



A programme of the European Union



MEDIA 2007 (2007-2013) *

CALL FOR PROPOSALS EACEA 18/2009.

GUIDELINES

**SUPPORT FOR TELEVISION BROADCASTING OF
EUROPEAN AUDIOVISUAL WORKS**

*** Decision N° 1718/2006/CE
of the Parliament and of the Council**

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1. INTRODUCTION

The current call for proposals and attached guidelines (hereafter: "Call for proposals") are based on Decision No 1718/2006/EC of the European Parliament and of the Council of 15 November 2006 concerning the implementation of a programme of support for the European audiovisual sector (MEDIA 2007).¹

The total budget for the MEDIA Programme 2007-2013 amounts to EUR 754,95 million.

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

The MEDIA programme unit of the Education, Audiovisual and Culture Executive Agency is responsible for the implementation of this call for proposals.

This call is aimed at European organisations whose activities contribute to the achievement of the objectives of the MEDIA Programme as described in the Council Decision 1718/2006/EC.

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

NB: The implementation of this Call for proposals is subject to the adoption of the European Union budget for the year 2010 by the budget authority.

2. OBJECTIVES & PRIORITIES

2.1. Global objectives of the programme

The global objectives of the MEDIA 2007 programme are:

- to preserve and enhance European cultural and linguistic diversity and its cinematographic and audiovisual heritage, to guarantee its access to the public and to promote intercultural dialogue;
- to increase the circulation and viewership of European audiovisual works inside and outside the European Union, including through greater cooperation between players;
- to strengthen the competitiveness of the European audiovisual sector in the framework of an open and competitive European market favourable to employment, including by promoting links between audiovisual professionals.

2.2. Specific objectives of the TV Broadcasting support

The objectives of the programme in the field of distribution and dissemination include the following:

To promote the transnational dissemination of European audiovisual works produced by independent production companies by encouraging cooperation between broadcasters on the one hand and independent producers and distributors on the other.

¹ published in the Official Journal of the European Communities on the 24th of November 2006 (OJ L327, pp 12-29).

This call for proposals is aimed at independent European TV production companies.

The support scheme's first objective is to encourage independent producers to produce works (fiction, documentary and animated films) involving the participation of at least three broadcasters from several member states participating or co-operating in the programme.

The support scheme's second objective is to facilitate access to financing for European independent production companies by supporting the side costs such as financial costs, insurance and completion guarantee costs.

Particular attention will be paid to:

- the development of potential in countries or regions with a low audiovisual production capacity and/or a restricted linguistic or geographical area.
- audio-visual works that contribute to the enhancement of European heritage and linguistic and cultural diversity.

Support granted must contribute to speeding up the financing of productions selected by broadcasters and to strengthening independent production companies' rights over such works, thereby encouraging their subsequent exploitation.

3. TIMETABLE

The Call for Proposals EACEA 18/2009 is open counting from the date of its publication in the Official Journal until 28/06/2010. It contains three deadlines.

To be included in the 1st deadline, the application for support must be sent to the Agency between the date of the publication of the Call for Proposals and **27/11/2009**. Applicants will be informed of the results of this 1st deadline no later than during the month of April 2010.

To be included in the 2nd deadline, the application for support must be sent to the Agency between 28/11/2009 and **5/03/2010**. Applicants will be informed of the results of this 2nd deadline no later than during the month of July 2010.

To be included in the 3rd deadline, the application for support must be sent to the Agency between 6/03/2010 and **28/06/2010**. Applicants will be informed of the results of this 3rd deadline no later than during the month of November 2010.

Applicants are invited to read carefully point 13.3 of the current Call for the procedure on the submission of applications.

The period of eligibility of costs starts 6 months before the date of the application and ends 24 months after the date of application (for series with more than 3 episodes and a total duration of more than 3 hours, the period ends 36 months after the date of the application). The maximum duration of the action is therefore 30 months (or 42 for series). **All costs incurred before the period starting 6 months before the date of the application will not be considered as eligible.**

However, if after the signature of the agreement and the start of the action it becomes impossible for the beneficiary, for fully justified reasons beyond his control, to complete the action within the scheduled period, an extension to the eligibility period may be granted. A maximum extension of 12 additional months may be granted, if requested before the deadline specified in the agreement. The maximum duration of the period of eligibility of costs will then be 42 months (or 54 months for series).

4. AVAILABLE BUDGET

The total budget earmarked for the co-financing of actions under this call for proposals *is estimated at* EUR 10,4 millions, subject to the adoption of the European Union budget for the year 2010 by the budget authority.

The financial contribution awarded may not exceed 12,50% of the total eligible costs for fiction and animation works. The maximum financial contribution which may be awarded to fiction and animation works is EUR 500 000.

For documentaries, the financial contribution awarded may not exceed 20% of the total eligible costs and the maximum financial contribution which may be awarded is EUR 300 000 per action.

The selection of an action does not signify agreement to the level of financial support requested. The final amount to be awarded will be determined within the available budgetary resources and in consideration of the nature and costs of the action.

The recipient company must guarantee the remaining financing.

The Community grant will be detailed in the agreement between the Agency and the beneficiary's company both as a percentage of the budget and as a total amount.

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.

The Agency reserves the right not to process proposals which lack the required documentation or information (documents listed in the application form) at the deadline.

5.1. Eligible applicants

The present call is open to European and independent production companies.

An European production company is a company whose main activity is audiovisual production and which is registered in one of the Member States of the European Union or in one of the countries participating in the MEDIA 2007 Programme and which is owned and continues to be owned, whether directly or by majority participation, by nationals from these countries.

An independent production company is an audiovisual production 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) or when, over a three-year period, more than 90% of a production company's revenue is generated in co-operation with a single broadcaster.

Foundations, Institutes, Universities, Associations and other legal bodies acting in the public interest cannot apply.

The Agency reserves the right to apply these criteria, taking into account the specific characteristics of the television industry of the individual countries participating in the MEDIA 2007 Programme.

Legal entities

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

- **"Legal Entity Form"** duly completed and signed by the legal representative of the applicant. The form relating to the legal structure of the applicant company according to the country in which it is established is available on the following website:

http://ec.europa.eu/budget/execution/legal_entities_en.htm

- **"Financial Identification"** ("Bank Identification Sheet") duly completed, stamped and signed by both the legal representative of the applicant and by a representative of the bank. The form relating to the financial identification of the applicant company according to the country in which it is established is available on the following website:

http://ec.europa.eu/budget/execution/ftiers_en.htm

These documents must mention the name of the applicant organisation (full legal title), the registration number, the official registered address of the organisation, the date and place of registration.

- A copy of the **VAT registration**, including the VAT number. If the applicant does not have a VAT number, 'Not applicable' shall be written down in the right place on the application form I.
- A copy of the **applicant's registration certificate** from the relevant authority (e.g Companies register, Official Journal, etc.) and the **statutes** of the applicant organisation (including copies of all recent amendments either to the registration documents or to the elected shareholders, directors, board members or other legal representatives).

If the name of the legal representative of the organisation is not stated in the official registration document, a copy of his/her nomination is also required (for instance: signed minutes of the Board).

Where the person authorised to sign any agreement with the Agency is not an individual specified in the documents mentioned in the previous paragraph, a letter or proxy (signed by one of the aforementioned individuals) giving them the authority to sign agreements with the Agency on the organisation's behalf.

5.2. Eligible countries

Companies submitting an application must be established in one of the following countries:

- Member States of the European Union;
- Countries in the European Economic Area participating in the MEDIA 2007 Programme (Iceland, Liechtenstein and Norway);
- Switzerland and Croatia.

They must also be owned and continue to be owned, either directly or by majority shareholding, by nationals of these countries.

Countries with a low audiovisual production capacity

The following countries will be considered as countries with a low audiovisual production capacity: Austria, Belgium, Bulgaria, Cyprus, Croatia, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Eire/Ireland, Iceland, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden and Switzerland.

Among these countries, the following countries are considered "New Member States" or "candidate countries": Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.

5.3. Eligible actions

5.3.1. European audiovisual programme

Any work of fiction (including animated films) or documentary complying with the following conditions:

- the work will be majority produced by companies established in one or more countries participating in the MEDIA Programme;
- the work has a significant participation by professionals who are citizens and/or residents of the countries participating in the MEDIA Programme. Significant participation is defined as 10 or more points under the following scheme:

Fiction / Documentary	Points	Animation	Points
Director	3	Director	3
Scriptwriter	3	Scriptwriter	3
Composer	1	Composer	1
Actor 1/ Voice over artist	2	Storyboard Artist	2
Actor 2/ Voice over artist	2	Character Designer	2
Actor 3/ Voice over artist	2	Animation Supervisor	2
Artistic Director	1	Artistic Director	1
Director of Photography	1	Technical Director	1
Editor	1	Editor	1
Sound	1	Sound	1
Shooting location	1	Studio Location	1
Laboratory	1	Laboratory	1
Total	19	Total	19

Audiovisual programmes consisting of advertising, pornographic or racist material or advocating violence, as well as programmes intended to promote an institution or its activities are not eligible for support.

5.3.2. Category of works

- Production belonging to the following categories are eligible:

- Television fiction films (individual actions or series) of a total duration of minimum 50 minutes. In order to be eligible, fiction actions must be made primarily for the purposes of television exploitation.
- Creative documentaries (individual actions and series) of a total duration of minimum 25 minutes. Creative documentaries are productions based on real subject matter but which require substantial original writing, in particular those setting out the point of view of a writer and/or a filmmaker. Creative documentaries based on archive footage are eligible. News programmes, magazines, talk-shows, reality-shows, docu-soaps, school and “how-to” programmes are not considered eligible for support.
- Animations (individual actions or series) of a total duration of minimum 24 minutes.
- The number of applications per project is limited to two applications. Projects which were already submitted twice within this or a previous call for proposals for the TV Broadcasting scheme are ineligible for support.
- *Series and sequels*
Works which are designed to be a series with a joint marketing strategy have to be submitted as a series. It is not possible to split series into several parts, i.e. to submit single episodes as separate applications.

Sequels and series of episodes based in whole or in part on a previous work are ineligible for support.

- *Theatrical releases*
For fiction and animation films from countries with a low audiovisual production capacity for which a national (and national only) theatrical release is forecast are eligible, however only if the theatrical release is done after an initial TV transmission.

For fiction and animation films originating from UK, Germany, France, Italy and Spain, only clear television productions are eligible (i.e. no theatrical distributor attached, even a national distributor).

For documentaries, a theatrical release is also allowed prior to an initial TV transmission, regardless of the territory from which the work originates and the territory in which it will be released. However, the production has to have been originally intended for the television market. Productions originally intended as cinema works (e.g. several theatrical distributors or an international cinema sales agent involved), are ineligible.

- Actions already financed by Eurimages are ineligible for support.

The Agency reserves the right to apply these criteria, taking into account the specific characteristics of the television industry of the individual countries participating in the MEDIA 2007 Programme.

5.3.3. *Other eligibility criteria*

The following eligibility criteria shall apply:

- The applicant company must be the majority producer of the work. In the case of co-productions, the co-producers have to designate one of the partners as delegate producer to be the contractual partner with the Agency. This delegate producer must be the majority co-production partner.

- The application must be submitted within the following time period: at the earliest 6 months before the estimated first day of principal photography and at the latest on the first day of principal photography.
- The audiovisual work proposed must be an independent European television production (fiction, animation or creative documentary) involving the participation of at least three broadcasting companies from three Member States of the European Union or countries participating in the MEDIA 2007 Programme.

A broadcaster is considered any company which, holding the broadcasting rights (terrestrial, via satellite or cable) to a film or an audiovisual programme for a given territory, is directly or as parent company responsible for its broadcast by determining the terms on which it is shown.

Internet Services are not considered to be an eligible television broadcaster.

In all cases, the contribution of the three required broadcasters must be above the following minimum thresholds in order to be eligible:

Broadcaster coming from:	Minimum % of total production budget	
	Fiction, Animation	Documentary
Big territories ¹	1%	0,5%
Countries with a low audiovisual production capacity ²	0,5%	0,5%
New Member States or candidate countries ³	0,1%	0,1%

- The exploitation rights licensed to the broadcasters participating in the production have to revert to the producer after a maximum license period of :
 - 7 years if the broadcaster's participation takes the form of a pre-purchase;
 - 10 years if the broadcaster's participation also takes the form of a co-production. In this case, the contract between the producer and the broadcaster must clearly specify the price and licence term for the pre-purchase of the exploitation rights and the conditions for the co-production. A co-production between a broadcaster and a TV-producer is accepted by the Executive Agency only if the broadcaster takes a significant financial risk in the production and is involved in the total organisation and economic handling of the production. The Agency reserves the right to assess these circumstances on a case by case basis. In any case, the broadcaster can not be the majority co-producer of the work;
 - The broadcasters' involvement needs to be proved by contracts or signed binding letters of commitment. These contracts or letters of commitment must clearly specify the licence price and the licence term. If the broadcaster's participation also takes the form of a co-production, the conditions of such co-producer's relationship must be specified.

¹ Covering the 5 European countries with high audiovisual production capacity : France, Germany, Italy, Spain and United Kingdom.

² Including European and non European countries with a limited production capacity (i.e. all countries not mentioned as big countries and as new member states or candidate countries).

³ Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.

- At time of application, a minimum 50% of the financing of the budget of the action must be guaranteed from third party sources of finance (either through direct financing or by advance rights sales), proved by signed binding letters of commitment, including the action title, the exact amount of the financial contribution, the rights sold and the licence period. Contributions from broadcasters, distributors, public funds or co-producers are considered as third party sources of financing. The producer's own investment is not considered as a third party source of finance. If the action is co-produced by several production companies, a co-production contract (or deal-memo) indicating the share of financing, share of rights, share of costs and share of revenues, has to be submitted with the application.
- The production budget must be minimum 50% financed by European sources (ie from Member States or countries participating to the MEDIA 2007 Programme).
- Actions that are fully financed will not be considered eligible for support.

5.4. Eligible proposals

Only proposals submitted on the official application forms, completed in full, signed (original signatures required) and received by the specified deadline, will be considered.

The application forms must be accompanied by documents attesting the financial and operational capacity of the applicant, and all the other documents referred to in the application form.

Applicants must submit a budget that is balanced in terms of expenditure and revenue and must comply with the ceiling for Community cofinancing, set at 12,50% of the eligible costs for fiction and animation actions and at 20% of the eligible costs for documentaries.

6. EXCLUSION CRITERIA

Applicants must state that they are not in any of the situations described in Articles 93(1), 94 and 96(2)(a) of the Financial Regulation applicable to the general budget of the European Communities and set out below.

Applicants will be excluded from participating in the call for proposals 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 have been convicted of an offence concerning their professional conduct by a judgment 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;
- d) they have not fulfilled 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 contracting authority or those of the country where the contract is to be performed;
- e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;

- f) they are subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation (Council Regulation 1605/2002 of 25/06/02, as amended).

Applicants will not be granted financial assistance if, on the date 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 contracting authority 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 Article 93(1) of the Financial Regulation, for this grant award procedure;

and they are subject to the penalty consisting in the exclusion from contracts and grants financed by the budget for a maximum period of ten years.

In accordance with Articles from 93 to 96 of the Financial Regulation, 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 contract award procedure.

To comply with these provisions, applicants must sign a **declaration on their honour** certifying that they are not in any of the situations referred to in Articles 93 and 94 of the Financial Regulation.

The Agency reserves the right not to select proposals submitted by producers who have not fulfilled their obligations in the framework of contracts signed with the European Commission, in particular in the framework of the MEDIA II, MEDIA Plus and MEDIA 2007 Programme and other community programs.

7. SELECTION CRITERIA

The selection criteria shall be such as to make it possible to assess the applicant's ability to complete the proposed action.

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. They must have the professional competencies and qualifications required to complete the proposed action.

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

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7.1. Operational capacity

In order to permit an assessment of their technical capacity, applicants must submit together with their applications:

- the Curriculum Vitae of the Managing Director of the company;
- the Curriculum Vitae of the Director of the work;

- the presentation of the activities of the company over the last twelve months: actions (including co-productions) in pre-production, in production and productions completed as well as other activities of the company.

7.2. Financial Capacity

In order to permit an assessment of their financial capacity, organisations must submit together with their applications:

- Only for requests greater than EUR 25.000, the audited annual accounts of the 2 most recent completed fiscal years for profit companies and of the last year for non profit companies (i.e balance sheet, profit and loss accounts and the annexes) must be included within the application form. These accounts should be certified by an approved auditor external to the company;
- Or, for new companies: a bank declaration delivered by the bank confirming that the applicant company is the holder of an account which is properly operated;
- The Financial Capacity form (see Application Form) carefully and fully completed must be signed by the legal representative of the company. The information (in figures) should be given in national currency and must be based on the certified accounts. The applicant guarantees that these figures are correct and verifiable. This information is required to evaluate the financial strength and co-financing capacity of the applicant.

Please note that the data to be provided are different depending on whether the applicant is a profit or a non profit company.

The Agency applies these criteria taking into account the legislative framework of the different countries participating in the Programme.

If, on the basis of the documents submitted, the Agency considers that financial capacity has not been proved or is not satisfactory, it may:

- reject the application
- ask for further information
- require a bank guarantee (see 9.3)
- offer a grant agreement without prefinancing

Exemptions

The verification of financial capacity shall not apply to: grants below/equal to EUR 25,000

If the applicant is in one of the situations here described, this must be mentioned on the **application form** ("Information concerning the applicant's financial capacity") and the applicant must certify that it has the operational and financial capacity (Declaration of honour – Application form) to complete the proposed activities.

8. AWARD CRITERIA

The award criteria shall be such as to make it possible to assess the quality of the proposals submitted in the light of the objectives and priorities set out in this call for proposals.

Within the limits of the budgetary resources available, the Agency will select the actions which score the highest number of points, based on the following criteria:

8.1. Evaluation

Applications will be evaluated in terms of the award criteria with the help of independent experts. On the basis of the independent experts' opinions, a list of actions, ranked according to merit, will be established.

The Agency selects experts on the basis of their independence, professional experience and quality. Their identity may not be communicated to applicants, for reasons of confidentiality and impartiality.

Points will be allocated out of a total of 100 on the basis of the following weightings:

Criteria related to the distribution of the work	Criteria related to the work	Criteria related to the company
The European dimension and financing of the work: 45 points	International appeal of the work: 25 points	Track record of international sales: 10 points
International distributor's involvement: 10 points	Enhancement of European linguistic and cultural diversity: 7 points	
	Enhancement of the European audiovisual heritage: 3 points	
Total: 55 points	Total: 35 points	Total: 10 points

8.2. Criteria related to the distribution of the work

8.2.1. The European dimension and financing of the work (45 points)

The following aspects will be taken into account:

- the country of origin of the applicant company;
- the number of broadcasters attached to the work;
- the financial involvement of the broadcasters;
- the level of non national financing.

The points will be awarded according to the following table:

	Works from companies coming from countries with high production capacity ¹	Works from companies coming from countries with low production capacity ²	Works from companies coming from new Member States or candidate countries ³
Minimum requirements regarding pre-sales (3 broadcasters)	0-5 points	5-10 points	10-15 points
Minimum requirements + one to four additional non national broadcasters	6-20 points	11-25 points	16-30 points
Minimum requirements + more than four additional non national broadcasters	21-30 points	26-35 points	31-40 points
Minimum requirements + more than four additional non national broadcasters, of which at least 2 are participating with more than 5% of the budget	31-45 points	36-45 points	41-45 points

In each category, the evaluation committee will award the final score on the basis of the number of broadcasters, the financial participation of the broadcasters and the non national financing. The size of the production company, the efforts made and the difficulty in obtaining the involvement of the broadcasters participating to the action will also be taken into account.

The thresholds regarding the eligibility of the broadcasters mentioned in point 5.3.3 of the present guidelines apply only to the first three broadcasters needed to fulfil the eligibility criteria. The thresholds do not apply to all other additional broadcasters.

8.2.2. International distributor's involvement (10 points)

The following aspects will be taken into account:

- number and track record of the distributors involved in the work;
- amount of the distributor's involvement;
- existence of a distribution arm in the applicant production company.

¹ France, Germany, Italy, Spain and United Kingdom.

² Austria, Belgium, Denmark, Finland, Greece, Eire/Ireland, Iceland, Liechtenstein, Luxembourg, Norway, Netherlands, Portugal, Sweden and Switzerland.

³ Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.

8.3. Criteria related to the work

8.3.1. International appeal of the work (25 points)

The following aspects will be taken into account:

- the quality of the work;
- the international sales potential;
- the international marketing strategy (including planned dubbed/subtitled versions).

8.3.2. Enhancement of European linguistic and cultural diversity (7 points)

From 0 to 5 points for the enhancement of European linguistic diversity (on the basis of the number of European linguistic areas covered);

And

From 0 to 2 points for the enhancement of European cultural diversity. Works presenting an interest in promoting European cultural diversity are those which bring together different cultural identities national and/or regional within a framework of inter-cultural dialogue among at least two European countries.

8.3.3. Enhancement of the European audiovisual heritage (3 points)

Including, in particular, an examination of the audiovisual archive material to be used.

8.4. Criteria related to the company

8.4.1. Track record of international sales (10 points)

Including in particular, an examination of the international sales done in the last 5 years by the applicant production company or by the producer, taking into account the market situation in which the company is based.

9. FINANCIAL CONDITIONS

Community grants are incentives to carry out actions which would not be feasible without the MEDIA Programme 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.

Acceptance of an application by the Agency 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.

Grant applications must include a detailed estimated budget in which all prices are given in euro. Applicants from countries outside the euro zone must use the conversion rates published in the Official Journal of the European Union, Series C, at the date of the application and available at the MEDIA Desks and Antennae and on the web site of the Commission at:

<http://ec.europa.eu/budget/inforeuro> .

The budget for the submitted action must be balanced in terms of expenditure and income and show clearly the costs which are eligible for financing from the Community budget.

The allocated amount may not exceed the amount requested.

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.

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 Community 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.

The amount of the financial contribution awarded to each selected action by the Agency is determined with respect to the cost and nature of each action, in particular with regards to the following criteria:

- the estimated budget and financing plan of the action
- the performance of the producer in the execution of its previous contracts with the MEDIA II, MEDIA Plus and MEDIA 2007 Programme

9.1 Payment procedure

In the event of definitive approval by the Agency, a financial agreement, drawn up in euro and detailing the conditions and level of funding, will be entered into between the Agency and the beneficiary.

This original agreement must be signed and returned to the Agency immediately. The Agency will sign it last.

The financial contribution will take the form of a subsidy.

The account or sub-account indicated by the beneficiary must make it possible to identify the funds transferred by the Agency. If the funds paid into this account give rise to interest or equivalent profits in accordance with the legislation of the country where the account is held, such profit or interest will be recovered by the Agency where it results from the prefinancing payment if this payment exceeds EUR 50,000.

The payment of the financial contribution will normally be made in three instalments:

A first pre-financing payment of 40% will be transferred to the beneficiary within 45 days counting from the written confirmation of the start of principal photography / production.

A second pre-financing payment of 20% will be transferred to the beneficiary within 45 days counting from presentation to and approval by the Agency of the signed contract between the producer and the main broadcaster, a progress report on the production and an Interim Financial Report.

The Agency will establish the amount of the final payment to be made to the beneficiary on the basis of the presentation to and approval by the Agency of a written declaration by the first broadcaster proving its acceptance of the delivered material as well as a Final Financial Report certified by an external approved auditor. The Agency's final financial contribution may not exceed 12,50% of the final total

eligible expenditure for fiction and animated films and 20% of the final total eligible expenditure for documentary films.

The requested documents for the second and third instalments may be submitted simultaneously. Upon approval by the Agency of these deliverables, the Agency may make a joint payment of the second and final payments.

The beneficiaries will notify the Agency of major alterations of the financing plan and production budget during the entire contractual period with the Executive Agency.

9.2. Certificate on the financial statements and underlying accounts

A certificate on the financial statements and underlying accounts, produced by an approved auditor may be demanded by the authorising officer responsible in support of any payment on the basis of his assessment of risks.

The certificate shall be attached to the request for payment. The certificate shall certify, in accordance with a methodology approved by the contracting authority, that the costs declared by the beneficiary in the financial statements on which the request for payment is based are real, accurately recorded and eligible in accordance with the grant agreement.

Except in the case of lump sums and flat rate financing, the certificate on the financial statements and underlying accounts shall be compulsory for interim payments per financial year and for payments of balances in cases of grants for an action of EUR 750 000 or more, when the cumulative amounts of request for payment is at least EUR 325 000

9.3. Guarantee

The Agency may require any applicant which has been awarded a grant to provide a guarantee first, in order to limit the financial risks linked to the prefinancing payment.

The purpose of this guarantee is to make a bank or a financial institution stand as irrevocable collateral security for, or first-call guarantor of, the grant beneficiary's obligations.

This 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.

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.

9.4. Double Financing

Subsidised actions may not benefit from any other Community funding for the same activity.

To ensure this, please give details in the application form of any other grant requests which the applicant has submitted or intends to submit to the European Institutions during the same year, stating in each case the budget heading, the Community programme and the amount requested.

9.5. 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's financial statements and underlying accounts;
- they are connected with the subject of the agreement and they are indicated in the estimated overall budget of the action;
- they are necessary for the implementation of the action which is the subject of the grant;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost-accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

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

9.5.1. *Period of eligibility of costs*

Only those costs incurred by the beneficiary(ies) for the execution of the action for a period starting 6 months before the date of submission of the application and ending 24 months after the date of submission, or 36 months after this date in the case of series, will be eligible.

9.5.2. *Categories of eligible costs*

The categories of eligible costs are clearly identified in the form "Estimated Budget", which will form the basis for calculating the financial contribution awarded to the actions. The financial contribution awarded will in no event exceed 12,50% of the eligible production budget submitted by the producer for fiction and animated films and 20% of the eligible production budget for documentary films.

The applicant company has to indicate in the application form if in the framework of a co-production contract, costs linked to the action are incurred and/or invoiced to a co-producer and if these costs have to be included in the eligible budget. In this case, the information about the co-producer will have to be submitted and the co-producer will enter into the agreement (in case of selection) as a co-beneficiary. Only companies meeting the eligibility criteria indicated in point 5.1 (Eligible applicants) may be co-beneficiary and therefore bring eligible costs to the action.

Eligible direct costs:

The eligible direct costs for the action are those costs which, with due regard to the conditions of eligibility set out above, are identifiable as specific costs directly linked to the performance of the

action and which can therefore be booked to it directly. In particular, the following direct costs are eligible, provided that they satisfy the criteria set out in the previous paragraph:

- the cost of staff assigned to the action, comprising actual salaries plus social security charges and other statutory costs included in their remuneration, provided that these costs do not exceed the average rates corresponding to the usual remuneration policy of the beneficiary or, where applicable, its partners. These costs must be actual costs incurred by the beneficiary. Staff costs of other organisations are eligible only if they are paid directly or reimbursed by the beneficiary;
- subsistence allowances for staff taking part in the action (for meetings, European conferences, etc.) provided that they do not exceed the scales approved annually by the Commission;
- travel allowances for staff taking part in the action (for meetings, European conferences, etc.), provided that they are reasonable, justified, and that they comply with the principle of sound financial management, in particular regarding economy and efficiency;
- purchase cost of equipment (new or second-hand), provided that it is written off in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the duration of the action and the rate of actual use for the purposes of the action may be taken into account by the Agency, except where the nature and/or the context of its use justifies different treatment by the Agency;
- costs of consumables and supplies, provided that they are identifiable and assigned to the action;
- costs entailed by other contracts of the beneficiary or its partners for the purposes of carrying out the action, provided that the conditions laid down in Article II.9 of the agreement are met;
- costs arising directly from requirements linked to the performance of the action (dissemination of information, specific evaluation of the action, audits, translations, reproduction, etc.), including, where applicable, the costs of financial services (i.e. the cost of bank guarantee).

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.

Distinction between eligible costs and total costs

The production budget included in the application form consists of two columns, one for the eligible costs and one for the total production costs. The applicant has to verify the correctness of the declared amounts.

All costs indicated in point 9.6 hereunder have to be excluded from the eligible costs column. Particular attention will have to be given to ineligible costs incurred before the start of the period of eligibility indicated in point 9.5.1, as well as costs already co-financed by the MEDIA/Development funding, incurred by a co-producer which will not be co-beneficiary of the agreement or eventual indirect producer's fees or contingencies.

9.6. Ineligible costs

The following costs are considered as ineligible:

- return on capital,
- debt and debt service charges,
- provisions for losses or potential future liabilities,
- doubtful debts,
- exchange losses,
- VAT unless the beneficiary can show that he is unable to recover it,
- costs declared by the beneficiary and supported in the framework of another action or under another Community grant,
- excessive or reckless expenditure
- expenditure for partners from countries not participating in the programme or not being co-beneficiaries of the agreement.

If the development of the work applied for was supported within the framework of the MEDIA II, MEDIA Plus or MEDIA 2007 Programme (Single actions or Slate Funding), the costs which were co-financed at the development stage are not eligible. The total amount presented in the estimated or final MEDIA/Development funding budget will be ineligible.

Contributions in kind (such as professional credits / industry credits in kind and deferred salaries) are not eligible costs. Production services offered by the broadcasters are not considered as being in kind¹.

10. SUB-CONTRACTING AND AWARD OF PROCUREMENT CONTRACT

Where implementation of the action requires sub-contracting or the awarding of a procurement contract, the beneficiary and, where applicable, its partners must obtain competitive tenders from potential contractors and award the contract to the bid offering best value for money, observing the principles of transparency and equal treatment of potential contractors and taking care to avoid conflicts of interests.

11. PUBLICITY

All grants awarded in the course of a financial year must be published on the Internet site of the Community 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.

With the agreement of the beneficiary -taking account of whether information is of such a nature as to jeopardise its security or prejudice its financial interests-, the Agency will publish the following information:

- name and address of the beneficiary,
- subject of the grant,
- amount awarded and rate of funding.

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

¹ The value of such contributions must not exceed (a) either the costs actually borne and duly supported by accounting documents; or (b) the costs generally accepted on the market in question.

Furthermore, beneficiaries are required to give prominence to the name and logo of the European Commission on all their publications, posters, programmes and other products realised under the co-financed action and to mention “*with the support of the MEDIA Programme of the European Union*”. Logos of the MEDIA Programme can be found on the following website:

http://ec.europa.eu/information_society/media/overview/who/logos/index_en.htm

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 Community institutions and bodies and on the free movement of such data.

Your replies to the questions in the application form are necessary in order to assess your grant application and they will be processed solely for that purpose by the department responsible for the Community grant programme concerned. On request, you may be sent personal data and correct or complete them. For any question relating to these data, please contact the Agency. Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.

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:

- 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 SUBMISSION OF PROPOSALS

13.1. Publication

The Call for Proposals is published in the Official Journal of the European Union and is accessible on the following website:

<http://ec.europa.eu/media>

13.2. Application form

Grant applications must be drawn up preferably in English or French, using the form specifically designed for this purpose. Please note that only typed applications will be considered.

The official forms can be downloaded from the internet website mentioned in Section 13.1.

Only one copy should be sent for each application.

13.3. Submission of the grant application

Only applications submitted using the official Application Forms having been dated, completed correctly and in full, including a complete and balanced Estimated Production Budget and Financing Plan, and signed by the person authorised to enter into legally binding commitments on behalf of the applicant will be accepted.

Applications must be sent by registered mail or private courier posted no later than the closing dates of **27/11/2009**, **5/03/2010** and **28/06/2010**, to the following address:

Education, Audiovisual and Culture Executive Agency (EACEA)
MEDIA
Constantin Daskalakis
BOUR 3/30
1, Avenue du Bourget
BE-1140 Brussels
Belgium

Envelopes should be clearly marked:

MEDIA 2007 – Call for Proposals 18/2009 - TV BROADCASTING

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

The relevant date is the date of posting (not the date of receipt by the Agency). The Agency cannot under any circumstances be held responsible for the shortcomings of courier services, and it is up to the applicant alone to ensure that the proposal is sent off in good time. In the event that there are any charges in the delivery of an application (postal, fiscal or other) the Agency cannot be held liable for them and will refuse to accept such packages.

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 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.

All unsuccessful applicants will be informed in writing.

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

13.4. Rules applicable

- Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities. (OJ L 248, 16.9.2002, p. 1, as last amended by Regulation (EC) No 1525/2007 of 17 December 2007 (OJ L 343, 27.12.2007, p. 9).

- Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial

Regulation applicable to the general budget of the European Communities. (OJ L 357, 31.12.2002, p. 1, as last amended by Regulation (EC, Euratom) No 478/2007 of 23 April 2007 (OJ L 111, 28.4.2007, p. 13).

- Decision No 1718/2006/EC of the European Parliament and of the Council of 15 November 2006 concerning the implementation of a support programme for the European audiovisual sector (MEDIA 2007).

13.5 Contacts

Contacts at the Executive Agency

Any requests for clarification should be addressed to:

Matteo Solaro: matteo.solaro@ec.europa.eu

National contacts

Additional information is available at MEDIA Desks and Antennae as per the list included on the following website:

http://ec.europa.eu/information_society/media/overview/who/desks/index_en.htm

Annex I - FINANCIAL GUIDE

INTRODUCTION

The purpose of this section is to define clearly for the applicants the procedures to follow when setting out the action and the budget to be applied for, as well as the financial principles which will be applied in the framework of the execution of the agreement for financial support signed by the Executive Agency in the event that the presented application is selected.

In the course of the operation of the MEDIA Programme and the audits carried out of a certain number of selected actions, a series of errors and omissions have been identified. These errors prolong and needlessly complicate the process of selection, as well as the treatment of payments, for both the beneficiaries and the Executive Agency.

The remarks below will thus be useful for applicants and beneficiaries in reducing the number of queries and requests for additional information that are often required for the finalising of an application dossier or the execution of the supported contracts.

1. APPLICATION FORM / PRODUCTION BUDGET / FINANCING PLAN

1.1. Application Form

All requests for financial support must be made using the application form attached to the current Call for Proposals.

The Application Form must be filled out completely. This counts for all headings including the Marketing Strategy. Otherwise the application runs the risk of being rejected because of missing information.

The information about the sales of the works produced over the last 5 years by the company has to be correct. Only the territories where the works have been sold and broadcasted should be mentioned. Exploitation rights taken by distributors should not be indicated if the work has not been sold to a broadcaster. Only the net revenues having been effectively paid to the producer have to be indicated.

1.2. Estimated Budget

The budget must be presented using the form “Estimated Budget” set out in the Budget Form “Support for TV Broadcasting”.

Applicants must pay particular attention to the estimation of all budget items. The services of the Agency have developed a sound knowledge of the applicable prices for different European markets for the categories of items used in the budget: costs which are overestimated or manifestly superior to known market prices will not be accepted.

Equally, applicants must indicate the quantities (nr. of staff and days) in the “quantity” columns of the Estimated Budget. Overheads as specified in the Estimated Budget may in no case exceed the relevant specified maximum percentages.

Where the Estimated Budget indicates “item to be specified in detail” such specifications have to be made, otherwise the budget item will not be approved and/or the application will be regarded as incomplete.

The Estimated budget included in the application form consists of two columns, one for the eligible costs and one for the total production costs. The applicant has to verify the correctness of the declared amounts.

All costs indicated in point 9.6 have to be excluded from the eligible costs column. Particular attention will have to be given to ineligible costs incurred before the start of the period of eligibility indicated in point 9.5.1, as well as costs already co-financed by the MEDIA Development funding, incurred by a co-producer which will not be co-beneficiary of the agreement or eventual producer's fees or contingencies.

1.3. Financing Plan

The financing plan must be presented using the form "Financing Plan" set out in the Budget Form "Support for TV Broadcasting".

All financial sources of the Action must be named and specified in the Financing Plan quoting the detailed amount of financing. At the stage of application minimum 50% of the financing must be confirmed by binding letters of commitment. For the broadcasters' participation, the letter of commitment must clearly specify the licence price and the licence term.

Financing which is raised from private individuals is not considered as eligible.

For the avoidance of any doubt, the percentages used to verify the eligibility criteria and to calculate the award criteria will be calculated from the total costs budget.

Financial contributions from Public funds consist of reimbursable advances on receipts, loans, subsidies or automatic support funds. Such financing may be European, national, regional or local.

2. ELIGIBLE COSTS

The details regarding the eligible costs are indicated in point 9.5 of the Guidelines of the present call.

Applicants have to verify the correctness of the eligible costs declared as the amount awarded will be calculated on the basis of the total of the eligible costs.

By derogation of the Implementation Rules of the Financial Regulations and according to the specificity of the actions to be financed, the period of eligibility of costs can start 6 months before the date of submission of the application. In order to justify this retroactivity, the applicant has to add to the estimated budget submitted with the application a list of invoices and costs presented in the budget and incurred within the period of 6 months before the date of application. This list will have to mention the heading to which the costs refer and will have to be signed by the accountant of the company.

Financing costs

Only financing costs which are directly linked to bank financing for the submitted project are considered eligible. The applicant must therefore have a credit agreement in order to finance the project. "Credit agreement" is defined as any financing agreement concluded with a bank or financial institution (for example discounting, gap financing, etc).

In order to include financing costs in the eligible budget, the applicant company must provide an estimation of the financing costs related to the project delivered by a bank or financial institution.

3. CALCULATION OF THE FINAL FINANCIAL CONTRIBUTION

Should the action be selected, the following principles will be applied in the framework of the performance of the agreement for financial support signed between the Commission and the beneficiary's production company.

3.1. Transfers between budget headings

The beneficiary may, when carrying out the action, adjust the estimated budget by transfers between headings of eligible costs, provided that this adjustment of expenditure does not affect the implementation of the action and each transfer between headings does not exceed 10% of the total eligible costs. He shall inform the Agency in writing in the technical implementation report and financial statement foreseen in the agreement.

3.2. Report of final expenditure and financing of the production

The report of total final expenditure and financing of the production must be presented using the “Financial Report” form prescribed by the Agency, which will be annexed to the agreement to be signed between the Agency and each beneficiary. The report must be certified by an external approved auditor.

3.2.1. Expenditure

The “expenditure” part of the Financial Report shall contain the final statement of eligible costs incurred for the action. It shall also indicate the Total costs of the production.

Only costs included in the estimated budget will be considered as eligible in the Financial Report. If additional costs incur in budget items were no costs were foreseen, the beneficiary shall seek the prior written approval of the Agency.

In addition to the Financial Report, and for the purposes of verification of the final costs of the production, the Agency may ask for copies of invoices of some of the eligible costs.

The Financial Report will form the basis for calculation of the final amount of the financial contribution. The financial contribution shall not exceed 12,50% of the total final approved eligible expenditure for fiction and animated films and 20% of the total final approved eligible expenditure for documentary films. At the same time the final financial contribution cannot exceed the maximum amount awarded according to the agreement signed with the Agency.

3.2.2. Financing sources

All financing sources of the action (including public funds) must be included in the “financing plan” part of the Financial Report. These financing sources must be named and specified, quoting the detailed amount of financing for each source.

The MEDIA financial contribution shall be limited to the amount required to balance financial contributions and the Total costs of the production.

3.3. Financial control and audit

Should the proposal be selected, an agreement shall be signed between the Agency and the beneficiary, by which the beneficiary shall undertake to allow the Agency staff, staff from the Court of Auditors of the European Communities and persons authorised by them, appropriate access to the sites or premises where the action is being carried out and to all documents relating to the technical and financial management of the operation. Access by persons authorised by the Agency may be subject to confidentiality arrangements to be agreed between the Agency and the beneficiary.

The beneficiary shall also agree that the Agency and the Court of Auditors of the European Communities can verify the use to which the financial contribution is put in accordance with the Financial Regulation, applicable to the general budget of the European Communities, as throughout the duration of the agreement and for five years after its end date.

The beneficiary shall also undertake to ensure that any subcontractors accept the same obligation. By entering in a multi-beneficiary agreement, the co-beneficiaries commit themselves to respect these obligations.

Controls by the Agency or the Court of Auditors of the European Communities may be carried out on the basis of documents or on the spot.