

CALL FOR PROPOSALS CNECT/i.3/2020/2738010

Cinemas as Innovation Hubs for Local Communities – 2nd call

Q&A

1. We are a representative of a small network of 10 movie theaters and festivals and very interested in being a partner in this project. Do you have any information about partners forum or roster of potential partners in which we could find a strategic consortium in order to develop a proposal and apply in the call? Do you know if there exists a list of initiators who are still looking for some European partners?

No, we do not have a list of project leaders who are looking for partners.

We would like to encourage you to contact your local MEDIA DESK office (The contact details are available here: https://ec.europa.eu/programmes/creative-europe/contact_en) and/or associations of cinemas to look for potential partners (e.g. [Europa Cinemas](#) or local associations of arthouse cinemas, culture associations, etc.) who might be already in contact with potential applicants looking for partners.

2. Can you please clarify if the eligible participants to the action are ONLY "cinema exhibitors or cultural organisations both private and public and both for profit and non-profit entities"? Are SMEs or other entities such as universities, startups and research centres eligible to part-take as beneficiaries and member of a Consortium?

In order to be eligible, a proposal must be submitted by a consortium composed of legal entities of which at least one is a cinema operator. The minimum number of partners is 3, coming from at least 3 different Member States. The project leader will submit the application on behalf of all partners.

Proposals should be submitted by cinema exhibitors or cultural organisations, being any of the following applicants: non-profit organisation (private or public) or profit making entities.

The call does not define the composition of the consortia, but at least 1 member has to be a cinema operator in the sense of an entity having a cinema management activity.

It is up to each consortium to decide how to best achieve the objectives of the call. A typical hub would be created by several venues cooperating and offering different types of activities in order to attract audiences. The project aims to enhance cross-border cooperation among cinema operators, as well as between cinema and other cultural organisations coming from different cities/countries (such as museums, art galleries, libraries, film archives, performance spaces such as concert halls, theatres, etc.; these partnerships could be joined by VOD platforms etc.). Thus, SMEs or other entities such as universities, start-ups and research centres could take part as members of a consortium. The participating organisations might be both private or public entities. For example, last year we received applications which had municipalities as members of the partnership and they were accepted as eligible.

3. Can a partner organisation from non-EU country (but part of Creative Europe programme-ex.North Macedonia) be part of a consortium, if the consortium already has minimum 3 minimum partners coming from at least 3 different Member States?

“Only applications from legal entities established in EU Member States are eligible.” Pilot Projects and Preparatory Actions are usually open to EU MS. These actions are initiatives of the European Parliament and not part of Creative Europe programme.

However, costs incurred by the applicants in non-EU countries may be eligible if they are incurred by the beneficiary and during the duration of the action, as mentioned under point 11.2. Eligible costs.

4. How do you describe and measure areas where the COVID 19 had a big impact?

There is no definition of “limited cinema and cultural infrastructure” (as it wasn't the case in the first call either) nor of the strong impact of the crisis.

Applicants may give details about the cinemas and the limited cinema and cultural infrastructure needs in their area. Similarly, they may explain for how long the cinemas have been closed, how big was the impact of the COVID19 crisis on the local economy of the region, etc

5. I tried to use the PARTNER SEARCH on the FTOP in order to find out more about the projects funded in the 1st Call... but it seems that "search by Call" is not possible, and the project coordinators do not show when you search "organisations"?

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/partner-search>

You may find more information about the projects, the coordinators and the projects partners on the webpage of the first call. Please find all the details about the award decision here.

6. Can you also confirm that this status would apply to the UK? They can participate but they won't count towards the min. three from Member States?

Indeed, the UK applicants may participate along 3 partners for 3 MS and are eligible as stated in the "eligibility criteria":

General notice for UK applicants: In conformity with the EU-UK Withdrawal Agreement, the UK and persons or entities established in the UK continue to be eligible to receive Union funds under actions carried out in direct, indirect or shared management, which implement Union programmes and activities committed under the MFF 2014-2020 until the closure of those Union programmes and activities. When restrictions apply, these will be clearly specified in the call for proposals.

7. Can a distributor (with cinema exhibitors as project partners) be the project lead?

Indeed, film distributors can be considered as cultural organisations.

In order to be eligible, a proposal must be submitted by a consortium composed of legal entities of which at least one is a cinema operator. The minimum number of partners is 3, coming from at least 3 different Member States. The project leader will submit the application on behalf of all partners.

Proposals should be submitted by cinema exhibitors or cultural organisations, being any of the following applicants: non-profit organisation (private or public) or profit making entities.

8. Is it a must to have a VoD/online project partner in the mix?

This is not part of the eligibility criteria. However, “The innovative nature of the project, regarding the creation of cultural hubs and of new cinema-going experiences, including on-line activities aiming at revitalising the cinema experience both in real and on-line dimension” and the “Impact on enhancing cultural life of local communities, in particular through innovative on-line activities exploiting the potential of new technologies” are among the award criteria, so this it will be a plus for project who fill in this criterion.

9. The proposed maximum duration of the project is 18 months, however at page 14 of the Grant Application Form the timetable for each stage of the action includes only 2 semesters, can the applicant add another column? Or are you recommending 12 months of duration?

The project may last 18 months, so an extra column may be added. The form mentions that the info should be repeated as many times as needed.

10. Regarding the financial capacity, is it correct that all the applicants of the consortium need to provide balance sheets and profit and loss account?

These documents are only requested for the coordinator (in any case) and for partners requesting individually 60.000€ or more (and not for public bodies, including Member States organisations and International Organisations).

11. What do the “activities” at page 14 of the application form refer to?

The activities’ table is supposed to be a summary of the project management planning. A few examples would be reaching out to audiences and community building, events, communication etc

12. Can you clarify the term Cinema Operator? Is it possible for an Arts Organisation that screen films on a regular basis to fit the criteria of a Cinema Operator?

A Cinema Operator may have different kinds of legal status, ranging from NGO, for profit companies or public authorities. The cinema management activity needs to be proven by documents explaining the activities of the organisation, registration certificates, financial balance sheets, audits may also be relevant.

13. Could an university submit a proposal as project coordinator?

An university may be considered as a cultural organisation and may coordinate a project and submit a proposal. However, one participant in the consortium needs to be a cinema operator, as stated in the call:

“Proposals should be submitted by cinema exhibitors or cultural organisations, being any of the following applicants:

non-profit organisation (private or public);

profit making entities.

In order to be eligible, a proposal must be submitted by a consortium composed of legal entities of which at least one is a cinema operator."

14. How do you define "cultural organisation"? Could an NGO active in the domain of education and cinema be part of a project?

The concept of a cultural organisation is open to European cultural operators active in the cultural and creative sectors which embody cultural, artistic or other creative expressions, as well as related functions such as education.

An NGO in the domain of education and cinema is eligible. Please also see the answer to Q2.

15. We would like to involve a streaming platform as a partner providing audio visual content under different formats etc/a cinema by using the theatres for special activities outside the usual film commercial window.

Could we agree with them the payment of a discounted amount to cover the loss the cinemas would encounter dedicating their theatres to the project, and therefore non having paying public?

The principle of this preparatory action is a EU co-financing (limited to a maximum co-funding rate of 70% of the total eligible costs).

This means that partners must bear at least 30% of the costs of the action.

A partner can make a contribution in kind to the project. This in-kind contribution can be part of the partners' co-financing to the project. But this in-kind contribution will not be an eligible cost.

See Article 11.5. of the call for proposals:

11.5. Balanced budget: "Overall co-financing may also include in-kind contributions from third parties, i.e. non-financial resources made available free of charge by third parties to the beneficiary or to the consortium. The corresponding costs of third parties are not eligible under the grant, e.g. providing a meeting room or equipment for free, etc."

In-kind contributions shall be presented separately in the estimated budget to reflect the total resources allocated to the action. Their approximate value shall be indicated in the estimated budget and shall not be subject to subsequent changes.

Regarding the platform/cinema partner, there are two possibilities:

- The platform/cinema could be a partner in the project. In this case, its specific costs for this project could be considered eligible and could therefore receive a co-financing of up to 70%. The platform could also make an in-kind contribution that would be included in the budget of the action in the appropriate headings, but this in-kind contribution would not be an eligible cost.
- The platform/cinema could be a subcontractor and in this case could be remunerated and these costs for the project could be eligible and co-financed at up to 70%.

16. The call mentions that eligible activities shall include at least 60% of European content (mainly from EU countries) from different genres and formats, embodying European cultural diversity.

Does that mean that:

- a) the result of the project which will be worked out by European partners shall contain at least 60 % of European content (some partners will bring European content, come non-European)**
- or b) all the partners need to focus on European content mainly.**

It is up to each consortium to decide how to best achieve the objectives of the call. A typical hub would be created by several venues cooperating and offering different types of activities in order to attract audiences. The project aims to enhance cross-border cooperation among cinema operators,

as well as between cinema and other cultural organisations coming from different cities/countries (such as museums, art galleries, libraries, film archives, performance spaces such as concert halls, theatres, etc.; these partnerships could be joined by VOD platforms etc.).

The 60% of European AV content refers to the cinema programming of the cinema operator in the consortium.

17. Could you please provide further information on the budget form?

Costs can be estimated in several ways depending on the type of costs:

- actual costs (a)
- costs declared on the basis of LUMP SUM COSTS (b)
- costs declared on the basis of UNIT COSTS (e) = (c) x (d)
- costs declared on the basis of FLAT-RATE COSTS (f)

It can also be a combination of several types.

The total of the estimated eligible costs will be reported in (g) = (a) + (b) + (e) + (f)

18. Is a (cross-cultural) project proposal targeting 3D cinemas in Europe eligible for the call or does it focus only on the traditional cinema infrastructures?

A 3D cinema, as any cinema operator would be among the eligible applicants.

The call is meant to promote “curated and diverse cinema programming of at least 60% of European content (mainly from EU countries) from different genres and formats, embodying European cultural diversity; the programming should present a strong cultural value and might include among others: feature films, TV series, animation, documentaries, heritage films, short formats or innovative content like VR)”

A 3D cinema would increase the innovative character of the project, but a diversity of formats would be appreciated.

19. Could newly legally funded cinema exhibitor apply to this call?

Is a newly legally funded cinema exhibitor also eligible to the call, if they will be actually operational and its cinema room definitely available to host audiences only during this winter semester or in 2021?

The cinema operator can be either already established or a new operator. In addition, the applying consortia could be made of both established and new cinema operators.

The cinema operator may have different kinds of legal status, ranging from NGO, for profit companies or public authorities. Please also see the answer to Q12.

20. Can one organisation be part of a consortium in more than one application? Can one organisation be involved in more than one application by any other means of collaboration?

Can the same project leader apply with more than 1 project? Can an organization be the coordinator on one project and a co-applicant/partner in another proposal submitted to the same call?

Yes, as long as activities and costs do not overlap and the role/tasks of the organisation in each project are different. Under no circumstances shall the same action be financed twice by EU grants.

21. Does the term "affiliated entities" mean the same as being part of the consortium?

No, these are different concepts.

Please see the definition of Affiliated Entities in section 6.1 of the call:

Legal entities having a legal or capital link with applicants, which is neither limited to the action nor established for the sole purpose of its implementation, may take part in the action as affiliated entities, and may declare eligible costs as specified in section 11.2.

For that purpose, applicants shall identify such affiliated entities in the application form.

The mention of the “affiliated entity” is part of the standard template of calls for proposals and is meant to cover the different kinds of legal status held by eligible applicants and include also affiliated entities, if the applicants have them.

Therefore, if the applicant does not have affiliated entities, there is no need to complete the point 1.3 in the application form.

The partners in the consortium should be enumerated in point 1.2. of the application form (repeating this part as often as is required to include all applicants – consortium partners)

22. Under section 8.2. Operational capacity, could you clarify what is meant by "inventory of natural and economic resources"? The coordinator and partners for the proposal are cinemas and we are unsure what natural and economic resources could actually be described. Could you provide us with some examples that could be applied to this call for proposals?

Applicants are welcome to describe their available resources and assets which will be deployed to carry out the project. This will help to assess the feasibility of the project in the assessment process.

23. For the proofs/documents that need to be provided under "8.2. operational capacity", can the support documents be provided in any official language of the European Union?

Each application will be assessed according to financial and operational capacity requirements of the Call. For more information please read carefully point 8.1. and 8.2. of the Guidelines which enumerate the documents which need to be included in the application.

The applications may be submitted in any of the official EU languages. However, through this call for proposals we would like to encourage cross-border cooperation between cinemas and cultural institutions coming from different Member States. Applications (and documents accompanying the application forms) submitted in English or French are encouraged.

24. According to the guidelines on page 8, "the verification of the financial capacity shall not apply to public bodies". Does that mean that public bodies do not need to provide a balance sheet and P&L records for the last 2 financial years?

Yes, public bodies do not need to provide a balance sheet and P&L records for the last 2 financial years. This table has to be filled in only by private organisations. The verification of the financial capacity shall not apply to public bodies, including Member States organisations and to International Organisations.

25. Is a commercial, non-arthouse cinema eligible to apply with a VR-project, if they do not tackle programming (because they are not able to provide the 60% rate of European content)? As far as I understand, applicants do not have to implement all actions listed in section 6.2 of the guidelines,

but they can choose which type of action they want to implement through the project. Could you please confirm this?

This action aims to create an appetite for the best European audiovisual and cultural content (feature films, concerts, opera, TV series, animation, documentaries, heritage films, short formats and innovative content like VR) by attracting audiences to cultural hubs and by fully exploiting the potential of new technologies.

A commercial cinema, as any cinema operator would be among the eligible applicants. The list of activities in section 6.2 of the guidelines is not exhaustive, however the content shared with the audience through this action (including VR projects) should be at least 60% European.

The call is meant to promote “curated and diverse cinema programming of at least 60% of European content (mainly from EU countries) from different genres and formats, embodying European cultural diversity; the programming should present a strong cultural value and might include among others: feature films, TV series, animation, documentaries, heritage films, short formats or innovative content like VR)”.

26. "Only the portion of the equipment’s depreciation, rental or lease costs corresponding to the implementation period and the rate of actual use for the purposes of the action may be taken into account when determining the eligible costs. By way of exception, the full cost of purchase of equipment may be eligible under the Special Conditions, if this is justified by the nature of the action and the context of the use of the equipment or assets".

Could you please clarify what you mean exactly ‘for Special conditions’? An applicant asked if the full cost of purchase of 'oculos go' for virtual reality and immersive screens for example can be considered eligible.

These special conditions need to be “*justified by the nature of the action and the context of the use of the equipment or assets*” meaning that they need to be justified by the expected results of this action, as stated as page 2 of the call. Purchasing equipment needs to be justified in order to reach the goals of the call. Purchasing equipment cannot be a goal in itself.

On the 'oculos go' example this could be indeed justified by enriching the experience of the audience.

27. I have a question regarding the application form section 3.1. - The coordinator should provide a short description of the organisation etc.... - where should they include the description? Into 1.3 section from the form directly or under the tickboxes?

In section 1.3 – applicants are expected to tick the boxes to indicate the type of organisations; while the description is provided in section II.1 as indicated in the table.

28. Some partners of a consortium would like to host professional artists as “artists in residence” during their action. These artists will be recruited with a short-term contract.

Distinct from their salary, the partners would like to award them an allowance in order to cover their artistic residence costs (purchase, renting or leasing of equipment, costs of consumables and supplies, translation costs, etc.)

My question concern the budget chapter affectation for these costs:

- a) **Can these allowances be identified as (h) “costs of financial support to third parties”?**

The call text does state “the definition of *persons* or categories of *persons* which may receive financial support”, therefore *natural persons* can receive financial support.

Such *hosting of professional artists as “artists in residence”* during their action could fall under financial support to third parties.

More information is needed to assess whether this type of costs (“...a short-term contract. *Distinct from their salary, the partners would like to award them an allowance in order to cover their artistic residence costs (purchase, renting or leasing of equipment, costs of consumables and supplies, translation costs, etc.)*”) falls under subcontracting (is this a specific one-off task as indicated in the call text?) or financial support to third parties (re-distributing EU funds to a specific target population).

Here is an overview of the different types of third parties:

Third parties who may be involved in the implementation of the grant are:

- Entities affiliated to the beneficiaries, as defined in section 6.1. An affiliated entity is a subsidiary or member of the beneficiary implementing part of the action. Affiliated entities are structurally linked with the beneficiary.
- Subcontractors, as defined in sections 11.2.1 g) and 11.8.c) of the Call for proposals document. Subcontracting involves one or several beneficiaries hiring a contractor following a procurement procedure, to carry out specific tasks or activities, or provide a supply ***which form part of the action/are necessary for the implementation of the action.***

Subcontractors are bound by a contract with the beneficiary specifically concluded for the service or supply necessary for the action. It should be noted that subcontracting cannot cover core tasks of the action (section 11.8.c.a) of the call document.

We refer to the call text, section 11.2.1.g):

“Any amount paid to an external party which is not part of the contractor’s consortium of the partnership and is carrying out a specific one-off task in connection with the action must be detailed under sub-contracting heading.

Sub-contracting costs are only admissible if the staff of the member organisations of the partnership does not have the skills required.”

The conditions listed in sections 11.2.1 g) and 11.8.c.a) to e) of the call document need to be fulfilled.

- Third party receiving financial support, as defined in section 11.8.d) of the Call for proposals document.

Financial support to third parties consists in re-distributing EU funds to a specific target population (the persons/entities in receipt of financial support). The form the financial support may take is not limited by the Financial Regulation and may be a grant not necessarily following a call for proposals, a prize awarded following a contest organised by the beneficiary, or a financial contribution of a different nature. The persons/entities receiving the financial support are the final recipients of the EU funds (e.g. students in receipt of certain amounts for the purposes of studying abroad as part of mobility actions supported by the EU budget or SMEs to which the beneficiary awards prizes with the aim to provide incentives for innovative initiatives increasing the SMEs competitiveness).

Financial support to each third party, for a maximum amount of 60.000 EUR (sixty thousand euros) will be reimbursed at 70%, as the EC co-financing rate of 70% applies to the entire budget.

b) Can “third parties” – as mentioned as §11.8.d in the call and at II.12.1 and II.19.2 (a) of the grant agreement model – be natural persons?

Yes, “third parties” – as mentioned as §11.8.d in the call and at II.12.1 and II.19.2 (a) of the grant agreement model can be natural persons.

As per section 11.8.d) of the call document, the application must include, among others, the definition of the persons or categories of persons which may receive financial support.

29. A consortium is planning to cover costs incurred in non-EU countries. I would be very glad to have some precisions:

Until which maximum percentage/proportion of the total eligible will these costs incurred by applicants in non-EU countries be accepted?

Have these costs to be identified also as (h) "Costs of financial support to third parties" in the estimated budget?

As mentioned in Q3 costs incurred by the applicants in non-EU countries may be eligible if they are incurred by the beneficiary and during the duration of the action, as mentioned under point 11.2. Eligible costs.

“Sub-contracting costs are only admissible if the staff of the member organisations of the partnership does not have the skills required. Sub-contracting costs may not account for more than 60% of the total eligible cost of the action.”

30. I would be interested in applying for the EU Funding Available for Cinemas as Innovation Hubs for Local Communities, could you kindly advise me as to how I go about it? Is it possible to get a local contact? We would like to ask a few questions about the Grant and it’s possibilities.

We would like to encourage you to check our Q&A document which we update regularly, it might happen that some of your questions concerning the Cinemas Call are clarified already.

<https://ec.europa.eu/digital-single-market/en/news/preparatory-action-cinemas-innovation-hubs-local-communities>

In preparation of the application, we would like to encourage you to contact your local MEDIA DESK office (The contact details are available here: https://ec.europa.eu/programmes/creative-europe/contact_en) and/or associations of cinemas to look for potential partners (e.g. Europa Cinemas or local associations of arthouse cinemas, culture associations, etc.) who might be already in contact with potential applicants looking for partners.

31. Partners' co-financing (30%)

At §11.5 of the call, it's indicated: "Co-financing of the action may take the form of the beneficiary's own resources"

In the framework of this call, can a partner co-finance the project from its own resources, calculated on the basis of (a part of) its staff personal costs and/or depreciation equipment costs dedicated to the project - i.e. a part of its eligible costs during their eligibility period?

Your understanding is correct. Co-financing of the action (30%) may take the form of the beneficiary's own resources.

The grant will be defined by applying a maximum EU co-financing rate of 70% to the eligible costs actually incurred and declared by the beneficiary and its affiliated entities. This means that the other 30% which are to be co-financed by the applicant need to eligible costs as well. Personnel costs and/or depreciation equipment costs dedicated to the project - i.e. a part of the beneficiary's eligible costs during their eligibility period - fall under the total eligible costs, therefore such costs can be foreseen under the 30% co-financing of the applicant.

Please pay, however, attention to the restriction with regard to the personnel costs indicated in section 11.1.1 of the Call document:

"Personnel Costs may not account for more than 40% of the total eligible cost of the action."

For details on eligibility of costs, please refer to section 11.2., in particular with regard to your question to sections 11.2.1 a) personnel costs and 11.2.1 d) the depreciation costs of equipment or other assets:

"Only the portion of the equipment's depreciation, rental or lease costs corresponding to the implementation period and the rate of actual use for the purposes of the action may be taken into account when determining the eligible costs."

32. Duration of the project:

Point 6.1 mentions: "The proposed maximum duration of the project is 18 months". Is it possible for an applicant to propose a 12 months long project?

Yes, it is the "maximum" duration, not the imposed duration. Projects may not run longer, but may run for shorter durations.

33. Could a VOD platform be one of the three eligible members or whether the platform can only join as an additional partner?

A VOD platform can be part of the partnership, as long as all the other conditions mentioned in the eligibility part and in Q2 of the Q&A are met.

- 34. a) Could a VOD platform be part of the consortium?
b) Is the acquisition of the VOD rights for the films an eligible cost?
c) If yes, should the rights provider be internal to the consortium?
d) And lastly a practical question, where does this cost should go in the budget?**

- a) Yes, of course a VOD platform can be part of the partnership, as long as all the other conditions mentioned in the eligibility part and in Q2 of the Q&A are met.
- b) Yes, please refer to section 11.2 Eligible costs, here is a small excerpt:
- they are incurred by the beneficiary.
 - they are incurred during the duration of the action, with the exception of costs relating to final reports and audit certificates;
 - they are indicated in the estimated budget of the action;
 - they are necessary for the implementation of the action which is the subject of the grant;
- c) If the eligible costs need to be "incurred by the beneficiary" it means that the VOD platform needs to be part of the consortium, hence a beneficiary.
But not all service providers (in this case rights providers) need to be part of the consortium.
- d) A cost category in the DIRECT ELIGIBLE COSTS can be added for that, probably in the coordinator's budget.

35. What kind of 'proof' is needed for co-financing in the form of contributions from third parties? Would a written/e-mail confirming matchfunding in the case of being granted be sufficient?

The amounts of co-financing by source are estimated in the budget form annexed to the grant application.

According to our current Financial Regulation, the applicant/beneficiary is not required to supply evidence of the co-financing.

**36. Could the activity report be presented in their national language, or is it necessary to provide a version in English or French?
What period of time should this activity report cover? 1 or 2 years?**

It is up to applicants to see if it's relevant to send activity reports for 1-2 years in order to provide an extra proof that they: "have the professional competencies as well as appropriate qualifications necessary to complete the proposed action." Generally 1 year should be enough.

The reports may be in the original language.

However, please note the disclaimer in the application form:

"Where applicable, additional information considered necessary by the applicant may be included as an annex (brochures etc), but assessment will be based on information included in the application form (therefore please limit the number and size of additional documents and attachments)"

The additional info needs to be kept to the minimum.

37. If the consortium of 3 beneficiaries applies for proposal, and it is decided that all 3 beneficiaries will sign Declaration on Honour, do we need to sent by post (within the original printed application) all originals of signed Declarations of Honour or will it be OK if we sent it only scanned?

Yes, you have to send the originals by post with the application.

Please read carefully requirements of Section 14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS of the CALL. Applications must be submitted in the correct form, duly completed and dated. No copies are needed (only one original). The application must be submitted in one original copy signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation.

Scanned versions will suffice at proposals stage during current Covid 19 period, but the original versions must be provided before any grant agreement can be signed by the Commission.

38. Could you clarify which supporting documents should we submit regarding financial capacity? We are a public institution founded by a local municipality. As I understood from the Call, the Declaration of Honour is the only necessary document for public entities?

Yes, the Declaration of Honour is the only necessary document for a public entity that will be Coordinator of the project. You do not need to submit the table (BS and P&L) provided for in Annex.

39. Could I ask for a short consultation on how to make an optimal application for support of the project? In our municipality, we don't even have a dedicated cinema – instead, the Cultural Centre which hosts all film, theatre, dance, and music events.

We would like to encourage you to check our Q&A document which we update regularly, it might happen that some of your questions concerning the Cinemas Call are clarified already.

<https://ec.europa.eu/digital-single-market/en/news/preparatory-action-cinemas-innovation-hubs-local-communities>

In preparation of the application, we would like to encourage you to contact your local MEDIA DESK office (The contact details are available here: https://ec.europa.eu/programmes/creative-europe/contact_en) and/or associations of cinemas to look for potential partners (e.g. Europa Cinemas or local associations of arthouse cinemas, culture associations, etc.) who might be already in contact with potential applicants looking for partners.

40. Declaration of Honour: we, as the coordinator, decided to sign the Declarations in the name of all our partners. Should the first page of the Declaration include the info on our organization and the person signing the declaration from our organisation and then on the second page we mark that we are signing the declaration on behalf of another partner - and on this side we state the info on the partner involved.

Yes, this is correct.

41. FINANCIAL STRUCTURE: we are a public institution, owned and financed partially by local municipality. Do we have to submit the Balance sheets and fill in the Financial Viability check form?

No, you do not have to submit the Balance sheets and fill in the Financial Viability check form (see also Q38). The Declaration of Honour is the only necessary document for a public entity that will be Coordinator of the project.

42. Original documents question: Could you please confirm that we've understand correctly that (due to the pandemic), original documents do not have been sent by post, with the exception of the declarations of honour and contract between partners. Could you confirm exactly which documents have to be sent in their original version, signed and mailed by post.

Please read carefully requirements of Section 14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS of the CALL. Applications must be submitted in the correct form, duly completed and dated. No copies are needed (only one original). The application must be submitted in one original copy signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation.

Scanned versions will suffice at proposals stage during current Covid 19 period, but the original versions must be provided before any grant agreement can be signed by the Commission.

43. Budget question: Could you clarify Q17? Does this mean that it is okay to only fill out column a, or column d respectively, and thus leave one or the other empty as both cannot be filled out for the numbers to make sense?

Yes, you can fill only column (a) = Estimated eligible ACTUAL COSTS and leave column (b), (c) and leave column (d) empty
or fill column (d) = Estimated eligible costs calculated on the basis $\text{Number of units} = (b) / \text{days} \times \text{Unit value} / \text{rate per days} = (c)$ and leave column (a) empty depending on the type of cost you incur. A combination of the two methods could be used to assess the costs.
In any case, column (e) needs to be completed (it's the total or column (a) + column (d), even if one of the two is empty.

44. We own a distributor and an exhibitor companies. We have experience applying for Creative Europe MEDIA support. It is better that the coordinator is the distributor or the exhibitor? In our case, both companies could be Affiliated Entities, therefore, we can use the resources of both of them in order to implement the action, is it ok?

The coordinator should be the exhibitor. You can use the resources of both of affiliated companies in order to implement the action.

45. A production company which doesn't have a legal or capital link with coordinator will participate in the project. Therefore, it must be another partner? an affiliated entity? or it has to bill its services to coordinator?

The production company might be another partner. Some activities might be also subcontracted (please read carefully subcontracting rules, see also Q28).

An affiliated entity is a subsidiary or member of the beneficiary implementing part of the action. Affiliated entities are structurally linked with the beneficiary.

46. Concerning the start date of the action and the eligible costs: we are thinking of start the action on October 2020, therefore, can we include the costs involved from this date before the signature of the contract?

In the call for proposals we stipulated an indicative start date of the action “between November 2020 – March 2021”, not October, taking into account the length of the evaluation process, sharing the results with applicants and signature of contracts.

Please read carefully the rules concerning ‘Non-retroactivity’ in the CALL. No grant may be awarded retrospectively for actions already completed. A grant may be awarded for an action which has already begun only where the applicant can demonstrate in the grant application the need to start the action before the grant agreement is signed. In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application.

47. One of the partners in the project has doubts how to proceed with the form number 4 (Financial Availability Checktool with Results). As a small company they use simplified accounting and, in fact, they are not able to present all the values in the table Accounting Balance Sheets. Based on their financial records in the section *assets & liabilities* they are able to present only items 3.3. What documents shall they provide?

If it is not possible for the partner to complete Annex 4, please provide us with their last 2 balance sheets.

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the duration of the grant and to participate in its funding.

48. We have been approved in the first call "Cinemas as Innovation Hubs for Local Communities" as a part of a consortia. Are we allowed to participate also in the second call "Cinemas as Innovation Hubs for Local Communities"? (where there is limited cinema and cultural infrastructure and where the Covid 19 crisis has had a very strong impact.)

Yes, you can participate in the second Call, as long as activities and costs do not overlap and the role/tasks of the organisation in each project are different. Please note that under no circumstances shall the same action be financed twice by EU grants.

49. Could you provide for a clarification concerning the IN KIND contribution within a project to be submitted within the Call for Proposals.

Each partner is due to co-finance 30% of the total eligible costs of the action. Being the in-kind contribution NOT an eligible cost, does it mean that it cannot be “used” to cover part of this 30%?

When you write that in-kind contribution can be part of the Partners' co-financing, what kind of co-financing do you refer to?

We need to clarify this point in order to finalize a budget that is eligible and correctly filled in the part of Estimated resources.

Contribution in kind means the provision of goods or services to the beneficiary free of charge **by a third party** (subcontractor or donator not signing the GA with the commission). Contributions in kind do not therefore involve any expenditure for the beneficiary and are not entered in his accounts.

The use by **the beneficiary (an applicant) of his own staff or equipment for the purpose of implementing the action does not represent a contribution in kind** since this use constitutes a cost for the beneficiary and may consequently constitute a direct (or indirect) cost of the action. If the beneficiary intends to meet this cost himself, **it counts as self-financing out of own resources.**

50. In the Application, III. Description of the Action - field Reference - what is this field for? Web page?

This is a technical part of the application form. You should include in this field reference number of the Call: CNECT/i.3/2020/2738010

51. Budget, Table 3 - Estimated sources: What is the difference between "Financial contributions from third parties" -

Line no. 3 Financial contributions from third parties earmarked to the eligible costs and Line no. 5 Other financial contributions from third parties?

Line 3 concerns third parties announced in the Proposal as taking part in the project.

Line 5 concerns third parties which have not been foreseen in the project.

52. Is it obligatory for applicants to use the Excel-sheet for the Accounting Balance Sheet or could they also attached the balance sheets that were produced by their tax consultants?

Please use the excel sheet the Accounting Balance Sheet unless you are in a situation when it is not possible, see also answer to Question 47.

If it is not possible for you or one of the partners to complete Annex 4, please provide us with last 2 balance sheets.

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the duration of the grant and to participate in its funding.

In any case, the Financial Viability check tables must be filled in by each beneficiary when the budget exceeds EUR 60.000 and for the Coordinator. The supporting documents are expected to be provided (BS & PL).

53. The Grant Application does not include a special space for signature of the coordinator. However, the check list and Call for Proposals says that The Grant Application should be signed by the main applicant. Where exactly is the place foreseen for the signature of the Grant Application form?

You can sign on the last page of the application form , below the check list.

54. If we use column (a) for actual costs, column (g) only takes in consideration column (d), because currently formula for (g) is (d)*(f). Is it possible that the formula should be (g)=(e)*(f)? Because column (e) as it is now doubles the cost – formula is (e)=(a)+(d), and in order to have column (g) filled out, we need to use only column (d).

There is a typo in the budget template (Annex III):

The formula of **column g** should read **(g)=(e)*(f)** (and not (g)=(d)*(f)).

55. Will the scanned version of partners' Declaration of Honour joined to the original application package be accepted? – if the original signed blue link version is sent asap per post to the EC just after the call deadline? Or do you recommend that the leader organization presents its original signed DoH on behalf of this partner?

Applicants may choose between these two ways of proceeding with their application. Scanned versions will suffice at proposals stage during current Covid 19 period, but the original versions must be provided before any grant agreement can be signed by the Commission.

56. A private society in new technologies has 0 employees. All its regular staff (project management, administration staff, technicians etc.) are only freelancers who are paid by invoicing their honorarium fees as individual (self-employed) or thanks to a contract as individual (sole proprietorship) to this society. Moreover, there is no statutory link between this society and these freelancers.

The §11.2.1 (a) of the call refers to “the costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act” and precises that:

“the costs of natural persons working under a contract with the beneficiary other than an employment contract or who are seconded to the beneficiary by a third party against payment may also be included under such personnel costs, provided that the following conditions are fulfilled:

The person works under conditions similar to those of an employee (in particular regarding the way the work is organized, the tasks that are performed and the premises where they are performed

The result of the work belongs to the beneficiary (unless exceptionally agreed otherwise); and

The costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary”

But as this private society has 0 employees, we can not identify similar conditions of employees in terms of remuneration policy in this society.

For these reasons, I would be very glad to know:

Q1. if these costs have to be identified as personal costs or subcontracting, and

Q2. under which additional conditions and documentation can these costs be identified as personal costs in absence of any employment contract?

Q1: Any core staff working under this project (management, administrative, etc.)- no matter what the type of contract is - is to be inserted under "Personnel Costs" in the budget estimate table => see article II.19.2 of the grant agreement General Conditions on eligibility of costs which stipulates that:

"(a) the costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the action, provided that these costs are in line with the beneficiary's usual policy on remuneration.

Those costs include actual salaries plus social security contributions and other statutory costs included in the remuneration. They may also comprise additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used;

(b)The costs of natural persons working under a contract with the beneficiary other than an employment contract or who are seconded to the beneficiary by a third party against payment may also be included under such personnel costs, provided that the following conditions are fulfilled:

(i) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);

(ii) the result of the work belongs to the beneficiary (unless exceptionally agreed otherwise); and

(iii)the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary."

Subcontracting does not cover core tasks of the action (see article II.11.1 of the grant agreement General Conditions).

Q2: The supporting documents which will be needed to declare the actual Personnel costs will be timesheets and copies of the contracts between the beneficiary and the staff contracted for the purpose of the project - to be kept in the beneficiarie's records in case of audit.