

CALL FOR PROPOSALS CNECT/I.3/2019/4513255

Cinemas as Innovation Hubs for Local Communities

Q&A

1. Is the call open to Creative Europe MEDIA countries?

The Call is not part of the Creative Europe MEDIA programme. The eligible applicants need to be established in EU Member States. Please see point 6.1. *Eligible applicants - Country of establishment: "Only applications from legal entities established in EU Member States are eligible."*

This eligibility criterion covers the role of coordinator of the project and co-beneficiaries creating an applicant group.

However, costs incurred by the applicants in non-EU countries may be eligible if they are incurred by the beneficiary and meet the following criteria, among others: *"they are incurred within the implementation period, [...] they are incurred in connection with the action and are necessary for its implementation"*. For further details, please see point 11.2. *Eligible costs*.

Please note that costs incurred in non-EU countries should be marginal and not the main activity of the project. Non-EU partners may contribute financially to the proposed action.

2. Are legal entities established in Overseas Countries and Territories linked to the Member States eligible for funding?

No. The call is open only for legal entities established in EU Member States (including Outermost Regions of the EU). Overseas Countries and Territories do not, however, form part neither of the EU territory nor of the EU single market.

However, costs incurred by the applicants in non-EU countries are eligible, please see above.

3. Does an applicant cinema operator need to be already established? Could newly funded cinemas also apply to this call? If so, does the call cover the costs for cinema equipment?

The call is open to either a grouping of entities (consortia) – with the entities forming this consortia having or not entities affiliated to them or a 'sole' applicant (several legal entities forming together one legal entity or 'sole beneficiary').

In order to be eligible, a proposal must be submitted by a consortium composed of at least 3 legal entities, preferably coming from different Member States, **of which at least 1 is a cinema operator. The project leader must be either a cinema operator or a cultural organisation.** The project leader will submit the application on behalf of all partners.

For more information, please check point 6. *Eligible Criteria*.

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.

Supporting cinema equipment and digitisation is among the eligible costs and activities “provided that this is necessary for the implementation of the action and creation of innovative and more diverse cultural hub experience”. For more information on the eligible activities, please see point 6.2. *Eligible activities* of the call.

4. What kind of supporting documents are requested to prove the organisation’s activity as “cinema operator”?

Does a “cinema operator” need to be an entity that owns/manages a cinema or could other types of entities working in the cinema sector such as producers, distributors etc. be considered cinema operators?

The 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.

For more information, please check point 8. *Selection Criteria (Financial and operational capacity)*.

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.

**5. The call is open to either a grouping of entities (consortia) or a “sole” applicant
Could you clarify the meaning of or “a sole applicant” in this context?**

Indeed, according to point 6.1 *Eligible applicants* “in order to be eligible, a proposal must be submitted by a consortium composed of at least 3 legal entities, preferably coming from different Member States, of which at least 1 is a cinema operator.”

In addition “By way of exception, an application may be submitted by one applicant (the “sole” applicant), whether established specifically or not for the action, provided that: **it is formed of several legal entities** complying with the eligibility, non-exclusion and selection criteria set out in this call for proposals, and **implementing together the proposed action**”.

The “sole applicant” could be a cultural organisation that is established in at least 2 Member States and that covers multiple activities related to, for example “*museums, art galleries, libraries, film archives, performance spaces such as concert halls, theatres*” (please see point 6.2 *Eligible activities*) including a cinema operating activity.

The mention of the “sole applicant” is part of the standard template of calls for proposals and this exception is meant to cover the different kinds of legal status held by eligible

applicants. Therefore, for the purposes of this call, a consortium is a primary form for applicants which in the most typical case should create a grouping.

6. If the company only has 1 year of financial activity to date, can it encompass that and a business plan? How relevant is the prior cashflow of the company if there is a solid business plan?

If the EC financial department deems an applicant to have weak financial capacity, the proposal may still be selected for funding, but it will not qualify for a pre-financing, unless the applicant provides bank guarantee.

For more information, please check point 8.1. *Financial capacity*.

7. When is a bank guarantee required?

The bank guarantee will be required **only in the case of pre-financing whenever the organisation's financial capacity will be considered weak.**

Please see point 11.7.2 *Pre-financing guarantee* of the call: "A pre-financing guarantee for up to the same amount as the pre-financing may be requested in order to limit the financial risks linked to the pre-financing payment."

8. Could this funding be complemented by the Cultural and Creative Sectors Guarantee Facility (CCS GF)?

Yes, provided the applicants are SMEs or small public enterprises in the cultural and creative sectors, established and operating in any of the EU Member States and eligible to benefit from EU-supported financing.

For more information on the Cultural and Creative Sectors Guarantee Facility, please see:

[https://www.eif.org/what we do/guarantees/cultural creative sectors guarantee facility/businesses active in the ccs](https://www.eif.org/what-we-do/guarantees/cultural-creative-sectors-guarantee-facility/businesses-active-in-the-ccs)

9. Is there a version of the Call for proposals Cinemas as Innovation Hubs for Local Communities available in other EU languages? Can the application be submitted in any EU language?

All documents concerning the Call for proposals Cinemas as Innovation Hubs for Local Communities are available in English: <https://ec.europa.eu/digital-single-market/en/news/call-proposals-preparatory-action-cinemas-innovation-hubs-local-communities>

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 submitted in English or French are encouraged. For more information, please check point 5.

ADMISSIBILITY REQUIREMENTS and point 6. ELIGIBILITY CRITERIA: “In order to be admissible, applications must be drafted in one of the EU official languages, preferably in English or French.

In order to be eligible, a proposal must be submitted by a consortium composed of at least 3 legal entities, preferably coming from different Member States, of which at least 1 is a cinema operator.”

10. Is it possible to submit a proposal for the development of a cinema infrastructure from which the applicant would be able to benefit — not only once a year, during the festival's events, but also in the occasion of the emergence of other cultural and cinematographic projects in the course of the year?

Yes, indeed, it is encouraged that the applying organisation will be able to benefit from the received support not only once a year, during the festival, but also in the occasion of the emergence of other cultural and cinematographic projects in the course of the year.

For more information, please check *Point 2 of the Call: OBJECTIVE(S) – THEME(S) – PRIORITIES:*

The expected results of this action are (among others): Support the social and economic development of local communities through organising events, debates and special educational screenings and/or events; including beyond the life span of the project;

11. We do not yet have much experience in applying for European support, shall we try nevertheless?

Before applying we recommend you to contact your local Creative Europe MEDIA Desk to ask for advice in preparing the application for the European grant with a cross-border dimension and partners. Through this call for proposals we would like to encourage cross-border cooperation between cinemas and cultural institutions coming from different Member States to enhance the European added value of the project. The experience in cross-border cooperation will be appreciated.

12. Is it possible to obtain funding from this preparatory action if an application is submitted by an association that carries out its projects in a rented space, but which is active in several places, also outside the city?

Yes, the call is open to either a grouping of entities (consortia) – with the entities forming this consortia having or not entities affiliated to them or a ‘sole’ applicant (several legal entities forming together one legal entity or 'sole beneficiary'.

In order to be eligible, a proposal must be submitted by a consortium composed of at least 3 legal entities, preferably coming from different Member States, **of which at least 1 is a**

cinema operator. The project leader must be either a cinema operator or a cultural organisation. The project leader will submit the application on behalf of all partners.

For more information, please check point 6. *Eligible Criteria* and point 6.2. *Eligible activities*: among others, 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.).

13. Could an application proposal focused only on cinema infrastructure be supported? Or is it more important for the proposal to cover other priorities of the call?

Is there a limit (%) for the purchase of equipment under total eligible cost of the action?

The call does not cover cinema infrastructure (such as building renovations etc.), it covers “cinema equipment and digitisation”, among others. The support for the development of the cinema equipment and digitization is one of the objectives of the call, to the extent necessary for the implementation of the action and the creation of innovative cultural hubs.

All the objectives of the call are treated as complementary to each other and should enhance cinema going experience and support audience development activities encouraging cinemas to provide access not only to audiovisual content, but also to other cultural content and services, as well as educational activities and/or entertainment activities for young audiences.

For more information, please check *Point 2 of the Call: OBJECTIVE(S) – THEME(S) – PRIORITIES: The preparatory action will test new cinema-going experiences, while taking into account local audiences’ needs, and will focus on:*

(a) Testing new ways of rethinking the cinema experience and creating innovative cultural venues;

(b) Audience development and building communities through interactive experiences (offering a wide range of cultural and educational activities);

(c) Supporting cinema equipment and digitisation provided this is necessary for the implementation of the action and the creation of an innovative cultural hub experience.

There is no limit as such for purchasing equipment, but an application focused only on one objective of the call would most probably have difficulties to reach the quality threshold for funding.

Please note that according to point 11.2.1. *Eligible direct costs: "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"

14. Regarding point 8.1. Financial capacity, if the application is grouping several applicants (consortium), the financial capacity will be assessed for each applicant?

Yes, this is correct. If applicants request ≤ 60.000 grant, they should provide a declaration on their honour, while applicants (each one of them) requesting > 60.000 should provide a declaration on their honour and the documentation, as explained at *point 8.1*.

15. The call mentions that "grants are expected to range from € 200.000 (two hundred thousand) to € 700.000 (seven hundred thousand)". Is this correct? Could projects of lower amounts also apply?

What does the grant of (\leq EUR 60 000) of point 8.1. Financial capacity refers to?

Yes, it is correct that "grants are expected to range from € 200.000 (two hundred thousand) to € 700.000 (seven hundred thousand)". We advise applicants to respect these limits. However, the amounts are indicative and there may be flexibility of a few percentage points.

The ≤ 60.000 grant refers to the amount granted to each consortium member, please see the answer to Q13 above.

16. Are projects expected to create one or several hubs?

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. Please see point 6.2 *Eligible activities*: "cross-border cooperation projects among cinema operators, as well as between cinema and other cultural organisations (such as museums, art galleries, libraries, film archives, performance spaces such as concert halls, theatres, etc.) ; activities meant to attract audiences to the cinema, cultivate new audiences and enhance their experience (i.e.: introducing more social elements and leisure elements by cooperating with cafés, concert or sports halls, video gaming etc.); [...]"

17. Referring to the application form, do the documents referring to the financial capacity and to the operational capacity need to be submitted for all parties (project coordinator and partners)?

Yes, this is correct.

18. Is it possible for an organisation to apply with two projects, as a partner and a coordinator?

Yes, as long as the projects and the role/tasks of the organisation in each project are different. Under no circumstances will the same action be financed twice by EU grants.

19. Is this action meant only for areas with limited cinema and cultural infrastructure?

According to the objectives of the call, “this action will test the added-value of creating innovative cultural hubs around cinema theatres, *notably* in areas where there is limited cinema and cultural infrastructure and therefore limited provision of cultural goods and services.” The main aim is to target *notably, but not only* areas with limited cinema and cultural infrastructure. Please read section 2. *OBJECTIVE(S) – THEME(S) – PRIORITIES* of the call for the overview of the objectives and expected results. Given the importance of creating partnerships, we advise that these partnerships include different areas in terms of cultural infrastructure.

20. In the Annex III - estimated budget template presented on the call's website no cost categories are pre-filled, but if different costs forms are previewed (on the basis of unit costs, lump sum costs, flate-rate), they are at the same time not applicable regarding the guidelines (§11.4) and the grant agreement model (§I.3.2). Could you clarify?

The *Annex III - estimated budget template* presented on the call website is a standard document used for most calls for proposals. As stated in Article 11.1. of this call for proposals, we will use the reimbursement of costs actually incurred.

The budget (Annex III) is an estimate which is calculated based on the usual practise of the beneficiary and can be estimated on the basis of unit costs, hours-days-monthly rates, fixed amounts, price offers, etc. (Annex III = Budget estimate).

For this call for proposals, the categories LUMP SUM COSTS, UNIT COSTS & FLAT-RATE COSTS are indeed not applicable.

What is foreseen in the grant agreement (in point I.3.2) with not applicable clauses refers to the reimbursement which need to be actual costs and not more estimates, based on the accounting data (real costs reimbursement).

For more information please read carefully point I.3.2 of the Model grant agreement:

I.3.2 The grant takes the form of:

(a) the reimbursement of [...] % of the eligible costs of the *action* (‘reimbursement of eligible costs’), which are estimated at EUR [...] and which are:

- (i) actually incurred ('reimbursement of actual costs') for the direct costs [for [each of] the [following] beneficiaries] [[and] affiliated entities]: [...]
- (ii) reimbursement of unit costs: not applicable
- (iii) reimbursement of lump sum costs: not applicable
- (iv) [declared on the basis of a flat rate of **7 %** of the eligible direct costs ('reimbursement of flat-rate costs') for the **indirect costs** [for [each of] the [following] beneficiaries] [[and] affiliated entities]:
- (v) reimbursement of costs declared on the basis of the beneficiary's usual cost accounting practices: not applicable;
- (b) unit contribution: not applicable;
- (c) lump sum contribution: not applicable;
- (d) flat-rate contribution: not applicable;
- (e) Financing not linked to costs: not applicable.

21. If the project partner is a private company that does not require full accounting - i.e. it has an annual PIT and a book of revenues and expenses - do these documents "authenticate" the company? Does the project partner have to be an entity in full accounting?

Entities with different legal status may apply for co-financing, including public and private entities, non-profit organizations, etc. Therefore, documents confirming the organization's activities may also have various forms (registration certificates, financial balance sheets, therefore - not only full accounting).

22. Is it possible to receive support for the development of events that are already taking place in the cinema as part of the application to this call for proposals? Or shall we apply for support only for new activities that have not been organized at the cinema so far?

In the context of the call for proposals, it is possible to receive support for the development of events that are already in the cinema, although the desired effect will be to increase the scale of the activities carried out, to reach new audiences and to create new networks, in particular with areas of weaker infrastructure and less access to cultural goods (e.g. in smaller villages, districts or municipalities where access to cinemas and other cultural institutions is difficult).

This is due to the objectives of the competition, namely the creation of innovative cultural systems and the empowerment of cinemas to innovate and play a more important role in their local communities, audience development and encouraging cinemas to make not only audiovisual content but also other cultural content and services, as well as educational or entertainment activities for young audiences.

23. What kind of results the Commission expects from the preparatory action „Cinemas as Innovation Hubs for Local Communities“?

Taking into account the role of cinemas for local communities, this action should support the creation of innovative cultural venues and empower cinemas to innovate and play a more important role in their local communities. This action will support audience development activities encouraging cinemas to provide access not only to audiovisual content, but also to other cultural content and services, as well as educational activities and/or entertainment activities for young audiences.

24. Could a festival be part of a consortium?

Yes, a festival can be part of a consortium. In order to be eligible, a proposal must be submitted by a consortium composed of at least 3 legal entities, preferably coming from different Member States, of which at least 1 is a cinema operator. The project leader must be either a cinema operator or a cultural organisation. The project leader will submit the application on behalf of all partners.

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, including partnerships with festivals. 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.).

25. Which main category of costs will be eligible?

The main category of eligible costs are defined in the *Call's guidelines* under point 11.2.1. *Eligible direct costs* and *point 11.2.2. Eligible indirect costs (overheads)*.

The direct costs for the action must be identifiable as specific costs directly linked to the performance of the action and which can therefore be booked to it directly, such as: costs of personnel working for the implementation of the action, advertising and promotion costs, costs of consumables and supplies, support for the development of the cinema equipment and digitization, provided this is necessary for the implementation of the action and the creation of an innovative cultural hub experience.

The call does not cover cinema infrastructure (such as building renovations etc.), it covers “cinema equipment and digitisation”, among others. The support for the development of the

cinema equipment and digitization is one of the objectives of the call, to the extent necessary for the implementation of the action and the creation of innovative cultural hubs.

All the objectives of the call are treated as complementary to each other and should enhance cinema going experience and support audience development activities encouraging cinemas to provide access not only to audiovisual content, but also to other cultural content and services, as well as educational activities and/or entertainment activities for young audiences. An application focused only on one objective of the call would most probably have difficulties to reach the quality threshold for funding.

26. Will there be another opportunity to apply under a similar call next year?

The Call "*Cinemas as Innovation Hubs for Local Communities*" implements a preparatory action put forward by the European Parliament.

Preparatory actions might be extended for a maximum period of 3 years, following decision of the budget authority in the framework of the annual budgetary procedure.

27. At what time the above mentioned call will be closed? Since applications must be sent via post and email, is it until midnight on the 25th of September?

Yes, indeed, we did not indicate an hour for the deadline in the text of the Call's guidelines, therefore the applications must be submitted until midnight (pm 24:00 h Brussels time) of the 25th of September.

28. What is meant by "cinema operator" and "cinema management activity"? Can festivals that do not own or manage directly movie theatres but do operate in close connection with them be considered as cinema operators? Does the consortium need necessarily to involve entities that manage movie theatres directly?

The consortium must be composed of at least 3 legal entities, preferably coming from different Member States, of which at least 1 is a cinema operator. The project leader must be either a cinema operator or a cultural organisation. The project leader will submit the application on behalf of all partners.

Please take note that a festival can be part of a consortium, but a cinema operator must be included in the consortium, for more details please check answer to question 4 and 23.

29. What exactly is the concept of the "film operator"? Is it a company that produces films or distributes films?

Please read the guidelines carefully and take good note that the text of the Call's guidelines refers to the concept of "cinema operator" not a "film operator".

The 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.

For more details please check answer to question 4.

30. Regarding financing, how is the process to receive the grant organised? Will 80% of the financing be received at the beginning of our project and the remaining 20% will be received once we present the result? Is that the process?

No, the EU co-financing is limited to a maximum co-funding rate of 80% of the total eligible costs. It means that the remaining 20% must be financed from other sources (for example applicants' own investment). Please check also answer to question 8.

31. How should be prove our capacity to accomplish the project?

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.

32. If we are awarded the grant how the financing instalments are split?

Please read carefully point 11.7 "*Reporting and payment arrangements*" of the Guidelines which clarifies requirements and all phases of payment instalments (including pre-financing). The detailed conditions of payments are included in the grant agreement which is signed with successful applicants who will receive the financing.

33. In order to apply for this grant we plan to form a consortium with one single applicant, which would be our cinema and our 2 members coming from the same country. Shall we submit the application?

The consortium must be composed of at least 3 legal entities, preferably coming from different Member States, of which at least 1 is a cinema operator. The project leader must be either a cinema operator or a cultural organisation. The project leader will submit the application on behalf of all partners.

Through this call for proposals we would like to encourage cross-border cooperation between cinemas and cultural institutions coming from different Member States, therefore three entities in one country could not be enough to be selected, taking into account purposes of the action (3 entities in at least 2 countries as minimum).

34. We're an arthouse cinema in expansion and very interested in being a partner in this project. 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.

35. What does the concept of "affiliated entity" mean? Do we need to fill in point 1.3. in the application form concerning this information?

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).

For more information please read carefully point 6. *Eligible applicants* of the Call's guidelines:

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.