



MEDIA 2007 (2007-2013) *

SUPPORT FOR THE DEVELOPMENT OF SINGLE PROJECTS (ANIMATION, CREATIVE DOCUMENTARY AND DRAMA)

PERMANENT GUIDELINES 2012-2013

*** Decision N° 1718/2006/EC
of the Parliament and of the Council**

Please note that the standard grant agreements/decisions of the Agency are currently under revision due to the entry into force of the new Financial Regulation and its Rules of Application as from 01 January 2013. For this reason they are not yet annexed to the call. The Agency will publish the draft grant agreements/decisions related to this call as soon as possible and, in any event, in due time before the deadline for the submission of proposals. Please note also that the other documents available to you are already in line with the new provisions. The Agency reserves, however, the right to introduce changes or additional details subject to the adoption of the final text of the Financial Regulation and Rules of Application. In this case the changes will be announced in due time before the deadline of the call.

Version history

Version	Date	Comments
1.0	September 2011	First version for public release
2.0	September 2012	<p>Second version for public release.</p> <p>The changes below take into account the entry into force of the new Financial Regulation and its Rules of Application as from 1/01/2013.</p> <p>5.3 Eligible activities</p> <p>In line with the Financial Regulation the following has been clarified: "No grant may be awarded retrospectively for actions already completed".</p> <p>6. Exclusion Criteria</p> <p>If the grant does not exceed EUR 60 000, applicants do not have to sign any declaration on honour for the exclusion criteria.</p> <p>7. Selection Criteria</p> <p>If the grant does not exceed EUR 60 000, applicants do not have to prove their operational and financial capacity.</p> <p>8.1 Criteria for automatic points</p> <p>The number of automatic criteria has been reduced to provide equal treatment to new participating countries.</p> <p>9. Financial conditions</p> <p>Profit is defined as a surplus of receipts over eligible costs.</p> <p><u>9.1 Contractual provisions and payment procedure</u></p> <p>Payment deadlines have been modified and interests on pre-financing for grants are no longer compulsory.</p> <p><u>9.2 Certificate on the financial statements and underlying accounts</u></p> <p>New procedure</p> <p><u>9.3 Guarantee</u></p> <p>Guarantees may only be requested where the grant exceeds EUR 60 000.</p> <p><u>9.5 Eligible costs</u></p> <p>Non deductible VAT will be eligible except for activities of public authorities in Member States.</p> <p>13. Procedure for the submission of proposals</p> <p><u>13.4 – Rules applicable</u></p> <p>Reference is made to recent legislation and to the new Financial Regulation.</p>

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1. INTRODUCTION

Legal Basis

These Guidelines are based on Decision No 1718/2006/EC of the European Parliament and of the Council of 15 November 2006 concerning the implementation of a programme of support for the European audiovisual sector (MEDIA 2007).¹

The total budget for the MEDIA Programme 2007-2013 amounts to EUR 754.95 million.

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

The MEDIA Programme Unit of the Education, Audiovisual and Culture Executive Agency is responsible for the implementation of the Calls for Proposals.

The Calls for Proposals to which these Guidelines are referring will be published as required by the Annual Work Programme of the MEDIA Programme.

These guidelines are applicable to MEDIA – Development Single Projects Call for Proposals to be published until the last trimester of 2012.

The Calls are aimed at European applicants whose activities contribute to the achievement of the objectives of the MEDIA Programme as described in the European Parliament and Council Decision No 1718/2006/EC.

These Guidelines explain how to submit a proposal with a view to obtaining a European Union financial contribution.

2. OBJECTIVES & PRIORITIES

2.1. Global objectives of the MEDIA programme

The global objectives of the MEDIA 2007 programme are to:

- Preserve and enhance European cultural and linguistic diversity and its cinematographic and audiovisual heritage, guarantee its accessibility to the public and promote intercultural dialogue;
- Increase the circulation and viewership of European audiovisual works inside and outside the European Union, including through greater cooperation between players;
- Strengthen the competitiveness of the European audiovisual sector in the framework of an open and competitive European market favourable to employment, including by promoting links between audiovisual professionals.

¹ published in the Official Journal of the European Communities on the 24th of November 2006 (OJ L327, pp 12-29).

2.2. Specific objectives of the Development support

The Calls for Proposals to which these Guidelines are referring have the specific objective of promoting, by providing financial support, the development of production projects intended for European and international markets presented by independent European production companies in the following categories: animation, creative documentary and drama.

2.3. Priorities of the Call for Proposals

Three types of support for development are available within the framework of the Call for Proposals: support for Single Projects, Slate Funding and Slate Funding 2nd Stage.

These guidelines concern support for Single Projects. They are aimed at companies interested in developing a single project.

3. TIMETABLE

Applications must be sent to the Agency **by the relevant deadlines indicated in the Calls for Proposals.**

Each Call for Proposals to be published will indicate the two deadlines to submit proposals. Please read carefully section 13.3. concerning the procedures for submitting applications.

The scheduled timetable is as follows:

	Indicative Deadline date for submission	Indicative date for Selection results	Indicative date for Grant Decision/ Agreement	Period of eligibility of costs	Max. duration of the action
Deadline 1	Second half of November of the year of publication of the Call.	5 months of the deadline for submission.	6 months of the deadline for submission.	From the date of submission until 30 June of the third year following the publication of the Call. <i>If the project enters into production before the aforementioned date, the period of eligibility of costs ends on the date of entry into production of the project. Only the costs related to the acquisition of author rights is eligible retroactively for a period of 12 months preceding the date of submission.</i>	Until 30 June of the third year following the publication of the Call.
Deadline 2	Mid April of the year following the publication of the Call.	5 months of the deadline for submission.	6 months of the deadline for submission.	From the date of submission until 30 November of the third year following the publication of the Call. <i>If the project enters into production before the aforementioned date, the period of eligibility of costs ends on the date of entry into production of the project. Only the costs related to the acquisition of author rights is eligible retroactively for a period of 12 months preceding the date of submission.</i>	Until 30 November of the third year following the publication of the Call.

Applicants may only make one submission for development support throughout the duration of the Calls for Proposals. They must choose to which of the two deadlines they apply.

A production company can only submit one application for development support (Single Project, Slate Funding or Slate Funding 2nd Stage) for each budget year. Furthermore, a company that has a Slate Funding or Slate Funding 2nd Stage agreement running cannot apply for support for a Single Project or Slate Funding. It can only apply for Slate Funding 2nd Stage under certain conditions (see the Guidelines for Slate Funding 2nd stage).

The submitted project may not have entered into production before the date of the Grant Decision or the date of signature by the last party of the agreement between the beneficiary and the Agency.

If after the Grant Decision or signing of the agreement it becomes impossible for the beneficiary, for fully justified reasons beyond their control, to complete the action within the scheduled period, an extension to the eligibility period may be granted for a maximum of 6 additional months if requested at the latest one month before the closing date of the action.

With the exception of the acquisition of rights, all costs incurred before the date of the submission of the application will be considered ineligible.

4. AVAILABLE BUDGET

The total budget earmarked for the co-financing of the actions will be indicated in each Call for Proposals.

Financial contributions from the European Union may not exceed 50% of the total eligible costs. However the MEDIA Programme's funding may be raised up to 60% for actions intending to promote European cultural diversity.

Actions presenting an interest in promoting European cultural diversity are those which bring together different cultural identities national and/or regional within a framework of inter-cultural dialogue among at least two European countries. The action must be centred on the cultural specificities of the countries involved and highlight the values held by their populations.

The selection of an action does not signify agreement to the level of financial support requested. The final amount to be awarded will be determined within the available budgetary resources and in consideration of the nature and costs of the action.

Each grant will amount to between EUR 10,000 and EUR 60,000 except for feature-length animations for theatrical release, for which the maximum is EUR 80,000.

The recipient company must guarantee the remaining financing.

The European Union grant will be detailed in the Grant Decision or Agreement between the Agency and the beneficiary company both as a percentage of the development budget and as a total amount.

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

5. ELIGIBILITY CRITERIA

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

The Agency reserves the right not to process proposals which lack the required documentation or information (documents listed in the application form) at the deadline. Even in the case of resubmission all the required documentation must be provided.

5.1 Eligible applicants

Independent European companies having as their main activity audiovisual production and which have been legally constituted for at least 12 months.

The Calls for Proposals to which these Guidelines are referring are open to independent European production companies that have been registered for at least 12 months at the date of submission.

A **European** production company is a company whose main object and activity is audiovisual production and which is registered in one of the Member States of the European Union or in one of the countries participating in the MEDIA 2007 Programme and which is owned and continues to be owned, whether directly or by majority shareholding, by nationals from these countries.

An **independent** production company is an audiovisual production company which does not have majority control by a television broadcaster, either in shareholding or commercial terms. Majority control is considered to occur when more than 25% of the share capital of a production company is held by a single broadcaster (50% when several broadcasters are involved) or when, over a three-year period, more than 90% of a production company's revenue is generated in co-operation with a single broadcaster.

The following are not eligible:

- Foundations, Institutes, Universities, associations and other legal bodies acting in the public interest;
- applications from groups of companies;
- private individuals.

5.1.1 Legal Entity

In order to demonstrate its existence as a legal entity, the applicant must provide the following documents:

- bank details form, duly completed and signed (the form relating to the financial identification of the applicant company according to the country in which it is established is available on the following website: http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm)
- extract from the official gazette/trade register, and 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). The form relating to the legal structure of the applicant company according to the country in which it is established is available on the following website: http://ec.europa.eu/budget/execution/legal_entities_en.htm

5.1.2 Companies able to provide evidence that they have completed and commercially distributed a previous eligible work

Companies submitting an application must have produced a work and prove:

- that they were the sole production company;
- or that they were, in the case of a co-production with another production company, the major co-producer in the financing plan or the delegate producer;
- or that their Chief Executive or one of their shareholders has a personal credit on the work as producer or delegate producer.

By way of derogation a previous work produced by a company other than the applicant company may be accepted, if the applicant company can show that its Chief Executive, one of its shareholders (individual person) or one of the producers it employs (this producer must have been a fulltime employee of the applicant company for at least twelve months on the date of the application), has a personal credit in the role of producer, delegate producer or executive producer.

Only official credits as producer, delegate producer or executive producer that appear in the onscreen credits are accepted as proof of personal credits. Declarations of third parties will not be taken into account.

If the previous work is a series, the applicant company must provide the evidence listed above for the entire series.

The previous work must be in one of the following eligible categories (see 5.3):

- an animation of at least 24 minutes (the total length of the series in the case of a series). Two animation shorts can be accepted only in the case of an application for support for an animation project;
- a creative documentary of at least 25 minutes (length per episode in the case of a series);
- a drama of at least 50 minutes (the total length of the series in the case of a series).

The previous work must be completed. A production (one-off project or series) is regarded as completed on:

- the date of official delivery by the laboratory of the answer print (for cinema films);
- the date of official delivery of the master copy to the broadcaster (for works intended for television);

In respect to series, the entire series must be completed by the date of submission.

The applicant company must also show that the work has been commercially distributed during the two calendar years preceding the publication of the Call for Proposals and the date of submission of their application.

Distribution is understood to be all forms of commercial release of the work to the public: cinema, television, DVD and on-line distribution. It may be the first commercial release or a re-release or a re-publication. The following are not considered to be commercial releases: free on-line access and screenings at festival, cinema museums, cultural associations and other comparable structures.

If the previous experience is the production of two animation shorts, exhibition at festivals will, however, be accepted as proof of distribution.

The date taken into account in verifying that distribution has taken place during the reference period is the date on which the distribution contract was signed or the date the distribution took place (date of cinema release, broadcast date etc.).

Applications sent without a duly signed distribution agreement or duly documented proof that the distribution took place within the reference period will be directly eliminated from the selection procedure.

5.2 Eligible Countries

Legal entities submitting an application must be established in one of the following countries:

- Member States of the European Union;
- Countries in the European Economic Area participating in the MEDIA 2007 Programme (Iceland, Liechtenstein and Norway);
- Switzerland and Croatia;
- Bosnia and Herzegovina (under the condition of the finalization of the negotiation process and the formalization of the participation of this country to the MEDIA programme).

5.3 Eligible activities

The development activities for the following audiovisual works (one-offs or series) are eligible.

5.3.1. Animation projects intended for commercial exploitation

Only animation projects (whether a one-off or a series) of no less than 24 minutes are eligible.

5.3.2. Creative documentaries intended for commercial exploitation

Creative documentaries take a real-life subject as their starting point but require substantial original writing and set out an author's and/or director's point of view.

Only documentaries of no less than 25 minutes (duration per episode in case of series) are eligible.

5.3.3. Drama projects intended for commercial exploitation

Only drama projects (whether a one-off or a series) of no less than 50 minutes are eligible.

5.3.4. Ineligible Activities

The development and production activities for the following categories of work 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 promoting, directly or indirectly, messages that are at odds with the policies of the European Union. For example, projects that may be contrary to the interests of public health (alcohol, tobacco, drugs), respect for human rights, people's security, freedom of expression etc.;
- projects promoting violence and/or racism and/or with a pornographic content;
- works of a promotional nature;
- institutional productions to promote a specific organisation or its activities.

No grant may be awarded retrospectively for actions already completed.

5.4 Eligible proposals

A proposal is eligible if:

- it is both submitted online using the application form (eForm) and the application package is sent by the specified deadline for submission of proposals (see points 3 and 13.3);
- the application package contains the signed requested attachments (original signatures of the person authorised to enter into legally binding commitment on behalf of the applicant organisations), the printed online application form, all annexes to the application form and the requested supporting documents.

Applicants must submit a budget that is balanced in terms of expenditure and revenue and must comply with the ceiling for European Union cofinancing, set at 50% (60% for actions presenting an interest in promoting European cultural diversity).

6. EXCLUSION CRITERIA

Applicants must state that they are not in any of the situations described in Articles 93(1), 94 and 96(2)(a) of the Financial Regulation applicable to the general budget of the European Communities (Council Regulation (EC, Euratom) No 1605/2002 as amended) and set out below².

Applicants will be excluded from participating in the Call for Proposals 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 have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*;
- c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- d) they have not fulfilled 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 contracting authority or those of the country where the contract is to be performed;
- e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Union's financial interests;

² This provision does not apply for grants which are lower than or equal to EUR 60,000.

- f) they are subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation (Council Regulation 1605/2002 of 25/06/02, as amended) .

Applicants will not be granted financial assistance if, on the date 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 contracting authority 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 Art 93(1) of the Financial Regulation, for this grant award procedure

and they are subject to the penalty consisting of the exclusion from contracts and grants financed by the budget for a maximum period of ten years.

In accordance with Articles from 93 to 96 of the Financial Regulation, 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 contract award procedure.

To comply with these provisions, applicants for a grant exceeding EUR 60 000 must sign a declaration on their honour certifying that they are not in any of the situations referred to in Articles 93 and 94 of the Financial Regulation.

7. SELECTION CRITERIA

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. They must have the professional competencies and qualifications required to complete the proposed action.

Applicants must submit a declaration on their honour, completed and signed, attesting to their status as a legal entity 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, applicants applying for a grant above EUR 60,000 must submit, together with their applications:

- the details of the experience of the members of the applicant company's team directly attached to the development of the submitted action;
- a list of productions already produced by the applicant Company and/or the producer of the referral work (see 5.1.2.).

No later than on the date of submission, each applicant company must show that it holds the majority of the rights relating to the project for which support is being sought. It is required to provide a contract covering the rights to the artistic material included in the application. This must include at least: concept, subject, treatment, script or bible. This contract must be duly signed and dated by the author(s).

The following types of contracts will be accepted:

- an option agreement concerning the transfer of rights between the author and the

applicant company, of an adequate duration to cover the whole development schedule and clearly setting out the conditions for exercising the option; or

- a contract transferring the rights from the author to the applicant company.

The option agreement or transfer of rights contract can be replaced by:

- a unilateral declaration of the transfer of rights to the applicant company where the author is the producer, a shareholder or an employee of the company;

- a co-production or co-development agreement duly dated and signed by the parties and clearly showing that the applicant company holds the majority of the rights at the date of the application.

If the project is an **adaptation** of an existing work (novel, biography etc.), the applicant company must **also** show that it holds the majority of the rights relating to the rights of adaptation to this work with an option agreement or transfer of rights contract duly dated and signed.

7.2 Financial capacity

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

- the profit and loss accounts of the applicant, together with the balance sheet for the 2 financial years for which the accounts have been closed for profit companies and of the last year for non profit companies.

Please note that the data to be provided are different depending on whether the applicant is a profit or a non profit company. The Agency applies these criteria taking into account the legislative framework of the different countries participating in the Programme.

If, on the basis of the documents submitted, the Agency considers that financial capacity has not been proved or is not satisfactory, it may:

- reject the application
- ask for further information
- require a guarantee (see 9.3)
- offer a Grant Decision/Agreement either without pre-financing or make a first payment after at least 50% of the estimated expenditure has been incurred on the basis of an Interim Financial Report certified by an external approved auditor.

8. AWARD CRITERIA

Eligible applications conforming to the selection requirements will be assessed on the basis of the following criteria:

8.1. Criteria for automatic points

Criteria	Number of points
An applicant company established in a country with low production capacity ³	1

³ The following are considered as countries with low production capacity: Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Iceland,

8.2. Evaluation Criteria considered by the independent experts

Applications will be evaluated in terms of the award criteria with the help of independent experts. On the basis of the independent experts' opinions, a list of projects, ranked according to merit, will be established. Grants are allocated to the best projects within the limits of the available budget.

The Agency selects experts on the basis of their independence, professional experience and quality. Their evaluations may not be communicated to applicants, for reasons of confidentiality and impartiality.

Points will be allocated out of a total of 100 on the basis of the following weightings:

Criteria relating to the applicant company		Criteria relating to the submitted project	
Criteria	Weighting	Criteria	Weighting
Quality of the development strategy	10	Quality of the project	40
Consistency of the development budget	10	Potential for production and the feasibility of the project	10
Quality of the financing strategy	10	Potential for European and international distribution	10
Quality of the distribution strategy	10		
Total	40 points	Total	60 points

Total score is achieved by adding the automatic points and the award criteria points allocated by the independent experts

9. FINANCIAL CONDITIONS

European Union grants are incentives to carry out actions which would not be feasible without the Union's MEDIA Programme financial support, and are based on the principle of co-financing. They complement the applicant's own financial contribution and/or national, regional or private assistance that has been obtained elsewhere.

Acceptance of an application by the Agency does not constitute an undertaking to award a financial contribution equal to the amount requested by the beneficiary. The awarding of a grant does not establish an entitlement for subsequent years.

Grant applications must include a detailed estimated budget in which all prices are given in euro.

Applicants from countries outside the euro zone must use the monthly accounting rate applicable at the beginning of the month of the application and available from the website of the Commission at: <http://ec.europa.eu/budget/inforeuro>.

Éire/Ireland, Liechtenstein, Latvia, Lithuania, Luxemburg, Malta, Norway, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden and Switzerland.

The budget for the action attached to the application must have revenue and expenditure in balance and show clearly the costs which are eligible for financing from the Union budget.

The allocated amount may not exceed the amount requested.

The applicant must indicate the sources and amounts of any other funding received or applied for in the same financial year for the same action or for any other action and for routine activities, from the European Union budget.

The beneficiary shall supply evidence of the co-financing provided, either by way of own resources, or in the form of financial transfers from third parties. The applicants shall provide an explicit undertaking from each co-financing organisation to provide the amount of funding stated in the grant application for the operation.

The Agency grant may not have the purpose or effect of producing a profit for the beneficiary. Profit is defined as a surplus of receipts over eligible costs incurred by the beneficiary. The amount of the grant will be reduced by the amount of any surplus.

9.1 Contractual provisions and Payment procedures

In the event of definitive approval by the Agency, a Grant Decision or a Grant Agreement, drawn up in euro and detailing the conditions and level of funding will be sent to the beneficiary.

- In case of beneficiaries established outside the European Union: the 2 copies of the original Grant Agreement must be signed by the beneficiary and returned to the Agency immediately. The Agency will sign it last.
- In case of beneficiaries established within the European Union Member States: the Grant Decision must not be returned to the Agency. The general conditions applicable to the Decision are available in the 'Documents register' of the Agency website (Calls for proposals II.a)
http://eacea.ec.europa.eu/about/documents/calls_gen_conditions/2a_action_nocontribution_en.pdf

As regards Grant Decisions, beneficiaries understand that:

Submission of a grant application implies acceptance of these General Conditions. These General Conditions bind the beneficiary to whom the grant is awarded and shall constitute an annex to the Grant Decision.

The account or sub-account indicated by the beneficiary must make it possible to identify the funds transferred by the Agency.

A **pre-financing payment** of 70% will be transferred to the beneficiary within 30 days of:

- the date of reception of the payment request (for Grant Decisions),
- the date when the last of the two parties signs the agreement (for Grant Agreements)

and all the possible guarantees are received.

Pre-financing is intended to provide the beneficiary with a float.

The Agency will establish the amount of the **final payment** to be made to the beneficiary on the basis of the final report. If the eligible costs actually incurred by the applicant during the action are lower than anticipated, the Agency will apply its rate of funding to the actual costs, and the beneficiary will, where applicable, be required to repay any excess amounts already transferred by the Agency under the pre-financing payment.

9.2 Certificate on the financial statements and underlying accounts

The Executive 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 Work Programme ;
- the final financial statement of costs actually incurred, certified by an approved auditor with the certification form provided by the Agency in the grant Decision/Agreement.

Only in case of Grants for an action of EUR 750.000 or more, when the cumulative amounts of request for payment is at least EUR 325.000, will require the beneficiary 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 Decision/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_01.08.2012_en.pdf

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

9.3 Guarantee

The Agency may require any applicant which has been awarded a grant exceeding EUR 60,000 to provide a guarantee first, in order to limit the financial risks linked to the pre-financing payment.

The purpose of this guarantee is to make a bank or a financial institution stand as irrevocable collateral security for, or first-call guarantor of, the grant beneficiary's obligations.

This 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.

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 Decision/Agreement.

9.4 Double financing

Subsidised actions may not benefit from any other European Union funding for the same activity.

9.5 Eligible costs

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

- they are incurred during the duration of the action as specified in the Grant Decision/Agreement, with the exception of costs relating to final reports and certificates on the action's financial statements and underlying accounts;

- they are connected with the subject of the Grant Decision/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.

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. In particular, the following direct costs are eligible, provided that they satisfy the criteria set out in the previous paragraph:

- acquisition of author rights;
- research;
- archive research;
- scriptwriting, including treatments, up to and including the final draft;
- storyboards;
- research and identification of key cast and crew;
- preparation of the provisional production budget;
- preparation of a financing plan;
- search for and identification of industry partners, co-producers and financiers;
- preparation of the production schedule up to delivery;
- initial marketing and sales plans (target markets and buyers, foreseen releases, presentation at festivals and markets, etc.);
- production of a video treatment or of a pilot;
- non deductible VAT unless it is related to activities of the public authorities in the Member States.

Eligible indirect costs (administrative costs)

A flat-rate amount, not exceeding 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. Indirect costs are not eligible where the beneficiary already receives an operating grant.

9.6 Ineligible costs

The following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- costs declared by the beneficiary and covered by another action or work programme receiving a European Union grant;
- excessive or reckless expenditure;
- the participation fee for training activities supported by MEDIA;
- production costs.

Contributions in kind (such as professional credits/industry credits in kind and deferred salaries) shall not constitute eligible costs.

9.7 Sources of income

All financial contributions must be substantiated by clear statements duly dated and signed, specifying the amounts and the fact that they will be provided in cash.

The Financing Plan should show:

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

10. SUB-CONTRACTING AND AWARD OF PROCUREMENT CONTRACT

Where implementation of the action requires sub-contracting or the awarding of a procurement contract, the beneficiary and, where applicable, its partners must obtain competitive tenders from potential contractors and award the contract to the bid offering best value for money, observing the principles of transparency and equal treatment of potential contractors and taking care to avoid conflicts of interests.

11. 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.

With the agreement of the beneficiary, taking account of whether information is of such a nature as to jeopardise its security or prejudice its financial interests, the Agency will publish the following information:

- name and address of the beneficiary,
- subject of the grant,

- amount awarded and rate of funding.

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

Furthermore, beneficiaries are required to give prominence to the name and logo of the European Commission on all their publications, posters, programmes and other products realised under the co-financed action and to mention "*With the support of the MEDIA Programme of the European Union*". If this requirement is not fully complied with, the beneficiary's grant may be reduced.

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.⁴

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

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

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

- 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 SUBMISSION OF PROPOSALS

13.1 Publication

Following the adoption of the MEDIA annual work programme the Call for Proposals linked to these Guidelines will be published in the Official Journal of the European Union and on the Internet site of the EACEA Agency at the following address: www.ec.europa.eu/media

⁴ Official Journal L 8, 12.1.2001.

13.2 Application form

Grant applications must be drawn up in one of the official EU languages, using the form specifically designed for this purpose.

The official forms can be downloaded from the internet website mentioned in Section 13.1.

13.3 Submission of the grant application

An online application system has been set up. Proposals must be submitted by the deadlines indicated in the Calls for Proposals **before 12:00 CES/CEST (Midday, Brussels time)** using the online application form, which is accessible on the website of the Executive Agency. In addition, the application package must be sent by registered mail or private courier by the deadline (the date as postmark or mail service stamp will be taken as proof of timely sending). The application package has to include the paper copy of the online application form as well as the relevant mandatory annexes. Application packages are not returned at the end of the selection procedure.

Applications which do not include all the stipulated documents in the required format and which are not submitted before the deadline will not be considered.

The application package must be sent by registered mail or private courier posted no later than the closing dates to the following address:

Education, Audiovisual and Culture Executive Agency (EACEA)
Media Unit
BOUR 3/29
Avenue du Bourget, 1
B-1140 Brussels
Belgium

ENVELOPES SHOULD BE CLEARLY MARKED: "MEDIA 2007 – Development - Call for Proposals reference - Single Project (animation, drama or creative documentary)"

Applications sent by fax or e-mail will not be accepted. The Agency cannot under any circumstances be held responsible for the shortcomings of courier services, and it is up to the applicant alone to ensure that the application package is sent off in good time. In the event that there are any charges in the delivery of an application (postal, fiscal or other) the Agency cannot be held liable for them and will refuse to accept such packages.

No changes to the dossier can be made after the application has been submitted. However, if there is a need to clarify certain aspects, the Agency may contact the applicant for this purpose.

Applicants will be automatically informed of the receipt of their online submission immediately after its successful registration.

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.

All unsuccessful applicants will be informed in writing.

Selected proposals will be subjected to a financial analysis, in connection with which the Agency may ask the persons responsible for the proposed actions to provide additional information and, if appropriate, guarantees.

13.4 Rules applicable

Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities. (OJ L 248, 16.9.2002, p. 1) as subsequently amended.

Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities. (OJ L 357, 31.12.2002, p. 1) as subsequently amended.

Proposal for Regulation (EU) No .../2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (expected to enter into force as from 1 January 2013).

Proposal for Commission Delegated Regulation (EU) No .../.. of XXX on the rules of application of the Regulation (EU) No .../2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (expected to enter into force as from 1 January 2013).

Decision N° 1718/2006/EC of the European Parliament and of the Council of 15 November 2006 concerning the implementation of a support programme for the European audiovisual sector (MEDIA 2007).

13.5 Contacts

Additional information is available at MEDIA Desks and Antennae as per the list included on the following website:
http://ec.europa.eu/culture/media/programme/overview/who/desks/index_en.htm

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

For other questions related to the call for proposals, please contact:
EACEA-P8-development@ec.europa.eu

MEDIA European Talent Prize

1. OBJECTIVES AND PRIORITIES

The MEDIA European Talent Prize is awarded to the best project chosen from the Single Projects selected during the first deadline of the EACEA Calls for Proposals.

It aims to reward a production company and a screenwriter that has put forward a high quality project with a strong European potential. The work can be an animation, a creative documentary or a drama and must be intended for theatrical release.

2. CALENDAR

The winner is the project in one of the abovementioned eligible categories that has obtained the highest amount of points in the Single Projects selection procedure (EACEA Call for Proposals 1st deadline).

The winner will be informed of the results of the competition at the same time as the results of the 1st deadline, that is, by the end of April of the year following the publication of the call.

3. NATURE OF THE PRIZE

The MEDIA European Talent Prize will be awarded during the Cannes International Film Festival.

The author and producer of the project will be invited by the Cannes Festival and will be accompanied at the market in order to make the awarded project known and to look for partners.

4. ELIGIBILITY CRITERIA

The project must be eligible for Single Project support.

The work must be an animation, a creative documentary or a drama intended for theatrical release.

5. AWARD CRITERIA

The winning project will be the one that receives the highest total points within the Single Project selection process (1st deadline). In case of ex-aequo the winner will be chosen with the help of independent experts.