ANNEX

to the

Commission Decision

authorising the use of unit contributions for multimedia actions
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1. FORM OF FINANCING AND COSTS COVERED

The use of simplified forms of financing in the form of unit contributions is authorised for the following actions using the Framework Partnership Agreement (FPA) with the TV broadcaster Euronews for 2021-2024.

- production of European programmes and European magazines;
- language services produced (subject to compliance with the procedures described in points 2.1.3 and 2.1.4), in either full TV/digital or digital-only format.

The unit contributions shall be calculated in accordance with the method described in Section 3.

1.1. Eligible costs for European programmes and European magazines

The following categories of costs are covered by the unit contributions:

- staff costs;
- raw material costs;
- the costs of technical resources;
- specific costs specifically linked to the ;
- transmission costs;
- indirect costs.

1.2. Eligible costs for full TV/digital and digital-only language services produced

The following categories of costs are covered by the unit contributions:

- staff costs;
- operating costs;
- specific costs linked are also eligible as direct costs for language services ;

For points 1.1 and 1.2, the European Commission reserves the right to exclude specific categories of costs in cases where these costs are not demonstrably linked to production and dissemination of the action. Similarly, costs can be excluded for cost-efficiency reasons; for example, when there are reasonable and justified doubts as to what extent any specific cost is needed to achieve concrete results of the action.

2. BASIS

2.1. Nature of the supported actions

Euronews is the only news channel to cover all European and international news from a European perspective in multiple languages, including several official EU languages.
The use of unit costs to establish the European Commission’s contribution, at a predetermined percentage of the total eligible production cost of one unit (such as a programme, magazine or one month’s transmission of a language version), is deemed appropriate for the following reasons:

- ease of verifying the operative event (transmission of a programme or language service on air/online);
- the identical structure of most production costs,
- the availability of sufficient audited historical data to enable calculation of unit costs.

2.1.1. European programmes

These are news programmes produced by Euronews with grants from the Commission. They are required to have European affairs as their main focus, through either pure news coverage or in-depth content. They seek to expand audiences’ knowledge of EU affairs and/or various topics concerning European societies and countries, particularly by supporting diverse views and transcending purely national perspectives. Since 2011, some of these programmes have been produced .

European programmes receive recurring EU funding, and a record of production costs was well established by the time the unit cost approach was initially formulated in 2010. Since 2017,

2.1.2. Magazines

Unit costs for magazines were established in 2011 to facilitate use of the FPA by different Commission Directorates-General. These are thematic programmes offering many possible combinations of numbers of episodes and duration, which allows Directorates-General to choose the most suitable format. These modules can be complemented by a number of digital and distribution options to improve their content, impact and reach.

Given that several seasons of magazines have been produced by Euronews, there is a well-established record of production costs. The structure of the resources required to produce each programme is virtually the same, and their cost (usually the hourly cost) and number can easily be established.

2.1.3. Language services
2.1.4. Language services

2.2. Risks of irregularities or fraud and the costs of controls

The risks of irregularities or fraud related to the accounting data used to establish unit costs are low. The Euronews accounts are certified by an auditor and approved by shareholders, which include private companies and public operators from various countries in and outside Europe. Euronews’ operational reporting is also verified by statutory auditors. Furthermore, the ex ante audits carried out by DG COMM (up to 2014) and DG CONNECT (as of 2015) or their external auditors have never identified any irregularities or fraud. The historical data can therefore be considered reliable.

The risks of irregularities or fraud related to the operative event (production of a programme, magazine or language service) are also very limited. This is due to the ease with which the programmes produced and broadcast on air/TV can be verified (all such programmes are on the Euronews website, with archives going back several years). This also limits the costs of checking the operative event for the Commission.

In the case of magazines, a single ex ante control carried out by DG CONNECT is used to establish unit costs for all magazine formats. In the case of magazine grants that reimburse a percentage of the eligible costs, several ex post controls must be carried out by the Directorates-General concerned.

Simplified forms of funding are therefore considered appropriate in view of the risks of irregularities and fraud.

3. METHOD TO DETERMINE AND UPDATE THE AMOUNTS

3.1. Main points of the method