Audiovisual industry: development, distribution and promotion of works, MEDIA-Plus 2001-2005

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The European Commission has presented its report on the implementation and the mid-term results of the MEDIA Plus and MEDIA Training programmes (2001-2005) and on the results of the preparatory action "Growth and audiovisual: i2i audiovisual". This report replaces MEDIA Plus, MEDIA Training and i2i audiovisual in their economic context and analyses the results of the first two years of implementation of these three instruments. It identifies the adjustments which could be made in order to ensure their adaptation to structural developments in the European audiovisual sector. This report covers the period from 1 January 2001 to 31 March 2003. It is based on the conclusions of the mid-term evaluation of MEDIA Plus and MEDIA Training and on the evaluation of the results of the preparatory action "Growth and audiovisual: i2i audiovisual". These two evaluations were carried out by an independent consultant. The economic context for the first two years of MEDIA Plus, MEDIA Training and i2i audiovisual gave cause for concern. The weaknesses of the European audiovisual products sector are essentially structural (internal market in which the circulation of non-national European works is difficult, problems of access to finance). These have been aggravated by economic factors (crisis in audiovisual funding by television stations). Finally, new challenges have been added: adaptation to new technologies and participation in programmes by the accession countries. Community intervention in the audiovisual sector since MEDIA I has been based on a diagnosis of the structural difficulties facing the European audiovisual sector. This approach is still valid, as is shown by the initial results of MEDIA Plus, MEDIA Training and i2i audiovisual, and the existence of financial support at Community level is more necessary than ever. The results set out below provide an overview of the implementation of MEDIA. Plus, MEDIA Training and i2i audiovisual: - Results of the Training strand : MEDIA Training makes a decisive contribution to the existence of training with a European dimension. Community financial support represents on average 49% of the costs of training and is vital for the viability of the projects supported. 42% of the training given relates to new technologies, 32% to management and 27% to writing techniques. The quality of training - mostly continuing training - is high. The impact in terms of improving the skills and technical know-how of professionals, particularly in the field of new technologies, is confirmed by the broad sample of beneficiaries questioned by the external consultant as part of the mid-term evaluation. Training also provides an opportunity for participants to forge links with potential partners, particularly with a view to setting up European co-productions. - Results of the Development strand : Development objectives are met both by raising the awareness of professionals as to the importance of the development phase and by giving them access to additional financial resources (support from MEDIA represents on average 16% of development costs). This aid is sufficient to reduce the risks assumed by independent producers. The instruments used in the development strand are well suited to the reality in the sector (slate funding for medium-sized, individual projects for undertakings of more modest size). Support issatisfactorily distributed between the different genres (fiction, documentary, animation, multimedia). The rate of entry into production for supported projects is high and confirms the benefits of development support. - Results of the Distribution strand : The two existing systems (selective support and automatic support) produced satisfactory results in line with objectives: 90% of the films distributed outside their national territory during the reference period for the evaluation received help from MEDIA. Support for TV broadcasting met its objective in helping to stimulate the production of television works with a European outlet. The results of the cinema network action during the period 2001-2003 are in line with the aims pursued. 700 cinemas were supported. European ticket sales increased by 18% and represent 59% of the total. In 2002, cinemas in the network scheduled an average of 38% non-national European works. Market share for non-national European films in cinemas not participating in the network was only 8%. Overall, there is a positive correlation between the number of cinemas supported by MEDIA in a country and the market share for European films in that country. MEDIA makes a clear contribution to reducing the potential risk of showing nonnational European films. - Results of the preparatory action i2i audiovisual : the period

covered by the evaluation contained only one selection exercise. 40 projects were supported, totalling approximately EUR million. Average MEDIA support per project selected was EUR 25 000. The action enabled effective compensation for a proportion of the difference between the interest rates applied to micro-undertakings and those applied to larger undertakings. i2i also made it possible to reduce the cost of access to performance guarantees. Since the launch of MEDIA I, the MEDIA programme has proved its capacity to adapt to trends in the European audiovisual market. This approach, ensuring the effectiveness of the programme and maximising its structuring effects, should be pursued with regard to MEDIA Plus and MEDIA Training. The following proposals for adjustments may in most cases be implemented without the need to amend the Council Decisions establishing the MEDIA Plus and MEDIA Training programmes. They could therefore take effect rapidly, from the end of 2003 or the beginning of 2004. Other proposals require an amendment to the Council Decisions: - Facilitating access to finance for SMEs and micro-undertakings at all stages (development, distribution and promotion); - Maintaining centralised management of Community aid, tempered by strengthening the role of the MEDIA Desks; - Establishing synergy between training organisations and forging links with cinema schools; - Adjusting teaching content to the needs of the profession Raising the ceiling for the Community contribution in order to meet the specific needs of the accession countries; - Creating support for pre-production; - Raising the aid ceilings to reflect the realities in the sector more closely; - Recognising the complementarity between the Development and Training strands of MEDIA Plus; - Establishment of slate funding in the distribution field; - Restructuring and enlargement of the "sales agent" measure; - Raising aid ceilings; - TV broadcasting: opening up the system further by amending the rules concerning the transfer of rights; - Using the cinema network to promote European cinema; - Strengthening the presence of European professionals in key markets; - Promoting cultural diversity and encouraging public education in the visual image through broad support for festivals; - Improving the visibility of the MEDIA programme with a view to making it into a label for European cinema; - Advantages of centralised management of Community aid; - Exploiting the potential offered by the MEDIA Desks.