



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR EDUCATION AND CULTURE

Culture and creativity
Cultural diversity and innovation

Brussels, June 2015

CALL FOR PROPOSALS EAC/S11/2015

Supporting networks of young creative entrepreneurs: EU and third countries

1. CONTEXT

This pilot projects aims at creating a Platform that *will gather existing networks of young entrepreneurs active in the cultural and creative sectors from the EU and third countries and that will facilitate the creation of new ones*. Such Platform will enable connections/exchanges between professionals from Europe and third countries and help a new generation of creative professionals to accelerate their professional development.

This pilot project builds on a number of Commission and European Parliament initiatives: the Agenda for Culture¹ (2007) which, over the years, has shown the importance of a cultural dimension to EU external relations, various own-initiative reports by European Parliament's Committee on Culture ('The cultural dimensions of the EU's external actions', Ms Schaake, A7-0112/2011;' Unlocking the potential of cultural and creative industries', Ms Sanchez-Schmid, A7-0143/2011), as well as the preparatory action proposed by the Verts/ALE Group, on "Culture in external relations".²

The *Preparatory Action (PA) on Culture in EU External Relations*³ aimed at supporting policy reflection and development on strengthening the role of culture in external relations and to nurture future work in this area. The final report⁴, commissioned by Directorate General for Education and Culture and published in April 2014, highlighted that there is considerable potential for culture in Europe's external relations and it confirmed that many people across the world have a strong interest in engaging culturally with Europe. The

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2007:0242:FIN:EN:PDF>

² http://ec.europa.eu/culture/policy/international-cooperation/external-relations_en.htm

³ <http://cultureinexternalrelations.eu/>

⁴ <http://cultureinexternalrelations.eu/main-outcomes/>

benefits for the EU are not only economic, through increased market access for European cultural and creative industries and greater economies of scale, but would also lead to increased cultural diversity and the wider sharing of European values. This report included, as part of its recommendations, the setting up of a *young creative entrepreneurs networking programme with third countries*.

The PA highlighted that there is a real interest among young entrepreneurs and players in the cultural and creative industries in third countries to network and engage with their European counterparts and leading practitioners in their sectors.

The cultural and creative sector is one of Europe's most dynamic sectors, generating about 4.4% of the total EU GDP and 3.8% of the total European workforce⁵. The cultural and creative sectors are faced with a rapidly changing environment driven by the digital shift and globalisation. Being at the crossroads between arts, business and technology, the cultural and creative sector has a catalytic potential, constitutes a fundamental resource for social innovation and can help to respond to major societal challenges such as youth unemployment.

Legal basis

Pilot project within the meaning of Article 54(2) (a) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

2. OBJECTIVES OF THE CALL

2.1 Overall objective

This call for proposals will result in one single grant for the duration of two years. The purpose of the call is to select a body that will *set up and support a (digital) Platform for existing networks for young entrepreneurs active in the cultural and creative sectors throughout the world and will facilitate the creation of new ones*. This should also encourage young entrepreneurs from the cultural and creative industries to join the existing networks or create new ones.

Such Platform would be sub-divided by sectors of activities and will allow providing services, such as coaching, peer-learning activities, conferences on specific topics, study visits and participation in match-making events with representatives of cultural and creative sectors around the world.

⁵ TERA/ Forum d'Avignon, "The economic contribution of the creative industries to EU GDP and employment", September 2014

This action will contribute to enhancing *international and cross sectorial exchanges* of experience, sharing of know-how in relation to new business and management models, improving access of local culture practitioners/artists/creative professionals to EU and third countries' networks, facilitating co-working approaches and cultural cooperation projects, commissioning new products and find new talents, establishing long-term collaborative relations, entering into new international markets, and networking among cultural and creative organisations and policy-makers working on the development of the cultural and creative sectors. It will also allow young creative entrepreneurs to share their concerns and discuss their different needs.

Network: definition

A non-exhaustive list of examples of network includes: independent registered charities, creative hubs, platforms, trade associations, public or private enterprises/agencies, public/private funds, publicly/privately funded initiatives (and awards), bringing together young entrepreneurs from the cultural and creative industries. Networks that are not exclusively focussed, but involve young creative entrepreneurs, should be included.

Young creative entrepreneurs: definition

By young creative entrepreneurs it is meant professionals below 40 years old, active (working in arts / culture organisations, or running their own creative enterprise/company) in the cultural and creative sectors.⁶

2.2 Specific objectives

This pilot project is expected to meet the following objectives:

- Create a Platform that connects and integrates young creative entrepreneurs and reinforces contacts between national/regional networks of young creative entrepreneurs from the EU and third countries in the cultural sector;
- support the capacity of young entrepreneurs in the cultural and creative sectors to operate transnationally and internationally;
- foster peer-learning and exchanges of experience on new business and management models in the cultural and creative sectors;
- foster the entrepreneurship, innovation and creative potential of young entrepreneurs for international cooperation in the cultural and creative sectors.

⁶ According to the definition given in Article 2 of the Creative Europe Programme, 'cultural and creative sectors' means all sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether those activities are market- or non-market-oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management. The cultural and creative sectors include inter alia architecture, archives, libraries and museums, artistic crafts, audiovisual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts;
<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1295&from=EN>

2.3 Activities

Applicants' proposals should as a minimum include the following activities:

2.3.1. Identification and selection of eligible networks of young creative entrepreneurs in EU and third countries (full list of third countries below).

Proposals should specify how they are going to achieve an optimal geographical balance and coverage worldwide, considering that in some countries/regions included there may not be eligible/existing networks of young creative entrepreneurs.

Applicants should describe how they will select the networks, in particular bearing in mind their field of activity, which must be in the cultural and creative sectors⁷, and their added value to the Platform.

Applicants should describe how the Platform could directly attract young entrepreneurs in the cultural and creative sectors not yet affiliated to an eligible network and how the Platform will facilitate the creation of new networks.

Proposals should also describe how they will mitigate the risk of lack of interest of potential networks to join the Platform.

List of third countries from which to select existing networks of young creative entrepreneurs:

- Countries in the European Economic Area (Norway, Iceland, Liechtenstein) and Switzerland;
- Candidate countries and potential candidates: Albania, Bosnia and Herzegovina, Kosovo⁸, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey;
- Neighborhood countries: Armenia, Azerbaijan, Georgia, Moldova, Ukraine, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine, Tunisia, Algeria, Belarus, Libya and Syria;⁹
- Strategic partner countries: China, India, Korea, Japan, United States, Canada, Brazil, Mexico, Russia and South Africa;
- ACP countries;
- Central and Latin American countries;
- ASEAN members.

2.3.2. Development of the (virtual) Platform and its services

⁸ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

⁹ All the above listed countries can participate in the Creative Europe programme.

Proposals need to provide detailed information on the creation and updating of the virtual Platform (*web portal*), as well as *social media pages*. Applicants need to detail the communication plan to advertise and promote the Platform.

The *web portal* should include information and updates on all the services the Platform will offer (listed below), as well as on success stories of new collaborations.

The website should be user-friendly and allow national/regional networks as well as the European Commission to share their events, works/practices, studies, such as: links to EU funding (and its relevant national/local contact points), national and other funding opportunities worldwide: bank loans, sponsorships, crowdfunding; (there could be a special section dedicated to job vacancies, CV database, events around the world, contact details of members, etc.). (Possibly members may receive an alert email on different opportunities and services). In addition, an *interactive restricted digital platform* linked to the web portal should be created, where members can informally exchange information and best practices, create digital co-working spaces/ateliers etc., use social networking, have the possibility to look for (international) partners in a cross sector or cross-country project.

a/ Networks' contact points

Proposals will need to contain information on the creation of a list of *contact points* for each participating network (with name, phone, e-mail and social media contact of at least 1 person), which would be the contact point for the Platform.

b/ Services provided by the Platform

The Platform will deliver the following *services and events* (non-exhaustive list): networking events, coaching, peer to peer learning, knowledge sharing and exchange of know-how, study visits, thematic workshops, lectures, match-making events between young creative professionals and managers from the EU and third countries, information on EU funded projects, relevant support funds for cultural and creative industries and international cooperation success stories. Workshops will focus on specific themes (business models, co-working/co-creation opportunities, funding, mentoring activities, etc.).

Applicants should explain how they will identify events and services (as listed above) in the EU and in third countries and should describe what assistance they intend to provide to the *networking meetings and thematic workshops*.

In addition, applicants should describe how they intend to put into practice other networking ideas to *facilitate exchanges between networks* and how the Platform could serve as an incubator for *innovative ideas*.

The applicant should foresee an amount payable to some participants, in particular from developing countries, to participate in the proposed activities.

2.3.3. Organisation of conferences in Brussels and other location(s)

Proposals would need to contain information on the following points:

- Organisation of a kick-off event for the **launching** of the Platform for young creative entrepreneurs' networks in Brussels. At this event, the needs and ideas for activities among creative young creative entrepreneurs will also be discussed.
- In addition to the **smaller networking and thematic meetings**, another **conference** of the Platform located in a third country (precise location to be defined) should take place towards the **end of the project**. The event will give maximum visibility to the Platform and also to the participating networks of young creative entrepreneurs. It will allow presenting the outcomes of the Platform, its activities, success stories, failures, as well as the project's draft report. The conference will also make use of innovative methods and allow connections (through skype, videos, social media etc.).

In order to give the participating young professionals/networks the opportunity to gain some visibility, a **creative event** will take place at the margins of the final conference, with presentation of creative projects, lessons learned, future projects, showcasing visual arts/performance/music/multimedia either in the corridors/public spaces of the conference or as part of an evening programme in a separate cultural venue.

Geographical balance should be ensured with representatives from all participating countries/regions/networks. The European Commission will need to give its prior approval on the event's details, including location, programme, list of speakers and invitees before final arrangements are made.

2.3.4. Promotion and visibility of the project

Proposals need to contain detailed information on the actions that are intended to be undertaken to ensure effective marketing and promotion of Platform. Proposals should mention which communication channels will be used and what kind of cooperation is envisaged with existing actors and networks and ensure visibility of the EU's support to the project.

2.3.5. Sustainability

Applicants should describe in detail how sustainability will be ensured after the end of the project. In particular, it should be described how the Platform created under the project will continue to exist, in particular concerning its virtual presence (web portal, web administrator, regular updating etc.), online forum and social networking, exchange of best practice among network members, source of funding etc.

After the end of the project, the Platform will remain active for at least 5 years.

3. TIMETABLES

Scheduled start-up date for the action: as soon as possible but no later than 31 January 2016. The intention is to inform applicants of the outcome of the award procedure no later than the month of December 2015.

The duration of the project shall be 24 months.

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

The **indicative timetable for the deliverables and reports** is as follows:

Start of the project <i>Prefinancing payment</i>	T (Dec. 2015/Jan. 2016)
Deliverable 1: Selection of networks of young creative entrepreneurs in EU and third countries and creation of the virtual platform for young creative entrepreneurs (Common web portal and interactive restricted digital platform)	T+6 months
Deliverable 2: Launching event of the Platform for young creative entrepreneurs in Brussels	T+ 6 – T+9 , at the latest in September 2016
Deliverable 3: List of services provided so far through the Platform with short description	T+6 – T+12
<i>Interim operational report on the implementation of the Platform for young creative entrepreneurs</i> <i>Interim payment</i>	T+12
Deliverable 4: Draft final Report on the implementation of the Platform for young creative entrepreneurs (report including best practices, conclusions and recommendations) submitted to the Commission for comments before the final conference of the Platform	T+17 – T+23
Deliverable 5: Final Conference of the Platform for young creative entrepreneurs	T+18 – T+23
Deliverable 6: Updated list of services provided through the Platform with short description	T+23 – T+24
<i>Delivery of the final Report on the implementation of the Platform for young creative entrepreneurs</i> <i>Payment of the balance</i>	T+24

The **indicative timetable** for the implementation of this call for proposals is as follows:

<i>Stages</i>	Date and time or indicative period
Publication of the call	June 2015
Deadline for submitting applications	15 September 2015
Evaluation period	October 2015
Information to applicants	End-October 2015
Signature of grant agreement	Nov./Dec. 2015
Starting date of the action	Dec. 2015/Jan 2016
End date of the action	Starting date + max 24 months

4. REPORTING

Reporting requirements

Each report will be submitted in English to the Commission in printed form and by e-mail according to the indicative timetable above. Electronic files must be in Microsoft® Word for Windows format.

4.1. Interim operational report on the implementation of the Platform for young creative entrepreneurs

The interim report shall include at least the following:

- information on the activities carried out and progress achieved;
- problems encountered, solutions found or proposed;
- timetable and methodology for completion.

4.2. Final Report on the implementation of the Platform for young creative entrepreneurs

The selected applicant shall produce a final report on the Platform, whose draft should be finalised before the end-conference. As a minimum, this report should contain:

- An executive summary not exceeding 10 pages, as well as main conclusions and recommendations, suitable for presentation to the general public;
- A general presentation of the Platform and brief overview of the participants and the participating Networks;

- Comprehensive information on all the activities carried out during the project;
- Problems encountered, solutions found and their impact on the outcomes achieved;
- Lessons learnt concerning the networks and their needs, as well as on how they respond to globalisation and to changes in the Cultural and Creative Sectors and in society in general;
- Lessons learnt concerning different innovative projects and schemes and way forward;
- Innovative practices and business models: lessons learnt from the operation of the Platform, how the ways of (co-)creating/working and doing business are different from one region/country/network to another, potentially interesting ideas to be explored further;
- Sustainability plan: how the Platform will continue to exist after the end of the project.
- Conclusions and recommendations to the European Commission for further policy making on international networking/platforms of creative professionals/cultural operators and funding schemes in the field of innovative business models.

5. BUDGET AVAILABLE

The total budget earmarked for the co-financing of this call is estimated at **800,000 EUR**.

The call budget will be allocated to **one single project**.

The setting up and support of the Platform of young creative entrepreneurs, as well as the services provided by the Platform and the participations of a number of participants, in particular from developing countries, shall be supported under this project.

The financial contribution from the Commission cannot exceed **80%** of the total eligible costs¹⁰.

EU support will be granted on condition that the administrative and financial procedures are properly completed.

The amounts mentioned in the present document are subject to the release of the necessary appropriations by the budgetary authority.

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

6. ADMISSIBILITY REQUIREMENTS

- Applications must be sent no later than the deadline for submitting applications referred to in section 3.

¹⁰ Article 183 of the Commission Delegated Regulation (EU) No. 1268/2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union

- Applications must be submitted in writing (see section 15) using the application form available at http://ec.europa.eu/culture/creative-europe/calls/index_en.htm¹¹
- Applications must be drafted in English or in one of the EU official languages.

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

7. ELIGIBILITY CRITERIA¹²

7.1. Eligible applicants

To be eligible applicants must:

- be a public¹³ or private organisation with legal personality (natural persons are not eligible to apply for a grant under this call);
- be a single entity whose principal activity is in the field of cultural and creative sectors or a consortium of which at least one of its members should have its principal activity in the cultural and creative sectors;
- legal entities having a legal or capital link with applicants, which is neither limited to the action nor established for the sole purpose of its implementation, may take part in the action as affiliated entities, and may declare eligible costs as specified in section 12.2. For that purpose, applicants shall identify such affiliated entities in the application form.
- have their registered legal office in one of the 28 EU Member States.

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

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

7.2. Eligible activities

A non-exhaustive list of the main activities eligible under this call for proposals is listed below:

¹¹ Art. 131 FR.

¹² Art. 131 FR, 201 RAP

¹³ In the context of these specifications a public body is considered as any body, any part of whose costs are financed from the State budget as of right, either by central, regional or local government. That is, these costs are financed from public sector funds raised through taxation or fines or fees regulated by law, without going through an application process which might result in their being unsuccessful in obtaining funds. Organisations that depend on state funding for their existence and receive grants year after year, but for which there exist at least the theoretical possibility that they may fail to receive money one year are considered by the Commission as private bodies.

- development of a virtual platform (including a web portal, social media, interactive restricted digital platform);
- training activities;
- events, conferences and seminars;
- actions aiming at providing sustainable networking activities, exchanges of good practices, peer learning;
- promotion and visibility;
- financial support to participants.

7.3 Implementation period

The action shall run for 24 months. As mentioned in the timetable, it is expected that the action starts in end 2015/beginning 2016.

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

8. EXCLUSION CRITERIA

8.1. Exclusion from participation:

Applicants will be excluded from participating in the call for proposals procedure if they are in any of the following situations:

- (a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) they or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of res judicata;
- (c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify including by decisions of the EIB and international organisations;
- (d) they are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the RAO or those of the country where the grant agreement is to be performed;
- (e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such an illegal activity is detrimental to the Union's financial

- interests;
(f) they are currently subject to an administrative penalty referred to in Article 109(1).

8.2. Exclusion from award:

Applicants will not be granted financial assistance if, in the course of the grant award procedure, they:

- a) are subject to a conflict of interest;
- b) are guilty of misrepresentation in supplying the information required by the Commission as a condition of participation in the grant award procedure or fail to supply this information;
- c) find themselves in one of the situations of exclusion, referred to in section 8.1.

Administrative and financial penalties may be imposed on applicants, or affiliated entities where applicable, who are guilty of misrepresentation.

The same exclusion criteria apply to affiliated entities.

8.3. Supporting documents¹⁴

When submitting their application, applicants must sign a declaration on their honour certifying that they are not in one of the situations referred to in articles 106(1) and 107 to 109, filling in the relevant form attached to the application form accompanying the call for proposals.

9. SELECTION CRITERIA¹⁵

9.1. Financial capacity¹⁶

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out or the year for which the grant is awarded and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents to be submitted with the application:

- a declaration on their honour and,

EITHER

- > the profit and loss account, the balance sheet for the last financial year for which the accounts were closed;
- > for newly created entities, the business plan might replace the above documents.

OR

¹⁴ Art. 197 RAP

¹⁵ Art. 132 FR, 202 RAP

¹⁶ Art. 131, 132 FR, 202 RAP.

- > the table provided for in the application form, filled in with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form.

- **an audit report** produced by an approved external auditor certifying the accounts for the last financial year available.

On the basis of the documents submitted, if the RAO considers that financial capacity is not satisfactory, he may:

- > request further information;
- > propose a grant agreement without pre-financing;
- > propose a grant agreement with a pre-financing paid in instalments;
- > propose a grant agreement with a pre-financing covered by a bank guarantee (see section 12.4 below);
- > where applicable, require the joint and several financial liability of all the co-beneficiaries;
- > reject the application.

In case of participation of affiliated entities (in the meaning of article 199 RAP, i.e. several legal entities forming together one legal entity considered as 'sole applicant'), a thorough assessment of the financial capacity of the legal entities forming the applicant should be performed in order to adapt the financial responsibility regime when necessary.

9.2. Operational capacity¹⁷

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

In particular, they should possess the following capacities:

- Proven experience of minimum 5 years in the cultural and creative sectors, involving at least 2 years of experience in transnational (involving also non-EU countries) projects;
- Excellent command of English as guaranteed by a certificate or past relevant experience.

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;
- > the organisations' activity reports;
- > an exhaustive lists of previous projects and activities performed and connected to the policy field of this call or to the actions to be carried out.

¹⁷ Art. 131 FR, 202 RAP.

In the case of legal entities forming **one** applicant, as specified in section 7.1, the above requirements apply to those entities.

10. AWARD CRITERIA¹⁸

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

a) Relevance and geographical outreach (criterion 1) (0-30 points)

- The extent to which the proposal contributes to the objectives and priorities of the action;
- the extent (number of countries, geographically balanced coverage) to which the Platform is able to attract promising networks of young creative entrepreneurs in EU and third countries, and to mobilise young creative entrepreneurs through facilitating the creation of new networks.

b) Quality and methodology (criterion 2) (0-40 points): The quality of the overall design of the activities proposed and methodology for achieving the objectives, including:

- the risk assessment strategy,
- cost-efficiency,
- sustainability of the proposed actions (the extent to which the Platform will be able to continue functioning after the end of the project)
- allocation of the resources.

c) Management of the project (criterion 3) (0-30 points): The extent to which the applicant demonstrates its ability to organise, coordinate and implement the various aspects of the proposed activities:

- Organisation of the work: breakdown of tasks, work schedule, coordination;
- Composition of the team.

The Commission will assess on that basis how the applicants seek to address the priorities set for this project. Points will be allocated to eligible applications out of a total of 100 on the basis of the above-specified weighting. A minimum threshold of 50 points will be applied for each criterion. Moreover a minimum threshold of 50 points will be applied for all award criteria taken together. Applications below these thresholds will be rejected.

¹⁸Art. 132 FR, 203 RAP

11. LEGAL COMMITMENTS¹⁹

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 beneficiary, as well as the procedure in view to formalise the obligations of the parties.

The 2 copies of the original agreement must be signed by the beneficiary and returned to the Commission immediately. The Commission will sign it last.

Please note that the award of a grant does not establish an entitlement for subsequent years.

12. FINANCIAL PROVISIONS

12.1. General Principles

a) Non-cumulative award²⁰

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 the sources and amounts of Union funding received or applied for the same action or part of the action or for its functioning during the same financial year as well as any other funding received or applied for the same action.²¹

b) Non-retroactivity²²

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 the need to start the action before the grant agreement is signed or the grant decision is notified.

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

c) Co-financing²³

Co-financing means that the resources which are necessary to carry out the may not be entirely provided by the EU grant.

¹⁹Art. 121 FR, 174 RAP.

²⁰ Art. 129 FR

²¹ Art. 196.4 RAP.

²²Art 130 FR

²³Art. 125 FR, 183 RAP.

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.

d) Balanced budget²⁴

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

The budget must be drawn up in euros.

Applicants which foresee that costs will not be incurred in euros, are invited to use the exchange rate published in the Official Journal of the European Union.

e) Implementation contracts/ subcontracting²⁵

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 and retain the documentation for the event of an audit.

In the event of procurement exceeding € 60 000, the beneficiary must abide by special rules as referred in the grant agreement annexed to the call. Moreover 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/EU²⁶ or contracting entities in the meaning of Directive 2014/25/EU²⁷ shall abide by the applicable national public procurement rules.

Sub-contracting

Sub-contracting, i.e. the externalisation of specific time-bound tasks or activities which form part of the action as described in the proposal must satisfy the conditions applicable to any implementation contract (as specified above) and in addition to them the following conditions:

- it may only cover the implementation of a limited part of the action;
- subcontracting of core activities or coordination tasks is not permitted;
- it must be justified having regard to the nature of the action and what is necessary for its implementation;
- it must be clearly stated in the proposal.

²⁴Art. 196.2 RAP

²⁵ Art. 137 FR, 209 RAP

²⁶ Directive 2014/24/EU on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts.

²⁷ Directive 2014/25/EU coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

f) financial support to third parties²⁸

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

- an exhaustive list of the types of activities for which a third party may receive financial support out of the following fixed list:

participation of third parties (young creative entrepreneurs, lecturers, invited guest) to events organised by the Platform

- the criteria for awarding financial support.

The amount of financial support per third party must not exceed 5000 Euro.

12.2. Funding forms²⁹

Mixed financing grants are calculated on the basis of a detailed estimated budget indicating clearly the costs that are eligible for EU funding. The grant amount may neither exceed the eligible costs nor the amount requested. Amounts are indicated in euros.

Maximum amount requested

The EU grant is limited to a maximum co-funding rate of 80% of **eligible costs** *taking into account the maximum grant amount referred to in section 5.*

Consequently, part of the total eligible expenses entered in the estimative budget must be financed from sources other than the EU grant.

Contributions in kind³⁰

The external co-financing may be made up of contributions in kind in order to cover other costs necessary to carry out the project. Such contributions 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.

²⁸ Art. 137 FR, 210 RAP.

²⁹ Art. 123 FR, 181 RAP.

³⁰ Art. 127 FR.

Eligible costs³¹

Eligible costs are costs actually incurred by the beneficiary of a grant which meet all the following criteria:

- they are incurred during the duration of the action, with the exception of costs relating to final reports and audit certificates;
 - o The period of eligibility of costs will start as specified in the grant agreement.
 - o If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the grant is awarded. 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 or 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 direct costs

The eligible direct costs for the action are those costs 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 :

- the costs of personnel working under an employment contract with the applicant or equivalent appointing act and assigned to the action, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in line with the applicant's usual policy on remuneration. Those costs may include additional remuneration, including payments on the basis of supplementary contracts regardless of their nature, provided that it is paid in a consistent manner whenever the same kind of work or expertise is required and independently from the source of funding used;
- costs of the personnel of national administrations to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken;
- subsistence allowances (for meetings, including kick-off meetings where applicable, conferences etc) provided that these costs are in line with the beneficiary's usual practices,

³¹ Art. 126 FR

- costs of travel (for meetings, including kick-off meetings where applicable, conferences etc), provided that these costs are in line with the beneficiary's usual practices on travel,
- depreciation cost of equipment (new or second-hand): only the portion of the equipment's depreciation corresponding to the duration of the action/project and the rate of actual use for the purposes of the action may be taken into account by the Commission,
- costs of consumables and supplies, provided that they are identifiable and assigned to the action/project;
- costs entailed by implementation contracts awarded by the beneficiaries for the purposes of carrying out the action/project, provided that the conditions laid down in the grant agreement are met;
- costs of financial support to third parties provided that the conditions laid down in the grant agreement are met;
- costs arising directly from requirements linked to the implementation of the action/project (dissemination of information, specific evaluation of the action, translations, reproduction);
- costs relating to a pre-financing guarantee lodged by the beneficiary of the grant, where required;
- costs relating to external audits where required in support of the requests for payments;
- value added tax ("VAT") is not eligible.

Eligible indirect costs (overheads)

- a flat-rate amount of 7% of the total eligible direct costs of the action, is eligible under 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 in the case of organisations receiving an operating grant, indirect costs are not eligible under specific actions.

Ineligible costs

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;
- costs of transfers from the Commission charged by the bank of a beneficiary;
- costs declared by a beneficiary and covered by another action receiving a European Union grant. In particular, indirect costs shall not be eligible under a grant for an action awarded to a beneficiary who already receives an operating grant financed from the Union

budget during the period in question;

- contributions in kind;
- excessive or reckless expenditure.

Please note that costs incurred by organizations or individuals based in third countries cannot be included in the context of this call for proposals as pilot projects are financed by funds which are restricted to the EU Member States.

Calculation of the final grant amount

The final amount of the grant to be awarded to the beneficiary is established after completion of the action, upon approval of the request for payment containing the following documents³²:

- a final report providing details of the implementation and results of the action;
- the final financial statement of costs actually incurred,
- a certificate on the financial statements of the action and underlying accounts³³.

EU grants may not have the purpose or effect of producing a profit within the framework of the action of the beneficiary. **Profit shall be defined as a surplus of the receipts over the eligible costs incurred by the beneficiary**, when the request is made for payment of the balance. In this respect, where a profit is made, the Commission shall be entitled to recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the action.

12.3 Payment arrangements

A pre-financing payment³⁴ corresponding to 30% of the grant amount will be transferred to the beneficiary within 30³⁵ days of the date when the last of the two parties signs the agreement, provided all requested guarantees have been received.

One interim payment shall be paid to the beneficiary. Interim payment is intended to cover the beneficiary's 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 80%.

The interim payment shall not exceed 40% of the maximum grant amount (see point 3. Timetables)

The Commission will establish the amount of the final payment to be made to the beneficiary on the basis of the calculation of the final grant amount. 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 order³⁶.

³² Art. 135 FR

³³ Art. 207.3 RAP

³⁴ Art. 109, 110 RAP

³⁵ Art. 92 FR

³⁶ Art. 109, 110 RAP

12.4. Pre-Financing Guarantee

Subject to a risk analysis, the authorising officer may, on a case by case basis, require a pre-financing guarantee for up to the same amount as the pre-financing 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 Member State of the European Union. When the beneficiary is established in a third country, the authorising officer responsible may agree that a bank or financial institution established in that third country may provide the guarantee if he 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 by 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 payments of balances to the beneficiary, in accordance with the conditions laid down in the grant agreement.

13. PUBLICITY

13.1 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.

For graphic requirements, please refer to

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.

13.2. By the Commission³⁷

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

³⁷ Art. 35, 128.3 FR, 21, 191 RAP.

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 level³⁸ 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.

14. DATA PROTECTION

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 are required to evaluate the application in accordance with the specifications of the call for proposal will be processed solely for that purpose by European Commission - Directorate-General for Education and Culture, Directorate D - Culture and Creativity, Unit Cultural Diversity and innovation. Details concerning the processing of personal data are available on the privacy statement at:

http://ec.europa.eu/dataprotectionofficer/privacystatement_publicprocurement_en.pdf

Personal data may be registered in the Early Warning System (EWS) only or both in the EWS and Central Exclusion Database (CED) by the Accounting Officer of the Commission, should the beneficiary be in one of the situations mentioned in:

- the Commission Decision 2008/969 of 16.12.2008 on the Early Warning System (for more information see the Privacy Statement on:

http://ec.europa.eu/budget/library/contracts_grants/info_contracts/privacy_statement_en.pdf

);

- or the Commission Regulation 2008/1302 of 17.12.2008 on the Central Exclusion Database (for more information see the Privacy Statement on

http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm

15. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted in accordance with the formal requirements and by the deadline set out under section 6.

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 for the correction of clerical mistakes,

³⁸ European Union Official Journal L 39, of 10 February 2007.

the Commission may contact the applicant for this purpose during the evaluation process³⁹.

Applicants will be informed in writing about the results of the selection process.⁴⁰

Application forms are available at http://ec.europa.eu/culture/creative-europe/calls/index_en.htm

Applications shall be submitted on the correct form, duly completed, dated, showing a balanced budget (revenue/expenditure), 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.

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

Applications must be:

- either sent by registered post, date as postmark, or in person, date as receipt, or by courier service, date of receipt by the courier service, to the following address⁴¹:

*European Commission - Directorate-General for Education and Culture
Directorate D - Culture and creativity
Walter Zampieri
Unit D1 – Cultural Diversity and Innovation - (CALL EAC/S11/2015)
J-70 -1/223
B-1049 Brussels
Belgium*

Questions should be addressed by email to the following address:

EAC-CREATIVE-ENTREPRENEURS-2015@ec.europa.eu

Annexes:

- I. Application form - Checklist of documents to be provided
- II. Economic and Financial capacity Form and annexes
- III. Model agreement
- IV. Financial statement template

³⁹ Art. 96 FR

⁴⁰ Art. 133 FR, 205 RAP

⁴¹ Art. 195.3 RAP