



CREATIVE EUROPE

MEDIA Sub-programme

SUPPORT FOR ONLINE DISTRIBUTION

GUIDELINES

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Annexes:

All the annexes are available on the EACEA/MEDIA website:

http://eacea.ec.europa.eu/creative-europe/funding/support-for-online-distribution-eacea-162014_en

GUIDELINES – EACEA 16/2014

Support for Online Distribution

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).¹

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.

The implementation of this Call for Proposals is subject to the following condition:

-Final adoption of the Commission Implementing Decision modifying Decision C(2013)8314 on adoption of 2014 annual work programme for implementation of the Creative Europe Programme.

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

2. OBJECTIVES – THEMES – PRIORITIES

2.1. Objectives

Within the specific objective of promoting transnational circulation, two of the priorities of the MEDIA Sub-programme shall be to:

- support transnational marketing, branding and distribution of audiovisual works on all other non-theatrical platforms;
- promote new distribution modes in order to allow the emergence of new business models.

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

- establishing systems of support for the distribution of non- national European films through theatrical distribution and on other platforms, as well as for international sales activities, in particular the subtitling, dubbing and audio description of audiovisual works;
- innovative actions testing new business models and tools in areas likely to be influenced by the introduction and use of digital technologies.

2.2. Targeted projects

The Online Distribution scheme shall provide support to:

- Action 1: European VOD services aiming at improving the presence, the visibility and the global audience of European audiovisual works;

¹ Published in the Official Journal of the European Union on the 20/12/2013 (OJ L347/221).

- Action 2: the assembling and delivering of digital packages facilitating the commercialisation of European audiovisual works on VOD services provided in countries where those works are not available;

- Action 3: projects experimenting with simultaneous or quasi-simultaneous releases of European films on a wide range of distribution platforms (festivals, cinemas, DVD, VOD services, television channels, etc.) and in a number of European territories.

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

The supported actions will be divided as follows:

- Framework Partnership Agreements (FPA) for three years (limited to Action 1)
- Single year agreements (Action 2 and Action 3)

The FPA formalises a partnership between the Agency and the selected beneficiaries for three years, to enable them to achieve their longer term objectives. It sets the condition for a simplified selection and contracting procedure (see section 10).

3. TIMETABLE

	Stages	Date and time or indicative period
a)	Publication of the call	May 2014
b)	Deadline for submitting applications	(11/07/2014) 12:00 (noon, Brussels Time)
c)	Evaluation period	July-October 2014
d)	Information to applicants	October 2014
e)	Signature of grant agreement	November 2014
f)	Starting date of the action/work programme	01/01/2015 or 01/09/2014 (for the launch of new VOD services under the Action 1- see 6.2)
g)	Maximum duration of the action / period of eligibility of costs	12 months or 16 months (for the launch of new VOD services under the Action 1- see 6.2)

4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of projects is estimated at EUR 5.15 M.

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

The indicative split between the three actions will be the following:

- Action 1: an indicative amount of EUR 3.65 M.
- Action 2: an indicative amount of EUR 0.5 M.
- Action 3: an indicative amount of EUR 1 M.

5. ADMISSIBILITY REQUIREMENTS

Applications shall comply with the following requirements:

- they must be sent no later than the deadline 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 entities (private companies, non-profit organisations, associations, charities, foundations, municipalities/Town Councils, etc.) 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 and the Commission has entered into negotiations with the country:

- EU Member States;

- Acceding countries, candidate countries and potential candidates benefiting from a pre-accession 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;
- 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 Agency may select proposals from applicants in non EU countries, 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 Creative Europe programme.

(Updated list of countries that fulfil the conditions and that the Commission has started negotiations with can be found on the following link:

<http://ec.europa.eu/culture/creative-europe/documents/eligible-countries.pdf>).

For applications submitted under the Action 1: any applicant or group of applicants must not have majority control (either in shareholding or commercial terms) by a broadcaster and/or telecommunications company. Majority control is considered to occur when more than 25% of the company's share capital is held by a single broadcaster or telecommunications company (50% when several broadcasters or telecommunications companies are involved). In case the activity consists of facilitating the launch of VOD services in countries where the European VOD offer is limited the rule does not apply to non-coordinating partners in a group of applicants.

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

6.2 Eligible activities

Only those applications corresponding to one of the three Actions described below will be considered as eligible:

Action 1. Support to VOD services

Eligible activities are those implemented by European VOD services in order to improve the presence, the visibility and the global audience of European audiovisual works on their platforms.

It also covers activities strengthening/preserving the competitiveness of these VOD services. This consists in improving their availability on the existing or new devices and thus optimises their potential audience. It could also aim at facilitating the launch of VOD services in countries where the European VOD offer is limited. This development would be mainly based on the cooperation between an existing European VOD service and local actors.

Support will be in the form of a Framework Partnership Agreement of 3 years and Specific Agreements for each year (see section 10 for details).

Video on Demand (VOD) - definition:

Service enabling individuals to select audiovisual works from a central server for viewing on a remote screen by streaming and/or downloading.

Minimum European Dimension:

Proposed actions will have to offer a European dimension, which means that the offered content must include audiovisual works from at least five countries participating in the MEDIA Sub-programme representing at least five different official languages of the European Union. No more than 40% of the content (in programme hours) may come from a single country. This criterion must be fulfilled at the start, and for the duration of the action.

Eligible content: European audiovisual works:

- Core Content:, i.e. fiction, animation and creative documentary, including feature films (i.e. feature length films), TV films or series and short films,
- Alternative Content (making ofs, operas, concerts, performances...).

Potential beneficiaries should have an adequate balance between the two. In order to be eligible, the European content of the **VOD catalogue** MUST consist of at least **60% of Core Content**.

European content should comply with the following conditions:

- majority produced by a producer or producers established in the countries participating in the MEDIA Sub-programme. To be considered as the actual producers the production companies must be credited as such. Other elements such as creative control, ownership of exploitation rights and share of profits may also be taken into account to determine who the actual producer is; and
- produced with the significant participation of professionals who are nationals/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 table below, (e.g. having 10 or more points in the case of a work of fiction or the biggest share of points if the total is less than 19 as is normally the case for documentaries or animation films where all of the categories are not usually included in the credits):

Nationals/residents of countries participating in the MEDIA sub-programme	Points
Director	3
Scriptwriter	3
Composer	1
Actor 1	2
Actor 2	2
Actor 3	2
Artistic Director/Production Design	1
Director of Photography	1
Editor	1
Sound	1
Shooting location	1
Laboratory	1
Total	19

Activities may not start before 01/01/2015. They are to be completed by 31/12/2015. The maximum duration of projects is 12 months.

Special case

For Action 1 activities consisting in the launch of new VOD services in countries where the European VOD offer is limited (see above), the period of eligibility may start on 01/09/2014 (at the earliest) and will end on 31/12/2015. Thus, in order to take into consideration eventual costs related to the launch of the new services, the eligibility period for the first "year" of such a launch may last 16 months.

In any case, the service must be launched by the 1st March 2015 at the latest.

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.

Action 2. Support to the development of "On Line Ready" packages

Eligible activities are those consisting in assembling and delivering digital packages of European audiovisual works. It aims at improving their availability and visibility in particular on VOD services provided in countries where those works are not available on any distribution platform.

Therefore these activities should facilitate the commercialisation of European audiovisual works on VOD platforms available in the countries targeted by the project. The catalogue should focus on European audiovisual works having demonstrated commercial potential: **each title of the catalogue needs to have been sold for theatrical or TV distribution in at least five countries participating in the MEDIA Sub-programme.** The catalogue should follow a clear editorial line and be accompanied by a specific marketing strategy.

The preparation of these packages may cover: the encoding, the subtitling of the films, the provision of metadata, the development of transversal/multi-territories marketing strategies and material etc.

Minimum European Dimension:

The following eligibility criteria are applicable to the Action 2:

- The content covered by the project must include a catalogue of a minimum of 30 European audiovisual works;
- The catalogue must include films from at least five countries participating in the MEDIA Sub-programme representing at least five different official languages of the European Union.
- Each film of the catalogue should be made available on VOD services in at least 5 countries participating in the MEDIA Sub-programme.

Eligible content: European audiovisual works

Fiction, animation and creative documentary, including feature films (i.e. feature length films), TV films or series

European content should comply with the following conditions:

- majority produced by a producer or producers established in the countries participating in the MEDIA Sub-programme. To be considered as the actual producers the production companies must be credited as such. Other elements such as creative control, ownership of exploitation rights and share of profits may also be taken into account to determine who the actual producer is; and

- produced with the significant participation of professionals who are nationals/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 table below, (e.g. having 10 or more points in the case of a work of fiction or the biggest share of points if the total is less than 19 as is normally the case for documentaries or animation films where all of the categories are not usually included in the credits):

Nationals/residents of countries participating in the MEDIA sub-programme	Points
Director	3
Scriptwriter	3
Composer	1
Actor 1	2
Actor 2	2
Actor 3	2
Artistic Director/Production Design	1
Director of Photography	1
Editor	1
Sound	1
Shooting location	1
Laboratory	1
Total	19

Activities may not start before 01/01/2015. They are to be completed by 31/12/2015. The maximum duration of projects is 12 months.

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 18 months.

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.

Action 3. Support to innovative multiplatform releases

This action is aimed at encouraging innovative approaches for multiplatform releases of one or several European films. Each film must be released in at least three countries participating in the MEDIA Sub-programme. Applications must propose to experiment with simultaneous or quasi-simultaneous releases of European films on a wide range of distribution platforms (festivals, cinemas, DVD, VOD services, television channels, etc.) and in a number of European territories. They shall aim at developing new business models.

Transparency will play a key role in the action. Therefore, applications should aim at providing public authorities, Member States and the audiovisual industry with the results obtained.

Eligible content: European film

The film must be a fiction (including animated films) or documentary, with a minimum duration of 60 minutes, complying with the following conditions:

- majority produced by a producer or producers established in the countries participating in the MEDIA Sub-programme. To be considered as the actual producers the production companies

must be credited as such. Other elements such as creative control, ownership of exploitation rights and share of profits may also be taken into account to determine who the actual producer is; and

- produced with the significant participation of professionals who are nationals/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 table below, (e.g. having 10 or more points in the case of a work of fiction or the biggest share of points if the total is less than 19 as is normally the case for documentaries or animation films where all of the categories are not usually included in the credits):

Nationals/residents of countries participating in the MEDIA sub-programme	Points
Director	3
Scriptwriter	3
Composer	1
Actor 1	2
Actor 2	2
Actor 3	2
Artistic Director/Production Design	1
Director of Photography	1
Editor	1
Sound	1
Shooting location	1
Laboratory	1
Total	19

Activities may not start before 01/01/2015. They are to be completed by 31/12/2015. The maximum duration of projects is 12 months.

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 18 months.

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 (under the Heading "Annexes") at:

http://eacea.ec.europa.eu/creative-europe/funding/support-for-online-distribution-eacea-162014_en

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:

- a summary of the activities of the applicant over the last two years (if not fully available, an organisation chart of the applicant showing the structure of the organisation and the functions of the main staff);
- curriculum vitae or description of the profile of the people primarily responsible for managing and implementing the operation within each partner institution.

9. AWARD CRITERIA

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

	Criteria	Definitions	Max. points
1	Relevance and European added value	This criterion evaluates the relevance of the content of the action including European dimension vis a vis the objectives of the call for proposals.	30
2	Quality of the activities	This criterion evaluates the adequacy of the methodology to the objectives including the target group, selection methods, the marketing strategy, the feasibility and cost-efficiency.	40
3	Dissemination of project results, impact and sustainability	This criterion assesses the impact of the support on the availability, the visibility and the potential audience of European audiovisual works.	20
4	Quality of the project team and the grouping	This criterion will take into account the extent of the partnership and the exchange of knowledge within the partnership vis a vis the objectives of the action	10

Detailed description of the award criteria and breakdown of points:

Relevance and European added value (30 points)

This criterion will take into account:

- The extent and scope of the programmes in the catalogue and the editorial line of the catalogue (10 points),
- Cross-border & cross-language Distribution (10 points),
- The distribution of content from countries with a low production capacity (10 points).

Quality of the activities (40 points)

This criterion will take into account:

- The quality and coherence of the strategies implemented for improving the availability, visibility and the global audience of European audiovisual works on Online services (10 points),
- The quality of the promotion and marketing strategies in order to reach the target audience and target territories, as well as the techniques and tools deployed (10 points),
- The quality of the Business model and cost-effectiveness of the submitted action (10 points),
- Innovative aspects of the action (10 points).

Dissemination of project results, impact and sustainability (20 points)

This criterion will take into account:

- The number of territories targeted and the size of the targeted audience (10 points),
- The methodology proposed for collecting, analysing and disseminating the results obtained (10 points).

Quality of the project team and the grouping (10 points)

This criterion will take into account:

- the coherence and complementarity's of the team/consortium including tasks division, decision making process and the exchange of knowledge (10 points).

10. LEGAL COMMITMENTS

In the event of a grant awarded by the Agency, a grant agreement (Action 2 and Action 3) or a framework partnership agreement (Action 1) 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 multiple applicants for a single project in partnership) to be concluded with the project coordinator.

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

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.

Framework Partnership Agreement (FPA) (only for Action 1):

In the event of definitive approval by the Agency of the submitted action, a Framework Partnership agreement for 3 years will be sent to the Beneficiary.

The Framework Partnership Agreement formalises a partnership relationship between the Agency and the beneficiaries for **3 years**, to enable them to achieve their long-term objectives. It is aimed at organisations whose actions are stable in particular in terms of objectives, format, target group and methodology.

The Global Action Plan will be annexed to this agreement. Subsequently a specific agreement detailing the conditions and level of funding for the first year will also be sent to the Beneficiary. The work programme for the 1st year will form the basis for awarding an annual action grant for this precise year.

The Agency will offer a mono-beneficiary (for single applicants) or a multi-beneficiary agreement (in the event of multiple applicants for a single project in partnership) to be concluded with the project coordinator.

- *Information on the funding for the action taking place in the following years*

In the course of 2015, the applicant selected under the framework partnership agreement will fill in a **simplified grant application** for their activities taking place in 2016. This procedure will also apply in the course of 2016 for the activities taking place in 2017.

This simplified grant application, which includes an annual work programme and the corresponding detailed budget for the annual action foreseen, should be in line with the Global Action Plan and will serve as a basis for the award of a grant.

In the case of an action consisting in the launch of a new VOD service, the EU grant would be limited to a maximum co-financing rate of 50% of the total eligible costs during the three years of the Framework Partnership Agreement.

In all other cases, the EU contribution is expected to be decreased from one year to another according to the following pattern:

- First year: the EU grant is limited to a maximum co-financing rate of 40% of the total eligible costs;
- Second year: the EU grant would be limited to a maximum co-financing rate of 30% of the total eligible costs;
- Third year: the EU grant would be limited to a maximum co-financing rate of 20% of the total eligible costs.

The implementation of the specific grant agreement for each year is subject to the adoption of the annual European Union budget by the budget authority.

11. FINANCIAL PROVISIONS

11.1. General Principles

a) Non-cumulative award

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

In no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate in the application form the sources and amounts of 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) Non-retroactivity²

No grant may be awarded retrospectively for actions already completed.

A grant may be awarded for an action which has already begun only where the applicant can demonstrate the need to start the action before the grant agreement is signed or the grant decision is notified.

In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application.

c) Co-financing

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,

²Art. 130 FR

- 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:

http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm, on the date of the publication of this call for proposals.

d) 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; Subcontracting costs may not cover more than 60% of the total costs of the action;
- it must be justified having regard to the nature of the action and what is necessary for its implementation;
- it must be clearly stated in the proposal or prior written authorisation from the Agency must be obtained.

e) Financial support to third parties

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:

- Action 1: 40% of eligible costs or 50% if the action consists in the launch of a new VOD service (see 6.2);
- Action 2: 50% of eligible costs;
- Action 3: 50% of eligible costs.

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 on the 01/01/2015 and end on the 31/12/2015. For activities consisting in the launch of new VOD services in countries where the European VOD offer is limited (see 6.2), the period of eligibility may start on 01/09/2014 (at the earliest) and will end on 31/12/2015.

- 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.

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: this cost must be actual cost incurred by the beneficiary, the co-beneficiary, and staff cost of other organisations is eligible only if it is 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. Personnel costs cannot exceed 40% of total eligible costs;

- 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 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;
- any costs incurred by the beneficiary but re-invoiced to third parties;
- Acquisition of film rights.

Non-European films or programmes may be included in the catalogue, however the specific costs for these programmes (such as digitisation, security, sub-titling) will not be eligible.

➤ **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/documents/guidance-notes-audit-type-i_11.2012_en.pdf

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/documents/guidance-notes-audit-type-ii_11.2012_en.pdf

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 programme³.

³ This provision does not apply for grants which are lower than or equal to 60.000€.

11.3. Payment arrangements

A pre-financing payment corresponding to 50% of the grant amount will be transferred to the beneficiary within 30 days either of the date when the last of the two parties signs the agreement, 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. For the purpose of determining the amount due as interim payment, the reimbursement rate to be applied to the eligible costs approved by the Commission shall be 50%.

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 http://ec.europa.eu/dgs/education_culture/promo/creative-europe/eps/eps.zip, 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.

Beneficiaries will be required as stipulated in the grant agreement to produce a public summary/report in English providing information about their work and the results of their project. The public summary/report must be included in the final report submitted to the Agency. The report may be used by the Commission to provide information on the results of projects.

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.⁴

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:

⁴ Official Journal L 8, 12.1.2001.

- the Commission Decision of 16.12.2008 on the Early Warning System (EWS) for the use of authorising officers of the Commission and the executive agencies (OJ, L 344, 20.12.2008, p. 125), or
- the Commission Regulation of 17.12.2008 on the Central Exclusion Database – CED (OJ L 344, 20.12.2008, p. 12),

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

14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

14.1 Publication

The call for proposals is being published on the Internet site of the EACEA at the following address:
http://eacea.ec.europa.eu/creative-europe/funding/support-for-online-distribution-eacea-162014_en

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 (under the Heading "How to apply"):

http://eacea.ec.europa.eu/creative-europe/funding/support-for-online-distribution-eacea-162014_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, an English or French translation of the documents relevant to the assessment of the project must be submitted.

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

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 – Reference of Call for Proposals
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 Action 1, Action 2 and Action 3 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 action 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: http://eacea.ec.europa.eu/creative-europe/selection-results_en

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) 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:

http://ec.europa.eu/culture/creative-europe/creative-europe-desks_en.htm

Contact within the Agency:

EACEA-MEDIA-ONLINE@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

Annexes:

- Application form
- Budget form
- Declaration on the Applicant's honour
- Financial Capacity form