

Call for Proposals EACEA 11/2015



CREATIVE EUROPE

MEDIA Sub-programme

SUPPORT TO

INTERNATIONAL CO-PRODUCTION FUNDS

GUIDELINES

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Annexes:

All the annexes are available on the EACEA website:

http://eacea.ec.europa.eu/creative-europe/funding/international-coproduction-funds-2016_en

GUIDELINES – EACEA 11/2015

Support to international coproduction funds

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) and the corrigendum of the 27/06/2014.¹

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 supervision of the European Commission.

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

2. OBJECTIVES – THEMES – PRIORITIES

2.1. Objectives

Within the field of reinforcing the audiovisual sector's capacity, 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 Union and beyond and to facilitate European and international co-production, including with television broadcasters.

The MEDIA Sub-programme shall provide support for:

- activities helping European and international co-production partners to meet and/or provide indirect support for audiovisual works co-produced by supporting international co-production funds based in a country participating in the Programme.

2.2. Targeted projects

The **targeted operators** are international co-production funds based in a country participating in the MEDIA Sub-programme, having as their main activity the support of international co-productions and having been active in the field for at least 12 months so that they can demonstrate a track record of successful co-productions.

Those funds will support activities aiming at

- facilitating international co-production and
- strengthening circulation and distribution of audiovisual works supported at the production stage.

¹ Regulation No 1295/2013 published in the Official Journal of the European Union on the 20/12/2013 (OJ L347/221) and 27/06/2014 (OJ L189/260).

3. TIMETABLE

	Stages	Date and time or indicative period
a)	Publication of the call	December 2015
b)	Deadline for submitting applications	25 February 2016 12:00 (noon, Brussels Time)
c)	Evaluation period	March-April 2016
d)	Information to applicants	May 2016
e)	Signature of grant agreement	June 2016
f)	Starting date of the action	1 September 2016
g)	Duration of the action / period of eligibility of costs	28 months

4. BUDGET AVAILABLE

The total budget available for the co-financing of actions under this scheme is estimated at EUR 1.5M for 2016. This amount is subject to the availability of the funds after the adoption of the budget for 2016 by the budgetary authority.

The amount of the financial contribution to be awarded will be determined within the limits of the available budgetary resources and with regards to the cost and nature of each proposed action.

The financial contribution of the Union cannot exceed 80% of the total eligible costs of the action. The maximum contribution per selected applicant under these guidelines is EUR 400.000.

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 deadline for submitting applications referred to in section 3 of the present guidelines;
- they must be submitted in writing using the online application form and the official annexes provided;
- they must be drafted in one of the EU official languages, preferably in English or French.

The application form must be accompanied by a balanced budget and all the other documents referred to in the application form.

Failure to comply with those requirements will lead to the rejection of the application.

In order to submit an application, applicants 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 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, 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 legal entities 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.

Applicant must have a co-production fund that has been legally constituted and active for at least 12 months, having as its main activity the support of international co-productions.

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 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;
- The Swiss Confederation, on the basis of a bilateral agreement to be concluded with that country;
- 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 Co-operation 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:

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

In order to assess the applicants' eligibility, the following supporting documents have to be uploaded in the Participant Portal:

- **private entity:** extract from the official journal, copy of articles of association, extract of trade or association register, certificate of liability to VAT (if, as in certain countries, the trade register number and VAT number are identical, only one of these documents is required),
- **public entity:** copy of the resolution or decision establishing the public company, or other official document establishing the public-law entity,
- **entities without legal personality:** documents providing evidence that their representative(s) have the capacity to undertake legal obligations on their behalf.

6.2 Eligible activities

The eligible activities of a co-production fund including the provision of financial support to eligible third parties for eligible projects conforming to the following criteria:

- Production of feature films, animations and documentaries of a minimum length of 60 minutes intended primarily for cinema release.
- Implementation of concrete distribution strategy aiming at the better circulation of the supported works. The film should be distributed in at least 3 territories out of which at least one participating in the MEDIA Sub-programme and at least one third country.

Projects supported by funds should comply with the following:

- Projects must be submitted by audiovisual entities established in one of the countries participating to the MEDIA Sub-programme and owned directly or by majority participation, by nationals from such countries.
- Projects must be co-produced² with at least one producer from a country which is neither participating in the MEDIA Sub-programme nor member of Eurimages.
- The share of the co-producer(s) coming from countries participating in the MEDIA sub-programme must amount to a minimum of 25% for feature and animation films and 20% for documentary films at the time of the first payment. Under no circumstances the share of the co-producer(s) coming from countries participating in the MEDIA Sub-programme can exceed 70%.
- The maximum amount of funding per project is EUR 60,000 for production.
- The maximum amount of funding per project is EUR 60,000 for distribution with a maximum of EUR 15,000 per distribution territory.

² The structure of the co-production shall be attested by a duly signed co-production agreement. For the purposes of the project selection procedure, a deal memo may exceptionally be accepted provided it contains detailed provisions on the following essential aspects of the co-production:

- o clear indication of the participation of each co-producer in the financing of the project;
- o joint ownership of all the rights;
- o sharing of the revenues between the co-producers (exclusive and/or shared territories);
- o definition of the total budget, spending requirements and the event of over-budget;
- o reference to the treaties applicable.

- The funding agreement can only be concluded with the European partner. The funding does not need to be spent in Europe.

In the opening and closing credits of the funded film, as well as in all promotional and advertising material, the MEDIA co-production fund support is to be named.

The recipient of MEDIA co-production fund funding agrees to give the European Union certain non-commercial rights which will be stipulated in detail in the funding agreement.

The guidelines to third parties must contain the above information as well as any other necessary element in order to avoid the exercise of discretion by the beneficiary in determining the final grant to third parties. Upon selection, these guidelines will be attached to the agreement.

The action must start on 01/09/2016 and end on 31/12/2018. The duration of the action is 28 months. The selection process of the projects supported by the fund must be completed at the latest before the 31/12/2017 in order to finalize the support within the period of the action.

However, if after the signing of the agreement and the start of the action it becomes impossible for the beneficiary, for fully justified reasons beyond its control, to complete the action 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 34 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.

The following audiovisual projects are ineligible:

- live recordings, TV games, talk shows, reality shows or educational, teaching and 'how-to' programmes;
- documentaries promoting tourism, "making-of", reports, animal reportages, news programmes and "docu-soaps";
- projects including pornographic or racist material or advocating violence;
- works of a promotional nature;
- institutional productions to promote a specific organisation or its activities.

7. EXCLUSION CRITERIA

7.1. Exclusion from participation

An applicant will be excluded from participating in calls for proposals procedure, if it is in any of the following situations:

- a) it is bankrupt, subject to insolvency or winding up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended or it is in any analogous situation arising from a similar procedure provided for under national legislation or regulations;
- b) it has been established by a final judgement or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the law of the country in which it is established, with those of the country in which the authorising officer is located or those of the country of the implementation of the grant;
- c) it has been established by a final judgement or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or

regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence, including, in particular, any of the following:

- (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract, a grant agreement or a grant decision;
- (ii) entering into agreement with other persons with the aim of distorting competition;
- (iii) violating intellectual property rights;
- (iv) attempting to influence the decision-making process of the Agency during the award procedure;
- (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;

d) it has been established by a final judgement that the applicant is guilty of any of the following:

- (i) fraud, within the meaning of Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;
- (ii) corruption, as defined in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of EU Member States, drawn up by the Council Act of 26 May 1997, and in Article 2(1) of Council Framework Decision 2003/568/JHA, as well as corruption as defined in the legal provisions of the country where the authorising officer is located, the country in which the applicant is established or the country of the implementation of the grant;
- (iii) participation in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA;
- iv) money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;
- (v) terrorist-related offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
- (vi) child labour or other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;

e) it has shown significant deficiencies in complying with the main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an Authorising Officer, OLAF or the Court of Auditors;

f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;

g) in the absence of a final judgement or where applicable a final administrative decision, the applicant is in one of the cases provided in (c) to (f) above based on :

- i. facts established in the context of audits or investigations carried out by the Court of Auditors, OLAF or internal audit, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;

- ii. non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
- iii. decisions of the ECB, the EIB, the European Investment Fund or international organisations;
- iv. decisions of the Commission relating to the infringement of the Union's competition rules or of a national competent authority relating to the infringement of Union or national competition law.
- v. decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

(h) where a person who is a member of the administrative, management or supervisory body of the applicant, or who has powers of representation, decision or control with regard to that applicant (this covers the company directors, members of the management or supervisory bodies, and cases where one person holds a majority of shares), is in one or more of the situations referred to in points (c) to (f) above.

(i) where a natural or legal person that assumes unlimited liability for the debts of that applicant is in one or more of the situations referred to in point (a) or (b) above.

If an applicant is in one of the situations of exclusion listed above, it should indicate the measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. They may include e.g. technical, organisational and personnel measures to prevent further occurrence, compensation of damage or payment of fines. This does not apply for the situations referred in point (d) of this section.

7.2. Rejection from the award procedure

An applicant will not be awarded a grant for this procedure if

- (a) it is in an exclusion situation established in accordance with the above section 7.1;
- (b) it has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information;
- (c) they were previously involved in the preparation of a call for proposals where this entails a distortion of competition that cannot be remedied otherwise.

Rejection from this procedure and administrative **sanctions** (exclusion or financial penalty) may be imposed on applicants or affiliated entities where applicable, if any of the declarations or information provided as a condition for participating in this procedure prove to be false.

The applicants should be informed that the Agency may publish on its internet site the following information related to the exclusion and, where applicable, the financial penalty in the cases referred to in points (c), (d), (e) and (f) of the section 7.1³:

³ This information shall not be published in any of the following circumstances:

- (a) where it is necessary to preserve the confidentiality of an investigation or of national judicial proceedings;
- (b) where publication would cause disproportionate damage to the applicant concerned or would otherwise be disproportionate on the basis of the proportionality criteria and to the amount of the financial penalty;

- (a) the name of the applicant concerned;
- (b) the exclusion situation;
- (c) the duration of the exclusion and/or the amount of the financial penalty.

In case of a preliminary classification in law (i.e. absence of a final judgement or a final administrative decision), the publication shall indicate that there is no final judgment or final administrative decision. In those cases, information about any appeals by the applicant, their status and their outcome, as well as any revised decision of the authorised officer, shall be published without delay. Where a financial penalty has been imposed, the publication shall also indicate whether that penalty has been paid.

The decision to publish the information is taken by the Agency either following the relevant final judgment, final administrative decision or preliminary classification in law, as the case may be. That decision shall take effect three months after its notification to the economic operator.

The information published shall be removed as soon as the exclusion has come to an end. In the case of a financial penalty, the publication shall be removed six months after payment of that penalty.

In accordance with Regulation (EC) No 45/2001, where personal data is concerned, the Agency shall inform the applicant of its rights under the applicable data protection rules and of the procedures available for exercising those rights.

7.3. Supporting documents

Applicants 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 attached to the application form accompanying the call for proposals. If applicable, the relevant documentary evidence which appropriately illustrates any remedial measures taken should be provided in annex to this declaration.

The declaration is available at:

http://eacea.ec.europa.eu/creative-europe/funding/international-coproduction-funds-2016_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

(c) where a natural person is concerned, unless the publication of personal data is exceptionally justified, inter alia, by the seriousness of the conduct or its impact on the Union's financial interests. In such cases, the decision to publish the information shall duly take into consideration the right to privacy and other rights provided for in Regulation (EC) No 45/2001.

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.

On the basis of the documents submitted, if the Agency considers that financial capacity is not satisfactory, it 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. 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 will be assessed on the basis of the following criteria:

	Criteria	Definitions	Max. points

1	Relevance and European added value	This criterion evaluates the added value compared to current activities of European co-production funds, the geographical coverage in particular the European and International dimension of the proposed projects, the policy in terms of failure to complete projects, the track record of the fund to attract and select culturally diverse international co-productions with international audience potential and the strategy of the fund to support distribution of projects.	40
2	Quality of the content and activities	This criterion evaluates the adequacy of the methodology to the objectives including the overall strategies of the fund, the target group, selection methods, the synergy with other organizations, the feasibility, and cost efficiency.	25
3	Dissemination of project results, impact and sustainability	Impact on the promotion and circulation of co-productions, audiences to be reached.	30
4	Organisation of the project team	This criterion assesses the distribution of the roles and responsibilities of the team in relation to the appropriateness of the decision making process with regards to applicants for funding.	5

Detailed description of the award criteria and breakdown of points:

Relevance and European added value (40 points)

This criterion will take into account:

- The added value compared to current activities of the co-production fund (10 points);
- The geographical coverage: European and international dimension of the action (10 points);
- The policy in terms of failure to complete projects supported by the co-production fund (5 points);
- The track record of the co-production fund to attract and select culturally diverse international co-productions with international audience potential (10 points);
- The strategy of the co-production fund to guarantee the distribution/circulation of selected projects (5 points).

Quality of the content and activities (25 points)

This criterion will take into account:

- The quality and coherence of the strategies implemented to reach the target group and to facilitate international co-production and/or for strengthening their circulation including synergies with other funds (10 points);
- The quality of the methodology related to the selection and the follow-up of the projects supported by the co-production fund (10 points);
- The cost-effectiveness of the action (5 points).

Dissemination of project results, impact and sustainability (30 points)

This criterion will take into account:

- The impact on the competitiveness of the co-production fund to attract international talents (10 points);
- The impact on the promotion, distribution and potential audience of co-productions supported by the fund (20 points).

Organisation of the project team (5 points)

This criterion will take into account:

- the coherence and complementarity's of the team including tasks division and decision making process (5 points).

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 will be a mono-beneficiary agreement.

The 2 copies of the original agreement must be signed first by the beneficiary 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.

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-retroactivity

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.

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 may not be entirely provided by the EU grant.

Co-financing of the action may take the form of:

- the beneficiary's own resources;
- income generated by the action;
- financial contributions from third parties.

d) Balanced budget

The estimated budget of the action 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.

e) Implementation contracts/subcontracting

Where the implementation of the action 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.

Entities acting in their capacity of contracting authorities in the meaning of Directive 2004/18/EC⁴ or contracting entities in the meaning of Directive 2004/17/EC⁵ shall abide by the applicable national public procurement rules.

Sub-contracting, i.e. the externalisation of specific tasks or activities which form part of the action 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;
- it must be clearly stated in the proposal or prior written authorisation from the Agency must be obtained.

f) Financial support to third parties

The applications may envisage provision of financial support to third parties. In such case the applications must include:

- an exhaustive list of the types of activities for which a third party may receive financial support;
- the definition of the persons or categories of persons which may receive financial support;
- the criteria for awarding financial support;
- the maximum amount to be granted to each third party and the criteria for determining it.

The amount of financial support per third party must not exceed EUR 60,000.

⁴ Directive 2004/18/EC on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts.

⁵ Directive 2004/17/EC coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

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 80% 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 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 as specified in the grant agreement on 01/09/2016 and ends on 31/12/2018. Without prejudice to the provisions set out in Section 11.1b) costs incurred before 01/09/2016 will not be considered;
- they are indicated in the estimated overall budget of the action;
- they are incurred in connexion with the action which is the subject of the grant and are necessary for the implementation of the action;
- 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 revenues declared in respect of the action with the corresponding accounting statements and supporting documents.

Eligible direct costs:

The eligible direct costs for the action 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 and which can therefore be booked to it directly, such as:

- third party's production of feature films, animations and documentaries of a minimum length of 60 minutes intended primarily for cinema release;
- implementation of concrete distribution strategy aiming at the better circulation of the supported third party's works. The film should be distributed in at least 3 territories out of which at least one participating in the MEDIA Sub-programme and at least one third country. Please note that no

distribution support can be awarded to an entity established outside the countries participating in the MEDIA sub-programme (see section 6.1).

- other costs related to the implementation of the action such as personnel costs, promotion costs or expert costs for the selection committees. These costs shall be limited to 15% of the total eligible costs.

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.

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:

- travel and subsistence of staff;
- 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 or work programme receiving an 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;
- excessive or reckless expenditure;
- contributions 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, upon approval of the request for payment containing the following documents:

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

The beneficiary is also 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.

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 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 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. The verification of non-profit does not apply to low value grants, i.e. ≤ EUR 60 000.

11.3. Payment arrangements

A pre-financing payment corresponding to 10% 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.

A second pre-financing payment of 60% of the grant amount will be made within 60 days of receipt by the Agency of the progress report on the action’s implementation. This second pre-financing payment may not be made until at least 70% of the previous pre-financing payment has been used up. Where the consumption of the previous pre-financing is less than 70%, the amount of the new pre-financing payment shall be reduced by the unused amounts of the previous pre-financing.

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 Agency 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 States 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/she 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.

The guarantee may be replaced by a joint and several guarantee by a third party or by a joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.

The guarantee shall be released as the pre-financing is gradually cleared against interim payments or payments of balances to the beneficiary, in accordance with the conditions laid down in the grant agreement.

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://eacea.ec.europa.eu/about/eacea_logos_en.php, 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.

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 not later than the 30th of 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.⁶

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. In particular, for the purposes of safeguarding the financial interests of the Union, personal data may be transferred to internal audit services, to the European Court of Auditors, to the Financial Irregularities Panel or to the European Anti-Fraud Office and between authorising officers of the Commission and the executive agencies. 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 are members of the administrative, management or supervisory body of that applicant or who have powers of representation, decision or control with regard to that applicant, or natural or legal persons that assume unlimited liability for the debts of that applicant, are informed that, their personal data (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 Early Detection and Exclusion System (EDES) by the Authorising Officer of the Agency, should they be in one of the situations mentioned in the 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 and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298 of 26.10.2012, p. 1) as amended by the Regulation (EU, Euratom) No 2015/1929 of the European Parliament and of the Council of 28 October 2015 (OJ L 286, 30.10.2015, p. 1).

⁶ Official Journal L 8, 12.1.2001.

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/international-coproduction-funds-2016_en

14.2. Registration on the Participant Portal

Before submitting an electronic application, applicants 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/international-coproduction-funds-2016_en

14.3. Submission of the grant application

Proposals must be submitted in accordance with the admissibility requirements set out under section 5 and by the deadline set out under section 3.

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: <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 12.00 CET/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.

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 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 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) as amended by the Regulation (EU, Euratom) **No** 2015/1929 of the European Parliament and of the Council of 28 October 2015 (OJ L 286, 30.10.2015, 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) and the corrigendum of the 27/06/2014 (OJ L189/260).

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-COPROD-FUNDS@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:

- Annex 1: Application Form / Detailed description of the action
(The Application form on the standard template must be attached to the E-Form)
- Annex 2 – Detailed budget and sources of financing
(The Budget Form on the standard template must be attached to the E-Form)
- Annex 3 – Declaration on the applicant's honour
(The declaration on the applicant's honour must be attached to the E-Form)
- Financial Capacity Form
- Expert Guide
- Sample of grant agreement