



CREATIVE EUROPE

MEDIA Sub-programme

**SUPPORT FOR THE NETWORKING OF CINEMAS
SCREENING EUROPEAN FILMS**

GUIDELINES

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1. INTRODUCTION

These guidelines are based on Regulation No EU (2013)1295 of the European Parliament and of the Council of 20/12/2013 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.

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

2. OBJECTIVES

2.1 Objectives and priorities

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

- supporting theatrical distribution through transnational marketing, branding, distribution and exhibition of audiovisual works;

The MEDIA Sub-programme shall provide support for:

- supporting a European cinema operators' network screening a significant proportion of non-national European films;

Under this scheme, the applicant submits a proposal in view of establishing a two-year partnership with the MEDIA Sub-programme, through a contractual instrument called *Framework Partnership Agreement* ("FPA").

The FPA will allow the selected institutions a long term forward planning and financial stability to implement repetitive annual actions for two years. It sets the condition for a simplified selection and contracting procedure (see section 9.1).

2.2 Targeted Projects

The support for "Cinema Networks" aims to encourage the networking of European first-run cinemas and the screening of non-national European films by these cinemas.

The financial support is particularly aimed at:

- ◆ Encouraging cinema owners and operators to screen a significant proportion of non-national European films in cinemas for first release for a minimum defined period. The support granted to each cinema will be determined according to the programming and taking into account the number of tickets sold for non-national European films over a reference period.
- ◆ Contributing to the development of educational and awareness-raising activities for young cinema-goers.
- ◆ Contributing to the development of new business models including the use of innovative modes of distribution in order to increase the visibility and audience for European films

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

- ◆ Supporting the creation and the consolidation of a European cinema owners' network developing common actions of this type.
- ◆ Encouraging and accompanying the introduction of digital cinema among exhibitors.

Particular attention will be paid to the development of potential in countries or regions with a low audio-visual production capacity.

It is addressed to European cinemas grouped in a network whose activities contribute to the aforementioned objectives.

Only one beneficiary will be selected.

The applications may envisage provision of financial support to third parties.

3. TIMETABLE

The indicative timetable is the following:

	FPA and 2015 activities	Date or indicative period
a)	Publication of the call	March 2014
b)	Deadline for submitting applications	27 June 2014 - 12:00 (noon, Brussels Time)
c)	Evaluation period	July-Aug 2014
d)	Information to applicants	September 2014
e)	Signature of grant agreement or notification of grant decision	November 2014
f)	Starting date of the action	1 st January 2015
g)	Max. duration of the action / Period of eligibility	12 months

4. AVAILABLE BUDGET

The total budget available for the co-financing of projects is estimated at EUR 10,5 M for 2014.

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 EU cannot exceed 50% of the total eligible costs of the action.

The beneficiary must guarantee the remaining financing.

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

The amount of financial support per third party must not exceed EUR 60.000.

5. ELIGIBILITY CRITERIA

Only applications which comply with the following criteria will be the subject of an in depth evaluation.

5.1 Formal criteria

In order to submit an electronic application, applicants must provide their Participant Identification Code (PIC) in the application form. The PIC can be obtained by registering the organisation in the Education, Audiovisual, Culture, Citizenship and Volunteering Participant Portal.²

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 the section on Registration in the Participant Portal for more information.

Only proposals submitted in one of the EU official language, preferably in English or French, using the official application form, completed in full, signed (original signatures or equivalent required) and received by the specified deadline, will be considered.

The application form must be accompanied by all the documents referred to in the application form.

5.2 Eligible 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;
- The Swiss Confederation, on the basis of a bilateral agreement to be concluded with that country;
- Countries of the European neighbourhood area in accordance with the procedures defined with those countries following the framework agreements providing for their participation in European Union programmes.

The 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 programme established by the Regulation referred to above.

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

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

Countries with a low production capacity

The following countries are considered as countries with a low audiovisual production capacity: Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Ireland, Iceland, Latvia, Lithuania, Luxembourg, Malta, Norway, Netherlands Poland, Portugal, Romania, Slovakia, Slovenia, Sweden, Switzerland.

² The organisation has to register 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 the organisation 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 following countries are considered as high production capacity countries: France, Germany, Italy, Spain, and United Kingdom.

5.3 Eligible applicants

The scheme is open to networks of cinemas entrusted to take full legal responsibility for the proper implementation of the action, including by eligible third parties, vis-a-vis the Agency.

The cinema network is a group of cinemas developing, through the medium of a legally constituted co-ordination entity, joint activities in the area of screening and promoting European films. In particular, the network shall ensure the operation of a communication and information system between the cinemas.

To be eligible, the cinema network must represent at least 100 cinemas situated in at least 20 countries participating in the MEDIA Sub-programme.

The network must be represented by a duly constituted legal entity, with a legal personality, having its registered office in one of the Member States of the European Union.

European independent cinemas that are members of the applicant network can receive financial support to carry out the eligible activities.

A European independent cinema is a company, association or organisation with a single or several screens based in countries participating in the MEDIA Sub-programme and which operates under the same company name. The screening of films should be the principal activity of the applicant or division of the applicant organisation.

Only those European independent theatres shall be eligible:

- that are first run cinemas (programming European films in first run, within a maximum period of twelve months after the first national release). Those cinemas which dedicate a maximum of 30% of their screenings to retrospectives or re-releases may be eligible ;
- that have been open to the public for a minimum of 6 months;
- that possess a ticketing and entry declaration system ;
- that have at least one screen and 70 seats ;
- That had at least 300 screenings per year for single-screen cinemas and 520 screenings per year for multi-screen cinemas (cinemas in operation for a period of at least 6 months per year), and at least 30 screenings per month for summer / open air cinemas (cinemas in operation for less than 6 months per year) ;
- that had at least 20,000 spectators in the previous twelve months.

In order to meet, as a group, the above eligibility criteria, different cinemas may be allowed to pool their results. The circumstances under which this may occur must be clearly defined by the applicant in its application and in the accompanying draft guidelines.

The network and the cinemas must be owned and continue to be owned, whether directly or by majority participation, by nationals of countries participating to the MEDIA Sub-programme (see 5.2) and registered in one of these countries.

The network must be able to present all the relevant information concerning each third party necessary for the implementation of the common actions conforming to the conditions defined in this Call for Proposals.

5.4 Eligible activities

- Actions aiming at promoting and screening European films.
- Educational activities aiming at raising awareness among young cinema-goers.
- Promotion and marketing activities in cooperation with other distribution platforms (e.g. TV broadcasters, VOD platforms).
- Networking activities: information, animation and communication.

- Provision of financial support to third parties (members of the applicant network) implementing eligible activities

The duration of the action and of the period of eligibility of costs is 12 months, running from 1st January until 31st December.

Only actions and their activities taking place in the MEDIA countries are eligible (see section 5.2).

The films must comply with the following criteria:

- it must be a work of fiction (including animated films) or documentary, with a minimum duration of 60 minutes;
- it must not consist of alternative content (operas, concerts, performances, etc.), advertising, pornographic or racist material or advocate violence;
- the work has been 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;
- the work must be 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

National / Non-national European film:

European films will be considered as "national" in that country participating in the MEDIA Sub-programme whose nationals/residents have participated in the highest proportion in the making of the film, on the basis of the points table shown above. They will be considered as "non-national" in all the other countries.

Support to third parties

As regards the provision of support to third parties implementing eligible activities, the applications must include:

- an exhaustive list of the types of eligible 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 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 specific agreement.

6. EXCLUSION CRITERIA

6.1 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.

6.2 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 6.1.

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

6.3 Support 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 6.1. and 6.2, filling in the relevant form attach to the application form accompanying the call for proposals and available at http://ec.europa.eu/culture/media/fundings/creative-europe/call_12_en.htm.

7. SELECTION CRITERIA

Applicant 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. They must have the professional competencies and qualifications required to complete the proposed action or work programme.

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.

7.1 Operational Capacity

In order to permit an assessment of their operational capacity, organisations applying for a grant above EUR 60,000 must submit, together with their applications:

- Human and technological resources available within the applicant organisation (the CVs of the person(s) responsible for the proposed action, showing all their relevant professional experience);
- A summary of the activities of the applicant (and of its partners, when applicable) together with an evaluation of the results achieved over the previous three years.

7.2 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 two financial years available.

In the event of an application grouping several applicants, the above thresholds shall apply to each applicant.

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 or decision without pre-financing;
- propose a grant agreement or decision without pre-financing but an interim payment based on expenses already occurred;
- propose a grant agreement or decision with a pre-financing covered by a bank guarantee (see section 9.2 below);
- reject the application.

8. AWARD CRITERIA

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

	Criteria	Definitions	Max points
1	Relevance and European added-value	The quality of the network and the Financial support strategy	35
2	Quality of the content and activities	Activities to be implemented and how they meet the objective of the call	20
3	Dissemination of project results, and impact and sustainability	Common network actions and young audience activities	40
4	Quality of the Team	Monitoring strategy of the network towards its members	5

The above award criteria will be applied for selection of the partner signing Framework Partnership Agreements (FPAs) as well as for award of specific annual grants under signed FPA.

8.1 Relevance and European added-value

The network and the distribution of the financial support will be assessed:

- The guidelines to the members and potential members of the network, including their compliance with the objectives of the current call,
- The number and geographical balance of the cinemas belonging to the network (especially cinemas located in countries or regions with a low audio-visual production capacity).
- The quality of the strategy developed by the coordination entity for the distribution of the financial support between the cinemas belonging to the network will be assessed.

The proposal must contain a clear explanation on:

- the use of the support, including a breakdown on the allocation of the support to the various activities,
- the methodology for the allocation of the support to the network,
- the forecast impact of the support in terms of programming of non-national films and audience building,

The guidelines of the coordinator must detail the method of assessment which will be based upon precise and objective criteria such as:

- As a general rule the proportion of European non national films screenings by single screen cinemas must be between 25 -30% of the total screenings. Appropriate precise rules for multi-screen and other cinemas must be detailed in the applicant's guidelines;
- the capacity of the cinema to create an audience for non national European films (the number of admissions achieved for non national European films) ;

8.2 Quality of the content and activities

Activities to be implemented and how they meet the objective of the call, to be assessed on the following basis:

- The methodology for a support to third parties implementing eligible activities
- The cost-effectiveness of the Work Programme, in particular in relation to the ratio of services offered and of personnel/administrative costs;
- The quality of the action plan in relation to the level of the grant.

8.3 Dissemination of project results, and impact and sustainability

The common actions set up by the coordination entity will be assessed, taking into account the following:

- the added value of the common actions for the member cinemas
- the impact upon the programming of non-national films
- The strategy developed by the network to disseminate best practices, audience building techniques and technological developments

The quality of common education actions made by the network to raise awareness of European cinema among young cinema-goers will be assessed.

For that purpose, the applicant must include in its application:

- a description of the best-practices regarding young audience outreach within the network,
- the strategy in place for the dissemination and implementation of such best-practices,
- a full description of the network in terms of young audience outreach, including the use of social networks.

The guidelines of the coordinator must detail:

- the method of assessment regarding education activities developed by the cinema aiming at raising awareness among young cinema-goers,
- the methodology to be put in place as regards the funding of young action activities.

8.4 Quality of the team

The quality of the strategy developed by the coordination entity for the monitoring of the financial support between the cinemas belonging to the network will be assessed.

- a) the programming of non-national films,
- b) the young audience activities.

In order to ensure that the best proposal fully meets the objectives of the current call, respects the rule concerning third parties, and follow the cost-effectiveness principle, the Agency may impose some modifications (following the recommendations of the Evaluation Committee) to the Global Action Plan, the Annual Work Programme, the Guidelines to the beneficiaries and the forecast budget.

9. FUNDING CONDITIONS

A European Union grant is an incentive to carry out activities that would not be possible without the support of the Union. It is based on the principle of co-financing. The EU grant supplements the applicant organisation's own financial involvement and/or any national, regional or private support it may have obtained.

Acceptance of an application by the Agency does not constitute an undertaking to award a grant equal to the amount requested by the beneficiary. Furthermore, under no circumstances may the amount awarded exceed the amount requested.

Following the recommendation of the Evaluation Committee, applicants may be requested to amend their Global Action Plan, Work Programme and their forecast budget accordingly.

The award of a grant does not establish an entitlement for subsequent years.

9.1 Contractual provisions and payment procedures

In the event of definitive approval by the Agency of the submitted project, a Framework Partnership Agreement will be sent to the Beneficiary.

The Framework Partnership Agreement formalises a partnership relationship between the Agency and the beneficiaries for a two-year period, 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 annual grant agreement, drawn up in euro and detailing the conditions and level of funding, will be sent to the beneficiary.

Once approved by the Agency, the guidelines for the support to third parties, will be attached to the specific agreement.

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

A pre-financing payment of 25% of the Network costs (9.4.1 Heading 1 below) will be transferred to the beneficiary within 30 days after the signature by the two parties of the specific annual agreement, provided all possible guarantees are received. Pre-financing is intended to provide the beneficiary with a float.

A second prefinancing payment of 25% of the Network costs will be made within 60 days from the receipt of the progress report on the action's implementation. This second prefinancing payment may not be made until at least 70% of the previous prefinancing 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 account or sub-account indicated by the beneficiary must make it possible to identify the funds transferred by the Agency.

The Agency will establish the amount of the final payment to be made to the beneficiary on the basis of the final reports.

9.2 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.

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.

9.3 Double financing

Subsidised actions may not benefit from any other Union or Eurimages funding for the same activity. (Eurimages. i.e. European cinema support from the Council of Europe).

To ensure this, they must give details in their application form of any other grant requests other than those submitted to the MEDIA Sub-programme which they have submitted or intend to submit to the European Institutions during the same budgetary year, stating in each case the budget heading, the European Union programme and the amount requested.

9.4 Funding method

9.4.1 Lump sum grant: Not applicable

9.4.2 Budget-based financing

✓ General provisions

Budget-based grants are calculated on the basis of a detailed estimated budget. The budget attached to the application form must be complete and in balance, i.e. total estimated expenditure must equal total revenue, including the requested grant. The budget must indicate clearly the costs that are eligible for EU funding. The EU grant is limited to a maximum co-financing rate of 50% of the eligible costs.

The budget must be drawn up in euro. Applicants not based in the euro zone must use the exchange rate published in the Official Journal of the European Union and applicable on the date of the publication of this call for proposals. This exchange rate is available from the Creative Europe Desks and from the web site of the European Commission at <http://ec.europa.eu/budget/inforeuro/>).

Part of the total estimated eligible expenses must be financed from sources other than the Union grant. Applicants must indicate the sources and amounts of any other funding received or applied for in the same financial year for the implementation of the project or work programme concerned.

The allocated amount may not exceed the amount requested.

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 amount allocated to each cinema cannot, under any circumstances, be higher than 50% of the costs committed by each cinema for the screening and promotion of non national European films (9.4.1 Heading 2 below).

- ✓ Eligible costs

Eligible costs of the action are costs actually incurred by the beneficiaries, which meet the following criteria:

- they are incurred during the duration of the action as specified in the specific annual agreement, with the exception of costs relating to final reports and certificates on the action/action's financial statements and underlying accounts;
The period of eligibility of costs will start on 1st January and end on 31st December of the year of activities covered by the Specific Agreement.
- they are connected with the subject of the agreement and they are indicated in the estimated overall budget of the action;
- they are necessary for the implementation of the action which is the subject of the grant;
- 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 with the corresponding accounting statements and supporting documents.

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 or the work programme and which can therefore be booked to it directly. In particular, the following direct costs are eligible, provided that they satisfy the criteria set out in the previous paragraph:

Eligible direct costs:

Heading 1 - Network costs

The total of this budget heading cannot exceed 2.000.000€.

These costs represent the costs incurred by the network organisation to run the action.

Costs incurred by the co-ordination entity for :

- the monitoring, coordination, analysis of the network members programming,
- dissemination of results and allocation of the financial support to third parties
- the coordination entity to carry out common activities for the members of the network

Sub-heading 1.1. Salaries of Personnel and fees

Are to be written under this sub-heading any costs relating to employees (personnel) of the applicants organisation or company and to any human resources directly linked to the management of the action and its activity/ies, such as project manager, policy officer, project assistant etc., which contribution is charged over the whole duration of the action. This might include consultants and any other external partner(s).

The personnel costs shall be calculated on the basis of the actual daily salary of the employee, multiplied by the number of days devoted to the action. Where applicable, this figure will include all the usual contributions paid by the employer, such as social security contributions, but shall exclude any bonuses, incentive payments or profit-sharing schemes.

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

Common rules:

- The maximum number of working days per year per person is 220.
- Senior staff/consultants and directors shall be identified by name (if already known at submission stage).
- These costs must be actual costs incurred by the applicant; personnel costs of other organisations are eligible only if they are directly paid or reimbursed by the applicant.
- Individuals contracted with a significant involvement in the management and/or organisation of the action and its activity/ies, shall be considered as "personnel" and budgeted accordingly under 1.1.

Sub-heading 1.2 Operating costs:

Operating costs include travel and subsistence costs for Personnel and Project Management, costs for the seminars and experts groups as well as the costs for bank guarantee.

1.2.1 Travel costs for Personnel and Project Management

Travel costs for the monitoring of the network (experts meeting, monitoring visits to member cinemas, meetings with the Agency for the follow-up of the project, participation to professional meetings).

The number of travels, the destination and the length of stay must be reasonable with regard to the objectives of the applicant for the proposed action.

Travel details and the name or role in the activity of the person(s) travelling must be justified in the Note to the estimated budget.

Accommodation and subsistence costs ("per diems") cannot be in excess of the scales accepted by the Commission and published on the following website:

http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm

If there is no overnight stay, the amounts are reduced by 50%.

If the internal regulation of the institution applying for a MEDIA grant imposes a lower limit than the scales accepted by the Commission, the lower limit must be used as a basis of calculation.

Costs exceeding the Commission's threshold will have to be duly justified and agreed by the Agency in order to be eligible.

Common rules:

- Air travel : only economy class tickets will be eligible
- Train travel : second and first class tickets are eligible
- Car travel: the eligible amount will be limited to the amount corresponding to the price of a 1st class train ticket.
- Per diems cover taxi and parking costs. Applicants using these monetary limits are thus not authorised to include these costs separately in the budget.

These conditions apply also for travel and subsistence costs for other professionals participating in the action (See section 1.2.2 and 1.3.2).

1.2.2 Seminars and experts groups

Remuneration and travel costs for experts must be directly related to the implementation of the action.

Travel and subsistence costs for experts shall be calculated under the same conditions as those defined for the Personnel and Project Management (See section 1.2.1).

Costs relating to the seminars / experts meetings will also include the costs relating to the preparation and organisation of the meetings (rental of conference room, rental of equipment, evaluation material and documentation).

The destination of the travels as well as the number of days forecast and the name or role in the activity of the person(s) travelling should be justified in the Note to the estimated budget.

1.2.3 Meetings of the members of the network

Costs relating to the preparation and organisation of the meetings of the representatives of the cinemas of the network (rental of conference room, rental of equipment, conference, material and documentation).

For the limits, rules and conditions applicable on travel and subsistence costs for participants please refer to section 1.2.1.

A detailed list and description of the costs relating to the meetings of the members of the network shall be presented for each forecast meeting.

1.2.4 Information, publicity, communication and promotion costs

This category includes:

- * the costs related to the design, lay-out, production and dissemination towards the member cinemas of material promoting their participation in the network. Such material may include posters, flyers, stickers, or trailer prints to be screened in the member cinemas.
- * The costs related to the design, lay-out, production and dissemination of information and exchange tools between the members of the network, such as newsletters of Internet / Intranet services.
- * The costs related to the design, lay-out, production and dissemination of publications (in printed, on-line or off-line formats) aiming at the dissemination of the results of the network activities.
- * The costs related to certain common promotional actions

These costs shall be admissible in so far as they are not already assigned to another budget heading or category.

1.2.5 Costs for bank guarantee and audit costs

Costs related to bank guarantee, which may be required by the Agency, and costs related to the audit of the action can be written in this category.

Interest charges (bank interests) are not eligible. Please pay particular attention to the other ineligible costs listed below.

Sub-heading 1.3. Sub-contracting costs

Costs under these budget lines relate to the provision of services by persons who are neither employees of the applicant's organisation or company, nor individuals contracted for the whole duration of the action (see 1.1 above), for example: translation/ interpretation, printing, provision of computer software and accounting services.

The costs specified under this heading relate to the amounts paid to third parties carrying out a specific one-off task in connection with the proposed action.

Sub-contracting costs are accepted only if the applicant staff does not have the skills required and the EU procurement procedures are respected. Subcontracting costs must be substantiated by receipted invoices.

All necessary explanations shall be stated in the "Note to the estimated budget".

This Budget Sub-heading consists of the following items:

1.3.1 Fees/Flat rates of third parties

Costs under this item relate to the provision of services by persons who are neither employees of the applicant's organisation or company, nor individuals contracted for the whole duration of the action (see sub-heading 1.1 above), for example:

- Expenditure relating to persons taken on exclusively for the duration of the activity/ies, such as interpreters, press attachés, publicists, hostesses, etc.
- Any fees and expenditures relating to the provision of consultancy services (on a short-term basis) by experts in particular in audio-visual matters to European professionals participating in the activity/ies to which the action relates. This category includes translation costs incurred in the frame of the action.

Common rules:

- Individuals contracted with a significant involvement in the management and/or organisation of the action and its activity/ies, shall be considered as "personnel" and budgeted accordingly under
- Records of the time devoted to the activity/ies by third parties should be detailed clearly according to the type of service provided, the period during which they have been charged to the activity and their cost per head (duration, number, individual cost).

1.3.2 Travel and subsistence costs of third parties

Costs under this item relate to the travel and accommodation costs of the sub-contracting persons specified above.

For the limits, rules and conditions applicable on travel and subsistence costs, please refer to section 1.2.1 above.

1.3.3 Computer and IT costs

The costs specified under this item may include various computing and data base costs applicable under management of the action solely.

These costs may include for example, leasing costs of hardware and software, as well as their development, production and maintenance costs and costs related to connect time to on-line services where this is necessary for the proper implementation of the action.

Common rules:

- These costs may be charged to the action in so far as such costs are not charged under any other category of cost.
- Only the portion of the computing and technical equipment's depreciation corresponding to the duration of the activity(ies) and the rate of actual use for the purposes of the activity(ies) may be taken into account by the Agency.
- Only the cost of rental, leasing of equipment for the duration of the activity(ies) will be considered eligible.

Heading 2 - Screening and promotion of European films by the member cinemas:

It is accepted that 50% of the box office income from screening European films is returned to the Rights Holder as Rentals. The maximum amount allowed as direct costs for the programming of said films shall be 50% of these rentals or 25% of the Gross Box Office.

Eligible indirect costs (overheads)

These costs represent the applicant's general administrative costs. They are considered as eligible when they relate indirectly to the implementation of the proposed action but do not fall into any of the above-mentioned categories.

These costs should be in line with the principles set out in this guide. They cannot exceed a flat-rate amount of 7% of the network costs, up to a maximum of 70.000€. Indirect costs may not include costs entered under another budget heading.

Overhead costs encompass the following categories:

- Premises and related expenses (e.g. rent, insurance ...)
- Office expenses and consumables (e.g. telephone, postal services, photocopies ...)

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

Note on the Estimated Budget

The note to the estimated budget will be used for the evaluation of the award criteria, especially for the assessment of the cost effectiveness of the proposed action. The applicants have to explain the reasoning behind the amounts stated in the estimated Budget.

- The Note to the estimated budget must be sufficiently detailed to allow identification and control of the proposed activity.
- The presentation of the Note to the estimated budget will be identical "heading by heading" to the estimated budget.
- In the event that costs such as Personnel costs or Overheads are distributed over one or more activities, a detailed justification for such distribution must be included in the Note to the estimated budget.

✓ 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.
- contributions in kind
- excessive or reckless expenditure.

Please note that the Agency reserves its right to reduce any cost, either in the award or subsequent payment procedures, which is not consistent with average market prices for the item or service foreseen.

✓ Calculation of the final award

The Agency will establish the final amount of the grant on the basis of 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,

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.

The calculation of the final grant amount by the Agency is based on a detailed final financial statement of the beneficiary, accompanied by supporting documentation for the incurred expenditure. 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. The Agency also reserves the right to reduce the amount of the grant if the organisation has not fully implemented the agreed project/work programme.

Where applicable, the beneficiary will be required to reimburse any excess amounts paid by the Agency in the form of pre-financing.

9.5 Sources of Income

The part 1 of the Estimated Budget (sheet 1 – Financing Plan) should show:

- The direct monetary contribution from the applicant (own resources);
- The investment by the network
- The financial contribution from other fund providers (public and/or private);
- The contribution applied for to the MEDIA Sub-programme.

The maximum amount allowed for the calculation of the investment by the network shall be the accepted direct costs for the screening of non national films minus the support received for this activity from the network.

Where possible, the calculation of the investment by the network will have to be based on the average results of the network over the last four years.

10. SUB-CONTRACTING AND AWARD OF PROCUREMENT CONTRACTS

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

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

- it may only cover the implementation of a limited part of the action;
- it must be justified having regard to the nature of the action and what is necessary for its implementation;
- it must be clearly stated in the proposal or prior written authorisation from the Agency must be obtained.

11. PUBLICITY, COMMUNICATION AND DISSEMINATION

11.1 Publicity

All grants awarded in the course of a financial year must be published on the Internet site of the European Union institutions during the first half of the year following the closure of the budget year in respect of which they were awarded. The information may also be published using any other appropriate medium, including the Official Journal of the European Union.

The beneficiary authorises the Agency to publish the following information in any form and medium, including via the Internet:

- the beneficiary's name and locality
- the amount awarded
- the nature and purpose of the grant

Upon a reasoned and duly substantiated request by the beneficiary, the Agency may agree to forgo such publicity, if disclosure of the information indicated above would threaten the safety of the beneficiaries or harm their business interests.

Beneficiaries must clearly acknowledge the European Union's contribution in all publications or in conjunction with activities for which the grant is used. The name and logo of the programme must appear on all publications, posters, programmes and other products created in relation to the co-financed action.

The logo of the Creative Europe Programme can be downloaded from the following address:
http://ec.europa.eu/dgs/education_culture/promo/creative-europe/eps/eps.zip

11.2 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.

12. 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 Union institutions and bodies and on the free movement of such data.

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 the Agency's website:

http://eacea.ec.europa.eu/about/documents/calls_gen_conditions/eacea_grants_privacy_statement.pdf

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

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

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.

13. PROCEDURE FOR THE SELECTION OF PROPOSALS

13.1 Publication

Following the adoption of the Annual Work Programme, the call for proposals will be published in the Official Journal of the European Union and will be accessible on the MEDIA Sub-programme website at the following address: http://ec.europa.eu/culture/media/fundings/creative-europe/call_12_en.htm.

13.2 Registration in 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: http://ec.europa.eu/culture/media/fundings/creative-europe/call_12_en.htm.

13.3 Submission of the grant application

For this action, 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 relevant deadlines 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.

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 eForm 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 eForms are attached to the eForm.

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 name of the action: the E-form confirmation number:
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Address to which the documents must be sent:

Education, Audiovisual & Culture Executive Agency
Creative Europe Programme (2014–2020)
MEDIA Sub-programme – CINEMA NETWORK
Avenue du Bourget 1
BOUR 03/66
BE – 1049 Brussels
Belgium

Only applications submitted on the correct form, duly completed, dated and signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation will be accepted.

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.

13.4 Evaluation procedure

The eligible proposals will be ranked according to the award criteria defined and weighted in section 8 of the present Guidelines. The application which obtains 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.

In order to ensure that the best proposal fully meets the objectives of the current call, respects the rule concerning third parties, and follow the cost-effectiveness principle, the Agency may impose some modifications (following the recommendations of the Evaluation Committee) to the Global Action Plan, the Annual Work Programme, the Guidelines to the beneficiaries and the forecast budget.

13.5 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

13.6 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, Euratom) No 1295/ 2013 of the European Parliament and of the Council of 11th 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 L347, 20/12/2013, p.221).

13.7 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-distribution@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