



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR EDUCATION AND CULTURE

Culture and creativity
Cultural diversity and innovation

Brussels, June 2015

CALL FOR PROPOSALS EAC/S08/2015

EU Network of Creative Hubs and co-working spaces

1. CONTEXT

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 sectors find themselves in a strategic position to trigger innovation and spill-overs in other sectors. The 2012 Communication on promoting cultural and creative sectors for growth and jobs in the EU contributed to mainstreaming their potential into other EU policies. Beyond possible spill-overs, innovation is also vital within the cultural and creative sectors themselves in order for them to further grow and to adapt to a constantly evolving technological and financial environment.

The decreases in public funding, the challenges of globalisation, the opportunities of digitisation or the increasing empowerment of audiences have already pushed the cultural and creative sectors to test new approaches and to explore new business models. These innovative approaches can be powerful drivers for the strengthening of cultural diversity and for the development of entrepreneurship, as well as for growth, jobs or social inclusion.

Against this background, the Creative Europe Annual Work Programme for 2015 foresees the launch of a call for proposals in order to build on experimental business models and to help spread their knowledge and facilitate their dissemination. The present project will also contribute to the priorities of the Commission with respect to job creation, growth and innovation.

Legal basis

On 11 December 2013, the European Parliament and the Council adopted Regulation 1295/13 establishing the Creative Europe Programme (from 2014 to 2020).

Apart from the culture and MEDIA sub-programmes, Creative Europe has a cross-sectoral strand providing for the establishment of a Guarantee Facility targeting cultural and creative sectors and for the development of transnational policy cooperation measures. In order to promote transnational policy cooperation, the Cross-sectoral Strand shall support *"transnational exchange of experiences and know-how in relation to new business and management models, peer-learning activities and*

networking among cultural and creative organisations and policy-makers related to the development of the cultural and creative sectors, promoting digital networking where appropriate¹".

According to the **2015 Annual Work Programme²** for the implementation of the Creative Europe programme³ under point 2.23 - Support to the Innovation in the cultural and creative sectors, the Commission will allocate EUR 1 million to the development of an action addressing this specific objective.

The present call for proposals

The present call for proposals aims at setting up and supporting an EU Network of Creative Hubs and co-working spaces for cultural and creative professionals and entrepreneurs. This will allow fostering cross sectorial exchanges of experiences and know-how in relation to new business and management models, peer-learning activities and networking among cultural and creative organisations.

Creative hubs

A *creative hub* is an infrastructure or venue that uses a part of its leasable or available space for networking, organisational and business development within the cultural and creative sectors. Many co-working spaces in these sectors refer to themselves as 'creative hubs'.

Creative hubs have grown at remarkable pace over the past years and are much more than mere shared workspaces. They provide support through services and/or facilities to the ideas, projects, organisations and businesses they host both on a long-term or short-term basis. Creative hubs facilitate collaboration and networking and help to empower their members, offer opportunities to young people in search of jobs to make valuable links with the research and the business community. They also foster communication and audience development and offer capacity building as well as contacts and an inspiring environment towards creation and innovation.

Creative hubs encourage collaboration and create a fertile breeding ground for accelerating the exchange of knowledge and talent and also offer valuable cultural exhibition and event space. Creative hubs can play an important part in the local development, including in programmes for the revitalisation of neighbourhoods. They can help to breathe new life into declined industrial areas and enhance tourism, investment and provide education opportunities as well as cultural spaces.

Creative Hubs and their surrounding areas would highly benefit from being more effectively connected among themselves at the European level and from support in order to make better use of their specific value added in the creative chain.

¹ Cross Sectoral Strand, Chapter IV Art. 15, Regulation No 1295/2013

² Creative Europe annual work programme 2015,
http://ec.europa.eu/dgs/education_culture/more_info/awp/docs/c-2015-4077_en.pdf

³ Commission implementing Decision COM(2014)5313fin

2. OBJECTIVES OF THE CALL

Overall objective

This action will contribute to the goal of enhancing transnational exchange of experiences and know-how in relation to new business and management models, peer-learning activities and networking among cultural and creative organisations and policy-makers related to the development of the cultural and creative sectors.

Purpose of this call

The purpose of this call is to select a project that will set up and support an EU-wide network of creative hubs and co-working spaces for cultural and creative professionals and entrepreneurs and coordinate and organise different activities.

The grant agreement resulting from this call for proposals will be allocated to one single project.

Expected results

- Reinforce networks of creative hubs and co-working spaces at EU-level
- Strengthen trans-national and trans-sectoral cooperation within the cultural and creative sectors via physical and digital means
- Enhance exchanges of experience and best practice between EU creative hubs and between cultural and creative sectors
- Provide capacity-building to creative hub managers and cultural and creative professionals and entrepreneurs
- Draw lessons and conclusions for further policy making (on innovative business models, innovative schemes etc.)

3. ACTIVITIES

Proposals should as a minimum include the following activities:

3.1. Identification and selection of eligible creative hubs and co-working spaces in EU countries

Proposals need to provide detailed information on the identification and selection of eligible creative hubs and co-working spaces.

Applicants should describe how they will go about selecting creative hubs, in particular bearing in mind their field of activity, which must be in the cultural and creative sectors⁴, and the services they offer to the sector such as workshops, performances, expositions and the like.

⁴ According to the definition given in Article 2 of the Creative Europe Programme,

Proposals should also specify how they are going to achieve an optimal geographical balance and coverage across EU Member States and other beneficiary European countries participating in the network. Applicants should aim to engage at least 1 to 3 creative hubs in each EU Member State.

Applicants should also describe how they will mitigate the risk of lack of interest of potential creative hubs to join the network.

3.2. Development of virtual networks

Proposals need to provide detailed information on the development and updating of a *web portal* for the EU network of creative hubs and co-working spaces, as well as *social media pages*. The web portal should also include, inter alia useful links to EU funding for cultural and creative sectors and its relevant national/local contact points as well as national and other relevant funding opportunities and contacts for the cultural and creative sector.

In addition, an *interactive restricted digital platform* linked to the web portal should be created, where members can informally exchange information/spaces/ateliers etc., exchange best practices, engage in social networking, look for partners in a cross sectoral/ cross-country project etc.

After the end of the project, the EU creative hubs website domain will remain active for at least 5 years.

3.3. People to people networks

Applicants should describe how they intend to put into practice networking ideas to *facilitate exchanges between creative hubs*⁵.

Proposals should also explain how they will create a network of *contact points* for each participating creative hub in the EU network and for organising joint network activities. They should describe how they will help to put in place the *networking meetings and thematic workshops*.

Applicants should also describe how the EU network of creative hubs and co-working spaces could serve as an incubator for *innovative ideas* in particular concerning the setting up of talent exchange vouchers⁶ among creative hubs of different countries, as well as cross-sectoral exchange vouchers within the same country and other innovative topics such as crowd funding, barter systems etc.

3.4. Coaching support and tailored professional development and capacity-building

Applicants should describe in detail how they would provide coaching and training support *to creative hub managers* and develop tailor-made training material for their very specific needs⁷.

<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1295&from=EN>

⁵ In addition to visits, there is a wide range of other ideas that may also be included, such as hub managers/artist residencies, shadowing of another hub, “hot desking” or other.

⁶ Creative vouchers have been put in place in different EU Member States, which is an in-kind system of enhancing business transactions between the creative sector and business or state agencies.

⁷ For example, innovative tools for dealing with the specificities of a creative hub budget.

In addition, applicants should include information on how not only hub managers, but also cultural and creative professionals and entrepreneurs working in the different creative hubs will receive ***coaching and business support training*** and how to ensure that "train the trainers" in different creative hubs will be put into practice. This may include online events and training sessions.

Finally, applicants should describe how they will organise ***peer learning between the cultural and creative professionals*** active in the co-working spaces and stimulate ***cross-overs between the cultural and creative sectors and other industries*** at the local, regional, national or EU-level.

3.5. Organisation of EU Network of Creative Hubs conferences in Brussels

Proposals would need to contain information on the following points:

Organisation of a conference for the ***launching*** of the EU Network of creative hubs in Brussels of up to 150-200 participants from the creative hub community as well as the press and other participants. This conference should aim at, inter alia, discussing the needs and ideas for activities among creative hubs. Press coverage of the event as well as using appropriate innovative communication channels and innovative conference methods will be crucial for the success and visibility of the event.

Another EU network of creative hubs **conference** should take place towards the end of the project. The event should give maximum visibility to the network and to the participating creative hubs in order to present the creative hubs network, their activities as well as the project's draft report. The conference should also provide the possibility for creative hub and cultural and creative sectors matchmaking, Twitter wall and interactive approaches to engage among the participants and the wider audience.

In order to give also to the artists working at the different creative hubs the opportunity to gain some visibility, a ***creative event*** should take place at the margins of the conference, with presentation of creative output of the hubs, 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 creative venue. A ***visit to a local creative hub*** in the Brussels area participating in the EU creative hubs network may be organised.

Geographical balance should be aimed at both for the speakers and the participants, with creative hub representatives from all participating Member States. The Commission will give its approval on the event details, including location, programme, list of speakers and invitees before final arrangements are made.

3.6. Report on EU Creative Hubs and co-working spaces

Proposals should contain information on the content of a report about EU creative hubs and co-working spaces, in addition to the administrative operational reports, which will be shared in advance and discussed with participants during the final conference.

As a minimum, this report should contain:

- A general presentation of the EU Creative Hubs network and synoptic presentation of each participating Creative Hub (for all with website, contact point, services offered, pictures)
- Lessons learnt concerning Creative Hubs and their needs, as well as on how they respond to change in society and the economy in general

- Lessons learnt concerning different innovative schemes (voucher schemes, crowdfunding, other) and recommendations on the way forward
- Innovative business models: lessons learnt from the practice of EU Creative Hubs, how their way of doing business is different from other SMEs, potentially interesting ideas to be explored further
- Conclusions, executive summary and recommendations to the European Commission, in particular in view future policy making and project funding in the field of innovative business models and the cultural and creative sectors in general.

Coordination with other creative hubs initiatives in the EU/ third countries

Applicants should also describe how they intend to coordinate activities of the EU Network of Creative Hubs with other similar initiatives undertaken at EU level and/or with 3rd countries.

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 the EU network of creative hubs and co-working spaces. Proposals should mention which communication channels will be used and what kind of cooperation is envisaged with existing actors and networks, in particular also the local EU funding contact points for the Creative Europe programme, COSME, Horizon 2020, the Regional Development Funds etc. and ensure visibility of the EU's support to the project.

Sustainability

Applicants should describe in detail how sustainability could be ensured after the end of the project. In particular, it should be described how the network created under the project would continue to exist for 5 years after the end of the project, in particular concerning the virtual platform (anchoring of the web portal and the platform as well as a web administrator, regular updating, sources of financing, etc.), meetings and digital contacts, exchange of network members, exchange of best practice.

4. TIMETABLES

Scheduled start-up date for the action: as soon as possible upon signature of grant agreement but no later than 15 January 2016. The intention is to inform applicants of the outcome of the award procedure no later than the month of November 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 payments is as follows:

Start of the project <i>Pre-financing payment</i>	T+1 (end 2015/beginning 2016)
Deliverable 1 - List and short description of selected Creative hubs in EU countries	T+3
Deliverable 2 - Virtual networks created (common web portal, interactive restricted digital platform)	T+4
Deliverable 3 - networking activities (creation of network of contact points, description of networking meetings and thematic workshops, description of innovative ideas, hubs exchanges etc.)	T+4 until T+22
Deliverable 5: EU Network of Creative Hubs Launching conference in Brussels	T+ 4 until T+10
Interim operational report <i>Interim payment</i>	<i>T+12</i>
Draft report on EU Creative Hubs submitted to the Commission for comments	T+16
Deliverable 6: Finalisation of Report on EU Creative Hubs (report including best practices, conclusions and recommendations)	T+17 until T+20
Deliverable 5: EU Network of Creative Hubs Conference	T+18 until T+22
Final implementation report <i>Payment of the balance</i>	<i>T+24</i>

<i>Stages</i>	Date and time or indicative period
Publication of the call	June 2015
Deadline for submitting applications	10 September 2015
Evaluation period	mid-October 2015
Information to applicants	Mid- November 2015
Signature of grant agreement	End- November 2015
Starting date of the action	Dec. 2015/ January 2016
Kick-off meeting with the Commission	January 2016
End date of the action	Starting date + max 24 months

5. 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.

5.1. Interim operational report

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

5.2. Final implementation report

The final report shall include at least:

- Comprehensive information on all the activities carried out
- Problems encountered, solutions found and their impact on the outcomes achieved
- Sustainability plan;

6. BUDGET AVAILABLE

The total budget earmarked for the co-financing of this project is estimated at **1,000,000 EUR**.

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

The setting up and support of an EU Network of Creative Hubs and co-working spaces for cultural and creative professionals and entrepreneurs shall be supported under this action.

The financial contribution from the Commission cannot exceed **80%** of the total eligible costs⁸.

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.

⁸ Article 183 of the Commission Delegated Regulation (EU) No. 1268/2012 on the rules of application of Regulation (EU, Euratom) Nr. 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union

7. ADMISSIBILITY REQUIREMENTS

- Applications must be sent no later than the deadline for submitting applications referred to in section 4.
- Applications must be submitted in writing (see section 16)
- Applications must be drafted in one the EU official languages.

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

8. ELIGIBILITY CRITERIA⁹

8.1. Eligible applicants

To be eligible applicants must:

- be a public¹⁰ or private organisation with legal personality (natural persons are not eligible to apply for a grant under this call);
- be a single entity active in the cultural and creative sectors or a consortium of which at least one of its members should be active 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 13.2. For that purpose, applicants shall identify such affiliated entities in the application form.
- have their registered legal office in one of the beneficiary European countries under the Creative Europe programme.

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;

8.2. Eligible activities

Main types of activities eligible under this call for proposals:

- development of a virtual network (including a web portal, social media, interactive restricted

⁹ Art. 131 FR, 201 RAP

¹⁰ 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.

- digital platform)
- training activities
- conferences and seminars
- actions aiming at providing sustainable networking activities, exchanges of good practices, peer learning

Implementation period:

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

9. EXCLUSION CRITERIA

9.1. 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).

9.2. 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 9.1.

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

9.3. Supporting documents¹¹

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.

10. SELECTION CRITERIA¹²

10.1. Financial capacity¹³

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 of honour stating that the applicant has the financial capacity to carry out the action;
- the table provided for in the annex 1 the application form, filled in with the relevant statutory accounting figures, in order to calculate the financial ratios;
- for economic operators required under national law to keep a complete set of accounts: the balance sheet, profit and loss account and annexes for the last financial year for which the accounts were closed;
- for economic operators required under national law to keep a simplified set of accounts : the statement of expenditure and revenue and the extract containing the assets and liabilities of the last financial year for which accounts were closed;
- **an audit report** produced by an approved external auditor certifying the accounts for the last financial year available.

The financial capacity will be assessed based on the following methodology: http://ec.europa.eu/dgs/education_culture/calls/evaluation-grants_en.htm .

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

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 13.4 below);
- where applicable, require the joint and several financial liability of all the co-beneficiaries;

¹¹Art. 197 RAP

¹²Art. 132 FR, 202 RAP

¹³Art. 131, 132 FR, 202 RAP.

- reject the application.

10.2. Operational capacity¹⁴

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 with cultural and creative sectors in order to understand their specificities and needs and to be able to identify eligible hubs in different EU countries with at least a key expert with a minimum of 3 years of professional experience in the cultural and creative sector. Experience with cultural and creative sectors can be proven through the profiles (CVs) of the proposed team.
- Ability to communicate easily in several languages¹⁵ with creative hubs across the different EU countries and regions.
- proven experience of at least 1 year in transnational projects at EU-level

Applicants have to submit a declaration on their honour, and the following supporting documents:

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

11. AWARD CRITERIA¹⁶

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

- **Relevance and geographical outreach (0-30 points)**

The extent to which the proposal addresses the priorities of the action and contributes to attain its objectives, as well as the extent to which the proposed network is able to achieve an optimal geographical balance and coverage across EU Member States and other beneficiary European countries.

- **Quality of activities (0-40 points)**

The quality of the overall design of the activities proposed and of the methodology to achieve the objectives, including risk assessment strategy and sustainability of the proposed actions as well as the allocation of resources.

¹⁴Art. 131 FR, 202 RAP.

¹⁵ Some of the experts in contact with the different hubs should, in addition to English, also be able to communicate in French.

¹⁶Art. 132 FR, 203 RAP

- **Management of the project (0-30 points)**

The quality of the proposal regarding the capability to organize, coordinate and implement the various aspects of the proposed activities.

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 60% of the maximum possible will be applied for the qualitative evaluation and applications below this threshold will be rejected.

12. LEGAL COMMITMENTS¹⁷

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 first 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.

13. FINANCIAL PROVISIONS

13.1. General Principles

a) Non-cumulative award¹⁸

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.¹⁹

b) Non-retroactivity²⁰

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-financing²¹

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

¹⁷Art. 121 FR, 174 RAP.

¹⁸Art. 129 FR

¹⁹Art. 196.4 RAP.

²⁰Art 130 FR

²¹Art. 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 budget²²

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 on the Infor-euro website available at http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm.

e) Implementation grant agreements/ subcontracting²³

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/EU²⁴ or contracting entities in the meaning of Directive 2014/25/EU²⁵ 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.

²²Art. 196.2 RAP

²³ Art. 137 FR, 209 RAP

²⁴Directive 2004/18/EC on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts.

²⁵Directive 2004/17/EC coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

13.2. Funding forms²⁶

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**.

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

Eligible costs²⁷

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 or the grant decision.
 - 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 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;

²⁶ Art. 123 FR, 181 RAP.

²⁷ Art. 126 FR

- 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,
- 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 or grant decision are met;
- costs of financial support to third parties provided that the conditions laid down in the grant agreement or grant decision 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)²⁸

- 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's 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

²⁸ Indirect costs do not apply to operating grants.

- during the period in question;
- contributions in kind;
- excessive or reckless expenditure.

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 documents²⁹:

- 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 accounts³⁰.

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.

13.3. Payment arrangements

A pre-financing payment³¹ corresponding to 30% of the grant amount will be transferred to the beneficiary within 30³² 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 (see section 13.2 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 order³³.

13.4. 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 States 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

²⁹ Art. 135 FR

³⁰ Art. 207.3 RAP

³¹ Art. 109, 110 RAP

³² Art. 92 FR

³³ Art. 109, 110 RAP

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.

14. PUBLICITY

14.1. 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 or grant decision.

14.2. By the Commission³⁴

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 level³⁵ 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.

³⁴ Art. 35. 128.3 FR. 21. 191 RAP.

³⁵ European Union Official Journal L 39, of 10 February 2007.

15. 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/expained/management/protecting/protect_en.cfm

16. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted in accordance with the formal requirements and by the deadline set out under section 4.

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, the Commission may contact the applicant for this purpose during the evaluation process³⁶.

Applicants will be informed in writing about the results of the selection process.³⁷

Application forms are available at http://ec.europa.eu/culture/calls-for-proposals/call-eac-s08-2013-pilot-project_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.

³⁶ Art. 96 FR

³⁷ Art. 133 FR, 205 RAP

Applications must be

- sent to the following address³⁸:

*European Commission - Directorate-General for Education and Culture
Directorate D - Culture and creativity*

Walter Zampieri

Unit D1 – Cultural Diversity and Innovation - (CALL EAC/S08/2015)

J-70 -1/223

B-1049 Brussels

Belgium

- by post, date as postmark;

- in person, date as receipt,

- by courier service, date of receipt by the courier service.

Applications sent by fax or e-mail will not be accepted.

Contacts:

EAC-CREATIVE-HUBS-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 |

³⁸ Art. 195.3 RAP