

Basic information

2004/0151(COD)

COD - Ordinary legislative procedure (ex-codecision procedure)
Decision

Audiovisual sector: implementation of a programme of support for this European sector, MEDIA 2007

Repealed by [2011/0370\(COD\)](#)

Subject

3.30.01.02 Programmes and actions in audiovisual sector

Procedure completed

Key players

European Parliament

Committee responsible

CULT Culture and Education

Rapporteur

HIERONYMI Ruth (PPE-DE)

Appointed

04/09/2006

Former committee responsible

CULT Culture and Education

Former rapporteur

HIERONYMI Ruth (PPE-DE)

Appointed

22/09/2004

Former committee for opinion

AFET Foreign Affairs

Former rapporteur for opinion

PETERLE Alojz (PPE-DE)

Appointed

13/09/2004

BUDG Budgets

DOUAY Brigitte (PSE)

31/01/2005

CONT Budgetary Control

The committee decided not to give an opinion.

22/09/2004

EMPL Employment and Social Affairs

The committee decided not to give an opinion.

ITRE Industry, Research and Energy

TRAUTMANN Catherine (PSE)

07/10/2004

LIBE Civil Liberties, Justice and Home Affairs

GUARDANS CAMBÓ Ignasi (ALDE)

05/10/2004

FEMM Women's Rights and Gender Equality

PANAYOTOPOULOS-CASSIOTOU Marie (PPE-DE)

20/06/2005

Council of the European Union	Council configuration	Meetings	Date
	Competitiveness (Internal Market, Industry, Research and Space)	2747	2006-07-24
	Education, Youth, Culture and Sport	2729	2006-05-18
	Education, Youth, Culture and Sport	2661	2005-05-23
	Education, Youth, Culture and Sport	2689	2005-11-14
European Commission	Commission DG	Commissioner	
	Education, Youth, Sport and Culture	FIGEL Ján	

Key events			
Date	Event	Reference	Summary
14/07/2004	Legislative proposal published	COM(2004)0470 	Summary
15/09/2004	Committee referral announced in Parliament, 1st reading		
23/05/2005	Debate in Council		Summary
12/09/2005	Vote in committee, 1st reading		Summary
29/09/2005	Committee report tabled for plenary, 1st reading	A6-0278/2005	
24/10/2005	Debate in Parliament		
25/10/2005	Decision by Parliament, 1st reading	T6-0398/2005	Summary
25/10/2005	Results of vote in Parliament		
14/11/2005	Debate in Council		Summary
24/07/2006	Council position published	06233/2/2006	Summary
07/09/2006	Committee referral announced in Parliament, 2nd reading		
10/10/2006	Vote in committee, 2nd reading		Summary
11/10/2006	Committee recommendation tabled for plenary, 2nd reading	A6-0337/2006	
24/10/2006	Decision by Parliament, 2nd reading	T6-0432/2006	Summary
24/10/2006	Results of vote in Parliament		
24/10/2006	Debate in Parliament		
15/11/2006	Final act signed		
15/11/2006	End of procedure in Parliament		
24/11/2006	Final act published in Official Journal		

Technical information

Procedure reference	2004/0151(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	Repealed by 2011/0370(COD)
Legal basis	EC Treaty (after Amsterdam) EC 150-p4 EC Treaty (after Amsterdam) EC 157-p3
Stage reached in procedure	Procedure completed
Committee dossier	CULT/6/39835

Documentation gateway**European Parliament**

Document type	Committee	Reference	Date	Summary
Committee opinion	LIBE	PE350.121	13/05/2005	
Committee opinion	AFET	PE357.640	14/07/2005	
Committee opinion	FEMM	PE360.158	19/07/2005	
Committee opinion	BUDG	PE357.694	26/07/2005	
Committee opinion	ITRE	PE357.833	30/08/2005	
Committee report tabled for plenary, 1st reading/single reading		A6-0278/2005	29/09/2005	
Text adopted by Parliament, 1st reading/single reading		T6-0398/2005 OJ C 272 09.11.2006, p. 0017-0246 E	25/10/2005	Summary
Committee draft report		PE378.607	18/09/2006	
Committee recommendation tabled for plenary, 2nd reading		A6-0337/2006	11/10/2006	
Text adopted by Parliament, 2nd reading		T6-0432/2006	24/10/2006	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position	06233/2/2006 OJ C 251 17.10.2006, p. 0001-0019 E	24/07/2006	Summary
Draft final act	03653/2006	15/11/2006	

European Commission

Document type	Reference	Date	Summary
	COM(2004)0470		

Legislative proposal		14/07/2004	Summary	
Document attached to the procedure	SEC(2004)0955 	14/07/2004		
Commission communication on Council's position	COM(2006)0450 	10/08/2006	Summary	
Follow-up document	COM(2010)0777 	20/12/2010	Summary	
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0303/2004 OJ C 164 05.07.2005, p. 0076-0077	23/02/2005	
EESC	Economic and Social Committee: opinion, report	CES0380/2005 OJ C 255 14.10.2005, p. 0039-0043	06/04/2005	

Additional information		
Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act
Decision 2006/1718 OJ L 327 24.11.2006, p. 0012 Summary

Audiovisual sector: implementation of a programme of support for this European sector, MEDIA 2007

2004/0151(COD) - 24/07/2006 - Council position

The Council's common position is fully in line with that of the Commission's initial proposal on the MEDIA 2007 programme. With agreement found on the Financial Framework for 2007-2013 the budget for the programme has been set at EUR 671 million at 2004 prices, taking account of inflation.

The Council has also opted to continue with two provisions in the existing MEDIA programme.

The first is to continue using an indicative breakdown of resources in Annex to the Decision, broken down as follows:

- Acquisition and improvement of skills approximately 7%
- Development at least 20%
- Distribution at least 55%
- Promotion approximately 9%
- Pilot projects approximately 4%

- Horizontal issues at least 5%

The second is to maintain the current practice of using the "management committee procedure" in the following cases:

- for training and promotion projects with a total Community contribution of over EUR 200 000 per beneficiary, per year .
- for development projects with a total Community contribution of over EUR 200 000 per beneficiary, per year; and
- for distribution projects with a total Community contribution of over EUR 300 000 per beneficiary, per year.

These thresholds are in line with current practice.

Concerning Parliamentary amendments, the Council has accepted most of them, albeit with slight rewording or minor linguistic changes. Taking account of the Interinstitutional Agreement on the Financial Framework 2007 – 2013, the Council decided to reject all amendments concerning the overall budget.

The other amendments rejected concern, *inter alia*:

- extending positive discrimination measures to Member States with low production capacity and restricted linguistic areas;
- reducing the number of broadcasters in different Member States from three to two;
- on subtitling; and
- on media desks.

To conclude, the Council considers its common position to be both balanced and appropriate for the European film industry. It also considers that it has taken account of the Parliament's and the Commission's concerns.

Audiovisual sector: implementation of a programme of support for this European sector, MEDIA 2007

2004/0151(COD) - 14/07/2004 - Legislative proposal

PURPOSE: to establish a programme for the European audiovisual sector (MEDIA 2007.)

PROPOSED ACT: Decision of the European Parliament and of the Council.

CONTENT: this proposal comes about due to the Commission's assessment that the European audiovisual sector is fragmented in terms of both its production structure and the cultural framework in which it operates. Whilst it is clear that this fragmentation has resulted in a culturally diverse and highly independent production industry, providing a voice for the different cultural traditions that make up our European heritage, it has, however, prevented European industry from achieving a larger market share with respect to non- European imports both within the Union and worldwide. The European audiovisual industry struggles to match the high competitiveness of its American counterpart. New Community action for the audiovisual industry should contribute to translating European cultural values into a competitive worldwide industry, by overcoming the obstacles that prevent operators from benefiting from the advantages of the Internal Market for non-national audiovisual productions. A more competitive audiovisual industry will have positive effects on growth and employment for the whole Union and will consolidate the European cultural values at the basis of European citizenship.

The new programme will focus on supporting the creative process at all levels of the production chain with the objective of enabling the sector to fully exploit the economic and cultural potential of the European Internal Market. Community action will therefore be integrated into a single programme intervening in the pre-production and in the post production phases in line with the principle of subsidiarity.

MEDIA 2007 will have as global objectives, to:

- 1) Preserve and enhance European cultural diversity and its cinematographic and audiovisual heritage, guarantee its accessibility for European citizens and promote intercultural dialogue;
- 2) Increase the circulation of European audiovisual works inside and outside the European Union;
- 3) Strengthen the competitiveness of the European audiovisual sector in the framework of an open and competitive market.

The programme will take into account four horizontal priorities:

- the importance of the creative process within the European audiovisual sector and the cultural value of Europe's cinematographic and audiovisual heritage need to be integrated within the actions proposed.
- strengthening of the production structures of the SMEs, which constitute the core of the European audiovisual sector, as a means of enhancing its competitiveness. This will mean contributing to the spread of a business culture for the sector and facilitating private investments in the sector.

- the programme will reduce the imbalances between countries with a high production capacity and countries with low production capacity or a restricted linguistic area. This priority responds to the need to preserve and enhance cultural diversity and inter-cultural dialogue in Europe.

- the programme will follow and support market developments with regard to digitisation. The programme will put in place measures to accompany the changes that digitisation is producing in the audiovisual sector at all stages of the production and distribution chain as well as in terms of new competencies for the professionals of the sector.

With regard to specific objectives:

Acquisition and improvement of skills in the audiovisual sector: the programme will support projects aiming at improving the creative and management skills of European audiovisual professionals as well as adapting their technical skills to digital technologies.

Development: the programme will support the development phase of production from independent SMEs in the documentary, animation and drama genres as well as multimedia. It will provide grants to independent production companies for the development of single projects. It will support the development of a catalogue of works both for companies with a limited investment capacity and for companies with higher investment capacity.

Distribution: Community action will concentrate its efforts on transnational distribution support, in line with the principle of subsidiarity and as a complementary approach to Member State support mechanisms.

Promotion: the programme will encourage the circulation of European cinematographic works and television programmes within the framework of professional markets within Europe and world-wide.

The budget for implementing this programme is **EUR 1 055 million**.

For a more detailed assessment of the budgetary implications of this proposal, please refer to the financial statement.

Audiovisual sector: implementation of a programme of support for this European sector, MEDIA 2007

2004/0151(COD) - 15/11/2006 - Final act

PURPOSE: to implement the MEDIA 2007 programme.

LEGISLATIVE ACT: Decision No 1718/2006/EC of the European Parliament and of the Council concerning the implementation of a programme of support for the European audiovisual sector (MEDIA 2007).

CONTENT: this Decision establishes a support programme for the European audiovisual sector, referred to as MEDIA 2007. It covers the period 1 January 2007 to 31 December 2013.

The programme is intended to strengthen the audiovisual sector economically thereby enabling it to play a more effective cultural role. The global objectives of the programme are:

- a) to preserve and enhance European cultural and linguistic diversity as well as Europe's cinematographic and audiovisual heritage and to guarantee its accessibility to the public;
- b) to increase the circulation and viewing of European audiovisual works inside and outside of the European Union;
- c) to strengthen the competitiveness of the European audiovisual sector within an open and competitive framework and to promote links between audiovisual professionals.

In order to achieve these objectives the programme will support the following actions:

- a) the acquisition and improvement of skills in the audiovisual field and the development of European audiovisual works;
- b) the distribution and promotion of European audiovisual works;
- c) pilot projects to ensure that the programme adjusts to market developments.

Intervention priorities are as follows:

- a) fostering creativity in the audiovisual sector as well as disseminating Europe's cinematographic and audiovisual heritage;
- b) strengthening the European audiovisual sector – particularly for SME's;
- c) reducing country-wide imbalances in production capacity;
- d) supporting market development vis-à-vis digitisation – including the promotion of attractive digital catalogues of European films on digital platforms.

As far as the financial envelope is concerned the programme will benefit from a budget of € 754 950 000. The indicative breakdown of the amount is set out in Annex to the Decision. Any legal and natural persons can benefit from MEDIA 2007 with the Commission deciding, who may be exempted

from verification of the professional skills and qualifications required. The Commission will also be responsible for taking account of the type of activity supported, the specific profile of the target public from the audiovisual sector and the objectives of the programme. The financial aid awarded under the terms of the programme may not exceed 50% of the final costs of the operation supported. However, in cases expressly provided for in the Annex, financial aid may be as high as 75%. Any such aid will be granted whilst ensuring that award procedures are both transparent and objective.

The Commission will be responsible for ensuring that the actions covered are subject to prior evaluation, monitoring and *ex-post* evaluation. The results of the process of monitoring and evaluation will be taken into account during the implementation phase. The Commission will need to ensure that the programme is evaluated regularly, externally and independently.

The Commission will present to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions:

- a) an interim evaluation report on the results and the qualitative and quantitative aspects of implementing the programme no later than three years after the start of the programme;
- b) a communication on the continuation of the programme no later than four years after the start of the programme;
- c) a detailed *ex-post* evaluation report by 31 December 2015 covering the implementation and results of the programme on completion of its implementation.

The Commission will publish and disseminate via the MEDIA Desks any relevant statistics and analyses.

ENTRY INTO FORCE: 25 November 2006.

APPLICATION: 1 January 2007.

Audiovisual sector: implementation of a programme of support for this European sector, MEDIA 2007

2004/0151(COD) - 14/11/2005

The Council reached a partial political agreement on a decision establishing the Media 2007 programme, which is aimed at providing financial support for the European audiovisual sector for the 2007-2013 period.

The "partial" nature of this agreement is due to the fact that the budgetary aspects have been excluded pending the outcome of the discussions on the future Community financial framework (Financial Perspective 2007/2013). It is therefore expected that this item will return to the (Education, Youth and Culture) Council's agenda at some future date in order to finalise the budget and its final breakdown aspects.

Audiovisual sector: implementation of a programme of support for this European sector, MEDIA 2007

2004/0151(COD) - 18/05/2006

Following the agreement on the financial framework for 2007-2013, the Council reached full political agreement on a decision establishing a programme of support for the European audiovisual sector (Media 2007).

The text agreed will be adopted as a common position by a forthcoming Council and sent to the European Parliament with a view to the second reading.

Audiovisual sector: implementation of a programme of support for this European sector, MEDIA 2007

2004/0151(COD) - 20/12/2010 - Follow-up document

The aim of this report is to provide an interim evaluation of the MEDIA 2007 programme in accordance with Decision No 1718/2006/EC (MEDIA 2007). The Decision also requires that evaluation of the EU's participation in the European Audiovisual Observatory be carried out within the framework of monitoring and evaluation of the MEDIA programme. The report sets out the main results obtained over the past three years of implementation and the recommendations for possible adjustments. It covers the period from 1 January 2007 to 31 December 2009 and is based on the conclusions of the interim evaluation by an external consulting group.

The report notes that over **5 000 projects were supported by MEDIA 2007** over the first three years of implementation. European co-financing for these projects amounts to around EUR 296 million, i.e. 39% of the programme budget over the entire period. More than 3 000 organisations applied for support from the MEDIA 2007 programme over the first three years (compared with less than 2 000 over the entire MEDIA Plus programme period) and more than 1 400 organisations were selected. The number of applications for support from organisations in the new Member States increased slightly under the MEDIA 2007 programme. The organisations selected by MEDIA 2007 are producers (56%), distributors (31%) and promoters (11%).

They are usually very small companies (66% have a turnover of less than EUR 1.5 million, 80% have a turnover of less than EUR 4 million). Beneficiaries of MEDIA 2007 are located all over Europe (98 out of 105 regions).

The five largest countries (Germany, Spain, France, Italy, and United Kingdom) receive almost two thirds of the amounts committed by MEDIA, in proportion to the relative importance of these markets in Europe. The ten other EU-15 countries together with Switzerland, Iceland and Norway receive on average 25% of the amounts committed, but this share is diminishing. The share of the "new" Member States is stable, at around 8%.

Conclusions of the evaluation: MEDIA 2007 is well equipped to meet the sector's needs because, among other things, it is internally coherent, is firmly grounded in the European audiovisual scene and is designed to support change in the sector. In the vast majority of cases, MEDIA is considered to be complementary to existing national provisions, as it supports work which receives little or no national subsidisation. It also offers significant added value due to the strong European dimension which it gives to the projects it supports, and also allows them to be more ambitious. Lastly, the programme seems to inspire national policies. A certain number of developments have been noted in various countries. For instance, new legislative provisions are in the drafting stage or have just entered into force in Hungary, Italy, Lithuania, Norway and Slovenia.

However, the evaluator identified avenues for improving certain lines of action:

- support for interactive works could become more effective, in particular through achieving greater clarity as to their target audiences;
- support from MEDIA 2007 for TV distribution is important because it responds to a pronounced sectoral need. It makes a significant contribution to securing producers' rights in some countries. However, its effectiveness is impaired by a number of factors: discrepancy between the type of works supported and the programming needs of European channels; contradiction between the required large number of broadcasters and the existence of a minimum guarantee provided by a distributor; discrepancy between developments in market prices and the investments required by MEDIA; imbalances in the geographical distribution of support.

Furthermore, the effect of certain actions remains marginal for reasons external to the programme and linked to the market in which they are taken:

- i2i support helps to effectively reduce financial costs, but it is not wide-ranging enough to generate visible effects in terms of access to financing;
- support for video-on-demand (VOD) does not yet sufficiently foster the circulation of European works as the market remains very weak;
- as regards the objectives of preserving and promoting cultural diversity and the positive discrimination mechanisms mentioned in point 6.2, the restricted scope of the programme does not allow for a significant impact in terms of reducing the disparities between countries with low and high audiovisual production capacities. While the allocations to organisations from the "new" Member States are increasing, the budget share remains the same (around 8%). The average budget per organisation in these countries is therefore progressively decreasing.

Position of the Commission: although the interim evaluation of the MEDIA 2007 programme was conducted at an early stage in implementation, it confirms the positive results of the programme actions in favour of the European audiovisual sector. It reaffirms the relevance of its objectives and the effectiveness of its actions, particularly as regards making the sector more competitive. Furthermore, it confirms the added value it brings to national interventions. The market data also indicate that the **European audiovisual sector continues to suffer from its traditional weaknesses**, namely market fragmentation and the poor circulation of European works outside their country of origin.

Action should therefore continue to be taken in line with changes in market needs. The Commission will make adjustments to the MEDIA 2007 programme for the remaining period in order to improve its efficiency and effectiveness and ensure it is better adapted to market needs, within the limits of the existing legal basis, and in line with the evaluator's recommendations. Other adjustments are being developed and will be in place for the second half of the programme's implementation period. These will be examined in the next Communication on the continuation of the programme.

Furthermore, the Commission will integrate the more long-term strategic recommendations made by the evaluator into the preparation of the next programme, to be launched in 2013. Lines of action will be examined as part of the impact study to be carried out in preparation for this programme.

Audiovisual sector: implementation of a programme of support for this European sector, MEDIA 2007

2004/0151(COD) - 23/05/2005

Pending the European Parliament's opinion, the Council issued an overall partial guideline on the MEDIA 2007 programme. The aim being to lay down the Council's position on the actions which should be supported by the Community in the framework programme. The "partial" nature of this guideline is due to the fact that the budget aspects have still to be discussed. These will not be known until the definition of the future financial perspectives 2007-2013.

Audiovisual sector: implementation of a programme of support for this European sector, MEDIA 2007

2004/0151(COD) - 25/10/2005 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Ruth **HIERONYMI** (EPP-ED, DE) making several amendments to the Commission's proposal. (Please see the summary of 12/09/2005.)

The resolution states that public support to cinema at European, national, regional or local level is essential to overcome the sector's structural difficulties and allow the European audiovisual industry to meet the challenge of globalisation. Public support schemes should not be open to liberalisation in the framework of international trade negotiations. The resolution also highlights the need for better digital services as well as an end to the chronic under-capitalisation of the European audiovisual sector. Parliament stated that throughout the EU one major obstacle to competition is the almost complete lack of companies specialising in providing loan financing in the audiovisual sector. Improved digital services such as European cataloguing are also highlighted as a priority to facilitate access to cinematographic works and overcome fragmentation.

The report also makes clear that all actions adopted under the programme must be compatible with fundamental rights relating to freedom of expression and media pluralism.

Parliament inserted a new paragraph stating that the cooperation of MEDIA Desks in networks, especially proximity networks, must be encouraged in order to facilitate exchange and contacts between professionals, and create public awareness of key events in the programme as well as prizes and awards; the MEDIA Desks play a valuable role as information and service suppliers in facilitating the emergence of new audiovisual centres. The Commission must encourage the setting-up of MEDIA desks and MEDIA antennae in countries and regions with low production capacity and promote their visibility. Furthermore, cooperation between the MEDIA programme and Eurimages needs to be strengthened, but this should not entail integration of financial and administrative matters.

The Commission must present an interim evaluation report on the results, on matching the programme to the technological context and its impact on the European market, and on the qualitative and quantitative aspects of implementing the programme, three years after its adoption. The report shall in particular make it possible to assess the effectiveness of structural improvement measures in countries that have recently joined the Union.

Audiovisual sector: implementation of a programme of support for this European sector, MEDIA 2007

2004/0151(COD) - 10/08/2006 - Commission communication on Council's position

The Commission notes that the Council reached agreement on this proposal through unanimity.

Since the Common Position, in essence, accepts most of the amendments proposed by Parliament and given that the Common Position is in line with the Commission's original vision of the proposed Decision, the Commission has decided to accept the Council's conclusions.

Certain minor changes have been introduced by the Council; two of which are substantive.

The first substantive change refers to the comitology procedure, whereby the Committee arrangements implemented under the current MEDIA programme will continue.

The second change refers to the revised budget, which now stands at EUR 671 million and which is the result of agreement found for the Financial Perspectives (2007-2013).

The inclusion of an indicative breakdown in the Annex is in line with the existing Decision governing the MEDIA programme.

Audiovisual sector: implementation of a programme of support for this European sector, MEDIA 2007

2004/0151(COD) - 24/10/2006 - Text adopted by Parliament, 2nd reading

The European Parliament adopted the resolution drafted by Ruth **HIERONYMI** (EPP-ED, DE) and approved the Council's common position.