

# **CREATIVE EUROPE**

## **MEDIA Sub-programme**

## SUPPORT FOR TELEVISION PROGRAMMING OF AUDIOVISUAL EUROPEAN WORKS

GUIDELINES

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All the annexes are available on the EACEA website:

https://eacea.ec.europa.eu/creative-europe/funding/tv-programming-2015\_en/

## **GUIDELINES – EACEA 24/2014**

#### Support for Television Programming of Audiovisual European works

## 1. INTRODUCTION – BACKGROUND

These guidelines are based on Regulation No 1295/2013 of the European Parliament and of the Council of 11/12/2013 concerning the implementation of a programme of support for the European cultural and creative sector (CREATIVE EUROPE).<sup>1</sup>

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

General background information about the Creative Europe programme can be found on the following link: <u>http://ec.europa.eu/programmes/creative-europe/index\_en.htm</u>

## 2. OBJECTIVES – THEMES – PRIORITIES

#### 2.1. Objectives

Within the specific objective of reinforcing the European audiovisual sector's capacity to operate transnationally and internationally, one of the priorities of the MEDIA Sub-programme shall be to:

• increase the capacity of audiovisual operators to develop European audiovisual works with a potential to circulate in the EU and beyond and to facilitate European and international co-production, including with television broadcasters.

The MEDIA Sub-programme shall provide support for the following measures:

- the development of European audiovisual works, in particular films and television works such as fiction, documentaries, children's and animated films, as well as interactive works such as videogames and multimedia with enhanced cross-border circulation potential;
- activities aiming at supporting European audiovisual production companies, in particular independent production companies, with a view to facilitating European and international co-productions of audiovisual works including television works.

Under this Support scheme, the applicant submits a project intended primarily for television programming in the following categories: animation, creative documentary and drama.

## **2.2.** Targeted projects

The MEDIA Sub-programme supports European production companies interested in producing a television work presenting:

<sup>&</sup>lt;sup>1</sup> Published in the Official Journal of the European Union on the 20/12/2013 (OJ L347/221).

- high creative/artistic value and wide cross-border exploitation potential able to reach audiences at European and international level;
- enhanced cooperation between operators from different countries participating in the MEDIA Sub-programme as well as between broadcasters;
- increased co-production and circulation of high-profile European television drama series.

## 3. TIMETABLE

	Stages	Date or indicative period	
a)	Publication of the call	November 2014	
b)	Deadline for submitting applications	13 January 2015 - 12:00 (noon, Brussels Time)	28 May 2015 - 12:00 (noon, Brussels Time)
c)	Evaluation period	January-March 2015	June-August 2015
d)	Information to applicants	May 2015	September 2015
e)	Signature of grant agreement or notification of grant decision	June 2015	October 2015
f)	Starting date of the action	Starts 6 months before the date of submission	Starts 6 months before the date of submission
g)	Max. duration of the action / Period of eligibility	24 months (or 36 months for series) after the date of submission	24 months (or 36 months for series) after the date of submission

#### 4. **BUDGET AVAILABLE**

The total budget earmarked for the co-financing of projects is estimated at EUR 11.8 M.

This amount is subject to the availability of the funds after the adoption of the budget for 2015 by the budgetary authority.

For drama and animation works the financial contribution awarded may not exceed EUR 500.000 or 12.50% of the total eligible costs, whichever is the lower.

Only for co-produced TV drama series (please refer to section 6.2) with an eligible production budget of at least EUR 10.000.000 an amount of maximum EUR 1.000.000 or 10% of the eligible costs, whichever is the lower, can be requested.

For creative documentary, the financial contribution awarded may not exceed EUR 300.000 or 20% of the total eligible costs whichever is the lower.

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

## 5. ADMISSIBILITY REQUIREMENTS

Applications shall comply with the following requirements:

- they must be sent no later than the deadlines for submitting applications referred to in section 3 of the present guidelines;
- they must be submitted in writing (see section 14 of the present guidelines), using the online application form;
- they must be drafted in one of the EU official languages, preferably in English or French.

In order to submit an application, applicants and partners must provide their Participant Identification Code (PIC) in the application form. The PIC can be obtained by registering the organisation in the Unique Registration Facility (URF) hosted in the Education, Audiovisual, Culture, Citizenship and Volunteering Participant Portal. The Unique Registration Facility is a tool shared by other services of the European Commission. If an applicant or partner already has a PIC that has been used for other programmes (for example the Research programmes), the same PIC is valid for the present call for proposals.

The Participant Portal allows applicants and partners to upload or update the information related to their legal status and attach the requested legal and financial documents (see section 14.2 for more information).

## 6. ELIGIBILITY CRITERIA

Applications which comply with the following criteria will be subject of an in-depth evaluation.

## 6.1. Eligible applicants

This scheme is open to independent audiovisual production companies established in one of the countries participating in the MEDIA Sub-programme (see below) and owned, directly or by majority participation, by nationals from such countries.

Applications from legal entities established in one of the following countries are eligible as long as all conditions referred to in Article 8 of the Regulation establishing the Creative Europe Programme are met:

- EU Member States;
- Acceding countries, candidate countries and potential candidates benefiting from a preaccession strategy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective Framework Agreements, Association Council Decisions or similar agreements;
- EFTA countries which are members of the EEA, in accordance with the provisions of the EEA Agreement;
- The Swiss Confederation, on the basis of a bilateral agreement to be concluded with that country;

- Countries of the European neighbourhood area in accordance with the procedures defined with those countries following the framework agreements providing for their participation in European Union programmes.
- The Programme shall be open for bilateral or multilateral cooperation actions targeted at selected countries or regions on the basis of additional appropriations paid by these countries or regions.
- Countries covered by the European Neighbourhood Policy in accordance with the procedures established with those countries following the framework agreements providing for their participation in Union programmes.

The Programme shall also be open for bilateral or multilateral cooperation actions targeted at selected countries or regions on the basis of additional appropriations paid by, and specific arrangements to be agreed upon with, those countries or regions.

The Programme shall permit cooperation and joint actions with countries not participating in the Programme and with international organisations which are active in the cultural and creative sectors such as UNESCO, the Council of Europe, the Organisation for Economic Cooperation and Development or the World Intellectual Property Organisation on the basis of joint contributions for the realisation of the Programme's objectives.

Proposals from applicants in non EU countries may be selected, provided that, on the date of the award decision, agreements have been signed setting out the arrangements for the participation of those countries in the programme established by the Regulation referred to above.

(Updated list of countries that fulfil the conditions referred to in Article 8 of the Regulation and that the Commission has started negotiations with can be found on the following link:

http://ec.europa.eu/culture/opportunities/documents/eligible-countries\_en.pdf )

## Television Programming support is open to European independent audiovisual production companies that are the majority producer of the work.

A **European company** is a company established in one of the countries participating to the MEDIA Sub-programme and owned directly or by majority participation, by nationals from such countries.

An **independent company** is a company which does not have majority control by a television broadcaster, either in shareholding or commercial terms. Majority control is considered to occur when more than 25% of the share capital of a production company is held by a single broadcaster (50% when several broadcasters are involved).

An **audiovisual production company** is a company whose main object and activity is audiovisual production.

**The applicant must be the majority producer of the work, in terms of rights**. In case of a 50%-50% co-production, the applicant should be designated by the partners as delegate producer.

Natural persons may **not** apply for a grant.

## 6.2 Eligible activities

#### Only the activities for the following projects are eligible:

Drama films (one-off or series) of a total duration of minimum 90 minutes, animation (one-off or series) of a total duration of minimum 24 minutes and creative documentaries (one-off or series) of a total duration of minimum 50 minutes intended primarily for the purposes of television exploitation. For drama series, sequels or second and third seasons are eligible.

Works which are designed to be a series with a joint marketing strategy have to be submitted as a series. Single episodes of a series cannot be split into separate applications.

In order to qualify for a grant of EUR 1.000.000 the project must meet the following criteria:

- the work must be a drama series consisting of at least 6 episodes, each of a minimum length of 45 minutes,

- the total eligible production budget must be at least EUR 10.000.000

- the series must be co-produced with another production company from a different country participating in the MEDIA Sub-programme.

The application must be submitted at the latest on the first day of principal photography (or start of animation for animation projects). No grant may be awarded retrospectively for actions already completed.

The work must be produced with the significant participation of professionals who are nationals and/or residents of countries participating in the MEDIA Sub-programme. 'Significant participation' is defined as having more than 50% of the points on the basis of the tables below:

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

The audiovisual work proposed must involve the participation of at least three broadcasting companies from three countries participating in the MEDIA Sub-programme.

The exploitation rights licensed to the broadcasters participating in the production have to revert to the producer after a maximum license period of:

- 7 years if the broadcaster's participation takes the form of a pre-sale;

- 10 years if the broadcaster's participation also takes the form of a co-production. In this case, the contract between the producer and the broadcaster must clearly specify the price and licence term for the pre-sale of the exploitation rights and the conditions for the co-production. A co-production

between a broadcaster and a TV producer is accepted only if the broadcaster takes a significant financial risk in the production and is involved in the organisation and economic handling of the production. In any case, the broadcaster cannot be the majority co-producer of the work and its contribution cannot exceed 70% of the total financing of the production.

The broadcasters' involvement must be supported by contracts or recent signed binding letters of commitment. These contracts or letters of commitment must clearly specify the <u>licence price and term</u>.

Minimum 50% of the financing of the total estimated production budget must be guaranteed from third party sources (either through direct financing or by advance rights sales). Third party sources of finance must be proven by recent signed binding letters of commitment, including the action title, the exact amount of the financial contribution, the rights sold and the licence period. Contributions from broadcasters, distributors, funds or co-producers are considered as third party sources of finance if confirmed by documents from the competent bodies. The producer's own investment is not considered as a third party source of finance. If the action is co-produced by several production companies, a co-production contract (or deal-memo) indicating the share of financing, share of rights, share of costs and share of revenues, has to be submitted with the application.

## A minimum of 50% of the total estimated production budget must come from countries participating in the MEDIA sub-programme (6.1. above).

The maximum duration of projects is 30 months (or 42 months for series of more than 2 episodes).

However, if after the signing of the agreement and the start of the project it becomes impossible for the beneficiary, for fully justified reasons beyond its control, to complete the project within the scheduled period, an extension to the eligibility period may be granted. A maximum extension of 6 additional months will be granted, if requested before the deadline specified in the agreement. The maximum duration will then be 36 months (or 48 months for series of more than 2 episodes).

The number of applications for the same project is limited to two for the MEDIA sub-programme TV Programming scheme.

#### The following projects are ineligible:

- live recordings, TV games, talk shows, magazines, tv-shows, reality-shows, school and "how-to" programmes;

- documentaries promoting tourism, "making-of", reports, animal reportages, news programmes and "docu-soaps";

- series and sequels of episodes based in whole or in part on a previous animation or documentary work;

- projects including pornographic or racist material or advocating violence;
- works of a promotional nature;
- institutional productions to promote a specific organisation or its activities;

- projects that are fully financed and/or already financed by Eurimages;

- productions originally intended as cinema works (e.g. several theatrical distributors and/or an international cinema sales agent involved).

Theatrical release for drama and animation films is accepted for works originating from all countries (with the exception of France, Germany, Italy, Spain and United Kingdom) provided that it takes place after an initial TV transmission. For documentaries, a theatrical release is allowed prior to an initial TV transmission, regardless of the territory from which the work originates and the territory in which it will be released, subject to the condition that the production must have been intended primarily for the television market.

Only applications that fulfil the eligibility criteria will be considered for a grant. If an application is deemed ineligible, a letter indicating the reasons will be sent to the applicant.

## 7. EXCLUSION CRITERIA

## 7.1. Exclusion from participation

Applicants will be excluded from participating in the call for proposals procedure if they are in any of the following situations:

- (a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) they or persons having powers or representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member States which has the force of res judicata;
- (c) they have been guilty of grave professional misconduct proven by any means which the responsible authorising officer can justify including by decisions of the EIB and international organisations;
- (d) they are not in compliance with their 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 responsible authorising officer or those of the country where the grant agreement is to be performed;
- (e) they or persons having powers or representation, decision making or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such an illegal activity is detrimental to the Union' financial interests;
- (f) they are currently subject to an administrative penalty referred to in Article 109(1) of the Financial Regulation.

## 7.2. Exclusion from award

Applicants will not be granted financial assistance if, in the course of the grant award procedure, they:

- (a) are subject to a conflict of interests;
- (b) are guilty of misrepresentation in supplying the information required by the Agency as a condition of participation in the grant award procedure, or fail to supply this information.
- (c) find themselves in one of the situations of exclusion referred to in the above section 7.1.

Administrative and financial penalties may be imposed on applicants, or affiliated entities where applicable, who are guilty of misrepresentation or are found to have seriously failed to meet their contractual obligations under a previous grant award procedure.

## 7.3. Supporting documents

Applicants for a grant exceeding EUR 60.000 must sign a declaration on their honour certifying that they are not in one of the situations referred to in the above sections 7.1. and 7.2, filling in the relevant form attach to the application form accompanying the call for proposals and available at <a href="http://eacea.ec.europa.eu/creative-europe/funding/tv-programming-2015\_en">http://eacea.ec.europa.eu/creative-europe/funding/tv-programming-2015\_en</a>

## 8. SELECTION CRITERIA

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

## 8.1. 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 or the year for which the grant is awarded and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents to be submitted with the application:

a) Low value grants ( $\leq$  EUR 60 000):

- a declaration on their honour.

b) Grants > EUR 60 000:

- a declaration on their honour;

- the financial statements (including the balance sheet, the profit and loss accounts and the annexes) of the last two financial years for which the accounts have been closed;

- financial capacity form provided for in the application form, filled in with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form.

c) Grants for an action > EUR 750 000 or Framework Partnership Agreements (FPAs), in addition to the above:

- an audit report produced by an approved external auditor certifying the accounts for the last financial year available (for grants > EUR 750 000) or for the two last years (for FPA).

In the event of an application grouping several applicants (consortium), the thresholds mentioned in c) shall apply to each applicant.

On the basis of the documents submitted, if the Agency considers that financial capacity is not satisfactory, he may:

- request further information;
- propose a grant agreement without pre-financing;
- propose a grant agreement with a pre-financing covered by a bank guarantee (see section 11.4 below);
- propose a grant agreement without pre-financing but an interim payment based on expenses already occurred.
- reject the application.

## 8.2 Operational capacity

Applicants must have the professional competencies as well as appropriate qualifications necessary to complete the proposed action or work programme. In this respect, applicants have to submit a declaration on their honour, and, for those applying for a grant above EUR 60.000 the following supporting documents:

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

- a presentation of the activities of the company over the last five years.

## 9. AWARD CRITERIA

Eligible applications/projects will be assessed on the basis of the following criteria:

	Criteria	Definitions	Max. Weighting
1	Relevance and European added-value	Potential for European and international distribution of the project	30
2	Quality of the content and activities	Quality of the project and the European dimension and financing of the project	30
3	Dissemination of project results	Quality of the distribution and marketing strategy	30
4	Quality of the project team	Potential and adequacy of the production and creative team	10

Detailed description of the award criteria and breakdown of points:

## **Relevance and European added value (30 points)**

The criterion "Potential for European and international distribution" is scored as follows<sup>2</sup>:

	For works from France, Germany, Italy, Spain and United Kingdom	For works from Austria, Belgium, Denmark, Finland, Ireland, Norway, Netherlands, Poland, Sweden, Switzerland	For works from Bosnia- Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Iceland, Latvia, Lichtenstein, Lithuania, Luxembourg, Malta, Portugal, Romania, Slovakia, Slovenia
<b>3</b> broadcasters from <b>3</b> different countries participating in the MEDIA Sub-programme	1-10 points	10-15 points	15-20 points
At least <b>4</b> broadcasters from <b>4</b> different countries (of which at least 3 from countries participating in the MEDIA Sub-programme)	11-30 points	16-30 points	21-30 points

For projects having only the 3 minimum broadcasters involved, the scoring will be based on:

- the financial involvement of the broadcasters (strong financial involvement increases the score);

 $<sup>^{2}</sup>$  The application of this grid is subject to the condition of fulfilment of the conditions set out in section 6.1 Eligible countries.

- the possible impact of the broadcasters involved in the success of the film;
- the coherence of the broadcasters involved with the nature of the film;
- the geographic and linguistic diversity of the broadcasters involved.

For projects having more than 3 broadcasters involved, the scoring will be based on:

- the number of European and non-European broadcasters involved;

- the financial involvement of the broadcasters (small amounts would be less considered than high amounts);

- the possible impact of the broadcasters involved in the success of the film;
- the coherence of the broadcasters involved with the nature of the film;
- the geographic and linguistic diversity of the broadcasters involved.

#### Quality of the content and activities (30 points)

The criterion "Quality of the project and the European dimension and financing of the project" will take into account:

- Overall quality of the financing of the project: coherence between the budget and the financing, strength and commitment of the partners involved (broadcasters, co-producers, etc.): **0-10 points;** 

- European dimension of the financing of the project: percentage of non-national financing, strategies of the producer and efforts made to reach the confirmed financing: **0-10 points;** 

- Artistic quality of the project: originality and quality of the subject/treatment, quality of the pitch/trailer: **0-10 points.** 

#### **Dissemination of project results (30 points)**

The criterion "Quality of the distribution and marketing strategy" will take into account:

#### Quality of the distributor's involvement: 0-15 points

- Experience and track record of the distributor involved with similar projects;

- Financial involvement and risk taken by the distributor (i.e. amount of the MG);

- If applicable and if the production company is acting as distributor: experience and track record of the producer as distributor.

#### Quality of the marketing and distribution strategy: 0-15 points

- Is the marketing strategy coherent and well developed?
- Have all marketing elements and key aspects of the distribution been identified and covered?

## Quality of the project team (10 points)

The criterion "Potential and adequacy of the production and creative team" will take into account:

Adequacy of the track record of the producer in relation to the objectives of the project

- Adequacy of the track record of international sales of the producer/production company (in relation to the project).

Adequacy of the track record of the creative team in relation to the objectives of the project

- Adequacy of the track record of the Director (in relation to the project)

- Adequacy of the track record of other key actors of the creative team (Scriptwriter, Script Doctor, Animation team, etc.) (in relation to the project).

## Automatic Award criteria

Description	Extra points
A project targeted for young audience <sup>3</sup>	5
A project coproduced with a production company established in a country participating in the MEDIA Sub- programme which does not share the same official language(s) with the country of the applicant company.	5
An applicant company established in a country with low production capacity <sup>4</sup>	5

## **10. LEGAL COMMITMENTS**

In the event of a grant awarded by the Agency, a grant agreement drawn up in euro and detailing the conditions and level of funding will be sent to the beneficiary, as well as the procedure in view to formalise the obligations of the parties. This agreement may be a mono-beneficiary (for single applicants) or a multi-beneficiary agreement (in the event of a partnership) to be concluded with the project coordinator.

The 2 copies of the original agreement must be signed first by the beneficiary on behalf of the consortium and returned to the Agency immediately. The Agency will sign them last.

Please note that the award of a grant does not establish an entitlement for subsequent years.

<sup>&</sup>lt;sup>3</sup> Young audience is intended up to 16 years old.

<sup>&</sup>lt;sup>4</sup> All MEDIA countries with the exception of France, Germany, Italy, Spain and the United Kingdom.

## 11. FINANCIAL PROVISIONS

#### **11.1. General Principles**

#### a) <u>Non-cumulative award</u>

An action may only receive one grant from the EU budget.

In no circumstances shall the same costs be financed twice by the European Union budget. To ensure this, applicants shall indicate in the application form the sources and amounts of European Union funding received or applied for the same action or part of the action or for its functioning during the same financial year as well as any other funding received or applied for the same action.

#### b) <u>Non-retroactivity</u>

No grant may be awarded retrospectively for actions already completed.

#### c) <u>Co-financing</u>

Co-financing means that the resources which are necessary to carry out the action or the work programme may not be entirely provided by the EU grant.

Co-financing of the action or of the work programme may take the form of:

- the beneficiary's own resources,
- income generated by the action or work programme,
- financial contributions from third parties.

#### d) Balanced budget

The estimated budget of the action or work programme is to be attached to the application form. It must have revenue and expenditure in balance.

The budget must be drawn up in euros.

Applicants which foresee that costs will not be incurred in euros shall use the exchange rate published on the Infor-euro website available at:

<u>http://ec.europa.eu/budget/contracts\_grants/info\_contracts/inforeuro/inforeuro\_en.cfm</u> on the date of the publication of this call for proposals.

#### e) Implementation contracts/subcontracting

Where the implementation of the action or the work programme requires the award of procurement contracts (implementation contracts), the beneficiary must award the contract to the bid offering best value for money or the lowest price (as appropriate), avoiding conflicts of interests and retain the documentation for the event of an audit.

Sub-contracting, i.e. the externalisation of specific tasks or activities which form part of the action/work programme as described in the proposal and which cannot be performed by the beneficiary itself must satisfy the conditions applicable to any implementation contract (as specified above) and in addition to them the following conditions:

- it may only cover the implementation of a limited part of the action;

- it must be justified having regard to the nature of the action and what is necessary for its implementation;

## f) <u>Financial support to third parties</u>

The applications may not envisage provision of financial support to third parties

## **11.2. Funding forms**

The grants financed through reimbursement of eligible costs in combination with flat rate covering overheads are calculated on the basis of a detailed estimated budget, indicating clearly the costs that are eligible for EU funding.

#### Maximum amount requested

The EU grant is limited to a maximum co-financing rate of:

- 12.50% of the total eligible costs or EUR 500.000, whichever is the lower, for drama and animation works;

- 10% of the eligible costs or EUR 1.000.000, whichever is the lower for co-produced TV drama series;

- 20% of the total eligible costs or EUR 300.000, whichever is the lower, for documentaries.

Consequently, part of the total eligible expenses entered in the estimated budget must be financed from sources other than the Union grant.

The grant amount may neither exceed the eligible costs nor the amount requested. Amounts are indicated in euros.

Acceptance of an application by the Executive Agency does not constitute an undertaking to award a grant equal to the amount requested by the beneficiary.

## Eligible costs

Eligible costs are costs actually incurred by the beneficiary of a grant which meet the following criteria:

- they are incurred during the duration of the action/ work programme as specified in the grant agreement, with the exception of costs relating to final reports and certificates.

The period of eligibility of costs will start 6 months before the date of submission of the application and end 24 months (or 36 months in case of series of more than 2 episodes) after that date.

- they are indicated in the estimated overall budget of the action/work programme;

- they are incurred in connexion with the action which is the subject of the grant and are necessary for its implementation of the action/ work programme;

- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost-accounting practices of the beneficiary;

- they comply with the requirements of applicable tax and social legislation;

- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

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

The applicant company has to indicate in the application form if in the framework of a co-production contract, costs linked to the action are incurred and/or invoiced to a co-producer and if these costs have to be included in the eligible budget. In this case, the information about the co-producer will have to be submitted and in case of selection the co-producer will be part of the agreement as a co-beneficiary. Only European independent production companies (see section 6.1) may be co-beneficiaries and therefore bring eligible costs to the action.

#### Eligible direct costs:

The eligible direct costs for the action/work programme are those costs which, **with due regard for the conditions of eligibility set out above**, are identifiable as specific costs directly linked to the performance of the action or the work programme and which can therefore be booked to it directly, such as:

- the cost of personnel working under an employment contract with the applicant or equivalent appointing act and assigned to the action/project, comprising actual salaries plus social security contributions and other statutory costs included in their remuneration, provided that these costs are in line with the applicant's usual policy on remuneration policy of the beneficiary **or**, **where applicable**, **its partners. NB: these costs must be actual costs incurred by the beneficiary or the cobeneficiary. Staff costs of other organisations are eligible only if they are paid directly or reimbursed by the beneficiary. These costs may include additional remuneration, including payments on the basis of supplementary contracts regardless of their nature, provided that it is paid in a consistent manner whenever the same kind of work or expertise is required and independently from the source of funding used;** 

- subsistence allowances (for meetings, including kick-off meetings where applicable, European conferences, etc.) provided that these costs are in line with the beneficiary's usual practices and that they do not exceed the scales approved annually by the Commission;

- costs of travel (for meetings, including kick-off meetings where applicable, European conferences, etc.), provided that they are in line with the beneficiary's usual practices on travel, and that they do not exceed the scales approved annually by the Commission;

- depreciation cost of equipment (new or second-hand), only the portion of the equipment's depreciation corresponding to the duration of the action/project and the rate of actual use for the purposes of the action may be taken into account by the Agency, **except where the nature and/or the context of its use justifies different treatment by the Agency;** 

- costs of consumables and supplies, provided that they are identifiable and assigned to the action/project;

- costs entailed by other contracts awarded by the beneficiary or its partners for the purposes of carrying out the action/project, provided that the conditions laid down in the grant agreement are met;

- costs arising directly from requirements linked to the performance of the action/project (dissemination of information, specific evaluation of the action/project, translations, reproduction, etc.),

- costs relating to a pre-financing guarantee lodged by the beneficiary of the grant, where required;

- costs relating to external audits where required in support of the requests for payments;

- non-deductible value added tax ("VAT") for all activities which are not activities of the public authorities in the Member States

#### Eligible indirect costs (overheads)

- a flat-rate amount, equal to 7% of the eligible direct costs of the action, is eligible under indirect costs, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action/project.

Indirect costs may not include costs entered under another budget heading.

Applicants's attention is drawn to the fact that in the case of organisations receiving an operating grant, indirect costs are no longer eligible under specific actions.

## > Ineligible costs

The following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;
- costs of transfer from the Agency charged by the bank of the beneficiary;
- costs declared by the beneficiary and covered by another action receiving a European Union grant. In particular, indirect costs shall not be eligible under a grant for an action awarded to the beneficiary who already receives an operating grant financed from the Union budget during the period in question;
- contributions in kind
- excessive or reckless expenditure
- expenditure for partners from countries not participating in the programme or not being cobeneficiaries of the agreement.

Applicants are invited to pay particular attention to the following ineligible costs, which must not figure on the eligible cost column of the budget:

• Costs incurred before the start of the eligibility period;

• Development costs that have been co financed by MEDIA Development (The development budget presented to MEDIA Development is ineligible);

• Costs incurred by a co-producer who will not be a co-beneficiary of an agreement in case of selection;

• Indirect producers' fees and contingencies;

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

## > Calculation of the final grant amount – Supporting documents

The final amount of the grant to be awarded to the beneficiary is established after completion of the action or work programme, upon approval of the request for payment containing the following documents:

- a final report providing details of the implementation and results of the action/work programme;
- the final financial statement of costs actually incurred.

In case of Grants for an action of less than EUR 750.000, the beneficiary is required to submit, in support of the final payment, a "Report of Factual Findings on the Final Financial Report - Type I" produced by an approved auditor or in case of public bodies, by a competent and independent public officer.

The procedure and the format to be followed by an approved auditor or in case of public bodies, by a competent and independent public officer, are detailed in the following "Guidance Notes":

http://eacea.ec.europa.eu/about-eacea/document-register\_en#audit

The use of the report format set by the "Guidance Notes" is compulsory.

In case of Grants for an action of EUR 750.000 or more, when the cumulative amounts of request for payment is at least EUR 325.000, the beneficiary is required to submit, in support of the final payment, a "Report of Factual Findings on the Final Financial Report - Type II" produced by an approved auditor or in case of public bodies, by a competent and independent public officer. The certificate shall certify, in accordance with a methodology approved by the Agency, that the costs declared by the beneficiary in the financial statements on which the request for payment is based are real, accurately recorded and eligible in accordance with the grant agreement.

The procedure and the format to be followed by an approved auditor or in case of public bodies, by a competent and independent public officer, are detailed in the following "Guidance Notes":

http://eacea.ec.europa.eu/about-eacea/document-register\_en#audit

The use of the report format set by the "Guidance Notes" is compulsory.

If the eligible costs actually incurred by the beneficiary are lower than anticipated, the Agency will apply the rate of co-financing stated in the grant agreement to the expenditure actually incurred.

In the event of non-execution or clearly inadequate execution of an activity planned in the application attached to the funding decision/agreement, the final grant will be reduced accordingly.

## Non-profit rule

EU grants may not have the purpose or effect of producing a profit within the framework of the action or the work programme of the beneficiary. **Profit shall be defined as a surplus of receipts over the eligible costs incurred by the beneficiary, when the request is made for payment of the balance.** In this respect, where a profit is made, the Agency shall be entitled to recover a percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the action or work programme<sup>5</sup>.

<sup>&</sup>lt;sup>5</sup> This provision does not apply for grants which are lower than or equal to  $60.000 \in$ .

## **11.3.** Payment arrangements

If specified in the grant agreement a pre-financing payment corresponding to 50% of the grant amount will be transferred to the beneficiary within 30 days counting from the written confirmation of the start of principal photography/production, provided all requested guarantees have been received.

If specified in the grant agreement an Interim payment shall be paid to the beneficiary. Interim payment is intended to cover the beneficiary's expenditure on the basis of a request for payment when the action has been partly carried out. The interim payment shall not exceed 50% of the grant amount.

The Agency will establish the amount of the final payment to be made to the beneficiary on the basis of the calculation of the final grant amount (see section 11.2 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the Commission through a recovery order.

## **11.4. Pre-financing guarantee**

In the event that the applicant's financial capacity is not satisfactory, a pre-financing guarantee for up to the same amount as the pre-financing may be requested in order to limit the financial risks linked to the pre-financing payment.

The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the Member State of the European Union. When the beneficiary is established in a third country, the authorising officer responsible may agree that a bank or financial institution established in that third country may provide the guarantee if he considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. Amounts blocked in bank accounts shall not be accepted as financial guarantees.

## 12. PUBLICITY

## **12.1.** By the beneficiaries

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

In this respect, beneficiaries are required to give prominence to the name and logo of the programme on all their publications, posters, programmes and other products realised under the co-financed project.

To do this they must use the text, the logo and the disclaimer available at <u>http://eacea.ec.europa.eu/about/eacea logos en.php</u> which will be provided by the Agency.

If this requirement is not fully complied with, the beneficiary's grant may be reduced in accordance with the provisions of the grant agreement or grant decision.

## 12.2. By the Agency and/or the Commission

With the exception of scholarships paid to natural persons and other direct support paid to natural persons in most need, all information relating to grants awarded in the course of a financial year shall be published on the Internet site of the European Union institutions no later than the 30 June of the year following the financial year in which the grants were awarded.

The Agency and/or the Commission will publish the following information:

- name of the beneficiary;
- locality of the beneficiary;
- the amount awarded;
- nature and purpose of the grant.

Upon a reasoned and duly substantiated request by the beneficiary, the publication shall be waived if such disclosure risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the beneficiaries.

## 12.3 Communication and dissemination

To maximise impact, projects should have a clear and strong strategy for communication and dissemination of their activities and results, and applicants must provide enough time and resources to communicate and interact appropriately with peers, audiences and local communities as appropriate.

The Commission together with the Agency may identify good practices and prepare relevant dissemination materials to be shared within and across all participating countries and beyond.

Data and results from projects will be made freely available to be used by stakeholders, policy makers and others in a wide range of ways.

Beneficiaries may be required to attend and to participate in events organised by the European Commission or the Agency to share their experience with other participants and/or policy makers.

## **13. DATA PROTECTION**

All personal data (such as names, addresses, CVs, etc.) will be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the European Community institutions and bodies and on the free movement of such data.<sup>6</sup>

Unless marked as optional, the applicant's replies to the questions in the application form are necessary to evaluate and further process the grant application in accordance with the specifications of the call for proposals. Personal data will be processed solely for that purpose by the department or Unit responsible for the Union grant programme concerned (entity acting as data controller). Personal data may be transferred on a need to know basis to third parties involved in the evaluation of applications or in the grant management procedure, without prejudice of transfer to the bodies in charge of monitoring and inspection tasks in accordance with European Union law. The applicant has the right of access to, and to rectify, the data concerning him or her. For any question relating to these data, please contact the Controller. Applicants have the right of recourse to the European Data Protection Supervisor at any time. A detailed Privacy statement, including contact information, is available on EACEA's website:

http://eacea.ec.europa.eu/about/documents/calls\_gen\_conditions/eacea\_grants\_privacy\_statement.pdf

Applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations mentioned in:

- the Commission Decision of 16.12.2008 on the Early Warning System (EWS) for the use of authorising officers of the Commission and the executive agencies (OJ, L 344, 20.12.2008, p. 125), or

- the Commission Regulation of 17.12.2008 on the Central Exclusion Database – CED (OJ L 344, 20.12.2008, p. 12),

<sup>&</sup>lt;sup>6</sup> Official Journal L 8, 12.1.2001.

their personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the EWS only or both in the EWS and CED, and communicated to the persons and entities listed in the above-mentioned Decision and Regulation, in relation to the award or the execution of a procurement contract or a grant agreement or decision.

## 14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

## 14.1 Publication

The call for proposals is being published on the Internet site of the Agency at the following address: <u>https://eacea.ec.europa.eu/creative-europe/funding/tv-programming-2015\_en/</u>

## **14.2** Registration in the Participant Portal

Before submitting an electronic application, applicants and partners will have to register their organisation in the Education, Audiovisual, Culture, Citizenship and Volunteering Participant Portal and receive a Participant Identification Code (PIC). The PIC will be requested in the application form.

The Participant Portal is the tool through which all legal and financial information related to organisations will be managed. Information on how to register can be found in the portal under the following address:

#### http://ec.europa.eu/education/participants/portal/

The tool also allows applicants to upload different documents related to their organisation. These documents have to be uploaded once and will not be requested again for subsequent applications by the same organisation.

Details on the supporting document that need to be uploaded in the portal can be found on the following link:

https://eacea.ec.europa.eu/creative-europe/funding/tv-programming-2015\_en/

## **14.3** Submission of the grant application

Proposals must be submitted in accordance with the admissibility requirements set out under section 5.

No modifications to the application are allowed once the deadline for submission has elapsed. However, if there is a need to clarify certain aspects or for the correction of clerical mistakes, the Agency may contact the applicant for this purpose during the evaluation process.

Applicants submitting projects for different actions should provide separate applications for each action.

All applicants will be informed in writing about the results of the selection process.

An online application system has been set up. Grant applications must be drawn up in one of the official EU languages, using the online form (eForm) specifically designed for this purpose. To

facilitate the assessment of the application, additional documents relevant to the assessment of the project should be submitted preferably in English or French.

The eForm can be obtained on the Internet at the following address: <u>https://eacea.ec.europa.eu/PPMT/</u>

Proposals must be submitted by the deadline mentioned in the call for proposals and in Section "3. Timetable" of the present Guidelines **before 12:00 CET/CEST (Midday, Brussels time)**, using the online application form.

Applicants should note that no applications submitted after 12.00CET/CEST on the deadline will be accepted. They are very strongly encouraged not to wait until the final day to submit their application.

Please note that no other method of submission of an application will be accepted. Applications submitted in any other way will be automatically rejected. No exceptions will be made.

Make sure that you have officially submitted your electronic application form and that you have received an e-mail acknowledging receipt of your submission with a project reference number.

Applicants shall ensure that all the documents requested and mentioned in the eForm are provided electronically.

In addition, a set of compulsory annexes that cannot be submitted online have to be sent to the Agency by post.

The package must include the copy of the acknowledgment of receipt of the application, the paper annexes and a CD-Rom or USB stick containing all these documents (please see details in the Annexes and application guide).

The package must indicate:

the name of the company: the title of the project: the online form confirmation number:

Address to which the documents must be sent: **Education, Audiovisual & Culture Executive Agency** Creative Europe Programme (2014–2020) MEDIA Sub-programme – TV Programming – EACEA24/2014 Avenue du Bourget 1 BOUR 3/50 BE – 1049 Brussels Belgium

No changes to the dossier can be made after the deadline for the submission of applications. However, if there is a need to clarify certain aspects, the Agency may contact the applicant for this purpose.

Only applications that fulfil the eligibility criteria will be considered for a grant. If an application is deemed ineligible, a letter indicating the reasons will be sent to the applicant.

## **14.4** Evaluation procedure

The eligible proposals will be ranked in each genre (documentary, fiction, animation) according to the award criteria defined and weighted in section 9 of the present Guidelines. Within the limit of the available budget, applications obtaining the highest scores in each genre will be selected.

The assessment is made solely on the basis of the documents sent by the relevant deadline. Nevertheless, the Agency reserves the right to request additional information from the applicant.

## 14.5 Award decision

Only after completion of the procedure mentioned above, is the selection process finalised and the award decision adopted by the Agency.

Applicants will be informed of the results of the selection within two weeks of the date of adoption of the award decision.

Unsuccessful applicants will receive a letter stating the reasons why their application was not selected.

Once applicants informed the list of selected proposals will be published on the websites of the Commission/Agency: <u>http://eacea.ec.europa.eu/creative-europe/selection-results\_en</u>

## 14.6 Rules applicable

Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union (OJ L 298, 26.10.2012, p.1).

Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p.1).

Regulation (EU) No 1295/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020) concerning the implementation of a support Programme for the European creative sector (Creative Europe) (OJ L 347/221, 20 December 2013).

## 14.7 Contacts

For any further information please contact your Creative Europe desk: <u>http://ec.europa.eu/culture/creative-europe/creative-europe-desks\_en.htm</u>

Contact within the Agency: EACEA-MEDIA-TV@ec.europa.eu

If you encounter a technical problem in relation to the e-Form, please ensure that you contact the HelpDesk well in advance of the deadline for submission: eacea-helpdesk@ec.europa.eu