



EUROPEAN COMMISSION

Directorate-General for Communications Networks, Content and Technology

Media and Data

Media Support Programmes

PREPARATORY ACTION

CROWDSOURCING SUBTITLING TO INCREASE THE CIRCULATION OF EUROPEAN WORKS

CALL FOR PROPOSALS CNECT 3225437/2015

1. INTRODUCTION – BACKGROUND

The European Parliament adopted a budget of EUR 1 million for the first year of the Preparatory Action "Crowdsourcing subtitling to increase the circulation of European works". The aim of this action is to test the impact of any innovative solution e.g. crowdsourcing on both the cost of obtaining subtitles and the exposure of European films in video on demand (VOD) services available in the European Union.

These guidelines are based on the Commission implementing Decision of 14/07/2015 concerning the adoption of the 2015 work programme for the implementation of the Preparatory action "Crowdsourcing subtitling to increase the circulation of European works".

These guidelines explain how to submit a proposal with a view to obtaining a European Union financial contribution.

2. OBJECTIVES - PRIORITIES

This Preparatory Action pursues the general objective to promote transnational circulation and to enhance the exposure of European works and, for this purpose, to support actions testing new business models or tools reaping the benefits of digital technologies.

Specifically, subtitling costs are the same for any given language. This cost (in average between 600€ and 1.000€) may deter from releasing films with subtitling in languages spoken by a small number of people. As a matter of fact, there is no certainty that for this target audience, the potential demand for non-national European films will compensate for the subtitling costs. This consideration may deter rights holders to release films with

subtitling in the language of countries with a low production capacity unless this language is shared with another EU country with a high production capacity¹.

Against this background the specific objective of this action is to test innovative solutions, which could reduce subtitling costs or make them in relation to the expected revenues to be derived from the online exposure of any given film in a given territory.

For this purpose the action aims at:

- testing and developing innovative solutions/processes/models for obtaining subtitles that are more cost effective than the ones presently available on the market;
- applying these innovative solutions/processes/models to a well-designed catalogue of European works with a clear editorial line;
- supporting the making available of corresponding audiovisual works in VOD services.

Expected results:

- Contribute to reduce the costs of making European works available by stimulating the development of cost effective solutions for subtitling, and
- Increase the supply and the visibility of European audiovisual works online and increase their proportion in catalogues of VOD services available in the EU.

The results of the experimentation will be shared with stakeholders and policy makers notably through the organisation of a public workshop.

Potential applicants may refer to projects dealing with languages and technologies having been supported by the Commission:

http://cordis.europa.eu/fp7/ict/language-technologies/projects_en.html

3. TIMETABLE

Final date for the submission of applications: 25/09/2015.

Only costs incurred during the period of the action are eligible. As a matter of principle activities start on 01/01/2016 and are completed by 31/12/2016. However, activities related to knowledge sharing and the public workshop to be organised for this purpose at the end of the action may continue until 30/06/2017.

The agreement enters into force on the day it is signed by the last of the parties. 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 01/10/2015.

The intention is to inform applicants of the outcome of the selection procedure no later than the month of November.

It is planned that beneficiary will receive their agreement for signing by beginning of December.

¹ Belgium for Dutch, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Latvia, Lithuania, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden.

	Stages ²	Date and time or indicative period
a)	Publication of the call	July 2015
b)	Deadline for submitting applications	25/09/2015
c)	Evaluation period	October 2015
d)	Information to applicants	November 2015
e)	Signature of grant agreement or notification of grant decision	December 2015
f)	Starting date of the action/ work programme	01/01/2016

4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of projects is estimated at 1.000.000 Euro.

The amount of the financial contribution to be awarded will be determined within the limits of available budgetary resources and in consideration of the costs and nature of each action, assessed on the basis of the application and the selection and award criteria. It shall take the form of a Grant.

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

5. ADMISSIBILITY REQUIREMENTS

Applications shall comply with the following criteria:

- they must be sent no later than the deadline for submitting applications referred to in section 3.
- they must be submitted in writing, using the application form and/or electronic submission system available at http://ec.europa.eu/culture/calls/index_en.htm³.
- applications must be drafted in one the EU official languages, preferably in English or French.

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

² Stages b), c) d) (or equivalent) and e) to be repeated in case of a two-stage submission procedure.

³ Art. 131 FR.

6. ELIGIBILITY CRITERIA⁴

6.1. Eligible applicants

This scheme is open to any entity (private companies, non-profit organisations, associations, charities, foundations, municipalities/Town Councils, etc.) or group of entities established in one of the countries of the European Union and owned directly or by majority participation, by nationals from such countries.

"Natural persons" (individuals) are not eligible.

In order to demonstrate its existence as a legal person, the applicant must provide the following documents:

- Financial Identification Form, duly completed and signed (http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm),
- the Legal Entity Form, duly completed and signed (http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm)
- Copy of the legal registration document or other proof of legal status (Statutes, articles of incorporation/association).
- Evidence establishing that the person named as legal representative is the statutory legal representative of the applicant organisation. Where a different person is mentioned in the application as authorised to sign any agreement, a letter or proxy (signed by the Statutory Legal Representative).
- If applicable, the VAT registration document should be provided (including the VAT Number)

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

6.2. Eligible activities

The action aims to enhance the availability and visibility of European works in particular on VOD services provided in countries where those works were not available on any distribution platform and, for this purpose, to develop innovative and cost effective modalities to obtain the necessary subtitles.

Eligible activities are those consisting in assembling and delivering digital packages of European works with subtitling obtained through this innovative process and eventually sharing the results of the experimentation with professionals and policy makers.

⁴ Art. 131 FR, 201 RAP

Only those applications corresponding to the objectives described above will be considered as eligible. The activities being the specific subject matter of the action need to comply with following conditions:

a) Preparation of a catalogue of European audiovisual works:

- the catalogue should have demonstrated a **commercial potential** and each title of the catalogue needs to have been sold for cinema, TV or VOD distribution in at least three EU countries;

- The catalogue should follow a **clear editorial line** in order to be made available online in video on demand services;

b) Encoding: the preparation of such catalogue also covers the encoding of the European works according to the modalities required by the action;

c) Subtitling:

The subtitling of each title of the catalogue must be the result of the implementation of an **innovative process/model** (see below) to be tested with the aim to develop more cost effective option(s) for obtaining subtitling into the languages of low production capacity countries; the work-flow, including the quality check as well as the conditions for the viability (related in particular to governance and economic aspects, etc.) and sustainability of such a model must be clearly defined.

The innovativeness of the process/model for obtaining subtitles will be assessed by reference to the state in the art and existing processes/models being presently used. Several elements will be taken into consideration such as the technology proposed to be used, the possible involvement of the public (or schools), the method of collaboration or the practical arrangements with translators or the process or business model being used for obtaining quality subtitling. Since the general objective of the action is to facilitate the making available of European films online, the cost effectiveness and sustainability of the model to be experimented and its likelihood to be reused and to become a reference model for the industry will also be taken into consideration.

d) Minimum European Dimension:

- The content covered by the project must include a catalogue of a minimum of 10 European audiovisual works;

- The catalogue must include works from at least three EU countries representing at least three official languages of the European Union;

- Each film of the catalogue should be subtitled and made available in online services in at least three EU countries; two of the latter must be countries with a low production capacity⁵ not sharing a language with another country with a high production capacity.

e) Definitions:

Commercial potential: criterion to be assessed in view of the commercial success already obtained in the minimum three countries where the films have already been released (box office/number of admissions in cinema; audience/market share on TV or number of viewings on VOD, etc.) and other elements such as the reputation of the film director, the cast, the reviews, etc.

Clear editorial line: criterion according to which films are assembled and arranged in a coherent manner around a particular theme or event (For example, films from a given

⁵ Belgium for Dutch, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Latvia, Lithuania, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden,

film director; films from a given country; films on a given subject, etc.) and are well curated so that they form together a set of European films coherently offered and potentially appealing to the public of the targeted countries.

Besides, projects should also provide for the organisation of a public meeting where the main findings of the experiment and the lessons to be learnt are presented to professionals and public authorities.

All activities related to Non-European films or to the distribution/circulation of European films outside EU Member States are not eligible.

6.3 Eligible content: European audiovisual works

The content eligible is European audiovisual works i.e. fiction, animation and creative documentary, including feature films (i.e. feature length films), TV films or series.

European content should be majority produced by a producer or producers established in the European Union. To be considered as the actual producers the production companies must be credited as such. Other elements such as creative control, ownership of exploitation rights and share of profits may also be taken into account to determine who the actual producer is.

7. EXCLUSION CRITERIA

7.1. 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) of the financial regulation.

7.2. 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 7.1.

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

7.3. Supporting documents⁶

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 of the financial regulation, filling in the relevant form attached to the application form accompanying the call for proposals and available at http://ec.europa.eu/culture/calls/index_en.htm.

Applicants must also send documents ascertaining the validation of their legal entity (see point 6.1).

8. SELECTION CRITERIA⁷

Applicants must have both the financial and operational capacities.

8.1. Financial capacity⁸

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:

- The audited annual accounts of the 2 most recent completed fiscal years for commercial companies and of the last year only for non-profit companies (i.e. balance sheet, profit and loss accounts and the annexes)⁹.
- The financial capacity form in the application file duly completed. The key data must be based on the coordinator's certified accounts. This information is required to evaluate the financial strength of the applicant group.

⁶ Art. 197 RAP

⁷ Art. 132 FR, 202 RAP

⁸ Art. 131, 132 FR, 202 RAP.

⁹ Art. 131.3 FR .

- The bank identification form duly signed by the coordinating body and certified by the bank (original signatures required).
- The Commission will apply these criteria taking into account the legislative framework of the different countries covered by the Preparatory Action.

On the basis of the documents submitted, if the Commission considers that financial capacity is not satisfactory, it 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 11.4 below);
- where applicable, require the joint and several financial liability of all the co-beneficiaries;
- reject the application.

8.2. Operational capacity¹⁰

Applicants must have the professional competencies as well as appropriate qualifications necessary to complete the proposed action or work programme. 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);
- the organisations' activity reports;
- a comprehensive list of previous projects and activities performed and connected to the policy field of a given call or to the actions to be carried out; for applicants already selected in the framework of the 2012 annual work programme for the implementation of the preparatory action 'Circulation of films in the digital era', a report on the application of their project;
- a description of the technical equipment, tools or facilities and patents at the disposal of the applicant;
- an inventory of natural or economic resources involved in the project.

9. AWARD CRITERIA¹¹

Award criteria will be along the following lines:

	criteria	definition	
1	Relevance and European added	This criterion evaluates the relevance of the content of the action including	40

¹⁰ Art. 131 FR, 202 RAP.

¹¹ Art. 132 FR, 203 RAP

	value	European dimension vis a vis the objectives of the call for proposals.	
2	Quality of the activities	This criterion evaluates the adequacy of the methodology to the objectives including the target group, selection methods, the communication strategy, the feasibility and cost-efficiency.	30
3	Dissemination of project results, impact and sustainability	This criterion assesses the dissemination of the project's results in view of ensuring the share of information / transparency and the impact of the support on the definition of creative and sustainable solutions and eventually to the potential audience for European audiovisual works	20
4	Quality of the project team and the grouping	This criterion will take into account the geographical extent, the distribution of tasks as well as the adequacy of the team vis a vis the objectives of the action	10

Applications will be ranked according to the award criteria defined and weighted above. Within the limit of the available budget, applications obtaining the highest scores will be selected. It is intended to award no more than 3 projects.

Selected projects need to achieve a minimum threshold of 65 % of the maximum possible mark.

Detailed description of the award criteria and breakdown of points:

Relevance and European added value (40 points)

This criterion will take into account:

- the innovativeness of the process/method being proposed for obtaining subtitling, its cost effectiveness and its potential to become a sustainable and reference model in future (25 points)
- the extent, European dimension and scope of the programmes in the catalogue and the editorial line of the catalogue (15 points),

Quality of the activities (30 points)

This criterion will take into account:

- The quality and coherence of the strategies implemented for improving the availability, visibility and the global audience of European audiovisual works on online services (10 points),
- The feasibility and cost-effectiveness of the submitted action (10 points),
- the impact of the activities on improving collaboration across borders and across the value chain in order to favour the circulation of European works (10 points)

Dissemination of project results, impact and sustainability (20 points)

This criterion will take into account:

- the methodology proposed for assessing and disseminating the results including the organisation of a public presentation; methodology for defining mid-term strategies in order to ensure the sustainability of the action (10 points);
- the impact of the action on the availability, visibility and the potential audience (including the expected revenues) of the European audiovisual works (10 points),

Quality of the project team and the grouping (10 points)

This criterion will take into account:

- the geographical extent, the distribution of tasks as well as the adequacy of the team vis a vis the objectives;
- the decision making process and the exchange of knowledge (10 points).

10. FINANCIAL PROVISIONS

10.1. General Principles

Acceptance of an application by the Commission does not constitute an undertaking to award a financial contribution equal to the amount requested by the beneficiary. The awarding of a grant does not establish an entitlement for subsequent years.

Union grants are incentives to carry out actions which would not be feasible without the Commission's financial support, and are based on the principle of co-financing.

They complement the applicant's own financial contribution and/or national, regional or private assistance that has been obtained elsewhere.

Grant applications must include a detailed estimated budget in which all prices are given in euro. Applicants from countries outside the Euro zone must present their budget in both Euro and their national currency. Currency conversions in the Budget Form should be calculated using the official exchange rate applicable at the date of publication of the present Call for proposals. This exchange rate is fixed by the European Central Bank (ECB) and may be obtained at the following address: <http://www.ecb.int/stats/exchange/eurofxref/>, or in the relevant Official Journal of the European Union. The use of other sources for exchange rates (other than the ECB) is admissible only where no other solution is possible (i.e. when ECB does not include the daily exchange rates for a particular currency).

The exact rate used should be specified within the space provided on the Budget Form.

Applicants should note that currency conversions must be made on an item by item basis and the sub-totals and totals of each budget sub-category calculated from the converted euro amounts for each item (and not simply converted from the equivalent subtotal in a national currency), so that both national currency and euro budgets are coherent and totally correct.

Applicants are strongly advised to re-check all automatic calculations with a simple calculator.

The budget for the action attached to the application must have revenue and expenditure in balance and show clearly the costs which are eligible for financing from the Union budget. The applicant must indicate the sources and amounts of any other funding

received or applied for in the same financial year for the same action or for any other action and for routine activities.

The beneficiary shall supply evidence of the co-financing provided, either by way of own resources, or in the form of financial transfers from third parties, or in kind. The applicants shall provide an explicit undertaking from each co-financing organisation to provide the amount of funding stated in the grant application for the operation.

The Commission grant may not have the purpose or effect of producing a profit for the beneficiary. Profit is defined as a surplus of receipts over costs. The amount of the grant will be reduced by the amount of any surplus.

a) Non-cumulative award¹²

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 action¹³.

b) Non-retroactivity¹⁴

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

Costs eligible for financing may neither have been incurred before the grant application was lodged nor before the start of the beneficiary's budgetary year.

c) Co-financing¹⁵

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

Co-financing of the action or of the work programme may take the form of:

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

d) Balanced budget¹⁶

The estimated budget of the action or work programme 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 who foresee that costs will not be incurred in euros, are invited to use the exchange rate published on the Infor-euro website

¹² Art. 129 FR

¹³ Art. 196.4 RAP.

¹⁴ Art. 130 FR

¹⁵ Art. 125 FR, 183 RAP.

¹⁶ Art. 196.2 RAP

available at

http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm .

e) Implementation contracts/subcontracting¹⁷

Where the implementation of the action or the work programme 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.

Entities acting in their capacity of contracting authorities in the meaning of Directive 2004/18/EC¹⁸ or contracting entities in the meaning of Directive 2004/17/EC¹⁹ shall abide by the applicable national public procurement rules.

Sub-contracting, i.e. the externalisation of specific tasks or activities which form part of the action/work programme 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;
- 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.

f) Financial support to third parties²⁰ .

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

10.2. Funding forms²¹

The financing grant is 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 (see section 11.1c).

➤ **Eligible costs**²²

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 or of the work programme, with the exception of costs relating to final reports and audit certificates;

¹⁷ Art. 137 FR, 209 RAP

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

¹⁹ Directive 2004/17/EC coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

²⁰ Art. 137 FR, 210 RAP.

²¹ Art. 123 FR, 181 RAP.

²² Art. 126 FR

The period of eligibility of costs will start as specified in the grant agreement or the grant decision.

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 (see section 11.1b).

- ✓ they are indicated in the estimated budget of the action or work programme;
- ✓ they are necessary for the implementation of the action or of the work programme 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.

The same criteria apply to the affiliated entities.

Eligible direct costs

The eligible direct costs for the action/ work programme 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 or the work programme and which can therefore be booked to it directly, such as :

- The cost of personnel working under an employment contract with the applicant or equivalent appointing act and assigned to the action/project, comprising actual salaries plus social security contributions and other statutory costs included in their remuneration, provided that these costs are in line with the applicant's usual policy on remuneration policy of the beneficiary **or, where applicable, its partners. NB: this cost must be actual cost incurred by the beneficiary, the co-beneficiary and staff cost of other organisations is eligible only if it is paid directly or reimbursed by the beneficiary.** These 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. Personnel costs cannot exceed 40% of total eligible costs.

- 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.

Travel and subsistence costs may be claimed only for journeys directly linked to the action and relating to specific and clearly identifiable activities; it is requested to justify in the 'Note to the Budget' the relevance of expenses to the action activities and the calculation method. Beneficiaries are required to use the cheapest means of travel and will have to make every effort to take advantage of reduced fares;

- 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, **except where the nature and/or the context of its use justifies different treatment by the Commission ;**
- costs of consumables and supplies, provided that they are identifiable and assigned to the action/project;
- costs entailed by other contracts awarded by the beneficiary or its partners for the purposes of carrying out the action/project, provided that the conditions laid down in grant agreement are met;
- costs arising directly from requirements linked to the performance of the action/project (dissemination of information, specific evaluation of the action/project, translations, reproduction, etc.);
- 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;
- non deductible value added tax ("VAT") for all activities which are not activities of the public authorities in the Member States.

A flat-rate amount, limited to a maximum of 7% of the 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 project.

Overhead costs encompass the following categories:

- a) **Premises and related expenses** (e.g. rent, insurance, administration and management costs...)
- b) **Office expenses and consumables** (e.g. telephone, postal services, photocopies, goods or equipment)

Other costs have to be clearly identified and detailed for them to be eligible.

A space is provided in the form for the disclosure of other costs directly linked to the action which are not expressly provided for in the form and have to be clearly identified and detailed in the application form and in the financial report for them to be eligible. Moreover, those costs normally associated with the running of the company are not eligible under this heading.

These "other costs" must not fall under costs listed as ineligible costs

➤ **Ineligible costs**

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;

- doubtful debts;
- exchange losses;
- costs of transfers from the Commission charged by the bank of a beneficiary;
- costs declared by a beneficiary and covered by another action receiving a European Union grant. In particular, indirect costs shall not be eligible under a grant for an action awarded to a beneficiary who already receives an operating grant financed from the Union budget during the period in question;
- contributions in kind;
- excessive or reckless expenditure;
- acquisition of film rights;
- others (in accordance with the relevant legal base).

➤ 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 or work programme, upon approval of the request for payment containing the following documents²³:

- a final report providing details of the implementation and results of the action/work programme ;
- the final financial statement of costs actually incurred,
- a certificate on the financial statements of the action or the work programme and underlying accounts²⁴.

EU grants may not have the purpose or effect of producing a profit within the framework of the action or the work programme 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 or work programme.

10.3. Payment arrangements ²⁵

A pre-financing payment²⁶ corresponding to 50% of the grant amount will be transferred to the beneficiary within 30²⁷ days either of the date when the last of the two parties signs the agreement, or of the notification of the grant decision, provided all requested guarantees have been received.

If specified in the grant agreement an 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.

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

²³ Art. 135 FR

²⁴ Art. 207.3 RAP

²⁵ Art. 90, 135 FR, 207 RAP.

²⁶ Art. 109, 110 RAP

²⁷ Art. 92 FR

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 order²⁸.

10.4. Pre-financing guarantee²⁹

In the event that the applicant's financial capacity is not satisfactory, a pre-financing guarantee for up to the same amount as the pre-financing may be requested in order to limit the financial risks linked to the pre-financing payment.

The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the Member State of the European Union. When the beneficiary is established in a third country, the authorising officer responsible may agree that a bank or financial institution established in that third country may provide the guarantee if he considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. Amounts blocked in bank accounts shall not be accepted as financial guarantees.

The guarantee may be replaced by a joint and several guarantees 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.

11. PUBLICITY

11.1. 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.

To do this they must use the text, the emblem and the disclaimer available at http://ec.europa.eu/dgs/communication/services/visual_identity/index_en.htm.

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.

11.2. By the Commission³⁰

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

²⁸ Art. 109, 110 RAP

²⁹ Art. 134 FR, 206 RAP

³⁰ Art. 35, 128.3 FR, 21, 191 RAP.

- address of the beneficiary when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level³¹ 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.

12. 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 [entity acting as data controller]. 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/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm),

or

- the Commission Regulation 2008/1302 of 17.12.2008 on the Central Exclusion Database (for more information see the Privacy Statement on http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm)

13. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted in accordance with the formal requirements and by the deadline set out under section 5.

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 process³².

Applicants will be informed in writing about the results of the selection process.³³

Applications must be submitted to the Commission by the deadline of **25 September 2015**.

³¹ European Union Official Journal L 39, of 10 February 2007.

³² Art. 96 FR

³³ Art. 133 FR, 205 RAP

Applications must be submitted on paper (a/) AND besides, some parts of the application must also be sent electronically (b/).

a) Submission on paper

Application forms are available at Directorate General of Education and Culture and MEDIA's website at the following address: http://ec.europa.eu/culture/calls/index_en.htm

Applications shall be submitted on the correct form, duly completed, dated, showing a balanced budget (revenue/expenditure), submitted in 3 copies (one original clearly identified as such, plus 2 certified 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 by post, date as postmark, to the following address³⁴:

European Commission
DG CNECT
Directorate G – Unit G6
Ms Lucia Recalde
BU 25 – 05/130
B-1049 Brussels

- in person, date as receipt, at the following address:

European Commission
DG CNECT
Ms Lucia Recalde
Avenue de Beaulieu 25
5th floor, office 130
1160 Auderghem (Brussels)
Belgium

or

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

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

All envelopes should be clearly marked:

Preparatory Action

Crowdsourcing subtitling to increase the circulation of European works

CALL FOR PROPOSALS – CNECT 3225437/2015

³⁴ Art. 195.3 RAP

b) Electronic submission

Besides the submission of the application by registered mail, an electronic version of the following documents must also be submitted by **25 September 2015**, 23:59, Brussels time at the latest to the following email address: CNECT-MEDIA@ec.europa.eu:

All emails should include in their title "**Submission Preparatory Action – Call for proposals CNECT 3225437/2015**".

No changes to the dossier can be made after the application has been submitted. However, if there is a need to clarify certain aspects, the Commission may contact the applicant for this purpose.

Applicants will be informed of the receipt of their proposal within 10 working days.

Only applications that fulfill the eligibility criteria will be considered for a grant. If an application is deemed ineligible, a letter indicating the reasons will be sent to the applicant.

All unsuccessful applicants will be informed in writing.

Selected proposals will be subjected to a financial analysis, in connection with which the Commission may ask the persons responsible for the proposed actions to provide additional information and, if appropriate, guarantees.

➤ Contacts

Emmanuel Joly: Emmanuel.Joly@ec.europa.eu, +32 2 299 96 95

CNECT-MEDIA@ec.europa.eu:

➤ Annexes:

- Application form (annex 1)
- Budget form (annex 2)