



A programme of the European Union



MEDIA 2007 (2007-2013) *

CALL FOR PROPOSALS EACEA 21/2009

GUIDELINES

**SUPPORT FOR THE DEVELOPMENT OF
ON AND OFF-LINE INTERACTIVE WORKS**

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

TABLE OF CONTENTS

1. INTRODUCTION	3
LEGAL BASIS	3
2. OBJECTIVES & PRIORITIES.....	3
2.1. GLOBAL OBJECTIVES OF THE MEDIA PROGRAMME	3
2.2. SPECIFIC OBJECTIVES OF THE DEVELOPMENT SUPPORT	4
3. TIMETABLE.....	4
4. AVAILABLE BUDGET	5
5. ELIGIBILITY CRITERIA	5
5.1. ELIGIBLE APPLICANTS	7
5.2. ELIGIBLE COUNTRIES	7
5.3. ELIGIBLE ACTIVITIES	8
5.4. OWNERSHIP OF RIGHTS	8
5.5. ELIGIBLE PROPOSALS	8
6. EXCLUSION CRITERIA	9
7. SELECTION CRITERIA.....	10
7.1. OPERATIONAL CAPACITY	10
7.2. FINANCIAL CAPACITY	10
8. AWARD CRITERIA	11
8.1. CRITERIA FOR AUTOMATIC POINTS.....	11
8.2. EVALUATION CRITERIA CONSIDERED BY THE INDEPENDENT EXPERTS.....	11
9. FINANCIAL CONDITIONS	12
9.1. PAYMENT PROCEDURES	13
9.2. CERTIFICATE ON THE FINANCIAL STATEMENTS AND UNDERLYING ACCOUNTS	13
9.3. GUARANTEE	14
9.4. DOUBLE FINANCING.....	14
9.5. ELIGIBLE COSTS.	14
9.6. INELIGIBLE COSTS.....	15
9.7. SOURCES OF INCOME.....	15
10. SUB-CONTRACTING AND AWARD OF PROCUREMENT CONTRACTS.....	15
11. PUBLICITY.....	16
12. DATA PROTECTION	16
13. PROCEDURE FOR THE SUBMISSION OF PROPOSALS16.....	16
13.1. PUBLICATION	16
13.2. APPLICATION FORM	16
13.3. SUBMISSION OF THE GRANT APPLICATION.....	17
13.4. RULES APPLICABLE	17
13.5. CONTACTS.....	18

1. INTRODUCTION

Legal Basis

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 applicants whose activities contribute to the achievement of the objectives of the MEDIA Programme as described in the European Parliament and Council Decision No 1718/2006/EC.

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

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 MEDIA 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, guarantee its accessibility to the public and promote intercultural dialogue;
- Increase the circulation and viewership of European audiovisual works inside and outside the European Union, including through greater cooperation between players;
- 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.

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

2.2. Specific objectives of the Development support

The current Call for Proposals has the specific objective of promoting, by providing financial support, the development of production projects intended for European and international markets presented by independent European production companies in the following categories: on and off-line interactive works specifically developed to complement an audiovisual project (Fiction, Creative Documentary, Animation).

3. TIMETABLE

The Call for Proposals 21/09 is open from 26/09/09 (date of its publication in the Official Journal n° 232) until 12/04/2010. It has two deadlines (the postmark will be taken as proof of timely sending).

To be registered for 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 27/11/09. The intention is to inform applicants of the outcome of the selection procedure of this 1st deadline no later than the month of April 2010.

To be registered for the 2nd deadline, the application for support must be sent to the Agency between 28/11/09 and 12/04/10, the date of closure of the Call for Proposals. The intention is to inform applicants of the outcome of the selection procedure of this 2nd deadline no later than the month of September 2010.

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.

Please read carefully section 13.3. concerning the procedures for submitting applications.

A production company can submit a maximum of two applications for development support for interactive works within the framework of the EACEA Call for Proposals 21/09.

The submitted project may not have entered into production before the date of signature, by the last party, of the agreement between the beneficiary and the Agency. The estimated date of signature of the agreements is June 2010 for applications submitted under the 1st deadline and November 2010 for those applications submitted under the 2nd deadline.

The period of eligibility of costs will start from the date of the submission of the application and ends no later than 30/06/2012 for requests for support submitted within the 1st deadline and no later than 30/11/2012 for those requests submitted within the 2nd deadline. If the project enters into production before the aforementioned dates, the period of eligibility of costs ends on the date of entry into production of the project. However, the acquisition of author rights is eligible retroactively for a period of 12 months preceding the date of submission of the application.

The maximum duration of the action is until 30/06/2012 for the applicants registered for the 1st deadline and until 30/11/2012 for the applicants registered for the 2nd deadline. However, if after the signing of the agreement and the start of the action it becomes impossible for the beneficiary, for fully justified reasons beyond their control, to complete the action within the scheduled period, an extension to the eligibility period may be granted. A maximum extension of 6 additional months may be granted, if requested before the deadline specified in the agreement.

With the exception of the acquisition of rights, all costs incurred before the date of the submission of the application will not be considered as eligible.

4. AVAILABLE BUDGET

The total budget earmarked for the co-financing of actions under this Call for Proposals is estimated at EUR 2m, subject to the adoption of the European Union budget for the year 2010 by the budget authority.

Financial contributions from the Commission may not exceed 50% of the total eligible costs. However the MEDIA Programme's funding may be raised up to 60% for actions intending to promote European cultural diversity.

Actions 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. The action must be centred on the cultural specifics of the countries involved and highlight the values held by their populations.

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.

Each grant will amount to between EUR 10,000 and EUR 150,000.

The Community grant will be detailed in the agreement between the Agency and the beneficiary company both as a percentage of the development 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. Even in the case of resubmission all the required documentation must be provided.

5.1 Eligible applicants

Independent European companies having as their main activity audiovisual and/or interactive production

The present Call is open to independent European production companies.

A European production company is a company whose main object and activity is audiovisual production and/or the production of interactive works (or equivalent) 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 shareholding, by nationals from these countries.

An independent production company is a 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.

The following are not eligible:

- Foundations, Institutes, Universities, research centres, associations and other legal bodies acting in the public interest cannot apply;
- applications from groups of companies will not be accepted;
- private individuals.

5.1.1 Legal Entity

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

- **"Legal Status Form"** duly completed and signed by the legal representative of the applicant (Form C)
- **"Financial Status Form"** ("Bank Identification Sheet") duly completed, stamped and signed by both the legal representative of the applicant and by a representative of the bank (Form D-I)

These documents must mention the name of the applicant (full legal title), the registration number, the official registered address of the applicant, 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 appropriate place on the application form C.
- A copy of the **applicant's registration certificate** from the relevant authority, (e.g Companies register, Official Journal, etc.). If the name of the legal representative of the applicant 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 applicant's behalf must be provided.

5.1.2 Companies able to provide evidence that they have completed and commercially distributed a previous eligible interactive work.

Companies submitting an application must have produced an eligible interactive work and prove:

- they were the sole production company/developer;
- or they were, in the case of a co-production with another production company, the major co-producer in the financing plan or the delegate producer.

Only the following is considered as eligible interactive work:

Digital interactive content specifically designed for at least one of the following platforms:

- Internet

- PC
- console
- handheld device
- Interactive television

Works in which the end-user navigates through existing content without the ability to affect it are not considered interactive.

By way of derogation, a previous work produced by a company other than the applicant company may be accepted, only if the applicant company can show that its Chief Executive, one of its shareholders or one of the members of the team attached to the development of the submitted proposal has a personal credit in the role of:

- producer/executive producer,
- author/game(play) designer,
- director/project leader/art director,
- head/lead of computer graphics team,
- head/lead of interactive programming team.

The applicant company must also show that the previous work has been commercially distributed during the period between 1 January 2007 and the date of submission of its application.

Distribution for interactive works means distribution in a physical format and on-line access. Free on-line access without a documented business model is not considered to be commercial release.

The date taken into account in verifying that distribution has taken place during the reference period is the date on which the distribution contract was signed or the date the distribution took place (sales report, date of on-line release, etc.).

Applications sent without a duly signed distribution agreement or duly documented proof that the distribution took place within the reference period will be directly eliminated from the selection procedure.

5.2. Eligible Countries

Legal entities 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.

5.3 Eligible activities

The activities for the following interactive works are eligible:

The concept development (up to a first playable application) of digital interactive content complementing an audiovisual project (drama, creative documentary or animation) specifically developed for at least one of the following platforms:

- Internet
- PC
- console
- handheld device
- Interactive television

This digital content must present:

- substantial interactivity with a narrative component
- originality, creativity and innovation against existing works
- European commercial potential

Only the following types of audiovisual project intended for commercial exploitation can be complemented by the submitted interactive work:

- a drama of at least 50 minutes (the total length of the series in the case of a series);
- a creative documentary of at least 25 minutes (length per episode in the case of a series);
- an animation of at least 24 minutes (the total length of the series in the case of a series).

Ineligible Activities

The development and production activities for the following categories of interactive work and audiovisual work to be complemented are ineligible:

- reference works (encyclopaedias, atlases, catalogues, databases...);
- "how-to" works (education programmes, manuals...);
- tools and software services;
- information services or purely transactional;
- information programs and magazines;
- projects promoting tourism;
- multimedia art projects;
- 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 promoting, directly or indirectly, messages that are at odds with the policies of the European Union. For example, projects that may be contrary to the interests of public health (alcohol, tobacco, drugs), respect for human rights, people's security, freedom of expression, etc. are prohibited;
- projects promoting violence and/or racism and/or with a pornographic content;
- works of a promotional nature (in particular branded content);
- institutional productions to promote a specific organisation or its activities.

5.4. Ownership of Rights

No later than on the date of submission, the applicant company must show that it holds the majority of the rights relating to the project for which support is being sought.

It is required to provide a contract covering the rights to the original concept of the submitted interactive work. This contract must be duly signed and dated by the author(s).

The following types of contracts will be accepted:

- 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 contract can be replaced by:

- a unilateral declaration of the transfer of the 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.

If the project is an adaptation of an existing literary, audiovisual or comic-strip work the applicant company 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.

Applications sent without document(s) related to the rights will be directly eliminated from the selection procedure.

5.5 Eligible proposals

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

The application form must be accompanied by an official letter from the applicant, documents attesting to its financial and operational capacity, 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 50% (60% for actions presenting an interest in promoting European cultural diversity).

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 (Council Regulation (EC, Euratom) No 1605/2002 as amended) 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 Art. 93(1) of the Financial Regulation, for this grant award procedure

and they are subject to the penalty consisting of 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.

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.

7.1 Operational capacity

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

- the CVs 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 and/or the person whose experience has been referred to (see 5.1.2.)

7.2 Financial capacity

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

- For requests exceeding 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.
- For new companies that cannot provide annual accounts certified by an approved auditor external to the company: a bank guarantee will be required or a grant agreement without prefinancing may be offered.
- the Financial Capacity form (see Application Form D-II) 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 guarantee (see 9.3)
- offer a grant agreement without pre-financing or make a first payment on the basis of expenses already incurred.

For new companies that cannot provide annual accounts certified by an approved auditor external to the company: a bank guarantee will be required or a grant agreement without pre-financing may be offered.

Exemptions

The verification of financial capacity shall not apply to grants below/equal to EUR 25,000. If such is the case 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 to complete the proposed activities (Declaration of Honour – Application form D-III).

8. AWARD CRITERIA

Eligible applications conforming to the selection requirements will be assessed on the basis of the following criteria:

8.1. Criteria for automatic points

Criteria	Number of points
A project which has been the subject of training supported by the MEDIA Programme	2
An applicant company established in a country with low production capacity ²	1
A company which benefited from development support under MEDIA PLUS or MEDIA 2007 for a project that has been produced	1 (No matter how many projects supported by MEDIA have been produced)

8.2. Evaluation Criteria considered by the independent experts

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 projects, ranked according to merit, will be established. Grants are allocated to the best projects within the limits of the available budget.

The Agency selects experts on the basis of their independence, professional experience and quality.

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

Criteria relating to the applicant company		Criteria relating to the submitted project	
Criteria	Weighting	Criteria	Weighting
Quality of the development strategy	10	Quality of the content and originality of the concept against existing works	20
Consistency of the development budget	10	Innovation, appropriateness of the techniques used in the work and quality of interactivity	20
Capacity of the company to realise the project	10	Potential for European exploitation and suitability for the target audience	20
Quality of the financing strategy	10		
Total	40 points	Total	60 points

² The following are considered as countries with low production capacity: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Iceland, Éire/Ireland, Liechtenstein, Latvia, Lithuania, Luxemburg, Malta, Norway, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden and Switzerland.

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 at the date of the application and available from the MEDIA Desks and Antennae and from the website of the Commission at: <http://ec.europa.eu/budget/inforeuro>.

The budget for the action attached to the application must have revenue and expenditure in balance and show clearly the costs which are eligible for financing from the Community budget.

The allocated amount may not exceed the amount requested.

The applicant must indicate the sources and amounts 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. 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.

9.1 Payment procedures

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 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 pre-financing payment if this payment exceeds EUR 50,000.

A **pre-financing payment** of 70% will be transferred to the beneficiary within 45 days of the date when the last of the two parties signs the agreement 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 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.

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 pre-financing 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 States of the European Union. When the beneficiary is established in a third country, the authorising officer responsible may agree that a bank or financial institution 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, the applicant must indicate 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.

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:

- writing and storyboarding;
- creation of programme content;
- definition of the initial visual concepts (characters, backgrounds...) and sounds;
- realisation of a demo or the realisation of a playable prototype game for a console and computer before the signing of any production contract with a publisher;
- archive research;
- acquisition of rights;
- preparation of a business plan and a financing plan;
- preparation of the provisional production budget;
- search for and identification of industry partners, financiers and co-producers;
- preparation of the production schedule up to delivery;
- initial marketing and sales plans (target markets and buyers, foreseen releases, presentation at festivals and markets, etc.

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. Indirect costs are not eligible where the beneficiary already receives an operating grant.

9.6 Ineligible costs

The following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;

- VAT, unless the beneficiary can show that it is unable to recover it according to the applicable national legislation;
- costs declared by the beneficiary and covered by another action or work programme receiving a Community grant;
- excessive or reckless expenditure;
- the participation fee for training activities supported by MEDIA;
- production costs;
- purchase of equipment (except depreciation on computer equipment).

Contributions in kind (such as professional credits/industry credits in kind and deferred salaries) shall not constitute eligible costs.

9.7 Sources of income

All financial contributions must be substantiated by clear statements duly dated and signed, specifying the amounts and the fact that they will be provided in cash.

The Financing Plan should show:

- The direct monetary contribution from the applicant (own resources);
- The financial contribution from other fund providers (public and/or private);
- The contribution applied for to the MEDIA Programme.

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.

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*". If this requirement is not fully complied with, the beneficiary's grant may be reduced.

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 being published in the Official Journal of the European Union and on the Internet site of the EACEA Agency at the following address: www.ec.europa.eu/media.

13.2 Application form

Grant applications must be drawn up in one of the official EU languages, 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.

13.3 Submission of the grant application

Only applications submitted on the correct form, duly completed, dated, showing a balanced budget (revenue/expenditure), submitted in 1 original copy for forms A to G and three copies for forms 1 to 5, and signed by the person authorised to enter into legally binding commitments on behalf of the applicant will be accepted.

Applications which do not include all the stipulated documents in the required format and which are not submitted before the deadline will not be considered. For your easier assistance, a recapitulative list of all the documents with the respective number of copies is detailed in the Application Form.

Applications must be sent by registered mail or private courier posted no later than the closing dates of **27/11/2009** and **12/04/2010**, to the following address:

Education, Audiovisual and Culture Executive Agency (EACEA)
Constantin Daskalakis
BOUR 3/29
Avenue du Bourget, 1
B-1140 Brussels
Belgium

ENVELOPES SHOULD BE CLEARLY MARKED : "MEDIA 2007 - Development- Call for Proposals
N° 21/2009 Interactive Work"

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

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.

Applicants will be informed of the receipt of their proposal within 15 working days.

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

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