

# **CREATIVE EUROPE**

# **MEDIA Sub-programme**

# SUPPORT FOR DEVELOPMENT SINGLE PROJECT AND SLATE FUNDING

## **GUIDELINES**

**WARNING:** The present call for proposals/ guideline is subject to:

- the final adoption of the Regulation of the European Parliament and of the Council on establishing the Creative Europe Programme (2014-2020) hereafter referred to as 'the programme' by the legislative authority without significant modification,
- a positive opinion or lack of objection by the committee established according to Article 23 of the Regulation on establishing the Creative Europe Programme,
- the availability of the appropriations provided for in the draft budget for 2014 after the adoption of the budget for 2014 by the budgetary authority or as provided for in the system of provisional twelfths
- the final adoption of the Commission Decision authorising the use of lump sums under the MEDIA Sub-programme within the Creative Europe Programme

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## **Annexes:**

All the annexes are available on the EACEA/MEDIA website:

http://ec.europa.eu/culture/media/fundings/creative-europe/call\_7\_en.htm

## 1. INTRODUCTION

These guidelines are based on Regulation No XX of the European Parliament and of the Council of XX/YY/2013 concerning the implementation of a programme of support for the European cultural and creative sector (CREATIVE EUROPE).<sup>1</sup>

The European Commission is responsible for the implementation of the Creative Europe Programme and for the decision to grant individual European Union funds. The Education, Audiovisual and Culture Executive Agency hereafter "the Agency" manages the Culture and MEDIA Sub-programme on behalf and under the control of the European Commission.

General background information about the Creative Europe programme can be found on the following link: http://ec.europa.eu/creative-europe

## 2. OBJECTIVES - PRIORITIES

## 2.1 Objectives and Priorities

Within the specific objective of reinforcing the European audiovisual sector's capacity to operate transnationally and internationally one of the priorities of the MEDIA Sub-programme shall be to:

increase the capacity of audiovisual operators to develop European audiovisual works with a
potential to circulate in the Union and beyond and to facilitate European and international coproduction, including with television broadcasters.

The MEDIA Sub-programme shall provide support for the following measures:

- the development of European audiovisual works in particular films and television works such as fiction, documentaries, children's and animated films, as well as interactive works such as videogames and multimedia with enhanced cross-border circulation potential;
- activities aiming at supporting European audiovisual production companies, in particular independent production companies, with a view to facilitating European and international coproductions of audiovisual works including television works.

Under this Support scheme, the applicant submits a proposal with a view to developing a Single Project or a Slate of 3 to 5 projects (Slate Funding) intended primarily for cinema release, television broadcasting or commercial exploitation on digital platforms in the following categories: animation, creative documentary and fiction.

 $<sup>^{\</sup>rm 1}$  Published in the Official Journal of the European Union on the XX/YY/2013 (OJ XX, pp XX).

## 2.2 Targeted Projects:

The MEDIA Sub-programme supports European production companies with proven experience interested in developing a Single Project or a Slate of 3 to 5 projects presenting:

- high creative/artistic value and cultural diversity
- wide cross-border potential able to reach audiences at European and international levels
- greater cooperation between operators from different countries participating in the MEDIA Sub-programme
- enhanced audience reach based on strategies for marketing and distribution envisaged from the development phase

In the case of Slate Funding, the proposal shall also

- strengthen companies position in both the European and international markets as well as their financial capacity
- expand companies activities and their innovation capacity to explore new fields and markets.

## 3. TIMETABLE

The indicative timetable is the following:

	Stages	Date or indicative period		
a)	Publication of the call	December 2013		
b)	Deadline for submitting applications	1 <sup>st</sup> Deadline for Single Project <b>28 February</b> <b>2014</b> -12:00 (noon, Brussels Time)	2 <sup>nd</sup> Deadline for Single Project <b>6 June 2014</b> - 12:00 (noon, Brussels Time)	Deadline for Slate Funding 28 March 2014 - 12:00 (noon, Brussels Time)
c)	Evaluation period	March-May 2014	June-Sept 2014	April-June 2014
d)	Information to applicants	June 2014	October 2014	July 2014
e)	Signature of grant agreement or notification of grant decision	July 2014	November 2014	August 2014
f)	Starting date of the action	Date of submission	Date of submission	Date of submission
g)	Max. duration of the action / Period of eligibility	Until 30 months from date of submission	Until 30 months from date of submission	Until 30 months from date of submission

Applicants may only make one submission for development support for the duration of a particular Call for Proposals. They must choose between applying for <u>either</u> Single Project or Slate Funding support <u>and</u> one of the two deadlines for Single Project.

## 4. AVAILABLE BUDGET

The total budget available for the co-financing of Single Projects and Slate Funding is estimated at EUR 17.5 M.

Financial contribution of the EU cannot exceed 50% of the total eligible costs of the action.

The contribution per action under these Guidelines is:

- for Single Project:
- \* a lump sum of EUR 60.000 in case of animation
- \* a lump sum of EUR 25.000 in case of creative documentary
- \* a lump sum of EUR 50.000 in case of fiction if the estimated production budget is equal/above EUR 1.5 M and a lump sum of EUR 30.000 if the estimated production budget is below EUR 1.5 M.
- for Slate Funding (3 to 5 projects): between EUR 70.000 and EUR 200.000. In case of a slate of only documentary projects the amount is limited to EUR 150.000. Each project of a slate can receive between EUR 10.000 and EUR 60.000 provided the amount does not exceed 50% of the eligible costs of the project.

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

## 5. ELIGIBILITY CRITERIA

Only applications which comply with the following criteria will be the subject of an in-depth evaluation.

## 5.1 Formal criteria

In order to submit an application, applicants must provide their Participant Identification Code (PIC) in the application form. The PIC can be obtained by registering the organisation in the Education, Audiovisual, Culture, Citizenship and Volunteering Participant Portal<sup>2</sup>.

The Participant Portal allows applicants, to upload or update the information related to their legal status and attach the requested legal and financial documents.

See the section on Registration in the Participant Portal for more information.

Only proposals submitted in one of the EU official language, using the official application form, completed in full, signed (original signatures or equivalent required) and received by the specified deadline, will be considered.

For Slate Funding, the application form must be accompanied by all the documents referred to in the application form. Applicants must submit a budget that is balanced in terms of expenditure and revenue and that complies with the ceiling for European Union cofinancing, set at 50%.

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<sup>&</sup>lt;sup>2</sup> The organisation has to register in the Unique Registration Facility (URF) hosted in the Education, Audiovisual, Culture, Citizenship and Volunteering Participant Portal. The Unique Registration Facility is a tool shared by other services of the European Commission. If your organisation-already has a PIC that has been used for other programmes (for example the Research programmes), the same PIC is valid for the present call for proposals.

## 5.2 Eligible countries

Applications from legal entities established in one of the following countries are eligible as long as all conditions referred to in Article 8 of the Regulation establishing the Creative Europe Programme are met and the Commission has entered into negotiations with the country:

- EU Member States;
- Acceding countries, candidate countries and potential candidates benefiting from a
  pre-accession strategy, in accordance with the general principles and general terms
  and conditions for the participation of those countries in Union programmes
  established in the respective Framework Agreements, Association Council Decisions
  or similar agreements;
- EFTA countries which are members of the EEA, in accordance with the provisions of the EEA Agreement;
- The Swiss Confederation, on the basis of a bilateral agreement to be concluded with that country;
- Countries of the European neighbourhood area in accordance with the procedures defined with those countries following the framework agreements providing for their participation in European Union programmes.

The Agency may select proposals from applicants in non EU countries, provided that, on the date of the award decision, agreements have been signed setting out the arrangements for the participation of those countries in the programme established by the Regulation referred to above.

(Updated list of countries that fulfil the conditions referred to in Article 8 of the Regulation and that the Commission has started negotiations with can be found on the following link:

http://ec.europa.eu/culture/creative-europe/documents/eligible-countries.pdf)

## 5.3 Eligible applicants

The Development support is open to European independent audiovisual production companies which have been legally constituted for at least 12 months (for Single Project) and 36 months (for Slate Funding) and that can demonstrate proven track record.

A **European company** is a company established in one of the countries participating to the MEDIA Sub-programme and owned directly or by majority participation, by nationals from such countries.

An **independent company** is a company which does not have majority control by a television broadcaster, either in shareholding or commercial terms. Majority control is considered to occur when more than 25% of the share capital of a production company is held by a single broadcaster (50% when several broadcasters are involved).

An **audiovisual production company** is a company whose main object and activity is audiovisual production.

## Proven track record is understood as following:

For Single project:

The applicant must prove it has produced a previous eligible work that has been officially released or broadcast during the two calendar years preceding the publication of the Call for Proposals.

For Slate Funding:

The applicant must prove that in the five years preceding the submission it has produced a previous eligible work that has been officially released or broadcast in at least three countries other than the applicant's one during the two calendar years preceding the publication of the Call for Proposals. Companies established in France, Germany, Italy, Spain and United Kingdom must prove that they have produced two previous eligible works under the same conditions.

Concerning the production of a previous eligible work the applicant must prove in any case:

- that it was the sole production company;
- or that it was, in the case of a co-production with another production company, the major coproducer in the financing plan or the delegate producer;
- or that its Chief Executive or one of its shareholders has a personal onscreen credit on the work as producer or delegate producer.

The date taken into account in verifying that distribution has taken place during the reference period is the date on which the distribution took place (date of official release in cinema or broadcast date). Commercial distribution online and distribution from international sales agent are accepted only if duly documented by a revenues report related to the reference period.

## The applicant must also own the majority of rights related to the project(s).

No later than on the date of submission, the applicant must show that it holds the majority of the rights relating to each project for which support is being sought. It is required to provide a contract covering the rights to the artistic material included in the application. This must include at least: concept, subject, treatment, script or bible. This contract<sup>3</sup> must be duly signed and dated by the author(s).

If the project is an adaptation of an existing work (novel, biography etc.), the applicant must also show that it holds the majority of the rights relating to the rights of adaptation to this work with an option agreement or transfer of rights contract duly dated and signed.

The following applicants are ineligible:

- Foundations, Institutes, Universities, associations and other legal bodies acting in the public interest;
- applications from groups of companies;
- natural persons.

## 5.4 Eligible activities

## Only the development activities for the following projects are eligible:

- Feature films, animations and creative documentaries of a minimum length of 60 minutes intended primarily for cinema release
- Drama films (one-off or series) of a total duration of minimum 90 minutes, animation (one-off or series) of a total duration of minimum 24 minutes and creative documentaries (one-off or series) of a duration of minimum 50 minutes (in case of series the minimum length per episode is 25 minutes) intended primarily for the purposes of television or digital platform exploitation.

The day of principal photography  $^4$  (or equivalent) of the submitted project(s) must not be scheduled to occur within 8 months from the date of application.

- an option agreement concerning the transfer of rights between the author and the applicant company, of an adequate duration to cover the whole development schedule and clearly setting out the conditions for exercising the option; or

- a contract transferring the rights from the author to the applicant company.

The option agreement or transfer of rights contract can be replaced by:

- a unilateral declaration of the transfer of rights to the applicant company where the author is the producer, a shareholder or an employee of the company;

- a co-production or co-development agreement duly dated and signed by the parties and clearly showing that the applicant company holds the majority of the rights at the date of the application.

<sup>4</sup> For creative documentary the first day of principal photography can be defined as the day on which the filming starts, with the contracted crew present on set/location, within the framework of an established period of employment, as stated and

<sup>&</sup>lt;sup>3</sup> The following types of contracts will be accepted:

No grant may be awarded retrospectively for actions already completed.

The eligibility period will end 30 months after the deadline for submission. If the project enters into production before the end of this period, the period of eligibility of costs ends on the date of entry into production of the project.

However, if after the signing of the decision/agreement and the start of the project it becomes impossible for the beneficiary, for fully justified reasons beyond its control, to complete the project within the scheduled period, an extension to the eligibility period may be granted. A maximum extension of 6 additional months will be granted, if requested before the deadline specified in the agreement. The maximum duration will then be 36 months after the deadline for submission.

Applications requesting financial contributions of less than EUR  $70.000 \in$  for Slate Funding are ineligible.

The following projects are ineligible:

- live recordings, TV games, talk shows, reality shows or educational, teaching and 'how-to' programmes;
- documentaries promoting tourism, "making-of", reports, animal reportages, news programmes and "docu-soaps";
- projects including pornographic or racist material or advocating violence;
- works of a promotional nature;
- institutional productions to promote a specific organisation or its activities.

## 6. EXCLUSION CRITERIA

## **6.1.** 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 or 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 States which has the force of res judicata;
- (c) they have been guilty of grave professional misconduct proven by any means which the responsible authorising officer 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 responsible authorising officer or those of the country where the grant agreement is to be performed;
- (e) they or persons having powers or 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' financial interests;
- (f) they are currently subject to an administrative penalty referred to in Article 109(1) of the Financial Regulation.

confirmed in written agreements. Activities aimed at the acquisition of footage and preliminary shooting are allowed.

#### 6.2 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 interests;
- (b) are guilty of misrepresentation in supplying the information required by the Agency 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 the above section 6.1.

Administrative and financial penalties may be imposed on applicants who are guilty of misrepresentation or are found to have seriously failed to meet their contractual obligations under a previous grant award procedure.

## 6.3 Support documents

Applicants for a grant exceeding EUR 60.000 must sign a declaration on their honour certifying that they are not in one of the situations referred to in the above sections 6.1. and 6.2, filling in the relevant form attach to the application form accompanying the call for proposals and available at <a href="http://ec.europa.eu/culture/media/fundings/creative-europe/call\_7\_en.htm">http://ec.europa.eu/culture/media/fundings/creative-europe/call\_7\_en.htm</a>

## 7. SELECTION CRITERIA

Applicant 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. They must have the professional competencies and qualifications required to complete the proposed action or work programme.

Applicants must submit a declaration on their honour, completed and signed, attesting to their status as a legal person and to their financial and operational capacity to complete the proposed activities

## 7.1. Operational Capacity

In order to permit an assessment of their operational capacity, organisations applying for a grant above EUR 60,000 must submit, together with their applications:

- the details of the experience of the members of the applicant company's team directly attached to the development of the submitted action;
- a list of productions already produced by the applicant Company.

## 7.2. Financial Capacity

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

- a) Low value grants ( $\leq$  EUR 60 000):
  - a declaration on their honour
- b) Grants > EUR 60 000:
  - a declaration on their honour

- the financial statements (including the balance sheet, the profit and loss accounts and the annexes) of the last two financial years for which the accounts have been closed
- financial capacity form provided for in the application form, filled in with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form.

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

- request further information;
- propose a grant decision/agreement without pre-financing;
- propose a grant decision/agreement without pre-financing but an interim payment based on expenses already occurred;
- propose a decision/grant agreement with a pre-financing covered by a bank guarantee (see section 9.2 below);
- reject the application.

## 8. AWARD CRITERIA

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

## **For Single Project**

	Criteria	Definitions	Max. Weighting
1	Relevance and	Quality of the project and the potential	50
	European	for European distribution	
	added-value		
2	Quality of the	Quality of the development strategy	10
	content and		
	activities		
3	Dissemination	Quality of the European and	
	of project	international distribution and marketing	20
	results	strategy	
4	Quality of the	Experience, potential and adequacy of	10
	project team	the creative team	
5	Impact and	Quality of the financing strategy and	10
	sustainability	feasibility potential of the project	

## Automatic Award criteria

Description	Extra points
An applicant company established in a country with low production capacity <sup>5</sup>	10
A project targeted for young audience <sup>6</sup>	10
A project intended for co-production with a company established in a participating country which does not have a common official language	5

## **For Slate Funding:**

	Criteria	Definitions	Max. Weighting
1	Relevance and European added-value	Capacity of the company to develop and produce at a European and international level a slate of 3 to 5 projects	20
2	Quality of the content and activities	Quality of the slate of projects, quality of the development strategy, quality of the financing strategy and its European dimension	20
3	Dissemination of projects results	Quality of the European and international distribution and marketing strategy	20
4	Quality of the projects team	Experience, adequacy and diversity of the creative teams	10
5	Impact and sustainability	Feasibility potential of the slate of projects	10
6	Innovative character	Capacity of the company to be innovative in its activities <sup>7</sup>	20

## Automatic points

Description	Extra points
An applicant company established in a country with low	10
production capacity <sup>8</sup>	

<sup>&</sup>lt;sup>5</sup> All MEDIA countries with the exception of France, Germany, Italy, Spain and the United Kingdom.

<sup>6</sup> Young audience is intended up to 16 years old

<sup>7</sup> This criterion considers how the proposed slate of projects shows the applicant's ability to adapt to a competitive and consistently changing audiovisual landscape and improve its market position

#### 9. FUNDING CONDITIONS

An EU grant is an incentive to carry out activities that would not be possible without the support of the Union. It is based on the principle of co-financing. The EU grant supplements the applicant organisation's own financial involvement and/or any national, regional or private support it may have obtained.

Acceptance of an application by the Agency does not constitute an undertaking to award a grant equal to the amount requested by the beneficiary. Furthermore, under no circumstances may the amount awarded exceed the amount requested.

The award of a grant does not establish an entitlement for subsequent years.

## 9.1 Contractual provisions and payment procedures

In the event of definitive approval by the Agency, a grant decision or a grant agreement, drawn up in euro and detailing the conditions and level of funding will be sent to the beneficiary.

	In case of beneficiaries established outside the European Union: the 2 copies of the original
Grant A	agreement must be signed by the beneficiary and returned to the Agency immediately. The
Agency	will sign it last.

In case of beneficiaries established within the European Union Member States: the grant decision must not be returned to the Agency. The general conditions applicable to the decision are available in the 'Documents register' of the Agency website (Calls for proposals II.a) http://eacea.ec.europa.eu/about/documents/calls\_gen\_conditions/2a\_action\_nocontribution\_en.pdf.

As regards grant decisions, beneficiaries understand that:

Submission of a grant application implies acceptance of these General Conditions. These General Conditions bind the beneficiary to whom the grant is awarded and shall constitute an annex to the grant decision.

A pre-financing payment of 70% will be transferred to the beneficiary within 30 days:

- of notification of the grant decisions,
- of the date when the last of the two parties signs the agreement (for grant agreements) and all the possible guarantees are received.

Pre-financing is intended to provide the beneficiary with a float.

The Agency will establish the amount of the final payment to be made to the beneficiary on the basis of the final report. If the eligible costs actually incurred by the applicant during the action are lower than anticipated, the Agency will apply its rate of funding to the actual costs, and the beneficiary will, where applicable, be required to repay any excess amounts already transferred by the Agency under the pre-financing payment.

#### 9.2 Guarantee

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.

<sup>&</sup>lt;sup>8</sup> All MEDIA countries with the exception of France, Germany, Italy, Spain and the United Kingdom.

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.

## 9.3 Double financing

Applicants may receive only one grant for action for the same application from the budget of the European Union.

To ensure this, they must give details in their application form of any other grant requests which they have submitted or intend to submit to the European Institutions stating in each case, the budgetary year, the budget heading, the European Union programme and the amount requested

## 9.4 Funding method

## 9.4.1 <u>Lump-sum grant applicable for Single Project</u>

## ✓ General provisions

Under this system, approved by Commission Decision, the grant is calculated on the basis of statistical data on final eligible costs.

## ✓ Calculation of the grant

The grant is calculated on the basis of the following grid:

CATEGORY	LUMP SUM
Single Project ANIMATION	€ 60.000
Single Project CREATIVE DOCUMENTARY	€ 25.000
Single Project FICTION	€ 30.000 (production budget < € 1.5M) € 50.000 (production budget ≥ € 1.5M)

A grant calculator shows the maximum amount of grant that may be requested. The indicated amount corresponds to the potential maximum grant request after the rules governing the maximum amount of funding and other conditions have been applied.

The grant calculator indicates amounts in euros.

✓ Calculation of the final payment – documents to be submitted for lump sum financing:

Documents requested with the final payment request:

Final report on the implementation of the action and related documentation (including description of the development support impact and production schedule up to the delivery; last script version; confirmed key crew; research work undertaken and visual material; final detailed production budget and final financing plan; description of B2B and B2C activities supported by marketing material).

In the event of non execution or clearly inadequate execution of an activity planned in the application attached to the funding agreement, the final grant will be reduced accordingly, and where applicable, the beneficiary will be required to reimburse any excess amounts paid by the Agency in the form of pre-financing.

## 9.4.2 <u>Budget-based financing applicable for Slate Funding</u>

## ✓ General provisions

Budget-based grants are calculated on the basis of a detailed estimated budget. The budget attached to the application form must be complete and in balance, i.e. total estimated expenditure must equal total revenue, including the Agency grant application. The budget must indicate clearly the costs that are eligible for EU funding. The EU grant is limited to a maximum co-financing rate of 50% of eligible costs.

The budget must be drawn up in euros. Applicants not based in the euro zone must use the exchange rate published in the Official Journal of the European Union on the date of the publication of this call for proposals. This exchange rate is available from the Creative Europe Desks and from the web site of the European Commission at http://ec.europa.eu/budget/inforeuro.

Part of the total estimated eligible expenses must be financed from sources other than the Union grant. Applicants must indicate the sources and amounts of any other funding received or applied for in the same financial year for the implementation of the project or work programme concerned.

The allocated amount may not exceed the amount requested.

EU grants may not have the purpose or effect of producing a profit within the framework of the action of the beneficiary. **Profit shall be defined as a surplus of 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 Agency shall be entitled to recover a percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the action. <sup>9</sup>

## ✓ Eligible costs

Eligible costs of the action are costs actually incurred by the beneficiary, which meet the following criteria:

- they are incurred during the duration of the action as specified in the grant agreement, with the exception of costs relating to final reports and certificates on the action/work programme's financial statements and underlying accounts.

The period of eligibility of costs will start on the date of submission of the application. Under no circumstances can the eligibility period start before the date of submission of the grant application. Only the costs related to the acquisition of author rights is eligible retroactively for a period of 12 months preceding the date of submission.

- they are connected with the subject of the agreement and they are indicated in the estimated overall budget of the action/work programme;

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<sup>&</sup>lt;sup>9</sup> This provision does not apply for grants which are lower than or equal to €60 000.

- they are necessary for the implementation of the action/ 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.

## **Eligible direct costs:**

The eligible direct costs for the action are those costs which, with due regard for the conditions of eligibility set out above, are identifiable as specific costs directly linked to the performance of the action and which can therefore be booked to it directly. In particular, the following direct costs are eligible, provided that they satisfy the criteria set out in the previous paragraph:

- acquisition of author rights;
- research activities;
- scriptwriting, including treatments, up to and including the final draft;
- research and identification of key cast and crew;
- preparation of the production budget and financing plan;
- search for and identification of industry partners, co-producers and financiers;
- preparation of the production schedule up to delivery;
- marketing and sales plans (target markets and buyers, foreseen releases, presentation at festivals and markets, etc.);
- production of a video treatment or of a pilot.

## Eligible indirect costs (administrative costs):

- a flat-rate amount, not exceeding 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 action.

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

Applicants's attention is drawn to the fact that in the case of organisations receiving an operating grant, indirect costs are no longer eligible under specific actions.

✓ Ineligible costs

The following costs shall not be considered eligible:

- return on capital,
- debt and debt service charges,
- provisions for losses or debts,
- interest owed,
- doubtful debts.
- exchange losses,
- costs of transfer from the Agency charged by the bank of the beneficiary,
- costs declared by the beneficiary and covered by another action receiving a European Union grant,

- contributions in kind.
- excessive or reckless expenditure,
- production costs.

#### ✓ Calculation of the final award

The Agency will establish the final amount of the grant on the basis of the following documents:

- a final report providing details of the implementation and results of the action;
- the final financial statement of costs actually incurred.

The beneficiary is required to submit, in support of the final payment, a "Report of Factual Findings on the Final Financial Report - Type I' produced by an approved auditor or in case of public bodies, by a competent and independent public office.

The procedure and the format to be followed by an approved auditor or in case of public bodies, by a competent and independent public officer, are detailed in the following "Guidance Notes":

http://eacea.ec.europa.eu/about/documents/guidance-notes-audit-type-i 11.2012 en.pdf

The use of the report format set by the "Guidance Notes" is compulsory.

The calculation of the final grant amount by the Agency is based on a detailed final financial statement of the beneficiary, accompanied by supporting documentation for the incurred expenditure. If the eligible costs actually incurred by the beneficiary are lower than anticipated, the Agency will apply the rate of co-financing stated in the grant agreement to the expenditure actually incurred. The Agency also reserves the right to reduce the amount of the grant if the organisation has not fully implemented the agreed project/work programme.

Where applicable, the beneficiary will be required to reimburse any excess amounts paid by the Agency in the form of pre-financing.

#### 10. SUB-CONTRACTING AND AWARD OF PROCUREMENT CONTRACT

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.

Sub-contracting, i.e. the externalisation of specific tasks or activities which form part of the action/work programme as described in the proposal and which cannot be performed by the beneficiary itself 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 or prior written authorisation from the Agency must be obtained.

## 11. PUBLICITY, COMMUNICATION AND DISSEMINATION

## 11.1 Publicity

All grants awarded in the course of a financial year must be published on the Internet site of the European Union institutions during the first half of the year following the closure of the budget year in

respect of which they were awarded. The information may also be published using any other appropriate medium, including the Official Journal of the European Union.

The beneficiary authorises the Agency to publish the following information in any form and medium, including via the Internet:

- the beneficiary's name and locality,
- the amount awarded
- -.....the nature and purpose of the grant

Upon a reasoned and duly substantiated request by the beneficiary, the Agency may agree to forgo such publicity, if disclosure of the information indicated above would threaten the safety of the beneficiaries or harm their business interests.

Beneficiaries must clearly acknowledge the European Union's contribution in all publications or in conjunction with activities for which the grant is used. The name and logo of the programme must appear on all publications, posters, programmes and other products created in relation to the cofinanced action.

The logo of the Creative Europe Programme can be downloaded from the following address: <a href="http://ec.europa.eu/dgs/education\_culture/promo/creative-europe/eps/eps.zip">http://ec.europa.eu/dgs/education\_culture/promo/creative-europe/eps/eps.zip</a>

#### 11.2 Communication and dissemination

To maximise impact, projects should have a clear and strong strategy for communication and dissemination of their activities and results, and applicants must provide enough time and resources to communicate and interact appropriately with peers, audiences and local communities as appropriate.

The Commission together with the Agency may identify good practices and prepare relevant dissemination materials to be shared within and across all participating countries and beyond.

Data and results from projects will be made freely available to be used by stakeholders, policy makers and others in a wide range of ways.

Beneficiaries may be required to attend and to participate in events organised by the European Commission or the Agency to share their experience with other participants and/or policy makers.

#### 12. DATA PROTECTION

All personal data (such as names, addresses, CVs, etc.) will be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the European Union institutions and bodies and on the free movement of such data.<sup>10</sup>

Unless marked as optional, the applicant's replies to the questions in the application form are necessary to evaluate and further process the grant application in accordance with the specifications of the call for proposals. Personal data will be processed solely for that purpose by the department or Unit responsible for the Union grant programme concerned (entity acting as data controller). Personal data may be transferred on a need to know basis to third parties involved in the evaluation of applications or in the grant management procedure, without prejudice of transfer to the bodies in charge of monitoring and inspection tasks in accordance with European Union law. The applicant has the right of access to, and to rectify, the data concerning him or her. For any question relating to these data, please contact the Controller. Applicants have the right of recourse to the European Data Protection Supervisor at any time. A detailed Privacy statement, including contact information, is available on Agency's website:

http://eacea.ec.europa.eu/about/documents/calls\_gen\_conditions/eacea\_grants\_privacy\_statement.pdf

Applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations mentioned in:

Official Journal L 8, 12.1.2001.

- the Commission Decision of 16.12.2008 on the Early Warning System (EWS) for the use of authorising officers of the Commission and the executive agencies (OJ, L 344, 20.12.2008, p. 125), or
- the Commission Regulation of 17.12.2008 on the Central Exclusion Database CED (OJ L 344, 20.12.2008, p. 12),

their personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the EWS only or both in the EWS and CED, and communicated to the persons and entities listed in the above-mentioned Decision and Regulation, in relation to the award or the execution of a procurement contract or a grant agreement or decision.

#### 13. PROCEDURE FOR THE SELECTION OF PROPOSALS

#### 13.1 Publication

Following the adoption the Annual Work Programmes, the Calls for proposals will be published in the Official Journal of the European Union and will be accessible on the MEDIA Sub-programme website at the following address:

http://ec.europa.eu/culture/media/fundings/creative-europe/call\_7\_en.htm

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## 13.2 Registration in the Participant Portal

Before submitting an electronic application, applicants will have to register their organisation in the Education, Audiovisual, Culture, Citizenship and Volunteering Participant Portal and receive a Participant Identification Code (PIC). The PIC will be requested in the application form.

The Participant Portal is the tool through which all legal and financial information related to organisations will be managed. Information on how to register can be found in the portal under the following address: <a href="http://ec.europa.eu/education/participants/portal">http://ec.europa.eu/education/participants/portal</a>

The tool also allows applicants to upload different documents related to their organisation. These documents have to be uploaded once and will not be requested again for subsequent applications by the same organisation.

Details on the supporting document that need to be uploaded in the portal can be found on the following link: <a href="http://ec.europa.eu/culture/media/fundings/creative-europe/call\_7\_en.htm">http://ec.europa.eu/culture/media/fundings/creative-europe/call\_7\_en.htm</a>.

## 13.3 Submission of the grant application

An online application system has been set up. Grant applications must be drawn up in one of the official EU languages, using the online form (eForm) specifically designed for this purpose. To facilitate the assessment of the application, an English or French translation of the documents relevant to the assessment of the project(s) may be submitted.

The eForm can be obtained on the Internet at the following address: <a href="https://eacea.ec.europa.eu/PPMT">https://eacea.ec.europa.eu/PPMT</a>

Proposals must be submitted by the deadline mentioned in the call for proposals and in Section "3.Timetable" of the present Guidelines **before 12:00 CET/CEST (Midday, Brussels time)**, using the online application form.

Please note that no other method of submission of an application will be accepted. Applications submitted in any other way will be automatically rejected. No exceptions will be made.

Make sure that you have officially submitted your electronic application form and that you have received an e-mail acknowledging receipt of your submission with a project reference number.

Applicants shall ensure that all the documents requested and mentioned in the eForms are provided electronically.

No changes to the dossier can be made after the deadline for the submission of applications. However, if there is a need to clarify certain aspects, the Agency may contact the applicant for this purpose.

Only applications that fulfil 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.

## 13.4 Evaluation procedure

The eligible proposals will be ranked according to the award criteria defined and weighted in section 8 of the present Guidelines. Within the limit of the available budget, actions obtaining the highest scores will be selected.

The assessment is made solely on the basis of the documents sent by the relevant deadline. Nevertheless, the Agency reserves the right to request additional information from the applicant.

#### 13.5 Award decision

Only after completion of the procedure mentioned above, is the selection process finalised and the award decision adopted by the Agency.

Applicants will be informed of the results of the selection within two weeks of the date of adoption of the award decision.

Unsuccessful applicants will receive a letter stating the reasons why their application was not selected.

Once applicants informed the list of selected proposals will be published on the websites of the Commission/Agency: <a href="http://ec.europa.eu/media">http://ec.europa.eu/media</a>

## 13.6 Rules applicable

Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union (OJ L 298, 26.10.2012, p.1).

Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p.1).

Regulation (EU, Euratom) No X/ 2013 of the European Parliament and of the Council of XX Month 2013 establishing the Creative Europe Programme (2014 to 2020) concerning the implementation of a support Programme for the European creative sector (Creative Europe) (OJ L XXX, XX.Month.2013, p.X).

#### 13.7 Contacts

For any further information please contact your Creative Europe desk: <a href="http://ec.europa.eu/culture/creative-europe/creative-europe-desks\_en.htm">http://ec.europa.eu/culture/creative-europe/creative-europe-desks\_en.htm</a>

Contact within the EACEA:

## EACEA-MEDIA-DEVELOPMENT@ec.europe.eu

If you encounter a technical problem in relation to the e-Form, please ensure that you contact the HelpDesk well in advance of the deadline for submission: eacea-helpdesk@ec.europa.eu