



MEDIA Plus (2001-2006)

Call for proposals INFSO/MEDIA/04/05

Council Decision N° 2000/821/EC
amended by Decision N° 846/2004/EC
of the European Parliament and the Council

Guidelines

For submitting proposals to obtain
Community funding for the implementation of

Pilot Projects

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1. GENERAL INFORMATION

1.1. Legal basis

This call for proposals is based on Decision N° 2000/821/EC of the European Council of 20 December 2000 on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus - Development, Distribution and Promotion) (2001-2005)¹, amended by Decision N° 846/2004/EC of the European Parliament and of the Council².

Responsibility for implementing and operating the Media Plus Programme within the Commission rests with the Information Society and Media Directorate-General, Unit A2 – MEDIA Programme and media literacy.

The European Union has set aside €453.60 million for the MEDIA Plus Programme in the period 2001-2006, 5% of which is allocated to the implementation of Pilot Projects.

This call for proposals is aimed at European operators located in Member States and non-member countries as set out in art. 11 of the MEDIA Plus Council Decision.

Community contribution of the total eligible costs per pilot project will be limited to a maximum of 50%.

The promotion of equal opportunities between women and men are a basic principle in Community policies which must be taken into account in the implementation of this programme.

1.2. Objectives

The pilot projects constitute the way in which the Council Decision ensures that the MEDIA Plus programme takes account of rapid technological change. It is expected that in the next few years the use of digital technologies will make European audiovisual works more easily accessible, because of new ways of transporting audiovisual content and as a result more widely available outside their country of origin. Competitiveness of the audiovisual content industry will depend largely on the use of new technologies in the development, production and distribution stages.

Areas of the MEDIA Plus programme in which technology is expected to play a key role are, inter alia (point 1.4 of the Annex to the Decision): cinematographic heritage, European audiovisual programme archives, catalogues of European audiovisual works and the digital dissemination of European content through for instance advanced distribution services.

1.3. Definitions

For the purposes of this call for proposals the following definitions shall apply:

¹ Official Journal L13 of 17 January 2001

² Official Journal L157 of 30 April 2004

- **Pre-financing payment(s):** the pre-financing payment(s) received by the Beneficiary within 45 calendar days of signature of the Agreement.
- **Beneficiary:** Contractual term for a selected promoter.
- **Budget Heading(s):** the heading(s) of expenditure provided in the Forecast Budget. The headings of expenditure consist of “Personnel costs”, “Operating costs”, “Subcontracting costs” and “Overheads”.
- **Budget Sub-Heading(s):** the heading(s) provided under each Budget Heading.
- **Eligible Costs:** the costs directly linked to the execution of the Project receiving support, as detailed below in Article 5.3.1 and incurred during the period defined in the Agreement.
- **Contributions in kind:** the money equivalent of certain services or materials which could be contributed to the project by the partners (see section 5.3.2 on Ineligible Expenses).
- **Final Report:** the report, which provides details of the Eligible Costs incurred in the execution of the Project and which shall form the basis for the calculation of the Total Actual Costs of the Project.
- **Financial Partner:** Any public or private organisation providing a financial contribution to the Project.
- **Forecast Budget:** the detailed budget for the Project.
- **Grant:** the financial support awarded to the Beneficiary on the basis of the Total Actual Costs.
- **Interim Report(s):** the interim reports have to be submitted according to the criteria defined in the Agreement. They provide details of the progress of the Project and of the Eligible Costs incurred at the time of their submission.
- **Note to the Forecast Budget:** the note attached to the Forecast Budget detailing the costs incurred under the various Budget Headings and establishing the direct link with the execution of the Project.
- **Participant:** Any professional of the audio-visual industry who is selected to participate in the project.
- **The Programme:** means the MEDIA Plus Programme (2001-2005) and its prolongation to 2006
- **Project:** the activity receiving financial support and covering the preparation, implementation and evaluation stages.
- **Project Duration:** The duration of the project can vary from 1 year to a maximum of 3 years.

2. ELIGIBILITY CRITERIA

As a first step in the assessment and selection process, the Commission will check the applicants' compliance with the eligibility criteria. Failure to comply will result in exclusion of the application from the selection process.

2.1. Formal eligibility criteria

The formal eligibility criteria are:

- Compliance with deadlines;
- Submission of official application form duly completed and signed.

2.1.1. Situation of exclusion

Financial support may not be awarded to applicants who:

- 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 subject of proceedings concerning those matters, or are in any analogue situation arising from a similar procedure provided for in national legislation or regulations;
- have been convicted of an offence concerning their professional conduct by a judgement which has the force of *res judicata*;
- have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- 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;
- have been the subject of a judgement 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;
- following another procurement procedure or grant award procedure financed by the Community budget, they have been declared to be in a serious breach of contract for failure to comply with their contractual obligations.

Applicants shall be excluded from the participation in this call for proposals if:

- they are subject to a conflict of interest;
- they are guilty of misrepresentation in supplying the information required by the Commission as a condition of participation in the relevant call for proposals, or fail to supply this information.

Applicants must provide a declaration in good faith, certifying that they are not excluded for one of the reasons listed above.

The Commission may request from the applicants to provide other proofs that they are not in a situation of exclusion referred to above.

Administrative and financial penalties of an effective, proportionate and dissuasive nature may be imposed by the Commission on applicants who are excluded under the above grounds, in accordance with the provisions of Articles 93 to 96 of the Financial Regulation (Council Regulation 1605/2002 of 25/6/02) and Articles 133 and 175 of the Implementing Regulation (Commission Regulation 2342/2002 of 23/12/02).

2.2. Eligible Applicants

This call for proposals is aimed at existing companies and organisations registered in one of the participating countries (cf. section 2.3 below) whose activities contribute to the realisation of the objectives listed under section 1.2 above as set out in the Decision, the full text of which can be found on the following website: http://europa.eu.int/comm/avpolicy/media/index_en.html.

Only grant applications submitted in writing by legal persons shall be eligible. It should hence be noted that **“natural” persons (i.e. individuals) cannot submit applications.**

2.3. Participating countries

This call for proposals is open to applicants from the Member States of the European Union, the EEA members (Norway, Iceland and Liechtenstein) and from those countries that satisfy the conditions laid down in Article 11 of Decision N° 2000/821/EC.

2.4. Eligible Target Groups

Companies and organisations from the audio-visual industry and from related industries, in particular: content providers (producers, directors, managers, sales agents, distributors), exhibitors, broadcasters, marketing experts, rights holders, equipment manufacturers, data transport companies, technology integrators, leasing companies, representative organisations from all sectors concerned (production, distribution, exhibition) and funding bodies.

2.5. European Dimension

Proposed projects will have to offer a European dimension, which will be assessed on the basis of the following criteria:

- The origin of the content and the target audience. This should be quantified as at least four countries participating in the MEDIA programme and at least three languages, as appropriate.
- In the conception and/or implementation of the activities the contractor will co-operate with partners from other participating countries; these partners have to be identified and their role has to be described in the application.
- Projects must co-operate with other selected projects where appropriate with a view to allow the exchange of know-how and of best practices.

2.6. Eligible Actions

Proposed actions will have to fulfil the requirements outlined below:

a) Areas in which Pilot Projects will be considered

Distribution: new ways of distributing and promoting European content via personalised services

Background

New emerging digital technologies will make personalised and interactive access to audio-visual works increasingly possible. The resulting services and the extent to which they evolve will depend not only on technology alone but also on the availability and promotion of appropriate content.

Purpose

The purpose of the project is to encourage at a European level, innovative ways of distributing European audio-visual works (fiction, creative documentaries, animation, multimedia, alternative content and archival material) via personalised, interactive services.

Projects selected under this action line should demonstrate the implementation of an interactive multilingual service. Tools for content selection, filtering, pricing must be integrated in the distribution system and should be user-friendly. Adequate project resources should be allocated in promoting such a service.

Networked databases to broaden and strengthen the access and the exploitation of archives and catalogues.

Background

The emergence of new technologies based on open standards for the creation, indexing updating and retrieval will make access to audio-visual content broader and more effective.

Such content will include archives and catalogues for digital distribution, cultural, educational and entertainment purposes. The future of European content will largely depend on the ability of audio-visual industry to meet the multiplicity of needs and requirements of the end user.

Purpose

The purpose of such projects is to encourage the creation of dynamic, comprehensive and effective resources from the use of audio-visual content held in archives, collections and catalogues at a European level.

Projects to be selected under this action line should demonstrate the ability to aggregate a large number of participants who can make a significant and effective contribution in this field.

Projects should aim to demonstrate their multi-functionality, to potentially become national and European catalysts for networked databases and to promote the use of open standards and common practices.

The multi-functionality in this context refers to providing information for the use of audio-visual content, for programme creation and distribution in Broadcasting, D-Cinema, DVDs, new digital delivery contexts; facilitating the collection of information on rights, optimizing preservation programmes, helping defining business models, standards and common practices at European level.

Previously funded Projects: Projects which have received funding under a previous MEDIA Plus Pilot Project Call for Proposals

All previously funded projects should submit an application under this action line. In their application, together with the necessary administrative information, should be included all interim and/or final reports that the projects have produced. The budget applied for should match that in the original application. Any change in the budget should be explained in the light of experience gained during last year's operation. The projects will undergo an in-depth evaluation in which members of the project will be asked to explain all aspects of their work. Failure to be evaluated successfully will mean that the project will not proceed to a further year.

b) Organisation of the Pilot Project

All applicants are required to take into account the following recommendations:

1. Projects will be constituted, where necessary, of Consortia under the leadership of a prime contractor who will sign any agreement or contract with the Commission. The nationality of partners in such consortia cannot alone be used as proof of the European dimension of the project.
2. A concertation mechanism will be established following the selection of projects with a view to allow the exchange of know-how and of best practices.

3. SELECTION CRITERIA

The selection criteria must allow verification of the applicant's financial and operational capacity to complete the proposed action or work programme.

3.1. Financial capacity

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out.

The proposal submitted must include the following:

- The balance sheet for the last fiscal year;
- A profit & loss account for the last fiscal year;
- In the event that the contribution sought from the European Commission is higher than €300,000, the applicants are required to provide certified audited accounts accompanied by an opinion of the auditor who certified the accounts. *The Commission may waive this obligation for public bodies and institutions.* This opinion, based upon the work that was executed for the certification of the accounts, should give the

auditor's assessment as to whether or not the applicant has stable and sufficient sources of funding to maintain his activity throughout the period during which the action is proposed to be carried out, and to participate in its funding. For detailed instructions concerning the presentation of the forecast budget please refer to the budget section of the application form.

3.2. Operational capacity

Applicants must prove their operational capacity to implement the activity by demonstrating:

- The human and technological resources that are required to implement the project;
- An extensive international network of contacts from the audiovisual industry.

Applicants' files have to include:

- The history of the applicant institution, organisation, association or company including the **Statutes of the Company and a copy of the official registration documents**;
- CVs of the contractor's team;
- Description of the technological resources;

4. AWARD CRITERIA

Each submitted eligible project will be assessed in the light of the following equally weighted award criteria:

A) Award criteria pertaining to the content of the activity

- Relevance of the activity with respect to the Programme's objectives ³
- European dimension of the activity (see section 2.5)

B) Award criteria pertaining to the feasibility and coherence of the work plan

- Clarity of objectives and target groups
- Clarity and consistency of the general design of the project and likelihood of attaining the desired goals within a reasonable period
- Quality of the management arrangements for the project
- Experience of the participating organisations

³ MEDIA Plus, Official Journal L13 of 17 January 2001

5. FINANCIAL GUIDELINES

5.1. Basic rules for Community funding

Community contribution will under no circumstances exceed 50% of the total eligible costs.

As a general rule, Community financial support may be awarded over a maximum-period of three years, subject to a yearly evaluation of the progress achieved. For projects spanning a period of over a year, the budgets corresponding to each year have to be submitted separately. A yearly evaluation may lead to the project being continued to be funded for the coming budgetary year.

The amount of Community financial support is determined on the basis of the cost and nature of each project submitted in accordance with the Award criteria set out in Section 4 above and shall take the form of a Grant.

The Commission is not bound by the sole act of selecting a project to agreeing to the level of financial support requested.

The total budget for all pilot project activities in 2005 is €3.5 million Euro.

5.2. Financial guidelines

Applicants are required to declare the total provisional costs for the execution of the project (i.e. eligible and non-eligible costs) and the total sources of financing for the whole activity.

All applications must be supported by a Forecast Budget, completed only with eligible costs.

Under no circumstances may **the grant** give rise to profit for the beneficiary.

Payments due from the Commission shall be made into a bank account with the Beneficiary's principal bankers that shall be **opened exclusively for the purposes of the Project funded by this Agreement**. All interest generated by the sums transferred by the Commission shall remain the property of the Commission.

No grant may be awarded retrospectively for actions already begun.

This forecast budget must be:

- Broken down into detail giving unit prices and number of units where appropriate and sufficiently detailed to allow identification, monitoring and control of the proposed activity
- Expressed in EURO
- A maximum amount of 7% of total eligible costs (overheads), will be allowed per project in order to cover necessary costs (i.e. rent of offices and electricity, heating, maintenance, and postal service) which cannot be included directly to a budget heading on the basis of established accounting practices. It should be noted that

personnel (salaries and social security costs) and travel costs are considered direct eligible costs

- Accompanied by a 'Note to the Budget' giving clear explanations for the basis of the calculation of the costs and the justifications for their inclusion in the forecast budget. The note should be structured on the same 'heading by heading' basis as the forecast budget
- In balance, i.e. total revenue and total expenditure must be equal
- No amount higher than 10.000 Euro will be considered as eligible in the absence of a detailed breakdown and an appropriate justification
- Projects with budgets calculated in currencies not in the Eurozone: The rates used must be the official exchange rates published in the month in which the forecast budget is submitted. This exchange rate is available from the MEDIA Desks and Antennae or from the Commission web site (<http://europa.eu.int/comm/budget/inforeuro/>);
- The forecast amounts for the various Budget Headings shall be considered indicative. Transfers between Budget Headings may be permitted, provided that these transfers do not exceed 10% of the amount originally foreseen and provided that this transfer does not fundamentally affect the scope or content of the work to be carried out. In exceptional circumstances transfers between Budget Headings of more than 10% may be accepted but only where these have been notified and received the prior written approval of the Commission. In the latter case an amendment to the contract would have to be signed.

- All payments received from the Commission must be paid into an interest-bearing account opened specifically for the reception of Community funds until such time as they are used to meet expenses related to the Project. All interest generated by the sums transferred by the Commission shall remain the property of the Commission and will be offset against the final payment.

5.3. Cost of the project

The expenditure part of the Forecast Budget must be sufficiently detailed to allow 'eligible costs' to be distinguished from any 'ineligible costs'.

5.3.1. Eligible Costs

The eligibility period of the project starts with the date the Agreement is signed.

Costs shall be considered eligible if:

- They are directly related to the execution of the Project;
- They are incurred by the Beneficiary and his Financial Partners during the period of eligibility. These costs shall correspond to payments made by the Beneficiary and shall be supported by invoices with a proof of payment. Costs incurred by the Financial Partners shall be deemed to be eligible provided that they are directly related to the execution of the Project, that they have been re-invoiced to the Beneficiary and have been posted by the Beneficiary to the appropriate cost account;
- They correspond to actual costs, i.e. payments made by the Beneficiary and must be substantiated by all necessary supporting documents.

VAT cannot in any case be charged to the project unless it is a final charge, i.e. a charge that is not deductible and cannot be recovered by the Promoter. If necessary, beneficiaries will submit to the Commission proof of their VAT status.

5.3.2. Ineligible expenses

The following expenses are ineligible:

- Fixed capital costs
- Debts owed and doubtful debts
- Interest paid
- Contributions in kind
- Unnecessary, high or unjustified expenses
- Civil servants' salaries and expenses
- Costs due to exchange losses
- General provisions (for losses, possible future liabilities, etc.)

- Expenditure for partners from countries not participating in the programme
- Expenditures unrelated to the execution of the Project
- Feasibility studies or research and development costs for future applications to the MEDIA programme

5.3.3. *Duration of the project*

The project duration is that stipulated in the Agreement. This duration could be 12, 24 or 36 months. **Nevertheless, all projects that are to continue for a second or third year must re-apply on a yearly basis to be selected. Their selection will depend on results obtained at the moment of evaluation.** Only costs incurred during this period will be regarded as eligible. Eligible costs have to be incurred during the period specified in the Agreement and at the earliest the date the Agreement is signed by the Commission. Costs incurred after the period indicated in the agreement shall not be eligible.

5.3.4. *Description of Budget Headings*

The following cost headings can be included:

- 1) Personnel Costs
- 2) Operating Costs
- 3) Sub-contracting costs
- 4) Overheads

ad 1) Personnel Costs

Personnel Costs must be calculated on the basis of the actual daily salary/fee of the employee/service provider, multiplied by the number of days worked on the project. This figure must include all the usual contributions paid by the employer, such as social security contributions, but must exclude any bonuses, incentive payments or profit-sharing schemes.

The Personnel costs shall be substantiated by detailed timesheets of the work done.

The daily salary shall be based on the average salary charged at national level for qualified personnel executing comparable tasks.

The maximum number of days per year per person is 220.

Senior employees and directors shall be identified by name in the *Forecast Budget*. Their salaries may not be distributed over several *Budget Headings*.

ad 2) Operating costs

Under this budget heading the following sub-headings can be included:

- 2.1 Travel and subsistence costs
- 2.2 Durable Equipment
- 2.3 Advertising and promotion
- 2.4 Cost of bank guarantee

ad 2.1) Travel and subsistence costs

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

For air travel, only the cost of economy class is accepted; any costs in excess of this rate will have to be detailed and justified in the 'Note to the Budget'; they will only be accepted in duly justified, exceptional cases. For train travel first class tickets are permitted.

For car travel, the eligible amount will be limited to the amount corresponding to the price of a 1st class train ticket.

For accommodation and subsistence costs the following maximum amounts per person per day are eligible:

Country	Maximum in €	Country	Maximum in €
AT Austria	121	LV Latvia	165
BE Belgium	149	LI Liechtenstein	95
BG Bulgaria	205	LT Lithuania	170
CY Cyprus	110	LU Luxembourg	143
CZ Czech Republic	175	MT Malta	115
DK Denmark	179	NL The Netherlands	147
EE Estonia	120	NO Norway	140
FI Finland	155	PL Poland	210
FR France	130	PT Portugal	142
DE Germany	127	RO Romania	170
GR Greece	113	SK Slovakia	125

HU Hungary	165	SI Slovenia	110
IS Iceland	160	ES Spain	141
IE Ireland	165	SW Sweden	156
IT Italy	129	UK United Kingdom	199

The amounts specified in this table include all costs associated with the stay in the country concerned. If there is no overnight stay, the amounts are reduced by 50%.

Within these limits, the reimbursement of accommodation and subsistence expenses may be made on an actual or fixed cost basis. However, if the internal regulation of the institution of the person making the journey impose a lower limit than the amounts detailed in the above table, the former must be used as a basis of calculation.

Please note as a general rule that, if different activities are included in heading 2.1, the corresponding costs have to be detailed by activity.

ad 2.2) Durable Equipment

Subject to the work plan, equipment shall be reimbursed according to a depreciation period (for computer equipment that costs less than €25.000 the depreciation period is 36 months, for all other equipment the depreciation period is 60 months) and its use on the project; equipment leased shall be reimbursed without exceeding the eligible cost if it were to be purchased.

ad 2.3) Advertising and promotion

Costs specified under this section must exclusively relate to advertising and promotion of the project through the appropriate medium. Advertising costs may comprise all expenditure linked to design, layout and publication (including billboards and sign posting) as well as the buying of advertising space.

2.3.1. Advertising costs should be differentiated according to the type of medium used e.g. professional press, posters etc. They should further specify separately the costs of concept, design and layout and the actual cost of the advertising space required.

2.3.2. Web pages costs should be detailed and, if necessary, the division between this item and other entries into the forward budget for Internet and web costs should be duly justified in the 'Note to the budget'.

All applicants' attention is drawn to the fact that a promotional network of Media Desks has been provided for by the Media Programme. The Commission reserves the right to refuse unnecessarily high expenses arising from the failure by the applicant to make the best use of this network.

ad 2.4) Cost of bank guarantee

The Commission shall request a bank guarantee for an amount equal to the pre-financing payment (see section 1.3 on Definitions), which corresponds to 60% of the value of the

contract. The costs for the bank guarantee are eligible expenses and can be included in the Forecast Budget. The project can choose to avoid a bank guarantee, by opting not to have a pre-financing payment. In this case the first payment will take place 6 months after the signature of the contract on the basis of a detailed cost statement, signed by the contractor and verified by an external auditor.

ad 3) Sub-contracting costs

This Budget Sub-Heading should detail any amount paid to an external party which is not part of the contractor's team or a member organisation of the partnership and is carrying out a specific one-off task in connection with the project. The following costs may be included in this heading: sub-titling, dubbing, printing, certain accounting services.

Sub-contracting costs are admissible only if the staff of the member organisations of the partnership does not have the skills required. Subcontracting may not account for more than 30% of the total cost of the project. Subcontracting costs must be substantiated by receipted invoices.

Should the beneficiary undertake any procurement as part of the activities co-financed by the Commission grant, the beneficiary shall award the contract to the tender offering best value for money, in compliance with the principles of transparency and equal treatment for potential contractors, care being taken to avoid any conflict of interests.

3.1. Sub-titling costs should specify the unit costs such as the number of languages (any additional explanation required should be added to the note that accompanies the forward budget).

3.2. Dubbing costs should specify the number of languages and the daily rate. Separate events should be detailed separately (any additional explanation required should be added to the note that accompanies the forward budget).

ad 4) Overheads

Overhead costs should be presented as a lump sum which may not exceed 7% of the total eligible costs of the project. Any additional explanation required should be joined to the note that accompanies the forward budget.

5.4. Sources of income

The attention of Applicants is drawn to the fact that contributions in kind are not eligible either as expenses or as income under the present guidelines. All financial contributions must be substantiated by clear statements, specifying the amounts that will be provided in cash. Evidence of this, including invoices and bank records will be required before the final payment of the contribution.

The income side of the Forecast Budget should show:

- The direct monetary contribution from the applicant's own resources;
- The financial contribution from any other fund providers (public or private)
- Any income generated by the project
- The contribution applied for to the MEDIA Plus Programme

6. PRESENTATION AND SUBMISSION OF PROPOSALS

6.1. Proposal language

Proposals may be submitted in any official language of the European Union. However, in order to be of assistance to the evaluators, the applicants are requested to attach a translation of the abstract and an extended summary of the proposal in English.

6.2. Proposal structure

A proposal for funding under the MEDIA Plus Pilot Project scheme has **two** parts:

- Part A collects administrative information about the proposal and the proposers (e.g. proposal name, proposer's names and addresses, brief description of the project and an appropriate translation where necessary, total funding requested by type of expenditure, etc.). This information will assist in the preparation of a contract if the proposal is successful. It is subject to verification by Commission services.
- Part B describes in detail the nature of the proposed project. It presents the objectives and the scientific background of the project. Moreover, part B also describes the way in which this project contributes to the aims of the MEDIA Plus programme as a whole. More specifically it identifies the needs of the sector, should activities such as the ones proposed become necessary or widespread. A description of the consortium, the management of the project, background references and dissemination and further exploitation plans should also be included.

The proposal's short name (acronym), the Call number and the date should be indicated at the top of every page of parts A and B and on all annexes.

6.3. Procedure for Submitting a Proposal

The procedure for submitting an application for support under the MEDIA Plus Programme is the following:

Applicants are required to present one signed, dated original and two copies of the application forms including the required annexes. All pages of the application form (the original) have to be initialled and the declarations must be signed by an authorised signatory of the submitting organisation/s.

Applicants applying with a multi-annual project are requested to submit a detailed budget for every 12 months period. The total maximum period is 12, 24 or 36 months.

Only costs incurred during the project period will be considered as eligible. Please note that the months mentioned are calendar months and that the end of a project does not necessarily coincide with the end of a calendar year. The duration of the contract will be longer than the duration of the project; following the end of the project, the beneficiary will have to submit the final activity report and a final statement of accounts within 3 months of the end of the project. The final statement of accounts has to be certified by an independent accountant and the beneficiary.

Proposals clearly marked with the following words: **“MEDIA-PILOT PROJECTS INFISO/MEDIA/04/05”** must be sent by registered mail or private courier by 24/06/2005 at the latest, as shown on the postmark, to the following address:

EUROPEAN COMMISSION
Information Society and Media Directorate-General
Unit A2 (MEDIA Programme and media literacy)
Mr Costas Daskalakis (**office B100 4/27**)
rue de Genève 1
B - 1049 Brussels - BELGIUM

Applicants are required to confirm the dispatch of an application before the deadline to the following fax number: +32 2 299 92 14.

6.4. Project Selection

Without prejudice to conditions laid down in Article 8.2 of Decision N° 2000/821/EC the whole selection process is in the competence of the Commission.

In implementing the programme, in particular as regards the technical selection of projects, monitoring and evaluation, the Commission will make use of Technical Advisory Groups as laid down in Art. 10.2 of the Decision.

In the performance of its task the Commission shall be assisted by a Committee composed of representatives from each Member State and chaired by the representative of the Commission (MEDIA Committee) as laid down in Art. 8 of the Decision. The representative of the Commission shall submit, for the Committee's opinion, the list of projects proposed for funding.

Every year an appropriate proportion of the funding annually available could be reserved for new activities.

Applicants will be informed whether or not the Commission has decided to grant them financial aid. The Commission's decision will be final.

7. CONTRACTS AND PAYMENTS

7.1. Contracts

Applicants who have been successful in the selection process will receive a contract from the Commission. The contract will indicate the level of the grant awarded and will set out the financial rules to be applied. Payments will be made in instalments.

7.2. Payments and reports

Payment arrangements will be laid down in the contract. However, for the information of applicants, it can be indicated that grant transfers will in principle be made in the following manner:

60% on signature of the contract, the remainder after a detailed evaluation of the project by external experts and acceptance by the Commission of the final report. A bank guarantee will be requested. The project can choose to avoid a bank guarantee, by opting not to have a pre-financing payment. In this case the first payment will take place 6 months after the signature of the contract on the basis of a detailed cost statement, signed by the contractor and verified by an external auditor. Following an evaluation, as described above, a final payment will be made at the end of the 12-month period. If this final payment of the balance exceeds €150,000 it must be accompanied by an external audit of the accounts produced by a chartered accountant.