

Information Society and Media Directorate- General

2008 Work Programme *Implementation of the Preparatory Action "MEDIA International"*

The preparatory action "MEDIA International" is aimed at expanding the two-way flow of cinematic works and strengthening cooperation between the audiovisual industries of EU Member States and third countries.

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1. THE FRAMEWORK OF THE 2008 WORK PROGRAMME

1.1. The background to the preparatory action

Launched and adopted by the European Parliament on 13 December 2007, this preparatory action is aimed at strengthening cooperation between the audiovisual industries of EU Member States and those of third countries. It also aims to encourage the two-way flow of cinematographic works. This preparatory action is in line with the "UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions" of 2005, the 2007 MEDIA programme and the provisions on cultural cooperation in the free trade agreements and other economic integration agreements, existing or under negotiation.

The geographical sphere of influence of the MEDIA 2007 programme is essentially European. Apart from the EU Member States who benefit from this programme by right, Article 8(1)(2) and (3) of the legal basis of MEDIA 2007 authorises the participation of countries located on the European continent with privileged links to the European Union:

- the EFTA States that are members of the EEA,
- the acceding countries with a pre-accession strategy,
- the Western Balkan countries,
- the States party to the European Convention on Transfrontier Television of the Council of Europe.

As such, Liechtenstein, Norway, Iceland and Switzerland are participating in the MEDIA 2007 programme and will shortly be joined by Croatia.

Indeed, the legal basis of MEDIA 2007 introduces the possibility for a "cooperation" formula to benefit third non-European countries with whom the EU has signed cooperation agreements (Article 8(4)). The main objective is to create "added value for the European audiovisual industry in terms of promotion, market access, distribution, dissemination and exhibition of European works" in the partner countries. However, since the creation of the MEDIA programme in 1991, no non-European third country has applied to be covered by this "cooperation" formula.

Consequently, the international dimension of European audiovisual policy is limited to support for the audiovisual industries of MEDA countries (through the Euromed Audiovisual II programme, duration: 3 years 2006-2008, budget: €15 million) and ACP countries (through the EU-ACP support programme for cinema and the audiovisual industry, duration: 5 years 2007-2011, budget: €8 million).

In the context of the very small presence of European films on markets as big as those in Asia and Latin America and difficulties that films from these countries often have in gaining access to European cinemas, this preparatory action has a dual purpose. Firstly, as of 2008, the European Year of Intercultural Dialogue, it will promote cooperation between EU professionals and professionals from third countries not covered by MEDIA 2007, Euromed Audiovisual II or the EU-ACP support programme for cinema and the audiovisual industry. Unlike existing programmes (MEDIA 2007, Euromed Audiovisual II or the EU-ACP support programme for cinema and the audiovisual industry), the preparatory action will be based on the principle of reciprocity between European countries and eligible third countries.

Secondly, it will be a starting point for the Commission of a possible proposal for a legal basis creating a programme of audiovisual cooperation between the European Union and other countries.

1.2. The objectives of the preparatory action

The main objectives of the "MEDIA International" preparatory action are:

- to reinforce artistic and industrial cooperation between audiovisual professionals from EU markets and those from other countries',
- to improve the showing and circulation of audiovisual works from other countries within European markets and, vice versa, that of European audiovisual works in those other countries.

To implement these objectives, the preparatory action involves support for:

- groups/consortia that offer further training principally aimed mainly at furnishing a deeper understanding of how audiovisual markets operate in all the countries that belong to the applicant group/consortium,
- measures concerning distribution which would mutually improve the range and breadth of promotion (aimed at the general public) of exclusive premieres of cinematographic works from third countries in cinemas in the European Union and the degree to which they are promoted to the general public and exclusive premieres of European cinematographic works in the cinemas of the third countries.
- initiatives bringing together cinema operators from the EU and cinema operators from third countries aimed at improving the showing of premieres of cinematographic works from the third countries in the European cinemas that belong to the group and, vice versa, of the European cinematographic works in the cinemas of the third countries participating in the initiative.

2. CALL FOR PROPOSALS

This preparatory action will be implemented on the basis of a single call for proposals. Published in the course of March 2008, this will comprise three separate lots.

2.1. Lot No 1: Further training for audiovisual professionals

This support is aimed at projects offering further training for professionals from the audiovisual industry.

Objective

- To build, through a training course or joint training measures, a deeper understanding of the operating conditions, legal framework and systems of financing of the audiovisual markets in all the countries participating in the proposed project, with particular reference to:

- * how to establish international coproductions between the third countries and the EU countries participating in the proposed project,
- * what are the conditions of production, distribution, exhibition and dissemination of the audiovisual works in all the countries participating in the proposed project?

Expected impact

- Networking and the exchange of good practices between professionals
- To facilitate and increase coproductions between the third countries and the EU Member States
- Improved potential for circulation of audiovisual works from other countries within European markets and, vice versa, that of European audiovisual works in those other countries
- Enhanced external competitiveness in the audiovisual sectors of the third countries and the countries of the European Union

Call for Proposals

The proposed projects should concentrate exclusively on further training. They should be directed at professionals (participants) with clearly proven skills and at least three years of experience in the audiovisual sector.

The applications should be submitted by a group/consortium, the coordinator of which has its head office in a Member State of the European Union. The applicant group/consortium should include at least one organisation/company linked to the audiovisual industry (institutional organisation, production company, distribution company, exporter of cinematographic or audiovisual works, broadcaster co-financing cinematographic production, etc.) with its head office in a third country.

The proposed projects should include a minimum percentage of nationals of the third country belonging to the applicant group/consortium, both among the participants and the trainers.

The contribution requested by the applicant group/consortium may not exceed 50% of the total eligible costs of the project if the project coordinator is legally established in one of the following countries: Germany, Spain, France, the United Kingdom, Italy (75% if the project coordinator is legally established in one of the twenty-two other Member States). For the part of the training that takes place in one of the third countries participating in the group/consortium, this percentage may be up to 80% of all the eligible costs.

Projects consisting of offering further training supported by MEDIA 2007 (under the award decisions made as part of the next call for proposals published during February 2008) to professionals from third countries are allowed. The eligibility of this type of project is subject to its meeting the following criteria:

- at least 20% of the total number of participants must be third country nationals,

- the professionals from third countries should preferably come from at least three of the following geographic areas, with a good balance between the number of professionals from each of the areas :

*North America (United States + Canada)

*Central America

*South America

*the MEDA area

*South Asia and South-East Asia¹

*North-East Asia²

*the rest of the world

- the eligible costs are limited to costs connected with the applicant taking on professionals from third countries. The amount of aid granted may not exceed 80% of the total eligible costs of the project.

Estimated 2008 budget for Lot No 1

EUR 580 000

2.2. Lot No 2: Promotion of cinematographic works³

This support is aimed at distributors and exporters of cinematographic works.

Objective

- To stimulate the conclusion of agreements between distributors/exporters/right-holders of EU countries and distributors/exporters/right-holders of third countries to ensure and promote the exclusive first release of their respective films on the territory/territories of their partner(s).
- To raise public awareness, through reinforced information and advertising campaigns, of the release of films from European countries and third countries covered by a mutual distribution agreement.
- To encourage the creation and consolidation of networks of artistic and industrial cooperation between European distributors/exports/right-holders and distributors/exports/right-holders from third countries.

Expected impact

¹ For a detailed list of the countries in this zone, see the classification adopted by DG RELEX: http://ec.europa.eu/external_relations/asia/reg/index.htm.

² For a detailed list of the countries in this zone, see the classification adopted by DG RELEX: http://ec.europa.eu/external_relations/asia/reg/index.htm.

³ A cinematographic work corresponds to a fiction, documentary or animated feature film (+60mn), primarily destined for showing in a cinema.

- Greater range and breadth of measures aimed at the general public promoting cinematographic works from third countries on the markets of the EU Member States and, vice versa, improved access to third country markets for European cinematographic works.
- Enhanced cultural diversity.

Call for Proposals

Applications should be submitted by a group of distributors/exporters/right-holders, the coordinator of which has its head office in an EU Member State. It should include at least one organisation or distribution/export/right-holder company of cinematographic works with its head office in a third country.

The projects should concentrate exclusively on third countries whose market share of the European cinema market does not on average exceed 10% of cinema takings or total admissions (basis: annual average for the period 2004-06). Moreover, this applies only to exclusive first releases of films on the territory/territories of the partner country/countries.

The contribution requested by the applicant may not exceed 50% of the total eligible costs of the project if the coordinator is legally established in Germany, Spain, France, the United Kingdom or Italy, or 75% if the project coordinator is legally established in one of the twenty-two other EU Member States.

Estimated 2008 budget for Lot No 2

EUR 700 000

<h3>2.3. Lot No 3: Showing cinematographic works⁴ in cinemas</h3>

This support is aimed at cinema operators in both third countries and cinema operators in the European Union.

Objective

- To encourage cinema operators in EU countries and in third countries to reciprocally increase the scheduling and showing conditions (duration of showing and number of screenings) of exclusive first releases
- To encourage cinema operators from the EU and from third countries to take action to educate young people and raise their awareness of each others' cinematography.

Expected impact

⁴ A cinematographic work is a fiction, documentary or animated feature film (+60 mins), first shown in a cinema.

- Mutual reinforcement of the exposure of and conditions for showing cinematographic works from EU countries and third countries
- Increased and consolidated level of public demand for foreign cinematographic works which are not widely shown.

Call for Proposals

Plans should be submitted by a group of cinemas, the coordinator of which has its head office in an EU Member State. This group should include at least 100 cinemas situated in at least ten EU Member States (or 50 cinemas situated in at least five EU countries for a group whose coordinating body has its head office in one of the twelve new Member States of the European Union). It should include a substantial number of cinemas in third countries preferably situated in at least three of the following geographic areas:

- *North America (United States + Canada)
- *Central America
- *South America
- *the MEDA area
- *South Asia and South-East Asia⁵
- *North-East Asia⁶
- *the rest of the world

The coordinating body should be able to supply all the information concerning each cinema participating in the group, in accordance with the conditions set out in the call for proposals. It should ensure that the cinemas applying for the funding satisfy the eligibility criteria and ensure that they fulfil their obligations.

The proposed projects should concentrate exclusively on third countries whose market share of the European cinema market does not on average exceed 10% of cinema takings or total admissions (basis: annual average for the period 2004-06).

The contribution requested by the applicant may not exceed 50% of the total eligible costs of the project if the coordinator is legally established in Germany, Spain, France, the United Kingdom or Italy, or 75% if the project coordinator is legally established in one of the twenty-two other EU Member States.

Eligibility criteria for the European cinemas

Only the following types of cinema are eligible:

- cinemas that offer exclusive premieres, i.e. cinemas that schedule films exclusively (no later than twelve months after their first national release)
- Cinemas that dedicate a maximum of 30% of their screenings to a schedule of repeats or re-releases are also eligible.

⁵ For a detailed list of the countries in this zone, see the classification adopted by DG RELEX: http://ec.europa.eu/external_relations/asia/reg/index.htm.

⁶ For a detailed list of the countries in this zone, see the classification adopted by DG RELEX: http://ec.europa.eu/external_relations/asia/reg/index.htm.

- cinemas that have been open to the public for at least six months,
- cinemas whose safety conditions comply with national legislation and whose technical equipment meets professional standards,
- cinemas with a system for issuing tickets and declaring their takings,
- cinemas with at least one screen and 70 seats,
- cinemas with at least 520 screenings per year (300 screenings per year for towns with less than 100 000 inhabitants) for permanent cinemas (open more than six months per year) and at least thirty screenings per month of activity for seasonal or open-air cinemas (open less than six months per year),
- cinemas with at least 15 000 customers in the last twelve months (5 000 spectators for towns with less than 100 000 inhabitants),
- cinemas showing pornographic films are not eligible.

Eligibility criteria for the cinemas of the third countries:

Cinemas that meet the following criteria may apply for funding:

- commercial cinemas open to the public which sell tickets and declare their takings,
- cinemas with at least twenty monthly screenings,
- cinemas with at least 70 seats in the establishment,
- cinemas with 35 mm or digital projection equipment, good-quality sound and seats,
- cinemas with health and safety conditions compliant with national legislation,
- pornography cinemas may not apply for funding.

Estimated 2008 budget for Lot No 3

EUR 700 000

3. ELIGIBILITY CRITERIA

As the first step in the assessment and selection process, the Commission will check the applicants' compliance with the eligibility criteria. Failure to meet these criteria will result in the application being excluded from the selection process.

3.1. Eligible applicants

The required characteristics are listed in the description for each of the lots (cf. 2). However, two fundamental criteria must be noted:

- regardless of its structure, the application must be submitted by a group/consortium with its head office in a Member State of the European Union,
- any group/consortium which submits a project must include at least one company/organisation connected to the audiovisual industry and which has its head office in a third country (in keeping with the eligibility criteria, cf. 3.3). The only exception to this criterion is for applications for Lot No 1 submitted by consortia already receiving support for further training under MEDIA 2007 (cf. 2.1).

Only grant applications submitted by legal persons shall be eligible. Please note that **individual applications (submitted by natural persons) are not eligible.**

3.2. Eligible proposals

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

Applicants must submit a budget which is balanced in terms of expenditure and revenue and which complies with the ceiling for Community cofinancing.

Applications will be evaluated on the basis of the documents submitted before the deadline.

3.3. Eligible countries

- The member countries of the European Union.

Germany, Spain, France, the United Kingdom and Italy are different from the other twenty-two EU Member States because of the volume of their production and/or the size of their linguistic area. Within these twenty-two countries, the twelve new Member States of the European Union have a special place. These specificities entail differential treatment is governed by the modalities set out earlier in point 2.

- Third countries as part of an application submitted by a group/consortium:

Non-EU Member States with the exception of Liechtenstein, Norway, Iceland and Switzerland, and Croatia if it is participating in MEDIA 2007 at the time this call for proposals is launched. It is important to emphasise that MEDA or ACP area countries can benefit from the preparatory action, provided that they respect the rule forbidding the combination of Community grants (Title VI, Chapter 2, Article 111 of the Financial Regulation)⁷. Lots No 2 and No 3 have additional criteria relating to market share (cf. 2.2. and 2.3).

4. GROUNDS FOR EXCLUSION

Applicants must certify that they are not in any of the situations described in Articles 93 and 94 of the Financial Regulation applicable to the general budget of the European Communities (Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002) and set out below.

Applicants will be excluded from participating in this call for proposals if:

- 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;
- they have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*;
- they have been guilty of grave professional misconduct proven by any means which the awarding authority can justify;
- 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 awarding authority or those of the country where the contract is to be performed;

⁷ <http://eur-lex.europa.eu/LexUriServ/site/en/consleg/2002/R/02002R1605-20070101-en.pdf>

- 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 Communities' financial interests;
- have been declared to be in serious breach of contract for failure to comply with their contractual obligations, following another procurement or grant award procedure financed by the Community budget.

Applicants cannot receive any financial assistance if, at the time of the grant award procedure, they:

- are subject to a conflict of interest;
- are guilty of misrepresentation in supplying the information required by the awarding authority as a condition of participation in the grant award procedure, or fail to supply this information.

In accordance with Articles 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 respect these provisions, **applicants must certify that they are in none of the situations listed in Articles 93 and 94 of the Financial Regulation.**

5. SELECTION CRITERIA

The selection criteria must allow verification of the applicants' financial and operational capacity to complete the proposed action or work programme.

5.1 Operational capacity

The applicants must have the professional skills and qualifications required to complete the proposed action.

At the time of submitting the application, they must provide evidence of:

- human and technological resources within the consortium (evaluated on the basis of the curriculum vitae of the manager(s) of the project, stating all the relevant professional experience);
- solid experience within the organisation;
- a satisfactory market share of audiovisual markets.

5.2 Financial capacity

Applicants must have stable sources of funding that are sufficient to maintain their activity throughout the period the project is being carried out. This criterion will be evaluated on the basis of the following documents:

- the profit and loss accounts of the consortium coordinator, and balance sheets for the last two financial years for which accounts have been closed;

- the bank identification form duly signed by the consortium's coordinator and certified by the bank.

Exemption

Financial capacity is not verified in the case of public bodies. If the coordinator of the applicant consortium is a public body, this should be specified (in a sworn statement) as part of the application.

6. AWARD CRITERIA

The award criteria make it possible to assess the quality of the proposals submitted in the light of the objectives and priorities set. Grants will be awarded within the limits of the budgetary resources available.

Annex: Eligibility, selection and award criteria

Lot No 1	Eligibility criteria	Selection criteria	Award criteria
Further training for audiovisual professionals	<ol style="list-style-type: none"> 1. The application was submitted by the deadline indicated in the guidelines. 2. The application is from a group/consortium that meets the eligibility criteria set out in the guidelines. 3. None of the grounds for disqualification set out in the Financial Regulation (Title V, Chapter 1, Articles 93 and 44) apply to the applicant. 4. The application is submitted by a group/consortium, the coordinator of which has its head office in an EU Member State. 5. With the exception of applications consisting of offering professionals from third countries further training supported by MEDIA 2007, the applicant group/consortium should include at least one organisation/company linked to the audiovisual sector and with its head office in a third country. 6. The application has been signed by the legal representative of the applicant structure. 7. The contribution requested must not exceed 50/75/80% of the total eligible project expenditure. 8. All application forms have been completed and provided with the application file. 9. The project for which support has been requested corresponds to at least one of the actions set out in the guidelines. 	<ol style="list-style-type: none"> 1. Is the company coordinating the group/consortium able to successfully implement the project from a technical point of view? 2. Is the company able to successfully implement the project from a financial point of view? 	<ol style="list-style-type: none"> 1. Level of skills and professionalism of the members of the group/consortium (15 points) 2. Trainers' expertise (15 points) 3. Number and economic potential of the audiovisual markets of the third countries participating in the group/consortium (30 points) 4. Areas covered by the training course or common training measures: financial abilities, modalities of international coproduction, functioning of the markets, access to foreign markets (30 points) 5. Cost effectiveness of the project (10 points)

Lot No 2	Eligibility criteria	Selection criteria	Award criteria
Promotion of cinematographic works	<ol style="list-style-type: none"> 1. The application was submitted by the deadline indicated in the guidelines. 2. The application is from a group that meets the eligibility criteria set out in the guidelines. 3. None of the grounds for disqualification set out in the Financial Regulation (Title V, chapter 1, Articles 93 and 44) apply to the applicant. 4. The application is submitted by a group, the coordinator of which has its head office in an EU Member State. 5. The applicant group should include at least one organisation or distribution/export/right-holder company with its head office in a third country. 6. The proposed projects should concentrate exclusively on third countries (<i>with the exception of Liechtenstein, Norway, Iceland and Switzerland, and also Croatia if it is participating in MEDIA 2007 at the time this call for proposals is launched</i>), with a European market share not exceeding, on average, 10% of cinema takings or total admissions (basis: annual average for the period 2004-06). 7. The contribution requested must not exceed 50/75 % of the total eligible project expenditure. 8. All application forms have been completed and provided with the application file. 9. The action for which support has been requested corresponds to at least one of the actions set out in the guidelines. 	<ol style="list-style-type: none"> 1. Is the company able to successfully implement the project from a technical point of view? 2. Is the company able to successfully implement the project from a financial point of view? 	<ol style="list-style-type: none"> 1. Economic weight and importance of the level of activity of the companies party to the agreement on mutual distribution (20 points) 2. Appeal and economic potential of the cinematographic markets of the third countries participating (30 points) 3. Quality and professionalism of the proposed plans for distribution (engagement in terms of weight of support for promotion costs, variety of media used for promotion, etc.) (30 points) 4. Capacity to set up sustainable artistic, commercial and industrial networks between distributors from Europe and from third countries (10 points) 5. Cost effectiveness of the project (10 points)

Lot No 3	Eligibility criteria	Selection criteria	Award criteria
Projection of films in cinemas	<ol style="list-style-type: none"> 1. The application was submitted by the deadline indicated in the guidelines. 2. The application is from a group that meets the eligibility criteria set out in the guidelines. 3. None of the grounds for disqualification set out in the Financial Regulation (Title V, chapter 1, Articles 93 and 44) apply to the applicant. 4. The application is submitted by a group, the coordinator of which has its head office in an EU Member State. 5. The application has been signed by the legal representative of the applicant structure. 6. All application forms have been completed and provided with the application file. 7. The proposed projects should concentrate exclusively on third countries (<i>with the exception of Liechtenstein, Norway, Iceland and Switzerland, and also Croatia if it is participating in MEDIA 2007 at the time this call for proposals is launched</i>), with a European market share not exceeding, on average, 10% of cinema takings or total admissions (basis: annual average for the period 2004-06). 8. The contribution requested must not exceed 50/75 % of the total eligible project expenditure. 9. The action for which support has been requested corresponds to at least one of the actions set out in the guidelines . 	<ol style="list-style-type: none"> 1. Is the company able to implement the project from a technical point of view? 2. Is the company able to successfully implement the project from a financial point of view? 	<ol style="list-style-type: none"> 1. Number of third countries covered (15 points) 2. Appeal and economic potential of the cinematographic markets of the third countries participating (15 points) 3. Level of commitments made with regard to showing European films by the cinema owners from the third countries and with regard to showing films from the third countries participating in the project by the European cinema owners (setting of a minimum period for showing the films and a minimum number of screenings) 30 points 4. Quality and inventiveness of the measures for raising the awareness of young people of the partners' cinematography (10 points) 5. Capacity of the coordinating body to check the veracity of the data supplied by the cinema owners of the third countries with regard to scheduling (number of screenings, number of weeks of scheduling, number of films, level of admissions, total takings, etc.) of European works (10 points) 6. Capacity to create networks between distributors of films from third countries and European cinema managers on one hand, and distributors of European films and cinema managers from the third countries on the other (10 points) 7. Cost effectiveness of the project (10 points)