounts

The beneficiary is requested to involve at least one financially and organisationally independent expert in the preparation of the Final implementation report. The beneficiary needs to bear the costs of the involvement of the independent expert in the exercise.

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

11.9. 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.

As an alternative to requesting a guarantee on pre-financing, the Commission may decide to split the payment of pre-financing into several instalments.

11.10. Other financial conditions

a) Non-cumulative award

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

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

b) Non-retroactivity

No grant may be awarded retrospectively for actions already completed.

A grant may be awarded for an action which has already begun only where the applicant can demonstrate in the grant application the need to start the action before the grant agreement is signed.

In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application.

c) Implementation contracts/subcontracting

Where the implementation of the action requires the award of procurement contracts (implementation contracts), the beneficiary may award the contract in accordance with its usual purchasing practices provided that the contract is awarded to the tender offering best value for money or the lowest price (as appropriate), avoiding conflicts of interest.

In the event of implementation contracts exceeding € 60 000, the beneficiary must abide by special rules as referred in the model grant agreement annexed to the Call.

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

Entities acting in their capacity as contracting authorities within the meaning of Directive 2014/24/EU⁴ or contracting entities within the meaning of Directive 2014/25/EU⁵ must comply with the applicable national public procurement rules.

⁴ 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 (OJ L 94, 28.3.2014, p. 65-242)

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.

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 action.

To do this they must use the text, the emblem and the disclaimer available at http://ec.europa.eu/dgs/communication/services/visual_identity/index_en.htm and the European Commission's visual identity guidelines. For further details you may also contact comm-visual-identity@ec.europa.eu. If this requirement is not fully complied with, the beneficiary's grant may be reduced in accordance with the provisions of the grant agreement.

⁵ 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 (OJ L 94, 28.3.2014, p. 243-374)

Where appropriate, they should also use the Music Moves Europe visuals of the European Commission, for instance when announcing the calls for Sustainability actions or when communicating about the results.

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 level⁶ if he/she is domiciled within the EU or equivalent if domiciled outside the EU;
- subject of the grant;
- amount awarded.

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

13. PROCESSING OF PERSONAL DATA

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, the questions and any personal data requested that are required to evaluate the application in accordance with the call for proposal will be processed solely for that purpose by European Commission – Directorate-General for Education, Youth, Sport and Culture, Directorate D – Unit D1, Cultural Policy, Music Moves Europe.

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) 2018/1046⁷. 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.

⁶ 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.

⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>

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

Application forms are available at https://ec.europa.eu/culture/calls_en.

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 4 copies) and signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation and
- As scanned documents by email. The documents submitted electronically must be identical to the paper documents sent by post. **Only the information included in the paper documents will be treated as valid.**
- Where applicable, all additional information considered necessary by the applicant can be included on separate sheets.

Applications must be sent to the address mentioned in the table below as follows:

Means of submission	Time limit	Evidence	Address for delivery
By post	23:59 <i>Belgium local time</i>	Postmark	CALL FOR PROPOSALS EAC/S15/2020 - MME European Commission - Directorate-General for Education, Youth, Sport and Culture, Directorate D - Culture and Creativity, Unit D1 – Cultural Policy Office: 2/232 For the attention of Catherine Magnant, Head of Unit B – 1049 Brussels Belgium
By Courier	Between 07:30 and 17:00 <i>Belgium local time</i>	Acknowledgement of receipt	CALL FOR PROPOSALS EAC/S15/2020 - MME European Commission - Directorate-General for Education, Youth, Sport and Culture, Directorate D - Culture and Creativity, Unit D1 – Cultural Policy Office: 2/232 For the attention of Catherine Magnant, Head of Unit Avenue du Bourget 1 B-1140 Brussels (Evere) Belgium
In person (hand delivery)		Acknowledgement of receipt, signed and dated by the official in the central mail department who takes delivery	
By email	23:59 <i>Belgium local time</i>	The documents submitted electronically must be identical to the paper documents sent by post. Only the information	EAC-MME-SUSTAINABILITY@ec.europa.eu

		included in the paper documents will be treated as valid.	
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Mail can be received from 07.30 to 17.00 Monday to Fridays. The service is closed on Saturdays, Sundays and official holidays of the contracting authority.

Applications sent by fax, on UBS keys or any other means than indicated above will not be accepted.

➤ **Contacts**

Questions related to the Call for proposals should be directed to the email address below **no later than 7 working days before the deadline for submission:**

EAC-MME-SUSTAINABILITY@ec.europa.eu

All replies will be published online at https://ec.europa.eu/culture/calls_en in a reasonable time before the deadline for submission in order to allow sufficient time for completing the preparation of the proposals.

➤ **Annexes:**

Grant Application Documents

Grant Application form (multi-beneficiary)

- Annex I Declaration of honour
- Annex II Mandate letters (if applicable)
- Annex III Estimated Budget of the action
- Annex IV List of CVs
- Annex V a Methodology for assessing the Financial Capacity
- Annex V b Economic and Financial Capacity Analysis Form

Reference Documents

- Draft Model Grant Agreement & General Conditions (multi-beneficiary)
- Model technical report
- Model financial statement
- Model terms of reference for the certificate on the financial statements (Part I and Part II)
- List of supporting documents

Appendix
Specific conditions for direct personnel costs

1. Calculation

The ways of calculating eligible direct personnel costs laid down in points (a) and (b) below are recommended and accepted as offering assurance as to the costs declared being actual.

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

a) for persons working exclusively on the action:

{ monthly rate for the person

multiplied by

number of actual months worked on the action }

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

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

{ annual personnel costs for the person

divided by 12 }

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

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

b) for persons working part time on the action

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

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

multiplied by

number of actual months worked on the action }

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

The monthly rate is calculated as above.

(ii) In other cases:

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

or

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

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

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

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

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

minus

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

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

{annual personnel costs for the person

divided by

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

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

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

2. Documentation to support personnel costs declared as actual costs

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

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

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

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