# Cinema and television: establishment of a European guarantee fund to promote production

1995/0281(CNS) - 14/11/1995 - Legislative proposal

- OBJECTIVE: The Council's proposal for a decision was aimed at establishing a European Guarantee Fund to promote cinema and television production. The Fund is to be an accompanying instrument for the MEDIA II programme. - SUBSTANCE: - Establishment of a European Guarantee Fund whose purpose is to promote the funding of European audiovisual drama production by offering guarantees in any form as permitted in law; - The actions to be taken under the Fund have the following objectives: . the development of European drama, cinema and television production intended for the European and international markets; . the development of European production companies operating in this field and the support of European distribution companies which are engaged in financing works of this kind; - The Fund is open to cooperation with third countries which have concluded agreements with the Community containing audiovisual clauses; - The Fund will offer guarantees covering short-term credit arrangements, as well as medium and long-term loans. Both premier-rate loans and lower-rate loans will be eligible for funding. In theory the guarantees offered under the Fund will not exceed 50% of the individual loans and credits; - In order to increase the efficiency of Community initiatives by bringing them under the same umbrella, the Commission proposes to involve the European Investment Fund (EIF) in the establishment and implementation of the European Guarantee Fund, on the basis of a specific mandate; - A Cooperation Agreement between the Commission and the EIF will define the terms and conditions for the administration of the European Guarantee Fund; - The Fund will seek to share with the EIF the risks which it will be underwriting in concluding the joint-guarantee agreements; - The Commission will regularly consult the professionals in the audiovisual sector as to the conditions under which the Guarantee Fund is to operate.