



CALL FOR PROPOSALS EAC/S14/2019

Pilot Project - Measuring the Cultural and Creative Sectors in the EU

1. INTRODUCTION – BACKGROUND

The EU has strong and vibrant cultural and creative industries. These are not only essential for Europe's cultural diversity, strengthening social cohesion and increasing Europe's attractiveness internationally. They are also one of the continent's most dynamic sectors.

According to the study "Boosting the competitiveness of cultural and creative industries for growth and jobs"¹, the CCIs in Europe employ more than 12 million workers, or 7.5% of the European workforce² and they create about EUR 509 billion of value added, in particular through the contribution made by small and micro enterprises. CCIs represent a driving force generating a competitive advantage for Europe.

Eurostat has produced over the last years an extensive database on culture, based on statistics coming from the EU surveys. The latest methodological 'Guide to Eurostat culture statistics' from 2018 summarises this work, describing the different fields of culture statistics available at EU level and the methodology used for their compilation.

However, there are still data missing for some indicators and for some sectors and not all data available at Member State's level are reported to Eurostat (as they are not covered by compulsory EU statistical surveys).

Moreover, the last 20 years have witnessed great technological changes impacting the cultural and creative sectors (CCS): in particular the digitalisation of the sectors, the arrival of big multinational platforms, the possibility of uploading cultural content by users that is commercially exploited. Besides, there have been significant changes to the structure of the sectors, such as the growth of video games developing and publishing companies, and increase in virtual reality production; and further significant developments are expected in the next 15 years. All these changes are very loosely captured in the current statistical system.

Lastly, cultural and creative sectors are currently being affected by the COVID-19 pandemic in an unprecedented way. Cultural institutions and venues around the world had to suspend their activities, innumerable cultural events were cancelled. Professionals saw their revenues reduced at extremes, with many losing their jobs, as around 95% of the cultural and creative sectors consist of small enterprises, independent artists and

¹Source:http://ec.europa.eu/growth/content/boosting-competitiveness-cultural-and-creative-industries-growth-and-jobs-0_en

²Source:http://ec.europa.eu/growth/content/boosting-competitiveness-cultural-and-creative-industries-growth-and-jobs-0_en

freelancers. The situation pushed cultural sectors to further intensify their digital presence but without a corresponding increase in their revenues. However, estimations on the magnitude of the impact of COVID-19 are currently lacking. At the same time during difficult times such as the COVID-19 pandemic, the impact of culture on society is even more visible, as confined people are turning to culture to find comfort and wellbeing.

The **New European Agenda for Culture**³ and the **EU Work Plan for Culture 2019-2022**⁴ highlight among the list of priorities the production of cultural statistics: *"Digitalisation and cultural statistics are important horizontal issues which will be considered accordingly. Digitalisation creates new and innovative possibilities for art and culture in terms of access, expression, preservation, dissemination and consumption. Cultural statistics support evidence-based policy making at European and national level. The regular production of comparable and reliable cultural statistics over time allows for the identification of trends and the design of sound policies"*.

Therefore, the work to be carried out through this pilot project should **elaborate** a statistical framework for measuring cultural and creative sectors, as described in the following paragraphs.

The **2019 Annual Work Programme for the implementation of Pilot Projects and Preparatory Actions in the area of education, youth, sport and culture**⁵ for the implementation of the Pilot Project⁶ "Measuring the Cultural and Creative Sectors in the EU" foresees the launch of a call for proposals funded under Budget Line 15 04 77 21, with a maximum amount of EUR 350 000 allocated to the development of an action addressing this specific objective.

2. OBJECTIVES –ACTIVITIES – RESULTS

2.1. OBJECTIVES

General objective

The project's main objective is to elaborate, through the proposed research, a statistical framework for measuring the Cultural and Creative Sectors (CCS) in the EU, building on Eurostat's already existing and planned work and classification. This framework would enable regular statistical analysis of the economic, cultural and social potential of the CCS in Europe. This objective should be reached through 1/firstly an extensive overview of data sources available at international, national and industry level and 2/secondly through further research proposals on how to fill those data gaps that cannot be covered through existing data sources.

The proposed statistical framework has to include a detailed methodology guide, describing the data collection processes. It should also allow for instant extraction of relevant data per cultural sector, per calendar year and per single EU Member State.

³https://ec.europa.eu/culture/sites/culture/files/commission_communication_-_a_new_european_agenda_for_culture_2018.pdf

⁴ <http://data.consilium.europa.eu/doc/document/ST-13948-2018-INIT/en/pdf>

⁵ <https://ec.europa.eu/programmes/creative-europe/sites/creative-europe/files/2019-annual-work-programme.pdf>

⁶ Legal basis: Pilot project within the meaning of Article 58(2)(a) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

Therefore, the proposal should describe how it plans to carry out the research study and validate its findings to elaborate the statistical framework for measuring the Cultural and Creative Sectors (CCS) in the EU. It should start from Eurostat's existing and planned work, and include subsequently other data sources and/or methodologies from studies at international, national (and possibly regional), level, as well as data available at industry level and integrate all the above into its own proposed methodology/research approach. It should explain in particular how Eurostat data could be completed with those either coming from other sources or from the newly proposed methodology.

2.2. SPECIFIC WORK TO BE CARRIED OUT AT THE START OF THE PROJECT

Start basis for the research

1. The starting point for the analysis of data (and data gaps) should be Eurostat's **NACE classification per single cultural and creative economic activity** and sources used to measure the different variables. The perspective of the new data expected thanks to the FRIBS and IESS regulations⁷, as well as the planned revision of NACE should be taken into account.
2. The **definition** that should be used as a basis for the scope of the study is the one described in the **Creative Europe Programme** (EU Regulation No 1295/2013 on the Creative Europe Programme): "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".⁸

Inventory of data sources

Proposals should specify the sources of data collection on cultural and creative sectors that will be used. Inventory of existing data, starting from Eurostat database, should be supplemented by other sources existing at national and international, as well as at sector's/

⁷ Both acts to be published in the Official Journal.

⁸ On the other hand, the term 'cultural and creative industries' could be interpreted with a different approach which takes into account only market-oriented activities, including also those not considered as fully cultural: software, fashion (including fashion design) and high-end industries (i.e. luxury goods and services).

industries' level. The research should aim at looking at the vastest possible sources of data, among which at least the following:

- **EU-funded research:** the proposal should describe how it would build on the relevant (quantification) work already carried out under related EU studies, such as the EU Study on Creative Value Chains⁹, the study on the competitiveness of CCIs for growth and jobs¹⁰, Crowdfunding for Culture¹¹, the EIF market analysis on CCS¹², the Cultural and Creative Cities Monitor¹³ and others. The proposal will also explain how it intends to build on results of different CCI-related studies under Horizon 2020¹⁴, or FLIP (Finance, Learning, Innovation and Patenting) for CCIs¹⁵ and the on-going project of the EUIPO Observatory on the feasibility study on setting up satellite account for the creative industries¹⁶;
- **Sector specific initiatives:** other past and current studies and projects on specific cultural sectors funded by different EU programmes, the European Parliament, or other relevant research (such as NESTA study on video games¹⁷, relevant studies under Music Moves Europe, such as the Feasibility Study for a European Music Observatory, Study on market trends and Gaps, Study on a European Music export strategy¹⁸, etc.);
- **EU legislation:** relevant data/evidence and studies collected in the preparatory process for legislative proposals that have led to the passage of new relevant legislation in recent times or data/reports required from the implementation of such new legislation (e.g. the Collective Rights Management Directive¹⁹, the Digital Single Market Copyright Directive²⁰, etc.) or to non-legislative policy action (e.g. evaluation of the intellectual property rights enforcement Directive and follow-up action plan on IPR enforcement, etc.);

⁹ https://ec.europa.eu/culture/news/20170606-new-study-creative-value-chains_en

¹⁰ http://ec.europa.eu/growth/content/boosting-competitiveness-cultural-and-creative-industries-growth-and-jobs-0_en

¹¹ www.crowdfunding4culture.eu

¹² EIF, Cultural and Creative Sector Guarantee Facility –

https://www.eif.org/what_we_do/guarantees/cultural_creative_sectors_guarantee_facility/index.htm

¹³ <https://composite-indicators.jrc.ec.europa.eu/cultural-creative-cities-monitor/>

¹⁴ H2020 CCI projects such as: DISCE (Developing Inclusive & Sustainable Creative Economies), and CICERONE" (Creative Industries Cultural Economy Production Network)

¹⁵ FLIP for CCIs-1 <http://creativeflip.creativehubs.net/#hero>; and

FLIP for CCIs-2 https://ec.europa.eu/culture/calls/eac-s12-2019_en

¹⁶

https://euiipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/observatory/documents/reports/2019_A_Satellite_Account_For_The_European_Union_Creative_Industries/2019_A_Satellite_Account_for_the_European_Union_Creative_Industries.pdf

¹⁷ <https://www.nesta.org.uk/report/a-map-of-the-uk-games-industry/>

¹⁸ <https://op.europa.eu/en/publication-detail/-/publication/d7de0905-68c5-11ea-b735-01aa75ed71a1>

¹⁹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0026&from=EN>

²⁰ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0790&from=EN>

- **International research:** relevant studies of the European Audio-visual Observatory and relevant work carried out by UNESCO Institute for Statistics (UIS), including on Satellite Account of Culture (CSA, project ongoing), international recommendations for valuation of digital services (OECD, IMF), further developments regarding the System of National Accounts (SNA) standards;
- **National data:** data available at single Member States' level including their culture satellite accounts (if they exist). Data should also include administrative-based data at national and EU level (non-market activities carried out by public institutions and public funds for cultural and creative activities);
- **Industry statistics:** data collected by different cultural and creative industries' associations and single companies, as well as companies offering data aggregation services of industry data;
- Finally, the European System of National and Regional Accounts (ESA 2010) - the EU accounting framework for a systematic and detailed description of an economy, should be considered.

The above inventory of data sources to be explored represents a non-exhaustive initial list to be further freely complemented with other potential sources the research deems useful.

2.3. SPECIFIC OBJECTIVES

The specific objectives to be reached by this call for proposals are the following:

1/ Updated definition of CCS (and per sector): a scope of the 'Cultural and creative sectors' with a clear statistical definition of the CCS per single sector (including on-line services) should be proposed building on Eurostat's already existing and planned work;

2/ New methodology for estimation and classification of on-line services: research should specifically propose and develop a new methodology for capturing and quantifying on-line services per sector whether these are paid services, or financed by advertising and by data. It should also describe how these will be classified under the sector specific definitions elaborated under point 1.

3/ Framework: the pilot project should build (taking into account existing and new data, and its own newly developed research) a methodology to allow better quantification of CCS and comparability at EU level of these data, as well as regular monitoring of the CCS in the EU.

4/ Updated figures on CCS: the developed methodology should be applied in order to show most updated economic figures on EU CCS, per single cultural sector and per single EU Member State.

The pilot project should be carried out in contact with Eurostat, and possibly other experts in the field, such as the European Audiovisual Observatory, national statistical offices and industry associations. Additional data sources to be considered during this pilot project could be further defined.

2.4 EXPECTED RESULTS

The expected results of the proposal are:

1. definition of ‘Cultural and creative sectors’, in terms of codes of international statistical classifications, in line with Eurostat’s work;
2. improved statistics on cultural and creative sectors, taking into account all possible sources of comparable data;
3. new methodology for capturing on-line services;
4. new statistical framework that would enable regular statistical analysis of the economic, cultural and social potential of the CCS in Europe;
5. updated estimation of the figures on: the contribution CCS to GDP, contribution of CCS to EU employment, EU exports and imports of cultural services, and others.

2.5 EXPECTED DELIVERABLES

2.5.1 Inception report

At the beginning of the project, but not later than one month after the payment of the first pre-financing, a short paper (2-5 pages) concerning the planned activities should be provided, together with a tentative timetable for the upcoming outputs of the first 12 months.

The paper should also include a short description of how the project will coordinate and exploit synergies with the different data providers as well as with other ongoing EU-projects and studies (as mentioned above).

2.5.2 Technical Progress and Technical Final reports, including methodological proposals, description of the available data and recommendations

All reports will be shared 3 weeks in advance with the Commission's responsible services. The final draft report will be shared with the Commission 30 days in advance. The final report should also include an executive summary in EN, FR and DE, as well as in an annex fiches/factsheets presenting the most recent statistical figures per individual EU Member States and per single cultural sector as well as for the EU as a whole. The fiches/factsheets should be visually appealing, and accessible to non-specialised audiences. They should be made available in EN, FR and DE.

The final report, covering all the objectives of the call, will be presented and discussed with participants during a final digital or physical conference (see below). The presentation of the final report should also be accompanied by visually appealing powerpoint slides

containing the main most recent figures on CCS per sector and per Member State, as well as for the EU as a whole.

2.5.3 Organisation of a closing conference

A **closing (physical or digital) conference** in Brussels of up to 100 participants working on CCS data should take place towards the end of the project. The event should give visibility to the project, and present the project results.

In particular for the closing conference, the active involvement of the European Parliament (EP), the European Commission services as well as other relevant institutions (business organisations, academia specialised in statistics, cultural and creative sectors networks etc.) should actively be strived for.

3 TIMETABLE

Scheduled start-up date for the action is planned upon signature of the grant agreement. The intention is to inform applicants of the outcome of the award procedure no later than the month of November 2020.

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 Procedural timeline for the call for proposals is:

	<i>Steps</i>	<i>Date and time or indicative period</i>
(a)	Publication of the call	July 2020
(b)	Deadline for submitting applications	14 September 2020
(c)	Evaluation period	Sep - Oct 2020
(d)	Information to applicants	Oct- Nov 2020
(e)	Signature of grant agreement	Nov - Dec 2020
(f)	Starting date of the action	January 2021
(g)	Kick-off meeting with the Commission	February/March 2021
(h)	End date of the action	Starting date + max 24 months

4 BUDGET AVAILABLE

The total budget earmarked for the co-financing of projects foreseen under this call for proposals is **350,000 EUR**.

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

The financial contribution from the Commission cannot exceed **90%** of the total eligible costs²¹.

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.

5 ADMISSIBILITY REQUIREMENTS

In order to be admissible, applications must be:

- sent no later than the deadline for submitting applications referred to in section 3;
- submitted in writing (see section 14), using the application form²² available at: https://ec.europa.eu/culture/calls_en.
- drafted in one of the EU official languages.

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

6 ELIGIBILITY CRITERIA

6.1 Eligible applicants

Proposals may be submitted by any of the following applicants:

- non-profit organisation (private or public);
- public authorities (national, regional, local);
- international organisations;
- universities;
- educational institutions;
- research centres;
- profit making entities.

Natural persons are not eligible to apply for a grant under this call.

To be eligible, applicants must be a single entity with proven record of at least 5 years in specialised data/statistical analysis and or economic modelling, of which at least 2 years in CCS, or a consortium of which at least one of its members has proven expertise on economic data/statistics in the cultural and creative sectors of at least 5 years.²³

²¹ 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

²² Article 196 FR.

²³ According to the definition given in Article 2 of the Creative Europe Programme, <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1295&from=EN>

Country of establishment

Only applications from legal entities established in EU Member States are eligible.

Consortium requirements

In case the application is submitted by several entities working together (consortium), the above criteria apply to each one of those entities, except when otherwise stated.

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

Supporting documents

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

Examples of supporting documents:

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

Eligible activities

The following types of activities are eligible under this call for proposals:

- Digital workshops, seminars, meetings, digital or physical conference foreseen at the end of the project;
- communication activities, webpage, social media, powerpoint slides, factsheets;
- actions aiming at exchanges of good practices, guidelines, recommendations, manuals, reports, surveys;

*For those services using **SEDIA/ REA validation services**, please refer to the specific guidance published on [BudgWeb](#) and reflect the settings related to the use of these services in the Call for proposals, in accordance with the transparency*

Implementation period

The action shall run for 24 months.

7 EXCLUSION CRITERIA

7.1 Exclusion

The authorising officer shall exclude an applicant from participating in call for proposals procedures where:

- (a) the applicant is bankrupt, subject to insolvency or winding-up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended, or it is in any analogous situation arising from a similar procedure provided for under EU or national laws or regulations;
- (b) it has been established by a final judgment or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;
- (c) it has been established by a final judgment or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful intent or gross negligence, including, in particular, any of the following:
 - (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of eligibility or selection criteria or in the performance of a contract, a grant agreement or a grant decision;
 - (ii) entering into agreement with other applicants with the aim of distorting competition;
 - (iii) violating intellectual property rights;
 - (iv) attempting to influence the decision-making process of the Commission Agency during the award procedure;
 - (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;
- (d) it has been established by a final judgment that the applicant is guilty of any of the following:
 - (i) fraud, within the meaning of Article 3 of Directive (EU) 2017/1371 of the European Parliament and of the Council and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;
 - (ii) corruption, as defined in Article 4(2) of Directive (EU) 2017/1371 or Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997, or conduct referred to in Article 2(1) of Council Framework Decision 2003/568/JHA, or corruption as defined in the applicable law;
 - (iii) conduct related to a criminal organisation, as referred to in Article 2 of Council Framework Decision 2008/841/JHA;
 - (iv) money laundering or terrorist financing within the meaning of Article 1(3), (4) and (5) of Directive (EU) 2015/849 of the European Parliament and of the Council;
 - (v) terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or

inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;

- (vi) child labour or other offences concerning trafficking in human beings as referred to in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;
- (e) the applicant has shown significant deficiencies in complying with main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an authorising officer, OLAF or the Court of Auditors;
- (f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;
- (g) It has been established by a final judgement or final administrative decision that the applicant has created an entity in a different jurisdiction with the intent to circumvent fiscal, social or any other legal obligations of mandatory application in the jurisdiction of its registered office, central administration or principal place of business;
- (h) it has been established by a final judgement or final administrative decision that an entity has been created with the intent referred to in point (g);
- (i) for the situations referred to in points (c) to (h) above, the applicant is subject to:
 - (i) facts established in the context of audits or investigations carried out by European Public Prosecutor's Office after its establishment, the Court of Auditors, the European Anti-Fraud Office or the internal auditor, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;
 - (ii) non-final judgments or non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
 - (iii) facts referred to in decisions of persons or entities being entrusted with EU budget implementation tasks;
 - (iv) information transmitted by Member States implementing Union funds;
 - (v) decisions of the Commission relating to the infringement of Union competition law or of a national competent authority relating to the infringement of Union or national competition law; or
 - (vi) decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

7.2 Remedial measures

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

7.3 Rejection from the call for proposals

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

- (a) is in an exclusion situation established in accordance with section 7.1; or
- (b) has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information; or
- (c) was previously involved in the preparation of documents used in the award procedure where this entails a breach of the principle of equal treatment, including distortion of competition, that cannot be remedied otherwise.

The same exclusion criteria apply to affiliated entities.

Administrative sanctions (exclusion) may be imposed on applicants, or affiliated entities where applicable, if any of the declarations or information provided as a condition for participating in this procedure prove to be false.

7.4 Supporting documents

Applicants and affiliated entities must provide a declaration on their honour certifying that they are not in one of the situations referred to in Articles 136(1) and 141 FR, by filling in the relevant form attached to the application form accompanying the call for proposals and available at:

https://ec.europa.eu/culture/calls_en.

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

For mono-beneficiary grants:

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

For multi-beneficiary grants:

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

8 SELECTION CRITERIA

8.1 Financial capacity

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the duration of the grant and to participate in its funding. The applicants' financial capacity will be assessed based on the following methodology, which is further detailed in Annex Va and Vb of the Call for proposals.

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

- A declaration on the honour by the grant applicant (see Annex I of the “Grant Application form”).

However, in case of doubt and only for grants exceeding EUR 60 000, the assessment committee reserves the right to request supporting documents and to carry out a financial analysis as described in point 4 of Annex V(a) Methodology for assessing the financial capacity (cf. Article 198(4)) of the FR).

Moreover for grants exceeding EUR 60 000, entities applying to this call for proposals falling into one of the high-risk categories mentioned in point 3.1 of the methodology (in annex V(a)) must provide proof of their financial capacity and are required to undergo the financial analysis provided for in point 4 of the same methodology.

In the case of legal entities forming **one** applicant (the “sole applicant”), as specified in section 6.1, the above requirements apply to each one of those entities.

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

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

If the authorising officer (RAO) considers that the financial capacity is insufficient, s/he will reject the application.

8.2 Operational capacity

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

In particular, they should possess the following capacities:

proven experience in statistical and economic analysis and/or economic modelling of at least 5 years, of which 2 years in the domain of cultural and creative sectors.

- In the case of a consortium, at least one of its members - who will be performing the research - has proven expertise on economic data/statistics in the cultural and creative sectors of at least 5 years, of which at least 2 years in the domain of CCS;
- ability to communicate easily in English, while the knowledge of other EU languages would be an asset;
- experience in previous projects with Eurostat would be an asset.

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

- curriculum vitae or description of the profile of the people primarily responsible for managing and implementing the operation (accompanied where appropriate by a list of relevant publications);

- 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;

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

In the case of legal entities forming **one** applicant (the "sole" applicant), as specified in section 6.1, the above requirements apply to each one of those entities.

9 AWARD CRITERIA

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

9.1 Relevance (0-40 points)

This criterion will assess the relevance of the proposal, in particular:

- the extent to which the proposal addresses the general objective (15 points);
- the extent to which the proposal addresses the specific objectives of the action as mentioned in section 2.3 (15 points);
- The extent to which the proposal contributes to attain its expected outputs/results as stated in section 2.4 and 2.5 above (10).

9.2 Quality of activities (0-40 points)

This criterion will assess:

- the quality of the research activities proposed and, the methodology to achieve the objectives (20 points);
- the sustainability of the proposals in the long term, after the end of the project (10 points);
- the quality and relevance of the communication/cooperation channels envisaged with EU and international organisations, in particular Eurostat, EU Member States national statistical institutes, as well as industry representatives, and cultural stakeholders and networks (10 points).

9.3 Management of the project (0-20 points)

This criterion will assess the quality of the proposal regarding the capability to organize, coordinate and implement the various aspects of the proposed activities.

This criterion will also assess the appropriateness of the human resources allocation and the relevance of the experience of the staff involved in the tasks assigned to them, as well as the relevance and allocation of the budget with regard to the planned activities/expected output.

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 for all criteria considered as a whole will be applied for the evaluation and applications below this threshold will be rejected.

10 LEGAL COMMITMENTS

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

Two copies of the original agreement must be signed first by the beneficiary/ coordinator on behalf of the consortium and returned to the Commission immediately. The Commission will sign it last.²⁴

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

11 FINANCIAL PROVISIONS

11.1 Forms of the grant

11.1.1 Reimbursement of costs actually incurred

The grant will be defined by applying a maximum co-financing rate of **90 %** to the eligible costs actually incurred and declared by the beneficiary and its affiliated entities.

For details on eligibility of costs, please refer to sections 11.1.2, 11.1.3 and 11.1.4.

11.1.2 Eligible costs

Eligible costs shall meet all the following criteria:

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

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

- they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

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

The same criteria apply to costs incurred by the affiliated entities.

Eligible costs may be direct or indirect.

11.1.3 Eligible direct costs

The eligible direct costs for the action are those costs which:

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

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

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

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

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

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

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

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

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

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

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

11.1.4 Eligible indirect costs (overheads)

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

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

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

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

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

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

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

11.2 Ineligible costs

The following items are not considered as eligible costs:

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

11.3 Balanced budget

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

The budget must be drawn up in euros.

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

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

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

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

- the beneficiary's own resources,
- income generated by the action or work programme,

- financial contributions from third parties.

Overall co-financing²⁵ may also include in-kind contributions from third parties, i.e. non-financial resources made available free of charge by third parties to the beneficiary or to the consortium. The corresponding costs of third parties are not eligible under the grant, e.g. providing a meeting room or equipment for free, etc.²⁶

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

11.4 Calculation of the final grant amount

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

Step 1 — Application of the reimbursement rate to the eligible costs

The amount under step 1 is obtained by applying the reimbursement rate specified in section 11.1.1 to the eligible costs actually incurred and accepted by the Commission.

Step 2 — Limit to the maximum amount of the grant

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

Step 3 — Reduction due to the no-profit rule

‘Profit’ means the surplus of receipts over the total eligible costs of the action, where receipts are the amount obtained following Steps 1 and 2 plus the revenue generated by the action for beneficiaries other than non-profit organisations.

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

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

²⁵ Article 190 FR

²⁶ Please note that in actions where the grant is calculated in proportion to the total eligible costs (e.g. 80 % of the eligible costs) it is expected that all costs serving as a basis for calculating this proportion are eligible, this is to say incurred by the beneficiary and not by third parties. As a result the part of the costs not financed by the EU (e.g. the remaining 20 %) must be eligible too and could not be covered by the contributions in kind. Therefore, you can consider this option only in cases where the EU finances 100 % of the eligible costs and the co-financing principle must be complied with (e.g. for actions outside the external actions domain).

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

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

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

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

11.5 Reporting and payment arrangements

The beneficiary may request the following payments provided that the conditions of the grant agreement are fulfilled (e.g. payment deadlines, ceilings, etc.). The payment requests shall be accompanied by the documents provided below and detailed in the grant agreement:

Payment request	Accompanying documents
A pre-financing payment corresponding to 30% of the maximum grant amount	Automatic on signature of Grant agreement (a) inception report, at the latest one month after receiving 1 st pre-financing payment
2nd pre-financing payment: The 2 nd pre-financing payment shall not exceed 30% of the maximum grant amount.	(a) technical report on progress (b) statement on the use of the previous pre-financing instalment
Payment of the balance The Commission will establish the amount of this payment on the basis of the calculation of the final grant amount (see section 11.4 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the Commission through a recovery order.	(a) final technical report (b) final financial statement

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

The project timeline for the deliverables and payments is:

Start of the project	T+1
<i>Pre-financing payment (30% of total grant amount) on signature of grant agreement</i>	
Inception report on the next steps concerning the planned activities and timing	T+2
1st report on progress First project meeting in Brussels	T+8
Draft Technical progress report <i>2nd pre-financing payment (max. 30% of total grant amount)</i>	T+12
Second technical report on progress	T+18
Draft final report (including best practices, conclusions and recommendations)	T+22
Organisation of a closing conference (digital or physical) in Brussels	T+23
Final report <i>Payment of the balance (40%)</i>	T+24

Reporting requirements

The beneficiary shall submit inception, progress and final reports as specified in Section 11.5. on Reporting and Payment Arrangements. Each report will be submitted in English to the Commission in printed form and by e-mail. Electronic files must be in Microsoft® Word for Windows format.

Inception report on the next steps concerning the planned activities

At the beginning of the project, but not later than one month after the payment of the first pre-financing, a short paper (2-5 pages) concerning the planned activities should be provided, together with a tentative timetable (with months and dates) for the upcoming activities of the next 6 months will be submitted to the Commission.

Technical reports on progress

Two reports on the progress of the research shall be submitted 8 months and 18 months after the start of the project. These reports will give the necessary update on the progress of the research, and possible follow-up discussions with the Commission and Eurostat services on the data collection and potential suggestions for further data to be examined.

The technical progress report, to be submitted one year after the beginning of the project, shall include:

- information on the activities carried out and progress achieved;
- problems encountered, solutions found or proposed;
- bibliography of sources used for carrying out the data analysis;

- timetable and methodology for further completion of the project;
- sustainability plan.

Final report

The final report shall include:

- comprehensive information on all the activities carried out ;
- problems encountered, solutions found and their impact on the outcomes achieved;
- sustainability of the action;
- recommendations for further policy actions.

11.6 Other financial conditions

a) Non-cumulative award

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

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

b) Non-retroactivity

No grant may be awarded retrospectively for actions already completed.

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

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

c) Implementation contracts/subcontracting

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

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

Entities acting in their capacity as contracting authorities within the meaning of Directive 2014/24/EU²⁷ or contracting entities within the meaning of Directive 2014/25/EU²⁸ must comply with the applicable national public procurement rules.

Beneficiaries may subcontract tasks forming part of the action. If they do so, they must ensure that, in addition to the above-mentioned conditions of best value for money and absence of conflicts of interests, the following conditions are also complied with:

- a) subcontracting does not cover core tasks of the action;
- b) recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation;
- c) the estimated costs of the subcontracting are clearly identifiable in the estimated budget;
- d) any recourse to subcontracting, if not provided for in description of the action, is communicated by the beneficiary and approved by the Commission. The Commission may grant approval:
 - (i) before any recourse to subcontracting, if the beneficiaries requests an amendment
 - (ii) after recourse to subcontracting if the subcontracting:
 - is specifically justified in the interim or final technical report and
 - does not entail changes to the grant agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;
- e) the beneficiaries ensure that certain conditions applicable to beneficiaries, enumerated in the grant agreement (e.g. visibility, confidentiality, etc.), are also applicable to the subcontractors.

d) Financial support to third parties

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

12 PUBLICITY

12.1 By the beneficiaries

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

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

²⁷ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65-242)

²⁸ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243-374)

To do this they must use the text, the emblem and the disclaimer available at https://ec.europa.eu/info/sites/info/files/use-emblem_en.pdf

If this requirement is not fully complied with, the beneficiary's grant may be reduced in accordance with the provisions of the grant agreement.

12.2 By the Commission

With the exception of scholarships paid to natural persons and other direct support paid to natural persons in most need, all information relating to grants awarded in the course of a financial year shall be published on an internet site of the European Union institutions no later than the 30 June of the year following the financial year in which the grants were awarded.

The Commission will publish the following information:

- name of the beneficiary;
- address of the beneficiary when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level²⁹ if he/she is domiciled within the EU or equivalent if domiciled outside the EU;
- subject of the grant;
- amount awarded.

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

13 PROCESSING OF PERSONAL DATA

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

Personal data may be registered in the Early Detection and Exclusion System by the Commission, should the beneficiary be in one of the situations mentioned in Articles 136 and 141 of Regulation (EU, Euratom) 2018/1046³⁰. For more information see the Privacy Statement on:

https://ec.europa.eu/info/data-protection-public-procurement-procedures_en.

²⁹ Commission Regulation (EC) No 105/2007 of 1 February 2007 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS), OJ L39, 10.2.2007, p.1.

³⁰ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>

14 PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted by the deadline set out under section 3.

No modification to the application is allowed once the deadline for submission has elapsed. However, if there is a need to clarify certain aspects or to correct clerical mistakes, the Commission may contact the applicant during the evaluation process.

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

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

Applications must be submitted in the correct form, duly completed and dated. They must be submitted in 3 copies (one original clearly identified as such, plus 2 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 sent as follows:

Means of submission	Time limit	Evidence	Address for delivery
By post	14 September 2020 23:59 <i>Belgium local time</i>	Postmark	CALL FOR PROPOSALS <i>EAC/S14/2019 - Measuring the Cultural and Creative Sectors in the EU</i> European Commission - Directorate-General for Education, Youth, Sport and Culture, Directorate D - Culture and Creativity, Unit D1 – Cultural Policy Office: 2/061 For the attention of Susanne Hollmann (Deputy Head of Unit) B – 1049 Brussels Belgium
By Courier	Between 07:30 and 17:00 <i>Belgium local time</i>	Acknowledgement of receipt	CALL FOR PROPOSALS <i>EAC/S14/2019 - Measuring the Cultural and Creative Sectors in the EU</i>
In person (hand delivery)		Acknowledgement of receipt, signed and dated by the official in the central mail department who takes delivery	European Commission - Directorate-General for Education, Youth, Sport and Culture, Directorate D - Culture and Creativity,

			Unit D1 – Cultural Policy Office: 2/061 For the attention of Susanne Hollmann (Deputy Head of Unit) Avenue du Bourget 1 B-1140 Brussels (Evere) Belgium
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Applications sent by fax, e-mail, on UBS keys or any other means than indicated above will not be accepted.

Contacts

Questions related to the Call for proposals should be directed to:

EAC-MEASURING-CCS@ec.europa.eu

Answers will be published online at https://ec.europa.eu/culture/calls_en.

Applicants are advised to check the **Question & Answers** section regularly during the submission period.

➤ **Annexes:**

Grant Application Documents

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

Reference Documents

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

Appendix

Specific conditions for direct personnel costs

1. Calculation

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

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

a) for persons working exclusively on the action:

{ monthly rate for the person

multiplied by

number of actual months worked on the action }

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

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

{ annual personnel costs for the person

divided by 12 }

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

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

b) for persons working part time on the action

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

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

multiplied by

number of actual months worked on the action }

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

The monthly rate is calculated as above.

(ii) In other cases:

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

or

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

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

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

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

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

minus

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

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

{ annual personnel costs for the person }

divided by

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

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

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

2. Documentation to support personnel costs declared as actual costs

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

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

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

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