



Call for proposals – DG EAC n° 35/2004

MEASURES TO SUPPORT PROMOTION

<p>GUIDELINES FOR THE SUBMISSION OF PROPOSALS TO OBTAIN FINANCIAL SUPPORT</p>
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“Access to Markets and European Audiovisual Festivals Networks”

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1. INTRODUCTION

This Call for Proposals is based on Council Decision (2000/821/EC) concerning the implementation of a programme encouraging the development, distribution and promotion of European audiovisual works (MEDIA PLUS Development, Distribution and Promotion 2001 - 2005), adopted by the Council on 20th December 2000 and published in the Official Journal of the European Communities n° L13 of January 17, 2001.

2. OBJECTIVE(S) - THEMES(S) - PRIORITIES

2.1 Objectives

Among the objectives of the above mentioned Council Decision are:

- facilitate and encourage the promotion and circulation of European audiovisual and cinematographic works at trade shows, fairs and audiovisual festivals in Europe and around the globe, insofar as such events may play an important role in the promotion of European works and the networking of professionals;
- encourage the networking of European operators, by supporting joint activities on the European and international markets by national public or private promotion bodies.

2.2. Actions to be implemented.

This Call for Proposals is aimed at European companies whose activities contribute to the realisation of the objectives of the MEDIA Programme as described in the Council Decision. It explains how to submit a proposal with a view to obtaining a financial contribution from the Community.

The Commission service responsible for implementing the MEDIA Programme is Unit C/3 of Directorate General Education and Culture.

2.3 Priorities

The actions of the Promotion Policy of the MEDIA Plus programme aim to:

Action 1. Access to markets for professionals

To improve the conditions governing access by professionals to trade shows and professional audiovisual markets within and outside Europe and via specific technical and financial support schemes as part of events such as:

- the main European and international cinema markets
- the main European and international television markets

- special-interest markets, particularly for animated films, documentaries, multimedia and new technologies.

Action 2. Promotion of European works from the production phase onwards
Whenever possible, encourage support to promote the production and co-production of cinematographic works, as from the production phase of the work in question. Such support may take the form of co-production and financing initiatives and events.

Action 3. Creation of databases, and of computer tools aimed at professionals of European A/V networks
Encourage the creation of a database and/or a network of databases on catalogues of European programmes, intended for professionals.

Action 4. Promotion of European works targeted at the general public
Encourage professionals, in close participation with the Member States, to organise activities targeted at the general public and promoting European cinema and audio-visual productions.

Action 5. European Audiovisual Festivals Networks
Encourage lasting co-operation between festivals and encourage co-operative projects with a European dimension involving audiovisual festivals from at least ten Member States or countries participating in the MEDIA Plus Programme. These festivals must support the promotion and circulation of European audiovisual works. Audiovisual Festival networks must implement co-ordinated actions to promote works from Member States or regions with a low audiovisual production capacity and works by young European directors and must establish an active policy for promoting and encouraging lasting co-operations between the members of the networks.

To this end, the Commission is encouraging the networking of operators at European level, notably by supporting joint initiatives involving public or private national bodies.

The proposals can be submitted either by an individual operator or by a European network of national public or private operators specialised in promotion activities. Please note that this is not intended to cater for the individual actions of single companies in support of their own products at particular events.

A project (or part of a project) in all actions lines may consist of a database and/or a network of databases on European works. The Commission encourages the networking of operators at the European level and joint initiatives between public and private bodies specialised in promotion events.

Please note that this scheme is not intended to cater for the individual action of a single company in support of their own products.

In the case of Action 1. The Commission intends to award financial contributions to European companies which guarantee the presence of European professionals in the relevant events and offer a range of specialised services.

a) Prior to each action/project:

- provision of information to professionals (computer servers, Media Desks and Antennae, trade press, etc.);
- selection of companies interested in participating in the event and administrative management of their participation (accreditation, reservations, etc.);
- compilation of catalogues (in printed or electronic form) ;
- promotion of the action/project towards the specialized press (advertising campaign, press conferences etc...), clearly reflecting and mentioning the support of the MEDIA Programme of the European Union;

b) During the action/project:

Organisation of a logistic and professional service and/or structure for participating companies providing:

- a stand or appropriate working area;
- screening booths and, where relevant, projection rooms;
- display units;
- consultations with experts in audio-visual matters;

Activities must clearly reflect the support of the Commission and, where appropriate, a specific area should be set aside for the MEDIA Programme.

c) After the action/project:

- assessment and dissemination of the results obtained during the event (extensive financial report, activity report, press file, etc.).

In the case of Action 2. The Commission intends to award financial contribution to European companies that propose innovative methods of promotion, included the assembly of financial packages for the production of, European Audiovisual Works.

Innovative proposals are welcome but care should be taken to provide for the following elements where appropriate:

a) Prior to each action/project:

- provision of information to professionals (computer servers, Media Desks and Antennae, trade press, etc.);
- appropriate selection of projects & companies interested in participating in the event and administrative management of their participation (accreditation, reservations, etc.);
- compilation of catalogues (in printed or electronic form) ;
- targeted campaign of recruitment/publicity for participants contributing to the financing or advancement of the projects selected.

b) During the action/project:

Organisation of a logistic and professional service and/or structure for participating projects, companies, and professionals including where appropriate:-

- a stand or appropriate working area;
- screening booths and, where relevant, projection rooms;
- display units;

Activities must clearly reflect the support of the Commission and, where appropriate, a specific area should be set aside for the MEDIA Programme.

c) After the action/project:

- assessment and dissemination of the results obtained during the event (extensive financial report, activity report, press file, etc.).

In the case of Action 3. The Commission intends to award financial contributions to encourage the creation of a database and/or a network of databases on catalogues of European programmes, in at least three different European languages including English, and intended for professionals based on the following criteria:

a) Prior to development stage:

clear definition of the project/action, its purpose and objectives

identification of users and adequate promotion to raise awareness of the project/action

clear strategy for compilation of data

- rationale for linking databases in a network (where appropriate)
 - b) Development stage
 - compilation of data
 - design of accessible user interface
 - promotion (e.g. provision of information to professionals by different means about the opportunities offered by the action; organisation of a well-targeted press campaign, in cooperation with the MEDIA Programme, mentioning clearly and visibly the support of the MEDIA Programme.)
 - co-ordination of databases to form a network (where appropriate)
 - c) Maintenance stage
 - provision of adequate support and maintenance (i.e. keeping the database up to date, enhancing user interface etc)
 - continued promotion
 - d) Ongoing assessment
- assessment at regular intervals of adequate means of providing support and maintenance for the database.

In the case of Action 4. The Commission intends to award financial contributions to European companies which present innovative projects promoting European Audiovisual works to the widest audience of the general public.

- a) Prior to each action/project:
 - provision of information to professionals (computer servers, Media Desks and Antennae, trade press, etc.);
 - appropriate selection of projects & companies interested in participating in the event and administrative management of their participation;
 - compilation of catalogues (in printed or electronic form) ;
 - targeted campaign of recruitment/publicity for the selected audience.
- b) During the action/project :
 - provision of information to professionals by different means about the opportunities offered to them by the project;

- promotion of the action/project towards the specialized/general press (advertising campaign, press conferences etc...), clearly reflecting and mentioning the support of the MEDIA Programme of the European Union;
- c) After the action/project :
 - assessment and dissemination of the results obtained during the event (extensive financial report, activity report).

In the case of Action 5. The Commission intends to award financial contributions to European festivals networks with members from at least ten Member States or countries participating in the MEDIA Plus Programme. These networks must implement lasting co-ordinated actions between their members, which promote and support the circulation of works from Member States or regions with a low audiovisual production capacity and works by young European directors.

This Call for Proposals is addressed to networks of European audiovisual festivals whose activities will contribute to the realisation of the above objectives and that will produce, implement and deliver a combination of the following actions to this end:

- a) Lasting collaboration during members (a minimum of 10 member festivals):
 - Exchange of professional expertise and best practise, contacts and knowledge, for example through staff exchanges.
 - Shared online access to up to date festival catalogue information (including print sources, festival prize-winners, accredited distributors / TV buyers / sales agents,) and other information (for example newsletters and periodicals). Such activities should enable permanent online access to these publications and archives (and should be available in at least three European languages including English).
 - Evaluation and distribution of the results achieved during the initiative (detailed financial report, activity report).
- b) Distribution and promotion of European audiovisual works:
 - Implementation of film competitions which tour between at least 10 member festivals and/or European film awards.
 - Selection of touring packages of European short films.
 - Assessment, demonstration and impact of such activities on the promotion and circulation of European audiovisual works.

3. CALENDAR

Applications must be sent to the Commission by the following deadlines (See Point 12.3. of this Call for Proposals for a detailed description of the methodology to follow when submitting an application):

13th September 2004 for annual projects and projects starting between 01st January, 2005 and 30th April, 2005.

03rd December, 2004 for projects starting on or after 01st May, 2005 and ending up to and including 31st December, 2005.

Annual projects are defined as projects whose action(s) encompass one year or a minimum period of six (6) months within the eligible period as set out in the present Call for Proposals.

This Call for Proposals only concerns projects taking place from 1st January 2005 to 31st December 2005.

The projects must end before the 31/12/2005.

The maximum duration for projects is 12 months.

No application will be accepted if the project extends over a longer period of time than that specified in the present Call for Proposals.

No extension of this 'eligible period' is possible.

Applicants will be informed as soon as possible (normally within twelve weeks of the submissions deadline), whether or not the Commission has decided to grant them a financial contribution. This decision will be final.

4. AVAILABLE BUDGET

The maximum budget available for co-financing projects under this present Call for Proposals will be 6.2M €. There is no allocation between the various action lines.

The award granted to each beneficiary and for each proposed project will normally be limited to 50% of the total costs. Projects which enhance European linguistic and cultural diversity (i.e. through a special focus upon works from countries with a low production capacity) may apply for a grant of 60% of the total costs. The final percentage of the financial contribution to be awarded will be determined by the European Commission in consideration of the nature of the project.

The beneficiary must guarantee the remaining funds.

N.B. "In kind" contributions and expenses cannot be supported by the MEDIA Plus Programme, but are taken into account when assessing the budget and must therefore be included in the appropriate sections of the Budget Summary Form.

The Commission reserves the right not to allocate the entire budget.

5. ELIGIBILITY CRITERIA

Applications which fulfil all of the following criteria will be considered eligible and assessed.

5.1. Eligible Organisations

Public bodies and private companies (including non-profit organisations) of the audiovisual sector are eligible according to the terms of the present Call for Proposals.

This Call for Proposals is open to companies registered in and owned by nationals from the Member States of the European Union and countries of the European Economic Agreement participating in the MEDIA Plus Programme defined in the point 5.2. of the present Call for Proposals and which is owned and continues to be owned, whether directly or by majority participation, by nationals from these countries. (Applicants MUST provide up to date copies of their statutes and certificate of registration including copies of all amendments and a complete up to date list of all shareholders / directors / management board members, etc. which certifies the nationality of such persons).

The Applicant must be a European body as defined under point 5.2.

Regarding Action 5, the Applicant must have (audiovisual festival) members from at least ten (10) Member States or States participating in the MEDIA Programme. Applicant must provide participating letters from its festivals partners (original signatures are requested). The festivals members of this network must program a significant part of original European audiovisual works (fictions, documentaries, animation, feature films and short films, in all formats, including new media).

The definition of a « European work » should be understood in the sense of Article 6 of Council Directive 89/552/EEC of 3rd October 1989 on the co-ordination of certain provisions, legislative, regulatory or administrative, in the Member States concerning the pursuit of television broadcasting activities as amended by European Parliament and Council Directive 97/36/EC of 30th June 1997.

5.2. Eligible Countries

This Call for Proposals is open to companies registered in and owned by nationals from the Member States of the European Union and countries of the European Economic Agreement participating in the MEDIA Plus Programme (Iceland, Liechtenstein and Norway), as well as those other countries that satisfy the conditions laid down in Article 11 of Decision N° 2000/821/EC (Bulgaria).

For the purposes of this Call for Proposals, the following countries will be considered as countries with a low audiovisual production capacity: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Ireland, Iceland,

Latvia, Liechtenstein, Lithuania, Luxembourg, Norway, Netherlands, Poland, Portugal, Slovakia, Slovenia and Sweden.

5.3. Eligible Actions

Only those applications corresponding to at least one of the 5 Actions described under the present Call for Proposals (point 2.) will be considered eligible.

5.4. Eligible Applications

Only those applications submitted using the official Application Forms provided in Annex I, fully completed and duly signed and received within the relevant deadline (the postmark will be taken as proof of timely sending) will be considered.

The application forms must include all documents requested in the Checklist in Annex I, in particular those regarding its financial and operational capacity to carry out the project.

Applications must respect these guidelines and be correctly and fully completed. Applications must present a detailed, balanced and correct budget and the Community co-financing applied for cannot exceed 50% of total costs. Projects which enhance European linguistic and cultural diversity (i.e. through a special focus upon works from countries with a low production capacity) may apply for a grant of 60% of the total costs.

All the other conditions detailed in Point 12 of the present Call for Proposals must be respected.

6. EXCLUSION CRITERIA

Applicants must certify that they are not in any of the Situations described in Articles 93 & 94 of the Financial Regulations applicable to the budgets of the European Communities (EC Council Regulation, Euratom-n° 1605/2002 25 June 2002.) These situations are set out below:

Applicants are excluded from participation in this Call for Proposals if:

- (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 project 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) following another grant award procedure or procurement procedure financed by the Community budget, they have been declared to be in serious breach of contract for failure to comply with their contractual obligations.

Applicants must certify that they are not in one of the situations listed above (by signing the declaration in the Application Forms attached in Annex III).

2) Applicants shall be excluded from the participation at this Call for Proposals if:

(a) they are subject to a conflict of interest;

(b) 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.

Administrative and financial penalties may be imposed by the Commission on applicants who are found guilty of false declarations or who admit to a serious breach of their contractual obligations under a previous contract or call for tender, in accordance with the provisions of Articles 93 to 96 of the Financial Regulation.

In order to respect these criteria, the applicant must sign a declaration of honour that they are not in any of the situations set out in Articles 93 & 94. This declaration is included in the Application Forms provided in Annex I.

7. SELECTION CRITERIA

The Selection Criteria assess the applicant's capacity to complete the project for which support is requested:

Applicants must possess stable and sufficient financing to maintain their activity and to contribute to the financing of the project throughout the period necessary for the implementation of the project for which support is requested. Applicants must have sufficient professional qualifications and experience to successfully manage the project for which support is requested.

Applicants must submit a declaration of honour (complete and signed) certifying their financial and operational capacity for the purposes of the successful implementation of the project for which support is sought.

7.1 Operational Capacity

To enable the assessment of its operational capacity, the applicant must provide the following documents as part of their application:

- the curriculum vitae of the person (s) in charge of the project and of the key staff involved in its implementation (for example programmers, administrative staff, education officers, etc) and, when applicable, of any partner organisation;
- a summary of the activities of the applicant (and of its partners, when applicable) over the previous three years and a business development plan for the project over the next three years.

7.2 Financial Capacity

To enable the assessment of its financial capacity, the applicant must provide the following documents as part of their application:

- The most recent certified, audited copy of the complete annual Profit and Loss accounts, including a copy of the balance sheet and all other relevant annexes if available. The accounts must have been certified by an independent authorized chartered accountant/auditor;
- The bank identification form (form I.a.ii. of Annex I) duly completed by the applicant and certified by the bank. This form must include original signatures of both the applicant's and the bank's representatives;
- The form concerning the applicant's financial capacity (form I.a.v.), duly and carefully completed. The information provided (figures) will be based on those from the most recent complete certified accounts, provided with the application. The applicant certifies that these figures are accurate and verifiable. This information will be necessary to the evaluation of applicant's financial solidity and co-financing capacity.

N.B: If, on the basis of documents provided, the Commission finds the Applicant's financial capacity to be unsatisfactory, it may:

- Reject the application
- Require additional information
- Require a Guarantee (See point 9.3.)
- Offer a contract which includes a financial contribution, but with no pre-financing payment (i.e. which foresees the payment of the total contribution following the approval of Final Reports to be submitted after the event.)

7.3 Audit

For applicants requesting a contribution of more than 300,000€ the certified accounts must be accompanied with an external audit report done by an authorized chartered accountant/auditor¹.

This report certifies the accounts of the last or most recent fiscal year and gives an opinion about the Applicant's financial capacity to carry out the project to its end.

The Commission reserves the right not to select proposals submitted by applicants who have not fulfilled their obligations in the framework of contracts signed in the framework of the MEDIA I, MEDIA II and MEDIA Plus Programmes.

Applicants who fail to provide the requested documents or who, on the basis of the documents submitted, are judged not to meet the selection criteria, will be excluded.

8. AWARD CRITERIA

The award criteria make it possible to assess the quality of the proposals submitted in the light of the objectives and priorities set. The European Commission will decide to award grants within the limit of the budgetary resources available on the basis of the following criteria. The resources are allocated to the scheme as a whole and there is no division of potential funds between the five Action Lines.

The criteria will be given the weighting indicated below:

The European Dimension of the Project	25%
Impact on the Promotion & Circulation of European Audiovisual Works	25%
Quality and Cost-effectiveness of the action plan submitted	25%
Innovative aspects of the action	5%
Potential long term benefits of networks established	10%
The promotion of works from	10%

¹ The chartered accountant/auditor must be authorized according to the terms of the Eight directive 84/253/CEE of the Council of 10th April 1984 based on article 54 paragraph 3 point g) of the CEE treaty, regarding the authorization of the individuals in charge of the legal control of accounting documents (JO n° L 126 of 12/05/1984 p.éà)

territories with a low audiovisual production capacity	
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For the purposes of this stage “The European Dimension of the Project” will be judged upon the following criteria as appropriate to the individual proposal:

- the number of European works featured in the project;
- the number and range of European professionals featured in the project;
- the overall target audience of the project.

9. FINANCIAL CONDITIONS

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

The amount of the financial contribution awarded by the European Commission is determined in consideration of the cost and nature of projects.

The award of a contribution does not infer any right to a grant in subsequent years.

Community Subsidies exist to encourage the implementation of projects which could not be carried out without Commission support and which operate thanks to the principle of co-financing. The Commission completes financing undertaken by the applicant, national, regional, etc, public funding and private sponsorship.

Under no circumstances may the amount awarded be greater than that applied for.

Applicants from States which are members of the Euro Zone must present their budget and reports exclusively in Euro. All other applicants must present their budget in both Euro and their national currency. Currency conversions in the Budget Summary Form should be calculated using the official exchange rate announced at the beginning of the month in which the present Call for Proposals is published. These exchange rates can be obtained from the national MEDIA Desks and Antennae and from the European Commission web site (<http://europa.eu.int/comm/budget/inforeuro/files.htm>) The exact rate used should be specified within the space provided on the Budget Summary Form.

Applicants should note that currency conversions must be made on an item by item basis and the sub-totals and totals of each budget sub-category calculated from the converted euro amounts for each item (and not simply converted from the equivalent subtotal in a national currency), so that both national currency and euro budgets are coherent and totally correct.

Applicants are strongly advised to re-check all automatic calculations with a simple calculator.

The Summary budget must be balanced and clearly indicate the costs for which a Community co-financing is requested.

Applicant must specify in the budget all sources and values of contributions anticipated / sought for the project during the same financial year either concerning the same action or other actions implemented as part of the organisation's activities.

Under no circumstances may the contribution of the Commission give rise to a profit for the beneficiary. Profit is defined as having achieved greater revenues than costs. Any profit will result in a proportionate reduction to the contribution finally awarded.

The bank account specified in the Application forms must enable any Commission contribution to be identified. If the contribution paid into this account generates any interest or equivalent profit (under the relevant national law of the country in which the account is based), this interest must be recovered by the Commission when the contribution balance is paid.

The beneficiary is committed to carrying out the project as presented in the application form.

9.1 Payment Procedure

The financial support granted in the framework of this Call for Proposals will take the form of subsidies as defined in Article 6 of Council Decision 2000/821/EC.

Should an application be approved from the Commission, an agreement (in Euro) specifying the conditions of the grant and the level of Commission financing will be concluded between the Commission and the beneficiary. Original copies of this agreement must be signed and returned to the Commission who will be the last party to sign.

The payment of the Community's contribution will be normally made in two instalments:

A pre-financing representing 75% of the award will be paid to the beneficiary within 45 days of the date on which the agreement has been signed by both parties and any necessary guarantees have been received. This pre-financing payment is designed to provide cash flow for the beneficiary.

Pre-financing payments can be divided in several instalments. In this case, the first pre-financing payment will represent 40% of the total award. A second pre-financing payment representing 40% of the total award will be paid within 45 days of the approval by the Commission of a Progress report of the project. This second instalment of pre-financing can only be paid after 100% of the first pre-financing payment has been used up.

The remainder will be paid following the presentation and acceptance by the Commission of a Comprehensive activity report and a Final Financial Statement giving detailed breakdowns of the final costs and revenues of the project and duly certified by an approved independent chartered accountant or auditor. The amount of the financial contribution will depend on the actual costs incurred by the beneficiary and the levels of co-financing ultimately obtained. Should actual expenses incurred by the beneficiary for the implementation of the project be lower than the costs foreseen in the provisional application budget, the Commission will apply the financing rate set out in the contract. If appropriate, the beneficiary will be required to reimburse any surplus already paid by the Commission as pre-financing payments.

9.2 Audit of Accounts

An external audit of the applicant's accounts (carried out by an approved independent chartered accountant/auditor) may be required to ensure payment completion in case of any 'management risks.' In such cases, the auditors report should be annexed to the request for payment in order to certify that the accounts concerned are truthful, accurate and supported by adequate justifications.

9.3 Guarantee

The Commission may request any beneficiary to produce a guarantee before any payment in order to reduce the financial risks involved in the payment of pre-financing contributions.

This guarantee aims to make the guarantor liable for all obligations of the beneficiary of a Commission contribution.

This financial guarantee, which must be made in Euro, is to be provided by a recognised financial or banking institution established in any of the European Union's Member States.

This guarantee can be replaced by the personal liability of a third party or the beneficiary involved in the agreement concerning the project.

The financial guarantee will be returned once the pre-financing has been covered by the further payments (including final payment) made to the beneficiary conforming to the conditions set out in the agreement.

9.4 Double-funding

One project may give rise to the award of only one grant from the Community budget to one beneficiary. The project proposed by the applicant cannot receive double funding.

Applicants must indicate in the application for support what other applications for financial support they have submitted or will be submitting to the European Institutions during the same year, indicating for each support the Community Programme concerned and the amount of the support.

9.5 Eligible Costs

The period of the eligibility of costs will be applied according to the nature of the projects, as well as their duration (preparation, implementation and follow-up), and may either:

- start 10 months before the beginning of the project and end 2 months after its completion;

OR

- start 3 months before the beginning of the project and end 2 months after its completion.

In case of annual projects, the period of eligibility of costs will be applied as follows:

- 3 months before the start date of the project until 2 months after the end date of the project.

Candidates should indicate clearly in the application the nature of the project and the starting and ending date for the incurrence of expenditure. Candidates shall mention such period of eligibility of costs foreseen on the provisional budget attached in Annex I. Candidates applying for annual projects which currently have the financial support of the scheme must ensure that the period of eligible costs for the new application does not overlap with the existing period, in particular with regards to Administrative and Staff costs.

Costs incurred prior to the beginning of the period of eligibility of costs considered will not be accepted.

Only Cash costs identified in the Budget Summary Form attached to the present Call for Proposals (Annex I.b.) will be considered eligible costs.

Eligible expenses may only be charged to the project over the duration of the period of preparation, implementation and follow-up of the project.

Administrative costs may only be charged to the project over a maximum period of 12 months.

Costs which are considered as eligible are those which are:

- necessary for the implementation of the action/project and directly linked to it, written in the provisional budget attached in the agreement, reasonable and in conformity with the principles of sound financial management and cost-effective;
- generated during the eligible period of costs as defined in the agreement;

- actually incurred by the applicant, registered in the beneficiary's accounts in accordance with the relevant accountancy principles, and have been declared according to national financial and social security regulations;
- identifiable and verifiable on the basis of justifying documents.

Administration and Staff costs must be kept to a minimum and in any case cannot exceed 40% of the total cost of the project. For the purposes of this calculation, the following budget headings are defined as Administrative and Staff costs : "1.1. Gross salary/Personnel (including labour costs and social charges)" and "3. Overheads and Related expenses", including "3.1. Applicant's Premises and related expenses", "3.2. Office expenses" and "3.3. Consumables".

No costs may be assigned to different category of costs in the final accounts if it has previously been assigned to a different category in the budget.

A beneficiary of a community support is obliged to maintain a clear analytical accounting system for the costs of the supported project. This accounting and classification system will facilitate the verification and certification of the final costs by the independent chartered accountant/auditor necessary for the payment of the financial contribution. The independent audit of all final accounts is mandatory.

The beneficiary's accounting procedures must allow the reconciliation of costs and revenues declared in relation to the project supported with the corresponding justifying evidence and the organisation's accounts.

9.5.1 Direct Eligible Costs

Direct eligible costs are those which respect the general conditions of eligibility set out in the previous paragraph, are necessary for the implementation of the action/project and can be directly attributed to it.

The following direct costs are considered eligible, as long as they meet the following criteria:

- Costs relating to the purchase of equipment (new or second hand) are eligible as long as they are depreciated using the relevant and commonly accepted accountancy principles. Only the amortised cost relating to the duration of the project/action is eligible.
- Costs derived from other contracts undertaken by the beneficiary or its partners to carry out the project/action, as long as the conditions set in Article II.9. of the agreement are met.
- All the following described direct costs are eligible:

A. PERSONNEL COSTS

a) Costs relating to employees of the applicants organisation or company.

- Personnel costs should be calculated with reference to the actual time undertaken by personnel on the project and on the basis of the actual gross salary or wages together with any labour costs and other charges directly relating to the employment of personnel (e.g. social security contributions). Where several applications for funding have been submitted by the applicant in response to Call for Proposals 35/2004, personnel involved in more than one of these projects should be identified, such as to avoid any double funding of costs.
- Records of the time devoted to the project by personnel should be detailed according to the type of staff allocated to the project (e.g. management, executive, administrative or secretarial level), the number of staff per category, the period during which they have been charged to the project and their cost per head.

N.B. These costs must be actual costs incurred by the beneficiary and its partners; personnel costs of other organisations are eligible only if they are directly paid or reimbursed by the beneficiary.

b) Travel and subsistence of personnel

- Travelling and subsistence costs may be charged in accordance with the internal rules of the applicant and shall be considered as acceptable costs in so far as these are not higher than those indicated in the table below.
- Costs allowable shall be limited to the use of first class rail and economy class air travel, following the regulations applied by the Commission. For all other types of travel (e.g. use of private vehicles, car hire, taxi expenses), these costs shall be considered as allowable costs as long as they are necessary to the proper performance of the project and duly justified.
- Travelling and subsistence costs should be detailed according to the number of journeys foreseen by individual members of staff and the cost per head of each trip (including any daily allowances paid to them for subsistence).

For accommodation and subsistence costs the following amounts per person and per day shall be considered eligible:

Country	Maximum €	Country	Maximum €
Belgium	150	Iceland	183
Denmark	179	Liechtenstein	174
Germany	127	Norway	171
Greece	113	Bulgaria	157
Spain	141	Czech Republic	214
France	130	Estonia	129
Ireland	165	Cyprus	100
Italy	130	Latvia	174
Luxembourg	143	Lithuania	126
Netherlands	148	Hungary	136
Austria	122	Malta	86
Portugal	143	Poland	227
Finland	156	Romania	185
Sweden	157	Slovenia	148
United Kingdom	199	Slovakia	164

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

B. THIRD PARTY ASSISTANCE

a) Costs relating to the provision of services by persons who are not employees of the applicant's organisation or company, for example:

- Expenditure relating to persons taken on exclusively for the duration of the event, such as interpreters, press attaches, publicists, hostesses, etc.
- Any fees and expenditures relating to the provision of constancy services by experts in audio-visual matters to European professionals participating in the event to which the project relates.
- Costs should be calculated with reference to the amount of the remuneration paid to any third parties by the applicant.

Records of the time devoted to the project by third parties should be detailed clearly according to the type of service provided, the period during which they have been charged to the project and their cost per head (duration, number, individual cost).

b) Travel and subsistence of Third Parties, decision-makers, journalists and A/V professionals

Expenditure linked to travel and subsistence of:

- Decision-makers (commissioning editors, buyers, financiers, etc.), invited to take part in the event to which the project relates with the aim of fostering the financing of European productions presented at the event and their access to the market.
- Journalists and other persons invited to attend with the aim of enhancing the exposure given to the activities of the European professionals participating in the event to which the project relates.
- Costs relating to the travel and subsistence of third parties, decision-makers, journalists and A/V professionals should be detailed under the present cost category and calculated according to the provisions of Section 1 above. In particular, expenditure must be detailed according to the number of such persons foreseen and their cost per head in terms of travel to and subsistence during the event.
- Costs related to decision makers outside of the European Union are not deemed acceptable and shall have to be deducted from the overall budget presentation, as well as from the Media Programme's contribution, unless the necessity of their involvement within the proposal is duly justified.

C. ADMINISTRATIVE OVERHEADS AND RELATED EXPENSES

Costs related to the premises and related expenses, as well as the office expenses being indirect eligible costs, only those costs mentioned hereunder are considered as direct eligible costs:

- **Consumables**

Allowable expenditure on consumable must relate to the purchase, production, repair or use of any materials, goods or equipment which do not have a life expectancy greater than the duration of the period of project.

Each item must be detailed separately according to its unit cost and the period during which it has been charged to the project.

D. RENTAL OF SURFACE-AREA AND STAND COSTS/ EQUIPMENT COSTS

The nature and breakdown of each cost included under this heading must be detailed separately according to the type of expenditure foreseen and the period during which it has been charged to the project. Costs relating to the rental of surface area must be detailed according to the total surface area, and the cost per square metre.

- a) **Rental of surface-area:**

expenditure concerning the rental of spaces and/or venues during the event to which the project relates. The **size** of the surfaces rented should be **mentioned**.

b) Stand costs / Equipment costs:

Expenditure relating to:

- the working and exhibition areas set aside for the promotion of the activities of European audio-visual professionals participating in the project over the duration of the event to which the project relates.
- the logistic and professional service-structure provided by the applicant to such participants, in particular in the form of screening booths, projections rooms and promotional tools such as display units.
- expenditure linked to the design, construction, decoration and modification of any stands necessary for the implementation of the project as well as maintenance and storage costs of the stand over the duration of the project.
- furniture, furnishings, as well as audio-visual, computing and technical equipment and other items purchased or leased for the duration of the event to which the project relates may also be included under this heading in so far as such items have not been specifically charged under any other category of cost (e.g. as consumables).
- Rental or leasing of equipment is permitted provided that the costs are reasonable, have been properly examined and do not exceed the equivalent purchase costs.
- Purchase costs will only be allowable in exceptional circumstances where this results in lower costs than would otherwise be possible. In such cases, costs incurred for the period in question shall be calculated and charged per Activity using normal accounting practice (i.e. depreciation).

E. ADVERTISING AND PROMOTION COSTS

a) Advertising costs:

Expenditure linked to the design, lay-out and publication of advertisements (including bill-boards and sign-posting) as well as the buying of advertising space and covering the cost of running press campaigns during the period of implementation of the project (mention number, items, units).

b) Publication costs:

Expenditure linked to the development, translation and publication, in printed and/or electronic form of brochures and catalogues intended for dissemination and/or consultation during the period of implementation of the project.

Each item must be detailed separately according to the type of expenditure foreseen. For publication costs, details should also be given of the number of copies to be printed/made.

c) Promotional and public relations activities:

Expenditure relating to:

- the preparation, organisation and holding of any press conferences, professional meetings and in general all promotional activities, including social events, designed to enhance the exposure given to the activities of European audio-visual professionals participating in the project over the duration of the event to which the project relates. Specify the type of promotional event to be organised.
- the elaboration and production of promotional material (e.g. video trailers) designed to enhance the exposure given to the activities of European audio-visual professionals participating in the project.

Each item must be detailed separately according to the type of expenditure foreseen.

F. COMPUTING AND DATA-BASE COSTS

a) Computing costs:

Expenditure relating to :

- internal computing costs, including hardware,
- costs related to connect time to on-line services where this is necessary for the proper implementation of the project.

b) Data-base costs:

expenditure related to the development, production and maintenance of software and data-bases necessary for the proper implementation of the project.

- These costs may be charged to the project in so far as such costs are not specifically charged under any other category of cost:
- on the basis of the time actually devoted to such work defined in the Contract; and/or,
- with reference to the actual costs incurred in the development, production and maintenance of any software or data-bases, where the costs of such equipment and software have not been included in the overheads.

Each item must be detailed separately according to its unit cost and the period during which it has been charged to the project. Computing and data-base costs may only be

charged to the project over the duration of the period of preparation, implementation and follow-up of the project.

G. PRINTS AND PRIZES

The following costs particularly apply to the Action 5.

Nevertheless, some of these costs incurred in the frame of the other Actions supported in the present Call for Proposals, may be written under this category, should they duly justified.

All costs must be detailed.

a) Competitions and Prizes

Expenditure relating to the preparation, organisation and holding of competition events and prize ceremonies, designed to enhance the exposure given to the activities of European audio-visual professionals participating in the project. These costs must be detailed per event, including specification of the nature of each event organised.

Costs for cash and or other prizes may be included in this category so long as they are actually incurred by the applicant organisation.

b) Copyright and Screening fees of prints

Actual costs relating to the acquisition of the right to exhibit films as part of the project, including any standard distribution charge.

c) Transport fees of prints

Actual costs relating to the transport and insurance costs for film prints.

d) Sub-titling and Translation of prints

Actual costs for the translation and sub-titling of the prints of films participating in the project where these are directly related to this participation.

H. FINANCIAL COSTS

In the case of the normal operation of the applicants Bank Account those charges incurred in the payment of the expenses of the project may be charged provided that they comply with the general rules set out above.

Costs related to bank guarantee that may be required by the Commission can be written in this category.

Bank Financing costs for the operation of the project may also be considered as eligible provided the following conditions are met.

The beneficiary should maintain a separate bank account for the payment of all of the expenditure of each individual project. All payments received for the project should be immediately transferred into said account upon receipt. Any financing charges related to an individual project should be debited to this account. The extracts of the account and accompanying explanatory note for the calculation of the charges should be sent separately with the Final Report.

I. OTHER COSTS

Any other costs which the applicant wishes included in the budget which do not fall into any of the above-mentioned categories, but are related to the project. These costs should be in line with the principles set out in this guide, clearly detailed and duly justified in the accompanying explanatory note. The inclusion of such costs is at the sole discretion of the Commission.

9.5.2. Indirect Eligible costs (Overheads)

Overhead costs should be detailed according to the following sub-categories:

- a) Premises and related expenses**, for example rent, insurance, administration and management costs, etc.
- b) Office expenses**, for example telephone, postal services, photocopies, bank charges, etc.

Each item of indirect costs must be detailed separately according to its unit cost and the period during which it has been charged to the project. Indirect costs may only be charged to the project over the duration of the period of preparation, implementation and follow-up of the project (mention duration, units, surface area). The total amount of these indirect costs must be kept of a minimum and not exceed 7 % of the total eligible direct costs.

For the purposes of this calculation, the following budget headings are defined as indirect costs : “3.1. Applicant’s Premises and Related expenses” and “3.2. Office expenses”.

The total direct costs eligible budget is defined as follows : (Total cash budget) – (sum of points 3.1. and 3.2.).

- Overhead costs should be calculated in accordance with normal accounting conventions, policies and principles (for example for rent, on the basis of the costs per m2 over the duration of the project), in the knowledge that:

- they are subject to verification and shall not exceed the actual costs incurred;
- no items are included which are specifically charged under any other category of costs.

Indirect costs are eligible as long as they are not written in another category of the Summary Budget.

Indirect costs are not eligible when the beneficiary also receives an operating grant from the European Commission.

9.6 Ineligible costs

The following costs are considered ineligible:

- costs not directly linked to the project,
- unidentifiable or unverifiable costs,
- capital investment costs,
- debts,
- contingency provisions (for debts, future losses etc.),
- bad debts,
- exchange losses,
- accumulated losses,
- discounts, credit notes, rebates or allowances,
- VAT unless the beneficiary can show that he is unable to recover it,
- costs declared and supported in the framework of another action or under another Community grant,
- unjustifiably high expenses.

In the event that the organisation is unable to reclaim amounts of VAT related to the expenditure of the project, then these charges may be included in the budget summary form provided that they are detailed and duly justified. The Applicant must specify whether the amounts stated throughout the budget (revenue and expenditure) are calculated with or without VAT.

Eventual in-kind contributions are not considered as eligible. Any cost which will not result in any financial expenditure by the beneficiary are considered as being “in-kind” contribution/costs.

However, the Commission can accept, in exceptional and duly justified circumstances, the co-financing of the action/project be partially made of in-kind contributions. In this case, these costs can be included in the budget, provided that they:

- are directly linked to the project concerned, identifiable and verifiable on the basis of supporting documents which should clearly indicate the project, its date and the value of the contribution and be duly certified by the relevant partner,
- can be demonstrated to be of an equivalent value to the established market price.

In kind contributions concerning property are however to be excluded from all sections of the project budget.

Co-financing in kind (in-kind contributions) cannot cover all necessary project co-financing. At least 25% of the total project co-financing must be covered by cash contributions.

9.7. Legal entity

The Commission can only offer agreements to (successful) applicants on the basis of approval of documents enabling the legal status of applicant organisations – whether or not they are legal entities or individuals.

Applicants must therefore supply up to date copies of the following documents

Private companies, associations etc...:

- A complete bank identification form signed by both the applicant's legal representative and a representative of the bank. 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.
- A copy of the organisation's registration certificate for the relevant authority, (e.g Companies register, Official Journal, etc.) and statutes (including proofs of the company registration number, the full legal title of the organisation, the registered address, the date and place of registration, all recent amendments either to the registration documents or to the elected shareholders, directors, board members or other legal representatives, and a list of company directors / share holders / board members including proofs of their nationality).
- A copy of the VAT registration including the VAT number (if the Company registration number is the same as the VAT number according to national law, only the organisation's registration certificate need be supplied).

Public bodies:

- A complete bank identification form signed by both the applicant's legal representative and a representative of the bank.
- A copy of the law or decree establishing the institution should be provided as 'copy of the organisation's registration certificate,' with proofs of the data specified in the previous paragraph.

Individuals:

- A complete bank identification form signed by both the applicant's legal representative and a representative of the bank.
- A photocopy of the passport / Identity card.

The forms relating to the legal structure of the applicant company according to the country in which it is established must be provided with the application. The forms are

available on the website :
http://europa.eu.int/comm/budget/execution/legal_entities_fr.htm

10. SUB-CONTRACTING AND ACQUISITION OF EXTERNAL SERVICES

Where the project proposed has resort to a significant element of external services then the applicant should provide for the establishment of a tendering process to select the relevant service provider. The beneficiary shall then 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.

Beneficiaries should ensure that such service providers are subject to the same terms and conditions as set out in this Call for Proposals.

11. PUBLICITY

All subsidies allocated during any one financial year must be published on the website of the European Institutions during the first six months of the following financial year, after the completion of the audit of the budget under which they were granted. This information may also be published in any other appropriate publication, for example the Official Journal of the European Community.

With the permission of the successful applicant, (unless such information threaten their security or harm their business interests), the Commission will publish the following information:

- the name and address of the beneficiary;
- the subject of the grant;
- the amount and the rate of financing.

In the event that the beneficiary does not agree to this, they should attach a detailed justification, which the Commission will consider in the process of deciding on the award of the grant.

All successful applicants are required to mention clearly the support of the European Union in any publicity or during the activities for which a subsidy is granted.

Moreover, all successful applicants are required to display (clearly) the name and logo of the MEDIA Plus Programme, on all publications and publicity materials produced for any project which has been allocated a co-financing contribution.

Should this condition not be respected, the amount of the Commission contribution provisionally allocated may be reduced.

12. APPLICATION PROCEDURE

12.1 Publication

The Call for Proposals is published in the Official Journal of the European Union and is accessible on the Directorate General of Education and Culture's website at the following address: http://www.europa.eu.int/comm/avpolicy/media/promo_en.html

12.2 Application Forms

Applications must be submitted using the official Application Forms (including the Summary Budget Form).

Proposals should preferably be submitted in English or French and must be submitted in duplicate. In order to accelerate and facilitate the evaluation process, all documents relevant to the assessment of the application submitted should be, when applicable, translated into English or French. Both copies must be signed and initialled, dated and clearly identified.

The applications forms must be typed. Only typed applications will be accepted.

Application forms can be downloaded from the following website:
http://www.europa.eu.int/comm/avpolicy/media/promo_en.html

12.3 Presentation of the Application

Only applications presented using the official Application Forms (Annex I), having been completed correctly and in full, including a complete, correct and balanced budget in compliance with the limits set in the present Call for Proposal, in particular in point 9.5. (for example the 40% limit regarding administrative and staff costs), having been signed and dated by the applicant's legally authorised representative and sent in duplicate will be accepted. Applicants must ensure that there are no currency conversion errors in their budgets.

Any costs included in this budget and exceeding 10,000€ must be broken down in detail within the Summary Budget Form itself or attached sheets and explanatory note. Applicants must indicate the quantities (number of meetings, persons, days, quantity and scale of materials etc.) and the unit price and must clearly indicate the nature and duration of the work(s) carried out.

Applicants must provide full details and explanations/justifications for all costs mentioned in the budget. A clear distinction between cash and "in-kind" cost/contribution must be made.

All sources and amounts of revenue must be clearly specified and proved by copies of partnership agreements to be provided along with this application form. Should some of these documents not be available by the deadline for applications, a guarantee letter signed by the applicant should be provided, covering all own investment and outstanding revenues.

Incomplete applications (including applications which do not provide all documents requested in the checklist included in the application form,) and applications submitted after the relevant applications deadline will be rejected.

Deadline for sending proposals:

13th September 2004 for annual projects and projects starting between 01st January, 2005 and 30th April, 2005.

03rd December, 2004 for projects starting on or after 01st May, 2005 and ending up to and including 31st December, 2005.

Proposals must be sent

- by registered post (preferably) or post to the following address (the postmark will be taken as proof of timely sending):

European Commission
DG EAC/C/3 MEDIA Programme
Mr Costas DASKALAKIS
Acting Head of the MEDIA Programme
Office : B100 - 4/27
B-1049 Brussels

- by hand or by express courier to the following address (with proof of timely delivery):

Rue de Genève, 1 (B-100 4/27)
B-1049 Brussels

Proposals delivered by hand or express courier must arrive before 15.00 hours on the relevant deadline.

All envelopes should be clearly marked: « CALL FOR PROPOSALS 35/2004 MEDIA PROMOTION ».

Applications sent by fax or email will not be accepted.

No amendments / modifications to the application will be accepted following its receipt by the Commission. Nevertheless, the Commission reserves the right to request additional information clarifying elements of the application. Applicants should give full and prompt replies to any such request.

Applicants shall ensure to provide all the documents requested and mentioned in the check-list attached to the application forms of the present Call for Proposals.

NB. The Commission reserves the right not to consider applications which:

- do not respect the requirements of the guidelines of the Call for Proposals,***
- are not correctly and fully completed and signed,***
- do not present a detailed, balanced, correct and complete financial form,***
- do not contain all the requested documents.***

Only applications which fulfil all of the eligible criteria will be considered eligible and assessed. Ineligible applications will not be considered for a Commission contribution and will receive letters stating the reasons for such rejection.

Applicants will be informed as soon as possible whether or not the Commission has decided to grant them a financial contribution. This decision will be final.

Selected applications will be subject to a financial assessment. In this context the Commission may request additional information or guarantees from applicants before taking any final decision on granting support.

No file or document submitted will be returned to applicants at the end of the evaluation and award procedure.

12.4 Applicable Rules

- Council Regulation (EC Euratom) n° 1605/2002 of 25th June 2002 concerning the Financial Regulations applicable to the budgets of the European Communities;
- Council Regulation (EC Euratom) n° 2342/2002 of 23rd December 2002 (implementation rules concerning the Council Regulation);
- Council Decision (2000/821/EC) concerning the implementation of a programme encouraging the development, distribution and promotion of European audiovisual works (MEDIA PLUS Development, Distribution and Promotion 2001 - 2005), Official Journal of the European Communities n° L13 of January 17, 2001;
- Financial Framework of MEDIA Plus Programme.

12.5 Contacts

For any further information please contact:

MEDIA Desks and Antennae (List contained in Annex III)

Or

European Commission
Ms Elena BRAUN
DG EAC / C3
Office: B100 – 4/43
B-1049 Brussels
Tel. +32 2 296 03 96
Fax. +32 2 299 92 14
Email : elena.braun@cec.eu.int

Annexes attached:

- I. Application Form
- II. Model contract
- III. List Mediadesks & Antennae