



MEDIA 2007 (2007-2013) *

SUPPORT FOR THE DIGITISATION OF EUROPEAN CINEMAS

**PERMANENT GUIDELINES
2011-2013**

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

1. INTRODUCTION

These guidelines explain how to submit a proposal in response to a "Digitisation of Cinemas" call for proposals.

The calls for proposals to which these guidelines are referring will indicate the budget earmarked for the action, the timetable for the submission of project and the period of eligibility of costs.

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 and featured in the MEDIA Work Programme for 2011.

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 for the Digitisation of Cinemas.

These guidelines are aimed at European organisations whose activities contribute to the achievement of the objectives of the MEDIA Programme as described in the Council Decision 1718/2006/EC.

The measures covered by the Decision include support for the digitisation of cinemas.

These guidelines will be valid for the period from 2011 to 2013.

2. OBJECTIVES - PRIORITIES

2.1 Objectives of the Programme

The global objectives of the programme are to:

- (a) preserve and enhance European cultural and linguistic diversity and its cinematographic and audiovisual heritage, guarantee its accessibility to the public and promote intercultural dialogue;
- (b) increase the circulation and viewership of European audiovisual works inside and outside the European Union, including through greater cooperation between players;
- (c) 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 Union on the 24th of November 2006 (OJ L327, pp 12-29).

2.2. Objectives of the "digitisation of cinemas scheme"

The aim of the "digitisation of cinemas" scheme is to encourage cinemas showing a significant percentage of non-national European works to exploit the possibilities offered by digital.

2.3. Priorities

These guidelines aim to facilitate the digital transition of cinemas screening European films by supporting the side costs linked to the purchase of a digital projector.

3. TIMETABLE

Please read carefully section 13.3 of these guidelines concerning the procedures for submitting applications.

The deadline for the submission of applications will be set in the Call for Proposals to be published in the Official Journal.

The projector cannot be purchased prior to the deadline of submission.

The intention is to inform applicants of the outcome of the selection procedure as soon as possible, within 9 months following the submission deadline.

4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of actions under this scheme will be indicated in each call for proposals.

The financial contribution from the MEDIA Programme takes the form of a lump sum, of maximum €20.000 per screen.

The subsidy covers any costs related to the digital transition of European theatres, to the exclusion of the cost of the digital projector and server.

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

5. ELIGIBILITY CRITERIA

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

5.1 Eligible establishments/bodies/types of beneficiary

European company

Company owned, whether directly or by majority participation, by nationals of Member States of the European Union, of the European Economic Area, or nationals of the other European countries participating in the MEDIA Programme (Switzerland and Croatia) and registered in one of these countries.

Independent cinema operator

A European independent cinema operator is a company, association or organisation with a single or several screens based in countries participating in the MEDIA programme. The screening of films should be the principal activity of the applicant or division of the application organisation.

Applicant organisations must

- be first run cinemas (programming European films in first run, within a maximum period of twelve months after the national release)
- have been open to the public for a minimum of 3 years
- possess a ticketing and entry declaration system
- have at least one screen and 70 seats
- have presented 520 screenings per year for permanent cinemas (i.e. cinemas in operation for a period of at least 6 months per year), 300 screenings per year for single screen theatres (30 screenings per month) and at least 30 screenings per month for summer / open air cinemas (cinemas in operation for less than 6 months per year)
- have had at least 20.000 spectators in the previous twelve months or 20.000 cinema admissions where a normal ticket price was actually paid.

Applicants who have or will receive a projector from 3rd party integrator as a result of signing a VPF deal will not be eligible for support.

5.1.1 Legal Entity

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

- "**Legal Entity Form**" duly completed and signed by the legal representative of the applicant;

As the legal structure of a company may vary from country to country, the relevant Legal Entity Form is only enclosed with these guidelines in sample form. Applicants must access the appropriate form at http://ec.europa.eu/budget/execution/legal_entities_en.htm and complete the form in their national language.

- "**Financial Identification Form**" ("Bank Identification Sheet") duly completed, stamped and signed by both the legal representative of the applicant and by a representative of the bank;
Applicants must access the appropriate form at Applicants must access the appropriate form at http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm and complete the form in their national language and complete the form in their national language.

These documents must mention the name of the applicant organisation (full legal title), the registration number, the official registered address of the organisation, the date and place of registration.

- A copy of the **VAT registration**, including the VAT number (EVEN for those countries where the Registration & VAT numbers are identical). If the applicant does not have a VAT number, "Not applicable" shall be written down in the appropriate place on the application form;
- A copy of the **applicant's registration certificate** from the relevant authority, (e.g. Companies register, Official Journal, etc.) and the **statutes** of the applicant organisation

(including copies of all recent amendments either to the registration documents or to the elected shareholders, directors, board members or other legal representatives).

If the name of the legal representative of the organisation is not stated in the official registration document, a copy of his/her nomination is also required (for instance: signed minutes of the Board).

Where the person authorised to sign any agreement with the Agency is not an individual specified in the documents mentioned in the previous paragraph, a letter or proxy (signed by one of the aforementioned individuals) giving them the authority to sign agreements with the Agency on the organisation's behalf must be provided.

5.2 Eligible countries

The legal entities must be established in one of the countries participating in the MEDIA Programme

- EU Member States
- EEA countries: Iceland, Liechtenstein, Norway
- Switzerland and Croatia

5.3 Eligible action

Support to the side costs linked to the purchase of digital projectors meeting the content security requirements for Digital Cinema Initiative (DCI) compliance to be installed in a cinema complying with all the eligibility criteria.

Support can be requested for only 1 projector per screen and for a maximum of 3 screens per cinema.

5.4 Eligible film programming

To be considered as eligible, the cinemas must have screened in 2010 a minimum of 50% European films of which at least 30% are European non-national.

A film is considered as European if it complies with the MEDIA programme's definition of such films under the Cinema Selective and Cinema Automatic support schemes.

Films that have already been classified are listed in the European Movie Database:

http://ec.europa.eu/culture/media/programme/distrib/filmbase/index_en.htm

A film is considered as European if it complies with the following definition:

Any recent work of fiction (including animated films) or documentary, with a minimum duration of 60 minutes, complying with the following conditions:

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

and

- The work must be produced with the significant participation of professionals who are nationals/residents of countries participating in the MEDIA 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):

Functions	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

Films consisting of advertising, pornographic or racist material or advocating violence are not considered as eligible films.

5.5 Eligible proposals

Only proposals submitted using the official application form, completed in full, signed (original signatures required) and received by the specified deadline, will be considered.

The application form must be accompanied by an official letter from the applicant organisation, documents attesting to its financial and operational capacity, and all the other documents referred to in the application form.

Applicants must submit a budget that is balanced in terms of expenditure and revenue and indicating the requested European Union support of maximum 20.000€ per screen to digitize.

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 of 25/06/02, as amended) and set out below.

Applicants will be excluded from participating in the calls 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;
- f) they are subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation (Council Regulation (EC, Euratom) No.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 interest;
- (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 in 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 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 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.

Applicants who fail to provide the requested documents or who, on the basis of the documents submitted, are judged not to meet the selection criteria, will be excluded.

7.1. Operational Capacity

In order to permit an assessment of their operational capacity, organisations must submit, together with their applications:

- the curriculum vitae of the manager of the cinema,
- the programming schedule of the last 2 years, including the titles of films, number of screenings, and admissions

7.2. Financial Capacity

In signing the form B of Annex I, the applicant declares on the honour to have financial and operational capacity to implement the action for which support is requested.

However the Agency reserves its right to request any document/information relating to the financial capacity before taking any final decision on granting support. If the Agency considers that financial capacity is not satisfactory, it may:

- reject the application
- ask for further information

8. AWARD CRITERIA

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

Criteria	Points
European dimension	65
Number of projectors requested:	
1 projector <input type="checkbox"/>	7
2 projectors <input type="checkbox"/>	13
3 projectors <input type="checkbox"/>	25
Existence of national support mechanism	
No <input type="checkbox"/>	10
Yes <input type="checkbox"/>	0

9. FINANCIAL CONDITIONS

European Union grants are incentives to carry out actions which would not be feasible without the Union's 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. Furthermore, under no circumstances may the amount awarded exceed the amount requested.

Applicant can apply for the digitisation of 1, 2 or 3 screens. The award is maximum 20.000€ per screen. The maximum award per applicant under the current call is 60.000€

The grant can only be allocated once for each screen. The award 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. Grant applications from countries outside the euro zone must use the monthly conversion rate, applicable on the date of application. This exchange rate is available from the MEDIA Desks and Antennae and from the web site of the Commission at <http://ec.europa.eu/budget/inforeuro/>).

The budget for the action attached to the application must have revenue and expenditure in balance

In case of selection and whatever the outcome of the requests for funding to third parties, the beneficiary undertakes, by signing Form B "declaration on the honour", to match the full amount of the Community funding.

9.1 Contractual provisions and payment procedure

In the event of definitive approval by the Agency, a grant agreement or a grant decision, 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 EU: the 2 copies of the original 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 EU: the decision must not be returned to the Agency. The general conditions applicable to the decision (General Conditions II.b "Financing exclusively by lump sum(s) and/or flat-rates financing in the form of scales of unit costs") are available in the 'Documents register' of the Agency website http://eacea.ec.europa.eu/index_en.php

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.

The payment will take the form of a lump-sum to be paid to the beneficiary after the end of the action on the basis of the final report.

In order for the Agency to agree to a payment, additional information may be requested from applicants when the final reports are submitted.

The payment will be made within 45 days following approval by the Agency of the final reports accompanying the request for payment.

9.2 Certificate on the financial statements and underlying accounts

A certificate on the financial statements and underlying accounts, produced by an approved auditor or in case of public bodies, by a competent and independent public officer, may be demanded by the authorising officer responsible in support of any payment on the basis of his assessment of risks.

In the case of a grant for an action, the certificate shall be attached to the request for payment. The certificate shall certify, in accordance with a methodology approved by the contracting authority, 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.

9.3 Guarantee

Not applicable

9.4 Double financing

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

The applicant must indicate the sources and amounts of any other funding received or requested for the digitisation of the screens for which support is requested.

9.5 Funding method : Flat-rate grant

- General provisions

Under this system, approved by Commission Decision C (2011) 2514 , the grant covers the costs related exclusively to the purchase, use, installation and maintenance of digital projectors meeting the content security requirements for Digital Cinema Initiative (DCI) compliance to be bought by the applicant.

- Calculation of the grant

The grant is fixed at 20.000€per screen.

The request must be accompanied by a balanced budget for each screen.

- Calculation of the final payment

Documents requested with the final payment request :

- the invoice for the digital projector meeting the content security requirements for Digital Cinema Initiative (DCI) compliance installed with the support of 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 take 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

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 programme as well as the mention "with the support of the MEDIA Programme of the European Union" on all their publications, posters, programmes and other products realised under the co-financed action. 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.²

Your replies to the questions in the application form are necessary in order to assess your grant application and they will be processed solely for that purpose by the department responsible for the Union grant programme concerned. On request, you may be sent personal data and correct or complete them. For any question relating to these data, please contact the Agency. Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.

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),

² Official Journal L 8, 12.1.2001.

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

Following the adoption of the Annual Work Programmes, the calls for proposals will be published in the Official Journal of the European Union and will be accessible on the MEDIA programme website at the following address: http://ec.europa.eu/culture/media/index_en.htm

These Permanent Guidelines are available for the years 2011 to 2013.

13.1. Publication

The Calls for proposals will be published in the Official Journal of the European Union and on the internet site of the MEDIA Programme at the following address:

<http://ec.europa.eu/culture/media>

13.2. Application forms

Grant applications must be drawn up in one of the official EU languages (preferably in English or French) using the form specifically designed for this purpose.

The forms can be obtained on the Internet at the following address: <http://ec.europa.eu/culture/media/>

Applicant requesting funding for more than one projector will have to submit one budget form per projector, specifying clearly for each projector the screening room's name or number where it will be placed.

Please note that only typed applications will be considered.

13.3 Submission of the grant application

Only applications submitted on the correct forms, duly completed, dated, showing a balanced budget (revenue/expenditure), signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation will be accepted.

Applications which do not include all the stipulated documents in the required language and which are not submitted within the applicable deadline will not be considered.

All Proposals must be sent to the following address:

Education, Audiovisual and Culture Executive Agency (EACEA)
Constantin Daskalakis
BOUR 3/66
Avenue du Bourget, 1
B-1140 Brussels
Belgium

(a) by registered post , date as postmark;

- (b) in person at the above address, **before 15h00 on the relevant deadline date** : signed and dated receipt will constitute evidence of timely delivery
- (c) by courier service, date of receipt by the courier service.

Envelopes should be clearly marked:

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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.

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.

No file or document submitted will be returned to applicants at the end of the evaluation and award procedure.

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 last 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 last amended).
- Decision No 1718/2006/EC of the European Parliament and of the Council of 15 November 2006 (Official Journal L 327, 24/11/2006 P. 12 – 29) concerning the implementation of a programme of support for the European audiovisual sector (MEDIA 2007).

13.5 Contacts

If you have any questions, please contact:

EACEA-CINEMA-DISTRIBUTION@ec.europa.eu

In object, please write "DIGITISATION" before the title of your message