





MEDIA 2007 (2007-2013) *

121 AUDIOVISUAL

PERMANENT GUIDELINES 2012 - 2013

 \ast Décision N° 1718/2006/CE of the European Parliament and the Council.

TABLE OF CONTENTS

1. INTRODUCTION	3
1.1. LEGAL BASIS	
2. OBJECTIVES & PRIORITIES	4
2.1. GLOBAL OBJECTIVES OF THE MEDIA PROGRAMME	4
3. TIMETABLE	5
4. AVAILABLE BUDGET	5
5. ELIGIBILITY CRITERIA	
5.1. ELIGIBLE COMPANIES 5.1.1. Legal Entity 5.2. ELIGIBLE COUNTRIES 5.3. ELIGIBLE ACTIONS 5.3.1. Categories of works 5.3.2. Specific eligibility criteria for modules 1 - 3 5.4. ELIGIBLE PROPOSALS	
6. EXCLUSION CRITERIA	9
7. SELECTION CRITERIA	10
7.1. OPERATIONAL CAPACITY	
8. AWARD CRITERIA	11
9. FINANCIAL CONDITIONS	12
9.1. CONTRACTUAL PROVISIONS AND PAYMENT PROCEDURE 9.2. CERTIFICATE ON THE FINANCIAL STATEMENTS AND UNDERLYING ACCOUNTS	
10. SUB-CONTRACTING AND AWARD OF PROCUREMENT CONTRACT	15
11. PUBLICITY	15
12. DATA PROTECTION	15
13. PROCEDURE FOR THE SUBMISSION OF PROPOSALS	16

1. INTRODUCTION

1.1. Legal Basis

These Guidelines 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 Union 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 the Calls for Proposals.

The Calls for Proposals to which these Guidelines are referring will be published as required by the Annual Work programme of the MEDIA Programme.

These Guidelines are applicable to the MEDIA – i2i AUDIOVISUAL Call for Proposals to be published until the last trimester of 2012.

The Calls are aimed at European organisations whose activities contribute to the achievement of the objectives of the MEDIA Programme as described in the European Parliament and Council Decision 1718/2006/EC.

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

1.2. Definitions

The following definitions shall apply:

<u>Credit agreement</u>: any financing agreement, including discounting and gap financing concluded with a credit or financial institution, with the exception of agreements related to tax incentive financing services.

<u>Credit Institution</u>²: an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account.

<u>Financial institution</u>: an undertaking other than a credit institution, the principal activity of which is to carry on one or more of the following, not exhaustive activities: lending, guarantees and commitments to third parties³.

-

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

² Article 4(1 a) of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast).

³ Annex I of Directive 2006/48/EC, points 2-12. For instance, money transmission services; issuing and administering means of payment (e.g. credit cards, travellers' cheques and bankers' drafts); trading for own account or for account of customers in: (a) money market instruments (cheques, bills, certificates of deposit, etc.); (b) foreign exchange; (c) financial futures and options; (d) exchange and interest-rate instruments; or (e) transferable securities; participation in securities issues and the provision of services related to such issues; portfolio management and advice; safekeeping and administration of securities, credit reference services and safe custody services.

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.

2.2. Specific objectives of the "i2i Audiovisual" support scheme

In the development field the specific objectives of the Programme shall be as follows:

- (a) to promote, by providing financial support, the development of production projects (dramas for cinema or television, creative documentaries, animated films for television or cinema, works exploiting the audiovisual and cinematographic heritage) submitted by independent enterprises, in particular small and medium-sized, and aimed at the European and international markets;
- (b) to promote, by providing financial support, the development of production projects that make use of new creation, production and dissemination technologies.
- **i2i Audiovisual** aims to help audiovisual production companies to access financing from credit and other financial institutions, by supporting some of the costs of guarantees required by such institutions and/or part of the costs of credit agreements.

2.3. Priorities of the Call for Proposals:

Module 1: Support for "Insurance" costs

Specific film and audiovisual insurance policies are additional guarantees for credit and financial institutions against the risks associated with audiovisual production.

The aim of this module is to co-finance the costs of these insurance policies by subsidising some of the premiums required, thus, facilitating access to financing from credit and financial institutions.

Module 2: Support for "Completion Guarantee" costs

Obtaining a completion guarantee is often the key element in a credit or financial institution's decision on whether to provide financing for a film and/or audiovisual project. For credit - financial institutions and investors, these guarantees reduce the risk of financing an audiovisual work. As a result, they facilitate access to financing.

The aim of this module is to co-finance the cost of a completion guarantee, thus, facilitating access to financing from credit and financial institutions.

Module 3: Support for "Financial Costs"

The aim of this module is to reduce the (financial) costs linked to financing from credit and financial institutions. The amount of the subsidy will be calculated according to the conditions in the credit financing agreement and the estimated eligible financial costs.

3. TIMETABLE

Applications must be sent to the Agency by the relevant deadlines indicated in the Calls for Proposals.

Each Call for Proposals to be published will indicate the two deadlines to submit proposals.

Applicants are invited to read carefully point 13.3 of the Guidelines concerning the procedures for submitting applications.

The scheduled timetable and the period of eligibility of costs is as follows:

	Indicative Deadline date for submission	Indicative date for Selection results	Indicative date for Grant Agreement	Period of eligibility of costs	Maximum duration of the action
Deadline 1	First half of January of the year following the publication of the Call.	4-5 months of	6 months of the	Starts 6 months before the date of the specific	
Deadline 2	First half of June of the year following the publication of the Call.	the deadline for submission	deadline for submission.	deadline(s) and ends 24 months after the date of the specific deadline(s).	30 months

Costs incurred prior to the 6-month period preceding the date of the specific deadline(s) will not be 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 their 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 maybe 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.

4. AVAILABLE BUDGET

The total budget earmarked for the co-financing of the actions will be indicated in each Call for Proposals. The financial contribution from the European Union per action may not exceed 50% (or 60% for countries with low audiovisual capacity) of the total eligible costs as defined in Section 9 below.

The minimum contribution will be EUR 5,000 and the maximum contribution will be EUR 50,000 per action.

The amount of the financial contribution to be awarded will be determined within the limits of the available budgetary resources and with regards to the eligibility, selection and award criteria.

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

5. ELIGIBILITY CRITERIA

Applications which comply with all 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 Companies

Independent European production companies based in the countries participating to the MEDIA Programme.

- 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 revenues are generated in co-operation with a single broadcaster.
- A European Production Company is defined as a company whose main activity is audiovisual production and which is registered in one of the Member States of the European Union or the countries participating in the MEDIA Programme as defined in section 5.2 below and which is owned and continues to be owned, either directly or via majority participation by nationals from these countries.

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

5.1.1. Legal Entity

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

• Annex I.b – 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/contracts grants/info contracts/financial id/financial id en.cfm

• Annex I.c - "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/contracts_grants/info_contracts/legal_entities_en.cfm

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.

Applicants should check that all details included in this form are a) completed and b) correct and consistent with information certified in the relevant legal documents and the **Annex I.a** of the application form.

• A copy of the **VAT registration**, including the VAT number (if, as in certain countries, the trade register number and VAT number are identical, only one of these documents is required).

• A copy of the **applicant's registration certificate** from the relevant authority⁴ (e.g. extract from the official gazette/trade register, 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).

The information on these documents must correspond precisely to the information provided on the **Annexes I.a, I.b and I.c** of the application form.

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

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, Norway)
- Switzerland and Croatia.

Countries with low audiovisual capacity

The following countries participating in the MEDIA Programme are considered as having a low audiovisual production capacity: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Ireland, Iceland, Liechtenstein, Latvia, Lithuania, Luxembourg, Malta, Norway, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden and Switzerland.

France, Germany, Italy, Spain and the United Kingdom are considered as high audiovisual capacity countries.

5.3. Eligible Actions

Drama, animation, or creative documentary projects complying with the following conditions:

- the work must be majority produced by companies established in one or more countries participating in the MEDIA Programme;
- the work must be produced with the significant participation of professionals who are nationals and/or residents of countries participating in the MEDIA programme. 'Significant participation' is defined as having more than 50% of the points on the basis of the table below, (e.g. having 10 or more points in the case of a work of drama or the biggest share of points if the total is less than 19 as is normally the case for documentaries or animation films where all of the categories are not usually included in the credits):

-

⁴ See. Annex VIII

Type of Professional	Points
Director	3
Scriptwriter	3
Actor 1	2
Actor 2	2
Actor 3	2
Composer	1
Artistic Director / Production	1
Designer	
Director of photography	1
Editor	1
Sound	1
Shooting location	1
Laboratory	1
TOTAL	19

Projects that have received financial support under the MEDIA Television Broadcasting Scheme are not eligible.

5.3.1. Categories of works

The following categories of projects are eligible:

- Drama with a minimum duration of 50 min;
- Animation with a minimum duration of 24 min;
- Creative documentaries with a minimum duration of 25 min;

for TV or theatrical release, one-off projects or series.

These Guidelines concern projects with production budgets that are at least 50% financed by European (countries participating in the MEDIA Programme) sources.

Audiovisual works consisting of a promotion nature and projects promoting violence and/or racism and/or with a pornographic content are not eligible for support.

5.3.2. Specific eligibility criteria for modules 1 - 3

• Module 1: Insurance Costs

Applicants from countries with low audiovisual capacity (§ 5.2) must present a signed insurance contract covering any phase (pre production, production, post production) of the project.

Applicants from France, Germany, Italy, Spain and the United Kingdom must **also** provide a credit agreement (for definition see § 1.2).

• Module 2: Completion Guarantee

The applicant must present a signed completion guarantee for the project.

• Module 3: Financing Costs

The applicant must have a credit agreement in order to finance the submitted project. The financial costs linked to this credit must be clearly identifiable and directly related to this project.

The production of the project must start at the earliest 6 months before the date of the Deadline(s), i.e. the 1St day of principal photography must not have taken place before the 6-month period preceding the date of the deadline(s) and at least one of the contract(s) with a credit or financial institution must have been signed within the 6-month period preceding the date of the deadline(s). Costs associated with insurance contracts, completion guarantees and credit agreements for projects starting after the date of the deadline(s) but which were signed before that date, will only be eligible from the 6-month period preceding the date of the deadline(s).

<u>Intra-Group financial transactions are not- eligible</u>. Any intra-group financial expenses (down-stream, up-stream or cross-stream) generated, either directly or indirectly, by insurance, guarantee and loan agreements between legal entities within the same or an affiliated company group or in case of co-productions any natural /legal person linked to the project for the benefit of the applicant company, are not eligible.

5.4. Eligible proposals

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

The application package must be accompanied by an official letter from the applicant organisation, documents attesting to its financial and operational capacity, and all the other documents referred to in the application forms.

Applicants must submit a budget that is balanced in terms of expenditure and revenue and must comply with the ceiling for EU cofinancing set at 50% or 60% for countries with low audiovisual capacity of the total eligible costs.

Applicants may apply with a maximum of 2 projects under each annual Call for Proposals, including both deadlines.

Only one application per project may be submitted to the i2i AUDIOVISUAL scheme (i.e. re-application regardless of Deadline, Call or Year is not permitted).

N.B. The amount requested should be at least EUR 5,000. Applications requesting amounts lower than EUR 5,000 will be considered ineligible.

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 Union's 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 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. This declaration is included in the **Annex III** of the application form.

7. SELECTION CRITERIA

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 person and to their financial and operational capacity to complete the proposed activities.

A model declaration is included in the application form in **Annex III.**

7.1. Operational Capacity

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

- the Curriculum Vitae of the legal representative of the company;
- the Curriculum Vitae of the main collaborators of the company and for the project;
- track record of the company over the last two years.

7.2. Financial Capacity

Applicants must possess stable and sufficient sources of funding to carry out their action.

In signing the **Declaration Annex III** of the application form, the applicant declares on their honour to have the financial and operational capacity to implement the action for which support is requested.

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;
- offer a grant agreement without pre financing.

8. AWARD CRITERIA

Eligible applications conforming to the selection requirements will be assessed on the basis of the following award criteria mentioned below. Each application that satisfies the single award criteria will obtain the maximum proposed points.

No	Criteria	Maximum Points
1	MEDIA Development Funding	
	- Projects from countries with Low Audiovisual Capacity benefiting from MEDIA Development (Single project or Slate funding).	25
	- Projects from the big countries benefiting from MEDIA Development Single Project.	
	Only one agreement will be taken into account.	
2.	Projects with a credit agreement	25
2.1	Only one agreement will be taken into account.	20
2.1	- Credit agreement.	20
2.2	- Issued by an EU credit and/or financial institution based in a different country other than of the applicant production company.	5
3.	Projects from countries with low audiovisual capacity	25
4.	Projects from the Member States entered the EU in 2004 or	
	later (Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia) and Croatia.	15
5.	Projects with a European dimension: co-productions covering more than one country participating in the MEDIA Programme.	10
5.1	Co-production agreement(s).	5 points for all agreements
5.2	Co-producer(s) from Member States entered the EU in 2004 or later and Croatia.	2 points per co- producer
5.3	Co-producer(s) from High Audiovisual Capacity Countries/ Low Audiovisual Capacity Countries.	1 point per co- producer
5.4	Co-producer(s) from non-participating countries in the MEDIA Programme.	0.5 point per co- producer
	Total	100

Within the limits of the budget available, projects with the maximum points on the basis of the above table will be awarded a grant.

In the event that, at the conclusion of the above process, more than one project has the same number of points the quality criterion of the international distribution potential will be examined.

International distribution potential	Maximum Points
Worldwide geographical distribution covered by agreement(s)	10
Non-national geographical distribution covered by agreement(s)	5

Only projects with worldwide distribution agreement will receive the maximum 10 points.

The MEDIA programme reserves the right to recourse to external expert(s) during the selection procedure.

9. FINANCIAL CONDITIONS

European Union grants are incentives to carry out projects which would not be feasible without the EU 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 the 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 monthly accounting rate applicable at the beginning of the month of the application and available from the website 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 Union 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 or for any other action and for routine activities from the European Union budget.

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 Agency 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.

Combination of modules per project

The amount of the financial contribution awarded by the MEDIA programme to each selected project will be determined according to the costs incurred and the nature of the project as a function of the criteria below:

- the conditions in the credit agreement, the insurance policies and the completion guarantee;
- the production budget, financing plan and timetable for the project.

The producer may request a combined subsidy for the same project under Module 1, Module 2 and Module 3. When it is possible to obtain the maximum of EUR 50,000 under one module, the combination of modules will not be possible, except of co-productions. In this case, the co-producers must bring eligible costs to the co-production budget or eligible costs that will not be invoiced to the applicant company.

9.1. Contractual provisions and payment procedure

In the event of definitive approval by the Agency, a grant agreement, drawn up in Euro and detailing the conditions and level of funding, will be sent to the beneficiary. The two copies of the 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.

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 reports, including invoices and/or a statement of expenditures certified by the concerned organisation (insurance company, credit establishment or guarantor).

If the eligible costs actually incurred by the organisation 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.

In order for the Agency to agree to the payment, additional information may be requested from applicants when the final reports are submitted.

Verification will be made on a project-by-project basis.

9.2. Certificate on the financial statements and underlying accounts

Not applicable.

9.3. Guarantee

Not applicable.

9.4. Double-funding

Subsidised projects may not benefit from any other EU funding for the same activity.

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/project with the corresponding accounting statements and supporting documents.

In case of co-production, the applicant company should be the majority producer. Under these conditions costs incurred by the co-producers may be eligible. If the applicant is not the majority producer, then it must be the one concluding the relevant contract(s) with the financial institution(s). In any case the co-producers must delegate the applicant company to conclude an agreement with the Agency.

The categories of eligible costs are clearly identified in headings 7.1 (Insurance), 7.2 (Completion Guarantee) and 7.3 (Financial Costs) of the "production budget" section of the application form (Annex V.a.).

The indicative period of eligibility of costs to be included in the action budget is limited to costs incurred starting 6 months before the date of the specific deadline(s) and will end at the latest 24 months after the date of the specific deadline(s).

Applicants' attention is drawn to the following points for the completion of the "production budget" document:

- Under Sub-heading 7.1 Insurance: only those insurance policies related to the specific project for which support is requested for work (pre-production, production, E&O, post-production) are eligible. Third-party liability insurance for the company in general is not eligible.
- Under Sub-heading 7.3 Financing costs : only those costs which are directly linked to credit agreement(s) for the submitted project are considered eligible.

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,
- interest owed (for purposes other than the financing of the project),
- doubtful debts.
- exchange losses,
- VAT, unless the beneficiary can show that he is unable to recover it according to the applicable national legislation (VAT paid by public bodies shall never be an eligible cost),
- costs declared by the beneficiary and supported in the framework of another action or under another EU grant,
- excessive or reckless expenditure.

All costs other than those indicated under headings 7.1, 7.2 and 7.3 of the production budget are not eligible.

Contributions in kind shall not constitute eligible costs.

Financial costs related directly to tax shelter operations are not eligible.

10. SUB-CONTRACTING AND AWARD OF PROCUREMENT CONTRACT

Not applicable.

11. PUBLICITY

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

Logos of the MEDIA Programme can be found at:

http://ec.europa.eu/culture/media/programme/overview/who/logos/index en.htm

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 European Union institutions and bodies and on the free movement of such data.

Applicants' replies to the questions in the application form are necessary in order to assess the grant application and these will be processed solely for that purpose by the department responsible for the EU grant programme concerned. On request, applicants 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

Following the adoption of the MEDIA annual work programme, the Call for Proposals linked to these Guidelines will be published in the Official Journal of the European Union and will be accessible on the website of the MEDIA Programme:

http://ec.europa.eu/media

13.2. Application Form

Grant applications must be drawn up in one of the official languages of the European Union (preferably in English or French), using the forms specifically designed for this purpose, including the Budget and Financial Plan Forms, provided in Annex V.a. and V.b. <u>Please note that only typed applications will be considered.</u>

The official forms can be downloaded from the website: http://ec.europa.eu/culture/media/programme/producer/i2i/forms/index_en.htm

Only one paper copy of the forms should be sent for each application together with a CD/DVD including the electronic version of the application file in the relevant formats⁵.

13.3. Submission of the grant application

Only applications submitted using the official Application Forms (Annexes I-VII) which having been dated, completed correctly and in full, including a <u>complete</u> and <u>balanced</u> Estimated Production Budget and Financial Plan and <u>signed by the person authorised to enter into legally binding commitments</u> on behalf of the applicant organisation, will be accepted.

Applications should be submitted by the deadlines indicated in the Calls for Proposals.

The signed and completed official application forms must be accompanied by copies of all supporting documents specified in the checklist which is included in the Application Forms.

Applications must be sent by registered post or express courier posted no later than the closing dates indicated in the Calls for Proposals, to the following address:

Education Audiovisual and Culture Executive Agency (EACEA)
MEDIA Programme
CONSTANTIN DASKALAKIS
Office: BOUR 3/30
Avenue du Bourget 1
B-1140 Brussels
Belgium

⁵ word, excel, pdf.

_

Envelopes should be clearly marked:

« MEDIA 2007 - CALL FOR PROPOSALS Reference N° - i2i AUDIOVISUAL ».

Applications sent by fax or email will not be accepted.

The relevant date is the date of postmark (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 application package 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.

Applicants will be informed of the receipt of their application 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 Applicable Rules

- 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).
- 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).
- 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).

13.5 Contacts

National contacts

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

 $\underline{http://ec.europa.eu/culture/media/programme/overview/who/desks/index_en.htm}$

Contacts at the Executive Agency

Any requests for clarification should be addressed to:

Olga Sismanidi, Olga.Sismanidi@ec.europa.eu