

## **8) SUPPORT FOR THE DISTRIBUTION OF NON-NATIONAL FILMS – THE DISTRIBUTION SELECTIVE SCHEME (CALL EACEA 28/2018)**

### **1. INTRODUCTION – BACKGROUND**

See Part A.

### **2. OBJECTIVES – THEMES – PRIORITIES**

#### **2.1 Objectives**

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

- supporting theatrical distribution through non-national marketing, branding, distribution and exhibition of audiovisual works.

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

- establishing systems of support for the distribution of non-national European films through theatrical distribution and on all other platforms as well as for international sales activities; in particular the subtitling, dubbing and audio-description of audiovisual works.

Expected results:

- Development of pan-European distribution strategies for non-national European films
- Increase in the investment in promotion and distribution of non-national European films.
- Develop links between the production and distribution sector thus improving the competitive position of non-national European films.

#### **2.2 Targeted projects**

The aim of the “Selective scheme” is to encourage and support the wider distribution of recent non-national European films by encouraging sales agents and theatrical distributors to invest in promotion and adequate distribution of non-national European films.

The scheme also aims to encourage the development of links between the production and distribution sector thus improving the competitive position of non-national European films and the competitiveness of European companies.

These guidelines are aimed at European companies whose activities contribute to the realisation of the above objectives, and in particular at sales agents and cinema distribution companies.

### **3. TIMETABLE**

<b>Stages</b>	<b>Date or indicative period</b>	
Deadline for submitting applications	8 Jan. 2019, 12:00 (noon, Brussels time)	4 June 2019, 12:00 (noon, Brussels time)
Evaluation period	Jan - May 19	July-October 19
Information to applicants	June 2019	November 2019
Signature of grant agreement	July 2019	Nov-Dec 2019

Starting date of the action /period of eligibility of costs	date of agreement <sup>25</sup>
Duration of the action / period of eligibility of costs	18 months from the starting date of the action

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

The total budget earmarked for the co-financing of projects is estimated at EUR 9.85 M.

A maximum of 25% of the budget will be allocated to films with a production budget superior to EUR 10M.

#### **5. ADMISSIBILITY REQUIREMENTS**

See Part A.

#### **6. ELIGIBILITY CRITERIA**

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

##### **6.1 Eligible applicants**

The applicants shall be a European sales agent company:

A European company acting as an intermediary agent for the producer, who specialises in the commercial exploitation of a film by marketing and licensing a film to distributors or other purchasers for foreign countries.

European company:

Company owned, whether directly or by majority participation (i.e. majority of shares), by nationals of Member States of the European Union or nationals of the other European countries participating in the MEDIA Sub-programme and registered in one of these countries.

The sales agent must have been over the last 3 years<sup>26</sup> the appointed sales agent of at least 3 films that have been theatrically released in at least 5 countries.

The sales agent must be appointed by the producer of the film by way of an international sales agreement providing for the right to sell the film in at least 15 countries participating in the MEDIA Sub-programme.

In order to assess the applicants' eligibility, the following supporting documents are requested:

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<sup>25</sup> The period of eligibility can start from the date of submission when justified and requested in the eForm. See section 11.2.

<sup>26</sup> Calculated from the deadline for submission.

- **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.

## 6.2 Eligible activities

The activities to be funded are campaigns for the pan-European distribution of eligible European films, outside their country of origin, coordinated by the sales agent of the film.

A minimum of 7 different distributors must be attached to the project. Out of the 7 distributors: at least 3 from high/medium capacity countries<sup>27</sup> and at least 2 from small/very small capacity countries<sup>28</sup>

The film must be released for the costs to be eligible:

- o between 1<sup>st</sup> April 2019 and 1<sup>st</sup> October 2020 (first deadline)
- o between 1<sup>st</sup> October 2019 and 1<sup>st</sup> April 2021 (second deadline)

The film 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 have its first copyright established in 2018 at the earliest.
- it must not consist of alternative content (operas, concerts, performances, etc.), advertising, pornographic or racist material or advocate violence.
- The production budget of the film cannot exceed EUR 15M<sup>29</sup>
- it must be 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 copyright as appearing on the rolling credits, creative control, ownership of exploitation rights and share of profits may also be taken into account to determine who the actual producer is.
- it must be produced with the significant participation (as per the credits) of professionals who are nationals/residents of countries participating in the MEDIA Sub-programme. (see section 6.1). ‘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:

	Points
Director	3
Scriptwriter	3
Composer	1

<sup>27</sup> FR, DE, IT, ES, UK, AT, BE, PL, NL.

<sup>28</sup> All eligible territories except FR, DE, IT, ES, UK, AT, BE, PL, NL.

<sup>29</sup> The monthly rate applicable at the time of publication must be used.

Actor 1 <sup>30</sup>	2
Actor 2	2
Actor 3	2
Production Design	1
Director of Photography	1
Editor	1
Sound	1
Shooting location	1
Post Production location	1
<b>Total</b>	<b>19</b>

The film must have a standard interoperable identifier, such as ISAN or EIDR.

If the film is produced at the time of submission, a hard copy (or an access to an online screening room) of the film for which support is sought must be provided. Failure to do so, will lead to the ineligibility of the proposal. This requirement is waived only if the film is not produced at the time of application. In such case, the applicant commits to submit the film as soon as it is available. In any event, it will be part of the deliverables of the final report.

*National / Non-national European film:*

Countries participating in the Media sub-programme are defined under section 6.1.

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. This country is considered as the country of origin of the film for the purpose of the scheme.

They will be considered as “non-national” outside the country of origin.

In the event of a tie (i.e. where the points are equal for a given nationality) the nationality of the director (or the following talent in the above list) shall be decisive.

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.

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<sup>30</sup> Actors will only be counted for the qualification of live action feature films.

## 7. EXCLUSION CRITERIA

See Part A.

## 8. SELECTION CRITERIA

See Part A.

### 8.1 Financial capacity

See Part A.

### 8.2 Operational capacity

Applicants applying for a grant above EUR 60.000 must provide the following supporting documents:

- the curriculum vitae of the legal representative of the company and
- the curriculum vitae of the Head of International Sales (if they are not the same person).

The documents and forms required under section 8.1 and 8.2 should be provided at least once per year for the Cinema Selective, the Cinema Automatic and the Sales Agents schemes.

## 9. AWARD CRITERIA

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

	<b>Criteria</b>	<b>Definitions</b>	<b>Max. points</b>
1	Relevance and European added-value	This criterion evaluates the relevance of the content of the activity including its international/European/regional dimension vis-à-vis the objectives of the Call for proposals. In particular, the following will be assessed: <ul style="list-style-type: none"><li>- The quality of the partnerships already in place to carry out the project</li><li>- The European dimension of the strategy and expected results</li><li>- The promotion and coordination activities to foster coordinated pan-European release</li><li>- Partnerships for non-theatrical dissemination (online platforms, festivals, etc.)</li><li>- Level of cooperation with production company</li></ul>	30
2	Quality of the content and activities	This criterion evaluates the quality of the project in terms of content and distribution strategies. In particular, the following will be assessed: <ul style="list-style-type: none"><li>- The potential of the film for a European audience</li><li>- National promotion strategies, including expected results</li><li>- Cost-effectiveness of the project</li></ul>	45
3	Dissemination of project results, impact and sustainability	This criterion evaluates the sales agent plan to expand the project with a view to increase the impact and sustainability of the funded action. In particular, the following will be assessed: <ul style="list-style-type: none"><li>- Plan to outreach for other markets, whether European or</li></ul>	15

		non-European - Plan to outreach other online platforms - Any other activities that would bring additional revenues for the film - Dissemination of results to the programme	
4	Coordination	This criterion evaluates the methodology in place by the applicant to distribute the fund to third parties, to collect results and to report. - Methodology to gather third parties output (strategy, results and costs) - Methodology regarding the monitoring of third parties costs - Methodology regarding the allocation and payment of the funds - Transparency on the management of the support to third parties	10

## 10. LEGAL COMMITMENTS

See Part A.

## 11. FINANCIAL PROVISIONS

### 11.1 General Principles

- a) Non-cumulative award

See Part A.

The support cannot be cumulated with a support under the MEDIA Sub-programme sales agent scheme for the promotion of the same film.

- b) Non-retroactivity

See Part A.

- c) Co-financing

See Part A.

- d) Balanced budget

See Part A.

- e) Implementation contracts/subcontracting

See Part A.

- f) Financial support to third parties

The applications may envisage provision of financial support to third parties for the release of the film outside its country of origin (see section 6 eligible film). In such case the applications must include:

**1. an exhaustive list of the types of activities for which a third party may receive financial support:**

The support to third parties is dedicated solely for the promotion and theatrical release, outside its country of origin<sup>31</sup>, of the film for which a support is sought. The release by third parties must take place within the timeframe set under section 6.2.

**2. the definition of the persons or categories of persons which may receive financial support**

The third parties must fulfil the following criteria:

- be a European company as per the criteria set out under section 6.1
- be the holder of the theatrical distribution rights for the film in the country concerned;
- carry out the theatrical distribution of the film in the country (determines the release date, plans, controls and executes the distribution and promotion campaign);
- pay directly the associated distribution costs;

The application must list the third parties that are already secured at the time of application. A maximum of 10% of the global budget can be foreseen for eligible territories where no agreement has been reached with third parties at the time of submission. The beneficiary will be requested to confirm the name of all third parties before the end of the evaluation process.

All third parties will be listed in the grant agreement.

**3. the criteria for awarding financial support**

The application shall indicate the criteria used to select the third parties. The minimum criteria shall be:

- experience in release of European non-national films
- release strategy and associated budget
- acquisition of the film by the traceable payment of a minimum guarantee
- commitment to report on costs and results

**4. the maximum amount to be granted to each third party and the criteria for determining it**

The support is limited to 50% of the P&A incurred by the third parties.

Within the following limits:

Max 150.000€ for FR, UK, ES, IT and DE

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<sup>31</sup> see section 6.2

Max 60.000€ for AT, BE, NL, PL

Max 30.000€ for CZ, DK, FI, EL, HU, NO, PT, SE

Max 10.000€ for all the other territories.

The maximum support allocated to third parties will be listed in the grant agreement.

The support to third parties is considered as an incentive to distributors to promote and release the film. The sales Agent has to confirm that the support will not be considered as revenue for the film or be used to reduce recoupable distribution costs.

The Sales Agent will have to ensure that the language versions obtained with the MEDIA support in the frame of this scheme should be available for use by all potentially interested platforms of distribution (cinema, VOD, TV, etc. ) and ensures that distributors put them at their disposal upon request irrespective of the territory where they are offering their services.

## **11.2 Funding forms**

### **➤ Maximum amount requested**

The financial contribution from the EU cannot exceed 50% of the total costs.

The investment by third parties needs to be estimated in the “revenue part” of the budget.

### **➤ Eligible costs**

#### 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.

#### **Heading 1 – coordination costs**

These costs represent the costs incurred directly by the applicant to carry out the action.

Costs incurred by the applicant for:

- the promotion and advertising of the film
- the monitoring, coordination, analysis of the third parties activities
- dissemination of results and allocation of the financial support to third parties

#### **Sub-heading 1.1. Salaries of Personnel and fees**

Costs relating to employees (personnel) of the applicant 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.

### **Sub-heading 1.2 : Promotion and advertising costs**

Costs related to the promotion and advertising of the film (trailer, design and production of promotion material, social network campaign, advertising, press agency, etc...).

No staff cost can be declared under this sub-heading.

### **Sub-heading 1.3: Other Costs**

**Data analytics:** costs related to the market analysis to design pan-European release campaign.

**Audit Fees:** In the framework of the execution of an eventual financial support, the Agency requires the beneficiary to produce a statement of the final costs of the action in case of a grant for an action of more than EUR 60.000. This document must be certified by an independent approved auditor, external to the company on the basis of justifying documents and the accountancy records of the beneficiary. Therefore the costs of this certification are the only costs eligible beyond the eligibility period.

Non deductible VAT is eligible unless it is related to activities of the public authorities in the Member States.

**Financial costs:** cost related to the creation of a bank account dedicated to the project.

### **Heading 2 - Promotion and release of non-national European films:**

The P&A costs incurred by third parties to carry out the eligible activities.

#### **➤ 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 coordination costs (heading 1). 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.

#### **➤ Ineligible costs**

In addition to the ineligible costs specified in Part A, the following costs shall not be eligible:

- purchase of equipment

➤ **Sources of Income**

The revenue section of the budget must show:

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

➤ **Calculation of the final grant amount**

EACEA will request evidence such as third parties invoices on a sample basis. It is advised that the coordinator have this evidence available in case of verification.

### **11.3 Payment arrangements**

If specified in the grant agreement/, a pre-financing payment corresponding to 30% of the grant amount will be transferred to the beneficiary within 30 days either of the date when the last of the two parties signs the agreement,, provided all requested guarantees have been received.

If specified in the grant agreement, 2 Interim payments shall be paid to the beneficiary. Interim payment is intended to cover the beneficiary's expenditure on the basis of a request for payment when the action has been partly carried out. Each interim payment shall not exceed 30% of the maximum grant amount.

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

**See Part A.**

## **12. PUBLICITY**

### **12.1 By the beneficiaries**

When the film is presented in cinemas or online, beneficiaries must ensure that third parties show the logo or trailer of the MEDIA Sub-Programme, as provided by the Agency.

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

**See Part A.**

### **12.3 Communication and dissemination**

**See Part A.**

### **13. DATA PROTECTION**

See Part A.

### **14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS**

#### **14.1 Publication**

The call for proposals is published on the Internet site of the EACEA at the following address:  
[https://eacea.ec.europa.eu/creative-europe/funding/distribution-selective-scheme-support-for-transnational-distribution-european-films-2019\\_en](https://eacea.ec.europa.eu/creative-europe/funding/distribution-selective-scheme-support-for-transnational-distribution-european-films-2019_en)

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

See Part A.

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

See Part A.

A copy of the film (DVD or any other format) for which support is sought is compulsory. It must be sent to:

**Education, Audiovisual & Culture Executive Agency**  
Creative Europe Programme (2014–2020)  
MEDIA Sub-programme – SELECTIVE SCHEME  
Avenue du Bourget 1  
BE – 1049 Brussels  
Belgium

If no hard copy is available, an access to the online screening room will have to be provided.

#### **14.4 Rules applicable**

See Part A.

#### **14.5 Contacts**

For any further information please contact your Creative Europe desk:  
[http://ec.europa.eu/culture/tools/creative-desks\\_en.htm](http://ec.europa.eu/culture/tools/creative-desks_en.htm)

If you encounter a technical problem in relation to the eForm, please ensure that you contact the HelpDesk well in advance of the deadline for submission: [eacea-helpdesk@ec.europa.eu](mailto:eacea-helpdesk@ec.europa.eu)

Contact within the Agency: [EACEA-DISTRIBUTION-SELECTIVE@ec.europa.eu](mailto:EACEA-DISTRIBUTION-SELECTIVE@ec.europa.eu)

#### **Annexes to be included in the application form:**

- Annex 1 – Application form / detailed description of the project/action.  
(the project implementation/award criteria and synopsis of the film must be attached to the E-form)

- Annex 2 – Declaration on applicant's honour  
(the declaration on the applicant's honour must be attached to the E-form)
- Annex 3 – Detailed budget and sources of financing  
(the budget form on the standard template must be attached to the E-form)
- Annex 4 - Track record of the applicant company  
(the track record of the applicant company must be attached to the E-Form)
- Annex 5 – Financing plan  
(the financing plan for films to be qualified must be attached to the E-Form)
- Annex 6 – Sales agent agreement  
(the Sales agent agreement must be attached to the E-Form)

**Additional annexes published with the call:**

Expert guide

Sample Grant agreement