



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 16.03.1999

COM(1999) 91 final

COMMISSION REPORT ON THE RESULTS OBTAINED UNDER THE MEDIA II  
PROGRAMME (1996-2000) FROM  
1.1.96 - 30.6.98

**COMMISSION REPORT ON THE RESULTS OBTAINED UNDER THE MEDIA II PROGRAMME (1996-2000) FROM 1996 TO 1998**

**1. PREAMBLE : ECONOMIC AND INSTITUTIONAL CONTEXT**

The aim of the MEDIA II programme (1996-2000), which came into effect in January 1996, is to strengthen the competitiveness of the European audiovisual industry through a series of incentives covering the training of professionals, the development of production companies and projects, and the distribution of cinematographic works and audiovisual programmes. It has taken over from the MEDIA I Programme (1991-1995), which helped the sector fall into line with the future single audiovisual market in Europe.

MEDIA II is based on two 1995 Council Decisions introducing:

- a programme encouraging the development and distribution of European audiovisual works based on Article 130 of the EEC Treaty (MEDIA II - Development and Distribution), with an indicative budget of ECU 265 million over five years;<sup>1</sup>
- a programme for training professionals in the audiovisual sector based on Article 127 of the EEC Treaty (MEDIA II - Training), with a target budget of ECU 45 million over five years.<sup>2</sup>

These two decisions stipulate that after two years and six months of implementation of the programme and within the six months that follow this period, the Commission shall present to the European Parliament, the Council and the Economic and Social Committee an evaluation report on the results obtained, accompanied, if need be, by any adjustment to the programme.<sup>3</sup>

This report is also part of the general review of the EU's audiovisual policy started in 1997.

A survey on future audiovisual markets,<sup>4</sup> carried out on behalf of the Commission, estimated that the industry's overall income would increase by 70% by 2005 in the European Union. This strong growth in the audiovisual market represents a major opportunity and challenge, both for the industries concerned and for society as a whole.

In this sector where European industry still shows a substantial deficit in trade with the United States (USD 6 billion, i.e. approximately 250 000 jobs), strengthening the competitiveness of our businesses is a vital precondition for developing our linguistic and cultural diversity and converting growth into jobs.<sup>5</sup> Europe must also acquire the means to satisfy this demand by original, quality products which reflect both the values, lifestyles and concerns of its citizens as well as its linguistic and cultural diversity.

---

<sup>1</sup> Council Decision 95/563/EC of 10 July 1995. OJ L 321, 30.12.1995, page 25.

<sup>2</sup> Council Decision 95/564/EC of 22 December 1995. OJ L 321, 30.12.1995, page 33.

<sup>3</sup> Articles 7(4) of Decision 95/563/EC and 6(4) of Decision 95/563/EC.

<sup>4</sup> Norcontel: "Economic Implications of New Communication Technologies on the Audiovisual Markets".

<sup>5</sup> According to a Commission staff paper (SEC(1998)837 of 14.5.1998.), one million people were working in the television and cinema sectors in the European Union in 1995.

The Commission has therefore started discussions during the past year with all those involved in the sector, both in the professions and in institutions, in order to identify the challenges facing the European audiovisual industry in this digital age and to define strategies for achieving the full economic, cultural and social potential of this sector.

This result of this process in particular has been:

- a High-level Group on the future of audiovisual policy, chaired by the Commission (Oreja Group), which published its recommendations on 26 October last;
- the European Audiovisual Conference held in April 1998 in Birmingham during the UK Presidency;
- the conclusions drawn by the Council on 28 May 1998 concerning the conference results and the prospects for audiovisual policy, which emphasised that the mid-term review of the MEDIA II programme was an opportunity to explore ways of making the programmes industry stronger and more competitive, taking into account Europe's cultural diversity and the special situation of the small regions with less widely spoken languages;
- publication by the Commission in July 1998 of a communication to the European Parliament and the Council entitled "Audiovisual policy: the next stages", which outlines the Commission's preliminary conclusions on the review process described above and its opinion on the next stages.

## **2. PRESENTATION OF THE PROGRAMME**

The MEDIA II Programme, which came into effect on 1 January 1996, took over from the MEDIA I Programme (1991-95), which helped audiovisual businesses to adapt to demand on an emergent European market and create a basis for relationships and even networks of cooperation.

While it pursues similar long-term objectives, the MEDIA II Programme differs considerably from its predecessor. Its budget is 55% higher, its activities have been refocused on three priority sectors<sup>6</sup> – vocational training, development of projects and businesses, transnational distribution of films and audiovisual programmes – and its management is characterised by greater transparency, stronger control and a significant reduction in running costs.

The aim of the Programme as regards training is to bolster the industry's competitiveness by supporting initiatives which fit in with a coordinated set of training courses adapted to its needs and which help to improve vocational training, particularly continuing training, of professionals in the audiovisual sector. In this way the latter may master the knowledge and skills needed to take account of the European and international market - particularly as regards economic and commercial management, integration of the new technologies and screenplay techniques - and strengthen the creative and commercial potential of their projects.

MEDIA's aim in the Development sector is to promote the development of production projects for the European and international market through financial and technical assistance, and to contribute to developing and strengthening businesses. This approach not only enables programmes (films, TV dramas, documentaries, multimedia or animation programmes) better suited to the standards of the international market to succeed on the European market, but it also means that businesses become structurally stronger by implementing genuine expansion and diversification strategies.

---

<sup>6</sup> For details about the operation and terms of the Programme's funding, see Annex I.

Finally, the MEDIA Programme is developing several areas of involvement in the Distribution sector with the aim of promoting better circulation of European films and programmes. The main emphasis is on the distribution/showing in cinemas of cinematographic works outside their territory of origin. Appropriate mechanisms are also being used to promote wider circulation of European programmes on television and other media such as video and multimedia. For this purpose, significant amounts of funding cover the dubbing/subtitling of works. Finally, the MEDIA Programme supports a series of initiatives which aim to facilitate the promotion and access to the international market of European independent production.

### **3. IMPLEMENTATION OF THE MEDIA II PROGRAMME (ACHIEVEMENTS)**

In preparing this report, the Commission called on the expertise of an independent consultant, BIPE Conseil, selected through a tendering procedure, which carried out an evaluation between August and November 1998 on the first two and a half years of implementation of the MEDIA II Programme. The survey,<sup>7</sup> based on both a quantity and quality assessment, brought out the results of the Programme, assessed the appropriateness of the support methods used and their impact on the practices and structures of the industry, and made some recommendations for any future adjustments to the Programme.

#### **3.1. Implementation of the budget**

The indicative budget stipulated by the Council decision for the MEDIA II Programme amounts to ECU 310 million over five years<sup>8</sup> with ECU 265 million for the Development and Distribution Programme, and ECU 45 million for the Training Programme. Over the course of the first two years, the available budget amounted to ECU 117.5 million, all of which was allocated to support measures (at a rate of ECU 104 million, i.e. 88.5%) and horizontal operations (ECU 13.5 million, i.e. 11.5% of the budget). Programme expenditure has been divided up between the three sectors at a rate of 59% (ECU 61.6 million) for distribution, 27% (ECU 27.5 million) for development and 14% (ECU 15.1 million) for training. The programme also has a high degree of contract production since 98% of all the funding granted has been contracted, i.e. ECU 102.2 million.

Out of all the amounts contracted in 1996-97, 41% are grants, as against 59% loans which are repayable in certain circumstances.<sup>9</sup> If training is excluded, the funds being allocated solely in the form of grants, the proportion is 30% grants and 70% conditionally repayable loans. It should be noted that the subsidy share will tend to increase as automatic funding, allocated in the form of grants, rises.

In 1998, the MEDIA Programme has a planned budget of ECU 71.5 million (up 19.8%) due to repayments received under the MEDIA I Programme (ECU 8.37 million) and MEDIA II (ECU 7.37 million), where it is expressly stipulated in the Council Decision (Article 4) on development and distribution that these should top up the MEDIA II budget.<sup>10</sup>

---

<sup>7</sup> "Mid-term evaluation of the MEDIA II Programme - Final report", BIPE 5.12.1998.

<sup>8</sup> ECU 60 million for the first three years and ECU 65 million for the next two years

<sup>9</sup> Repayable loans account for 62% of distribution aid and 87% of development aid.

<sup>10</sup> Repayments of sums allocated under the Programme, and those from measures included in the MEDIA Programme (1991-95), will be set aside for the requirements of the MEDIA II Programme.

**Table 1 : Authorised appropriations and implementation (1996 - 1998)**

ECU million

<b>Authorised appropriations</b>	1996	1997	1998 <sup>11</sup>
Budget adopted	60,00	58,25	58,25
Transfers, carryovers, amounts reinstated	-0,80	0,00	7,90
EEA contribution	0,94	1,05	1,12
MEDIA I and MEDIA II repayments	0,00	0,00	13,70
<b>Total appropriations authorised</b>	<b>60,14</b>	<b>59,30</b>	<b>80,97</b>
<b>Implementation</b>			
<b>Programmes</b>	<b>51,60</b>	<b>52,30</b>	<b>68,30</b>
<i>% of total</i>	<i>88,66</i>	<i>88,49</i>	<i>88,38</i>
Training	7,70	7,30	8,65
Development	14,50	13,00	20,27
Distribution	29,40	32,00	39,38
<b>Horizontal operations<sup>12</sup></b>			
<i>% of total</i>	<i>11,34</i>	<i>11,51</i>	<i>11,62</i>
Information and promotion	2,00	1,50	1,44
Intermediary organisations <sup>13</sup>	2,10	1,40	4,72
Media Desks & Offices	1,90	2,30	2,31
Experts and surveys	0,50	0,40	0,27
Professional consultations	0,10	0,00	0,00
MEDIA I structures <sup>14</sup>	0,00	1,20	0,24
<b>Total</b>	<b>58,20</b>	<b>59,10</b>	<b>77,28</b>

On 30 June 1998, the MEDIA Programme had issued 21 calls for proposals which involved 56 funding allocation sessions corresponding to the different lines of action implemented by the programme. Over the last two years, some 1 724 projects were selected and supported by the MEDIA Programme.

<sup>11</sup> Figures at 31 December 1998.

<sup>12</sup> The operating costs of the MEDIA unit and the MEDIA Committee are paid for not by the MEDIA budget but by the Commission.

<sup>13</sup> Some of the operating costs of the intermediary organisations are financed from Part A of the Commission budget (ECU 4.64 million).

<sup>14</sup> Structures financed by MEDIA II collecting repayments due under MEDIA I.

### **3.2. Training**

Vocational training, particularly continuing training, is the focus of a strategy which aims to ensure that the European audiovisual industry is competitive.

MEDIA supported **102 training activities** (50 or so separate programmes) out of 396 projects submitted between 1996 and 1998. The total funding amounts to ECU 22.4 million. The initiatives supported involve more than 400 institutions and businesses and have very varied profiles, covering the priority areas identified at the start of the programme and reaffirmed at the Birmingham Conference as remedying shortcomings in Europe: training in the job of producer and in the management of production companies, in the integration of new technologies and in screenplay techniques.<sup>15</sup>

Preference was given to continuity during the three selection sessions held to date. MEDIA II is striving to form "centres of excellence", which rely on a strong partnership with the industry, and benefit from the experience of high-level experts and tutors, meeting the industry's real, constantly changing needs, as well as market demand.

Throughout this period, almost 2 000 professionals were able to take advantage of new opportunities for expanding their knowledge and skills with the prospect of a genuinely European or even wider market. It can also be noted that 44% of participants chose management training courses, 39% were interested in the new technologies and 19% in writing techniques.

These training programmes are meeting a real need in the European audiovisual industry in both their content (particularly in the multimedia sector) and in their international nature. They have had a positive impact on the development of projects, particularly in training courses based on individual projects, which have been directed, developed, produced and sold more effectively. Finally, they have enabled genuine networks of European professionals to be formed, facilitating joint productions and sales, resulting in some cases in permanent partnerships.

### **3.3. Development**

Mid-way through 1998, the MEDIA Programme had received 5 000 applications from 2 312 companies in response to calls for Development Proposals issued since the programme started. Funding was granted to **823 film or audiovisual programme projects** managed by 594 different companies for a total of ECU 21.1 million. Most of the development funds (66%) covered drama (films and TV films), followed by documentaries (24.6%), animation programmes (5.1%) and multimedia works (4%). The average amount of development funding was ECU 23 700 per project.

As regards support for production companies, MEDIA supported some **97 companies** for a total of ECU 5.3 million, out of 429 applications. Since 1997, this mechanism has been reviewed to make it more targeted and selective while allocating more significant amounts so as to strengthen the positioning and strategy of businesses benefiting from it. The support mechanism for drawing up a business plan has also enabled 35 production companies to devise an effective business plan for the international market.

The MEDIA Programme has in the end supported the networking of 320 businesses working in the animation sector, which have received ECU 1.7 million for bringing animation studios together. To these amounts should be added ECU 2.9 million for supporting project development. The animation sector has therefore received a total of ECU 5.5 million.

---

<sup>15</sup> There are 25 initiatives covering writing, 30 covering the new technologies, 37 covering management as against 16 of a mixed nature.

### 3.4. Distribution

#### Selective support for distribution.

Out of a total of 883 projects submitted between 1996 and 1997, the system of selective support for the distribution of films in cinemas has benefited **644 distribution campaigns**, piloted by 158 distributors, covering some **110 films**, at a total amount of ECU 23.8 million. **Average funding per film was ECU 218 000**, and there were on average almost 6 national distribution campaigns per film funded. The average production budget of these films was around ECU 5.8 million.

#### Automatic support for distribution.

The automatic support system for cinema distribution, introduced as an experiment in 1996, concerned **143 distributors** in all in 1996 and 1997. In 1996, 246 films had a total paying audience of 26.3 million on markets outside their national territory, 24.7 million of which were eligible. The following year, 370 European films generated automatic support with a total of 49.9 million admissions, 29.5 million of which were eligible. Funding generated in this way in 1997 and 1998 amounted to ECU 19.1 million. At the end of 1998, more than 95% of funding generated in 1997 was re-invested in new European films.

#### Support for networks of cinemas

The MEDIA Programme also devoted ECU 7.5 million to support for two cinema networks, **Europa Cinemas** and **Euro Kids Network**, promising to screen a majority of European films and to develop measures for promoting these films, particularly aiming at a young audience. The Europa Cinemas network has some 307 cinemas and 741 screens in 182 towns in the countries participating in the MEDIA Programme. According to the latest available statistics,<sup>16</sup> they have scheduled 57% of screenings for European films and 35% of screenings for European films outside their national territory, which added up to 4.2 million admissions. The Euro Kids Network today has 250 screens open to European films aimed at a young audience.

#### Video and multimedia support

Support for video and multimedia publishing and distribution covered 950 releases scheduled by **87 companies** during the first two years of the programme. MEDIA funding amounted to ECU 4.1 million for a total investment of ECU 24 million. Expected sales total 6.1 million cassettes available on the sales market and 100 000 cassettes on the rental market. More than half the titles marketed (54%) are dramas, followed by children's or animation programmes (27%) and documentaries (19%).

#### Support for television broadcasting

As regards funding for TV broadcasting, some **113 projects** (TV films, series, documentaries, animation programmes) out of a total of 223 applications have received total support of ECU 15.2 million. Total investment in production represents around ECU 211 million. More than half these projects (52%) were documentaries, receiving average funding of ECU 41 200, and 38% were dramas for which average funding amounted to ECU 232 000. The remainder was made up of animation programmes. Funding for marketing the rights to TV programmes was also allocated to 34 European catalogues, combining more than 900 titles at a total of

---

<sup>16</sup> These cover the first six months of 1998.

ECU 2.4 million. Total investment in the distribution of these catalogues amounts to ECU 10.4 million.

### Support for promotion.

For two and a half years, the MEDIA Programme has been supporting independent producers and distributors on the professional markets, granting funds totalling ECU 7.4 million for staging **73 events**, representing a total investment of ECU 25 million. These can be divided into three main categories: the industry's major markets (the Berlin and Cannes film markets, MIFED, Mipcom and MIP TV), where the independents are grouped under umbrellas providing them with visibility and maximum services, the thematic markets (Cartoon Forum, the Amsterdam Documentary Forum, Sunny Side of the Doc, etc.), where effective "pitching" sessions for projects are held, and finally the emerging markets such as MIDIA in Madrid, focusing on Spanish-speaking territories. The MEDIA Programme has also supported the work of independent pan-European production and promotion structures such as European Film Promotion at the Berlin, Cannes or Toronto cinematographic markets.

## **4. EVALUATION OF THE MEDIA PROGRAMME**

### **4.1. Positioning of the programme**

- At the European Audiovisual Conference in Birmingham, the professionals reached a consensus that maintaining European public support for the audiovisual sector is "more essential than ever". In most people's opinion, national and European policies could also complement each other better if greater emphasis were placed on industrial and structural objectives at European level and on cultural objectives at national level. The majority of delegates, moreover, thought that MEDIA II had to a large extent achieved the objectives set in 1995 and had demonstrated its usefulness as an "essential component in the EU's audiovisual strategy". MEDIA II involvement in the three main lines of training, development and distribution is also considered to be appropriate and running well.
- In its report<sup>17</sup> published last October, the High-level Group on Audiovisual Policy felt that the MEDIA Programme was a necessary addition to the national aid programmes. "Considering the limited amount of funding available, it should remain focused on promoting the pan-European distribution of European films and on enabling European companies to become serious players in Europe as well as internationally". It also came out in favour of the three key sectors prioritised by MEDIA II. According to the Group, this shorter list of priorities compared with MEDIA I makes the programme more comprehensible and transparent. Furthermore, management costs have fallen appreciably.
- At the end of the mid-term evaluation finalised last November, the BIPE also concluded that **the existence of a European programme funding the European audiovisual industry, focusing on training, development and distribution, such as MEDIA II, is fully justified by the sector's economic situation.** The fragile nature and lack of competitiveness of European audiovisual products derives to a large extent from chronic underinvestment upstream (training, development) and downstream (distribution) of the production process. It is also a result of the fragmentation of the production structures and markets, which has no commercial strategy for developing businesses and products, generating a vicious circle of underinvestment and undercapitalisation.

---

<sup>17</sup> The digital age: European audiovisual policy - Report from the High-level Group on Audiovisual Policy, ISBN 92-828-4690-3.

- BIPE also emphasised that the Programme responds to the necessary subsidiarity of Community funds compared with national funds, since MEDIA's areas of involvement complement the traditional emphases of national mechanisms. MEDIA aid therefore helps finance the development stage of projects with a production potential which are likely to find a market at European and international level, whereas national funds are essentially directed towards the production process itself. Likewise funds for companies which, under MEDIA, aim to consolidate their competitiveness internationally are scarcer at national level. In the distribution sector, the EU's funds cover European films outside their national territory, whereas national funds, where they exist, are mainly for national films. MEDIA funding for the operating sector covers European programming and not the structures. MEDIA emphasises the transnational and pan-European dimension of training to remedy the compartmentalisation of attitudes and professional practices.
- Finally, BIPE has confirmed that MEDIA II's administrative organisation operates in an entirely satisfactory manner, the Commission's present management having reduced the Programme's operating costs by half compared with MEDIA I.

#### 4.2. Overall impact on the industry

- At the European Audiovisual Conference in Birmingham last April, the Working Party dealing with European support for the audiovisual industry recorded that the general analysis of the European audiovisual sector was more positive today than it had been in 1994 at the previous Audiovisual Conference which prepared the ground for launching the MEDIA II programme. These encouraging prospects are linked to the commitments made by the launch of digital television and the increase in the number of cinema admissions, while European production is becoming increasingly successful on certain national markets.
- The evaluation report drawn up by BIPE records that the MEDIA Programme is helping to open up attitudes and professional practices, demonstrated notably by spontaneous networking and the development of cooperation practices and internationalisation of projects.
- Because of limited resources, the quantitative economic impact of the MEDIA Programme remains relatively weak on a European scale. The ECU 52 million of annual funding represents in total 0.5% of the weight of the European audiovisual sector<sup>18</sup> but it is more significant on the scale of certain countries with a low level of production where it reaches on average 0.95%.
- A noticeable driving effect in MEDIA funds has nevertheless been recorded in terms of investment in the audiovisual sector since each Community ECU invested directly generates ECU 5.75 in the industry. So, if MEDIA funds contracted at the end of November 1998 were to reach ECU 139 million, the total investment in the industry would be more than ECU 801 million. This multiplier is naturally lower in the training sector (2.38), but greater in the distribution sector (7.2) and, to a lesser extent, in the development sector (4.19).
- BIPE, in addition, estimated that 30 to 50% of professionals working in Europe are involved in the MEDIA Programme.<sup>19</sup> A substantial proportion of funds (between 1/3 and 2/3 of the amounts allocated, depending on the type of support) is concentrated on a limited number of

---

<sup>18</sup> This is estimated to be ECU 11.77 billion if the gross cinema and video receipts and purchases of programmes by national distributors are added together.

<sup>19</sup> BIPE estimates that 34% of cinema distributors are involved in the programme as against 40% of cinema and television producers.

beneficiaries (between 10% and 30% of them), which corresponds to the Programme's objective of avoiding sprinkling and favouring structuring effects.

#### 4.3. Impact on the training sector

- In two years, 71 training initiatives have enabled 1 854 professionals to improve their skills in the audiovisual sector
- Several recent films have benefited from the advice given under MEDIA II training initiatives: *Character* (Oscar for Best Foreign Film 1998), *Breaking The Waves*, *Antonia's Line*, *Death And The Maiden*, *Le Regard d'Ulysse*, *Too Much*, *Ma vie en rose*, etc.

- Although the impact on this sector can only be measured in the medium or long term, the MEDIA Programme has left its mark, mainly on continuing training. Subsidised activities are of good quality and are strongly linked to the industry by the tutorial system. They meet the needs of the European audiovisual industry and are proving complementary, not only to each other, but in comparison with what is available nationally. They help in thoroughly changing the attitudes and practices of independent European professionals in that they take more account of the European dimension, the development stage, the end markets and the use of transnational cooperation and spontaneous networks.
- Participants derive accurate, useful information, particularly from workshops based on individual projects, which has enabled them to direct, grade, develop, produce and sell their present or future projects more effectively. They are also able to build up a network of contacts between independent producers of various countries and have easier access to certain resource people for the development, financial set-up, packaging, marketing, sales and distribution of their projects. The links created during these training courses extend from selective joint production to the sale of programmes and very often lead to permanent partnerships.
- Investment in initial training initiatives is far less profitable in terms of collective impact since the participants have no previous experience and no anchor point in professional practice.

#### 4.4. Impact on the development sector

- 823 film, TV drama, documentary, animation programme or multimedia projects supported as they develop within 594 businesses.
- 132 businesses supported as they try to position themselves, expand and diversify on the European audiovisual market.
- Forty or so projects gone into production or completed such as *The Quarry* by Marion Hansel (Prix des Amériques Award at Montreal), *Elizabeth* by Shekhar Kapur, *Pearls and Swine* by Fridrik Thor Fridrikson, *Simmsalagrím* by Gerhard Hahn, *The Million Dollar Hotel* by Wim Wenders, etc.

- Funding for project development is widely used by European professionals, mainly the small and medium-sized producers who are its natural target. Its effect is to make professionals aware of the importance of the commercial stage of development whilst giving them access to the financial resources to develop their products.
- The economic impact of these funds on levels of development investment is still difficult to measure. For example, it is estimated that MEDIA funding has affected between 5%

and 10% of the development projects of European feature-length films. The proportion of investment funded is still slow – approximately 5% of the total investment in development – but not negligible, particularly in the case of countries with a low level of production.

- BIPE also estimates that the amount of aid for projects (between ECU 23 000 and ECU 35 000) is high enough in the case of each genre to be attractive and have a real impact. The benefit to professionals in terms of bank interest can be estimated at ECU 1 million per year for an annual investment of ECU 8 million. The mechanism is therefore particularly advantageous for medium-sized producers in allowing them to increase their volume of investment and improve the company's financial situation. It also constitutes an alternative to expensive financing through banks for small producers.
- Development funding seems finally to be achieving its objective of getting producers accustomed and giving them the resources to test their ideas properly and not produce projects with uncertain feasibility or profitability potential. It is now observed that the rates at which films go into production are lower than the rates customary in the profession.<sup>20</sup>
- The parallel use of funding mechanisms for projects, business plans and corporate development could be a device suitable for the diversity of the production structures of the European industry (small-scale or semi-commercial producers) and would mean, with some flexibility, that the desired structuring effects could be achieved. The formation of a core of recurrent beneficiaries could be the sign that the European industrial fabric of medium-sized enterprises would be ready for more structural funding at the development stage of projects, particularly in the form of funding for "project packages".

#### 4.5. Impact on the distribution sector

- 110 films were the subject of 644 distribution campaigns implemented by 158 distributors. They included *Breaking The Waves* by Lars von Trier, *Assassin(s)* by Mathieu Kassowitz, *Secrets and Lies* by Mike Leigh, *Aprile* by Nanni Moretti, *Carne Tremula* by Pedro Almodovar, *On connaît la chanson* by Alain Resnais, *Viagem Ao Principio do Mundo* by Manoël Oliveira, *Trainspotting*, *Ridicule*, *Brassed Off*, *Ma vie en rose*, etc.
- With the 75 million admissions in two years to European films outside their national territory, ECU 19 million was generated by the automatic system for re-investment in the production and distribution of European films outside their national territory.
- 903 films and European works distributed on video.
- 113 TV projects, series, documentaries, animation produced and broadcast across Europe, including *Le Comte de Monte Cristo*, *St Ives*, *The Kingdom*, *The Triplets*, *Scheherazade*, etc.

- MEDIA funding for distribution plays a decisive role in allowing distributors to devote more resources to promoting European films and distribute quality European films. MEDIA particularly helps to improve the circulation of European films outside their national territory in number of admissions, market shares and in the number of films distributed.<sup>21</sup> The subsidy given to dubbing/subtitling is also a key factor in this improved transnational circulation of films.

---

<sup>20</sup> For projects supported in 1996, the rate at which drama and animation films go into production at present is 20%, and 30% for documentaries and multimedia.

<sup>21</sup> Since 1995, the market share of European films outside their national territory in the European countries participating in MEDIA has increased by 1.2% to 9.8% in 1997 (69 million admissions). The number of European films distributed outside their national territory has increased by 8%.

- Selective funding for the distribution of films has increased the supply of European films outside their national territory by supporting distributors as they take risks associated with the distribution of more difficult works. However, it has barely changed the overall strategy of European distributors. Routine contacts at the very most have been developed between distributors, sales representatives and producers.
- The professionals meeting in Birmingham, as well as the high-level Group, approved the launch in 1997 of the "automatic support" system. This type of mechanism, which is closely associated with the real commercial success of the films, seems better able to bring about structural improvements than selective systems, and therefore helps to increase the competitiveness of the European audiovisual industry. The obligation to re-invest in non-national European films, which will, in turn generate funding, creates a knock-on effect promoting the funding of European production and the distribution of European films. Automatic support therefore seems to have a more structuring effect for businesses, which are able to incorporate it more easily into their strategy.<sup>22</sup>
- In addition, it means that essential statistics can be gathered which enhance knowledge of the European market. It has shown in particular that French and British films circulate most widely in Europe, and that French and Spanish distributors are the most deeply involved in the distribution of non-national European films.<sup>23</sup> Throughout the first two years, funding generated in this way tended to be concentrated on a small number of distributors (11) to whom 38% of the amounts were allocated. In terms of re-investment, 74% is in the form of guaranteed minimum amounts,<sup>24</sup> preference being given to the most commercial films. Direct investment in production is mainly planned by distributors who belong to groups which also manage production work.
- Selective and automatic support systems are therefore complementary in that:
  - the selective system encourages links between European distribution companies<sup>25</sup> and plays an important part in the diversification of the supply of films by assuming part of the risk associated with the distribution of more "difficult" works. It is particularly important that small companies are allowed to take risks on non-national European films;
  - the automatic system strengthens the position of the most enterprising European companies on the market and, in making the commercial results of a film attractive, encourages distributors to maximise their results in cinema operation.
- Selective funding for video and multimedia publishing has mainly affected publishers/distributors on the three main markets of the video sector, i.e. France, the United Kingdom and Germany.<sup>26</sup> It has been allocated to a small number of beneficiaries in Europe, essentially small publishers and distributors, who have been able to diversify their supply. Many medium-sized distributors have never applied for MEDIA funding. Its impact therefore remains slight.

---

<sup>22</sup> 57.9% of the 99 distributors who responded to a survey carried out last September by MEDIA stated that automatic funding had significantly or very significantly changed their work as distributors and 87.8% stated that this funding would be important or very important for their future work.

<sup>23</sup> They account for 29% of distributors who have generated automatic support.

<sup>24</sup> As against 20% in promotion and only 6% in production. A guaranteed minimum amount is the price at which a distributor purchases a film from a producer, with an advance guarantee concerning the box office receipts from the showing of films in cinemas.

<sup>25</sup> As with the producers and sales agents.

<sup>26</sup> These three countries represent 62% of the European market, i.e. a ECU 1.8 billion market (sales and rental).

- Selective funding for TV distribution is mainly of benefit at present to producers from a limited number of countries (France, Germany, Belgium) operating independently from broadcasters. Whilst encouraging the broadcasting of programmes over a large number of territories and language areas (due mainly to funding for dubbing/ subtitling), this mechanism also helps to fund production by allowing the independent producer to complete the financial package for an international joint production which has already found 75% of its funding. The lever effect is particularly important since each ECU invested by MEDIA in this sector generates on average 14.2 in the industry.

## 5. PARTICIPATION OF UNION AND EEA COUNTRIES IN THE MEDIA II PROGRAMME

What is the level of participation of the Union and European Economic Areas countries in the support mechanisms available in the MEDIA II Programme.

- Out of the 17 countries participating in the MEDIA Programme, 12<sup>27</sup> have the common feature of a low production volume,<sup>28</sup> which can be directly and naturally accounted for by the size of their domestic market. The 1995 Council decisions stipulate that the programme must assist in developing the potential of these countries or regions labelled as having "a low audiovisual production capacity and/or restricted geographical and linguistic area".
- The BIPE analysis refined the concept of "country with a low audiovisual production capacity" by highlighting a distinction between the group of 12 countries where the volume of production is naturally limited and correlated to the size of their domestic market and a category comprising 7 countries<sup>29</sup> (out of the 17 participating in the Programme) where the production capacity, that is to say the volume of production in relation to the population, is higher than that of the others. BIPE noted, however, that the 12 countries with a low audiovisual production volume contribute around 13% of production investment made each year in the 17 countries participating in the Programme. This lower production capacity is less a result of the size of these countries than the geographical or linguistic isolation of their market. Furthermore, the relative export capacity of countries with a small production volume is not necessarily lower than that of some countries with a large production volume.
- BIPE noted, however, that consideration of the structural handicaps identified corresponds to the political and cultural objectives which tie up in the long term with the economic objective of strengthening the European audiovisual industry compared with the rest of the world. The circulation of works and professionals, standardisation of structures and levels of competitiveness and the maintenance of cultural diversity can only be achieved by multilateral public sector action on a pan-European scale, which justifies the principle of Community action.
- The criteria set up by the MEDIA Programme to allow flexible positive discrimination, with no pre-set quantified objectives, for countries with a "low audiovisual production capacity" within the various support mechanisms has proved effective and clearly more successful than the use of specialist "windows" for these 12 countries. **Professionals in the countries with a low production capacity have received a third of the amounts allocated by MEDIA II whereas they represent only 13% of investment in feature-length production and 21% and 22% respectively of the GDP of the populations of countries participating in the Programme. These countries' share of the total funding allocated in 1996 and 1997 ranges**

---

<sup>27</sup> Iceland, Luxembourg, Belgium, Sweden, Ireland, Denmark, Norway, Austria, Finland, the Netherlands, Greece and Portugal.

<sup>28</sup> Investment in feature-length production is less than ECU 40 million per year.

<sup>29</sup> France, United Kingdom, Belgium, Sweden, Denmark, Norway, Ireland.

from 29.4% in development to 41% in training and 36.5% in distribution. It can be noted that the relative take-up of the 12 countries is strongest (more than 40%) in the funding mechanisms for training, video and multimedia distribution and cinema networks and automatic funding for cinema distribution. Funds received by the twelve also represent 0.43% of their audiovisual activity as against 0.18% for the others.

- MEDIA funding for training has enabled professionals from these countries to participate in networking and to have easier access to a European standard of professional skills. Training initiatives therefore effectively help to create the conditions for a recovery and standardisation of the European professional fabric. Development and distribution aid has increased the number of films originating in these countries which are circulating in Europe and the market share of non-national European films in these countries. The MEDIA Programme therefore creates the conditions for a long-term convergence of the production structures with its basic measures and helps in the short term to standardise distribution, development and training conditions through the redistribution effects generated by positive discrimination in favour of audiovisual companies in countries with a small production volume. While the inadequacy of available funds does not mean that the major trends determined by the leading actors on the market can be reversed, MEDIA action will probably have long-term effects in helping to rebalance the market.

## **6. PROPOSALS FOR ADJUSTING THE MEDIA II PROGRAMME**

The conclusions drawn from the various evaluation and analytical exercises carried out over the last year on the support mechanisms for the European industry, and more particularly on the MEDIA II Programme, serve today to formulate a number of proposals for adjustments which could match the programme even more closely to the industry's needs and enhance its structuring effects in the different sectors. The adjustments can be made relatively quickly and would see the programme move into gear over the last two years between now and the deadline of 2000.

It will be remembered that the professionals at the European Audiovisual Conference in Birmingham recommended that the MEDIA II Programme be strengthened, the main objective being to make the structural change necessary for the European audiovisual industry to become competitive on a world scale whilst helping to maintain cultural diversity in Europe. The recommended means for achieving this were to focus on automatic support systems for distribution, to emphasise development and to stimulate exports. In addition, if the programme is to have a long-term perceptible effect on the structures of the European audiovisual industry, its budget will need to be boosted substantially, without overstepping the reference amount and with due account for the budget constraints affecting internal policies.

This conclusion of the European professionals has been endorsed by the experts in the High-level Group.

In the light of these recommendations, subsequent consultations and the mid-term evaluation carried out this autumn by BIPE Conseil, the Commission is today in a position to make **eight proposals for adjustment**.

### **1. Extension of the system of automatic support for cinema distribution**

The success achieved by the automatic support system during its two-year experimental phase means that today it is possible to consider extending it to the end of the Programme. In terms of structuring effects on the industry and, in particular, on the cinema distribution sector, the

automatic system is proving to be a more efficient instrument than the selective system. The budget set aside for the system could also be increased.

Automatic funding can also be boosted in order to give further encouragement to films with commercial potential, particularly by raising the upper limit of eligible admissions per film and per territory. The amount of subsidy generated per admission and weighted according to the nationality of the film and area of distribution can also be adjusted to take more account of the greatest difficulty of films from some countries circulating in Europe and the relative openness of some areas to non-national European films.

In order to enhance market transparency, a system for checking box-office receipts declared by cinemas should be set up in each EU country.

## **2. Strengthening the complementarity between selective funding and automatic funding**

The evaluation shows that the main impact of the system of selective funding for the distribution of films in cinemas is evident in terms of the increase in the diversity of supply of European films, particularly by assuming part of the risk associated with the distribution of more difficult works. Given the selection criteria and the "positive discrimination" mechanisms used for films from countries with a low production capacity and/or restricted geographical and linguistic area, the selective system also plays an important part in the distribution of these cinematographic works to a wider audience and helps improve their operating capacity at European and international level. It is therefore a key instrument for cultural and linguistic diversity.

While automatic funding encourages the circulation of films with commercial potential, selective funding can focus on supporting films which, whilst they have circulation potential in Europe, have greater difficulty in finding distributors because they involve greater commercial risks.

## **3. Stimulating investment in production via the automatic system**

The consultation process once again demonstrated the need to stimulate investment in audiovisual production in Europe and to overcome the handicap resulting from the fragmentation of the sector into a large number of small, undercapitalised structures.

The system of automatic funding for cinema distribution, initiated as an experiment, has been a major innovation here in the sense that the success of films in cinemas directly generates funds which can be invested by distributors in the production, acquisition (guaranteed minimum receipts) or distribution (P & A) of films.

To date reinvestment in guaranteed minimum receipts makes up three quarters of the amounts reinvested with a clear trend towards reinvestment in films with a high production budget (ECU 5 million to ECU 20 million and more). Automatic funding, reinvested in this way for films in production, constitutes a real advance on production costs: this shifts film funding towards a method which strikes a better balance between the production of films and market demands and thus strengthens the link between production and distribution.

The arrangements for reinvesting sums generated by automatic funding can, however, further enhance the development of links between distributors and producers, particularly by fostering an increase in the proportion of reinvestment in guaranteed minimum receipts which goes towards financing production instead of what goes towards securing a return on production.

Reinvestment methods could also more effectively promote reinvestment in films produced by countries with a low production capacity or volume.

Setting up a mechanism of this kind would go some way towards satisfying the urgent request made at the audiovisual conference in Birmingham for greater public support for the industry in Europe, enabling it to change from fragmented, production-oriented structures to an integrated distribution-guided approach.

#### **4. Export funds**

Another strategic reorientation which emerged from the consultations was the need to provide greater financial aid for promoting films and European audiovisual programmes on non-European markets.

The MEDIA II Programme has already provided financial support for the collective presence of European producers on some of the leading non-European markets (Toronto, Hong Kong, Los Angeles) and for some European events aimed at the export markets (MIDIA in Madrid, for example). This financial aid for promoting European films and audiovisual programmes on foreign markets should be increased.

In the light of consultations carried out by the Commission over the last few months, it appears that this support for exports to the major international markets could be given shape by:

- setting up a European umbrella bringing together distributors of export-oriented audiovisual programmes. This could be a structure which provides information on markets (databases, market analyses, export register, etc.). It could help to draw up catalogues of European programmes classified according to the various genres (documentary, animation, TV films) and bring distributors together at the various markets;
- strengthening existing structures for the promotion of European films, particularly by providing aid to produce "promo reels" and aid for dubbing/subtitling films in the languages of the countries concerned;
- taking into account the essential role of the sales agent or international distributor and setting up appropriate financial support mechanisms.

#### **5. Major event to promote the film industry**

At the Audiovisual Conference in Birmingham, the professionals called for a showcase event to be organised with the aim of promoting the European cinema. This idea received wide support from the Culture/Audiovisual Council on 28 May last as well as from the European Cinema Forum in Strasbourg and the High-level Group on Audiovisual Policy.

The Commission's consultations with operators in the sector put forward the idea of organising a major European event simultaneously in all the Member States, with the title "European Cinema Days". This would have a wider, more catching impact in terms of audience and acceptance by the profession than the conventional awards ceremony.

The project could be based on four events:

- A European Awards Ceremony (European Film Awards), organised by the European Film Academy (EFA) and filmed for live broadcast or subsequent showing by the television companies;
- A European television evening when a non-national European film would be broadcast on the public service networks, as well as on those private networks wanting to join in the event. The film's presentation could be supplemented by broadcasting all or part of the European Awards Ceremony in the presence of directors, actors or producers receiving awards;
- A European Film Day would see the cinemas of the EU participating in the event offering the public European programmes for the token sum of one or two euros. This would add a Community dimension to the concept of 'cinema days', already a highly successful event in

- several European countries. This initiative, which is aimed at a very wide audience and young people in particular, would emphasise the diversity and vitality of European cinema;
- A European Cinema Heritage Day could be presented in the same week by the film theatres of the Member States to enable the audience, and young people in particular, to discover the masterpieces of European cinema art.

The Commission intends to investigate new approach in greater depth with the help of the Member States, broadcasting organisations and professionals in the European film industry so that experimental measures can be implemented in 1999.

#### **6. Aid measures for the development of project packages**

The European Conference in Birmingham and the High-level Group highlighted the importance of support for development, an essential tool for the industry's capacity upstream of the production process itself, to create films and other audiovisual works which might turn out to be an international success.

With development now accepted in the sense of pre-competitive research investment, we should capitalise on this change in attitude and set the objective of increasing the ability of audiovisual companies to look more to the long term when planning the development of their projects.

The High-level Group suggested a dual "window" approach, the first one being open, as at present, for isolated projects with a commercial potential and the second one being targeted at companies which have already demonstrated their ability to develop "packages" of films and/or audiovisual programmes and to get the necessary investment together.

In order to allow medium-sized producers to develop their production volume and plan the development of a medium-term production programme, it may be useful to set up a near-automatic funding mechanism which will provide these producers with lines of credit for developing project "packages".

Once the recipient company, which will have submitted a simultaneous development strategy for project packages, has been selected, it will be granted a line of credit on which it will have drawing rights as and when its development programme is implemented. For projects where development leads to production, the company will repay the line of credit with the amounts granted for development (revolving funding), together with a "success bonus".

In the long term, this approach should encourage the firms concerned to adopt more structured development strategies and invest more resources in them, since the success of the projects would have a positive impact on their financial and competitive position. This could also help to provision a fund whose resources would gradually increase, in order to give more support to producers and to develop the structure of the sector. An initiative such as this, however, would have to extend over a long period.

#### **7. Creating gateways between training initiatives and support for development**

The experience acquired over the first two years of the Programme's implementation has shown all the benefit that could result from better linkage between development and training. This would mean that training measures - which not only "develop skills", but also bring about real improvements in production projects - and development aid to combine their effects on the quality of resulting productions and on the consolidation of companies embarking on them.

The training given, particularly on project and audiovisual company management, is of direct application in expansion strategies of companies, which, for this purpose, have access to the

support formulas available through MEDIA. Likewise, complementarity is possible particularly in expertise and evaluation of projects covered by a project-based training programme.

#### **8. Establishment of a European training programme network**

In Birmingham, the European professionals stressed the importance of networking and exchanging information and experiences in order to increase the level of competence of professionals in the audiovisual industry. Along the same lines, the report by the High-level Group recommends that *a network of European film and television schools should be established to link centres of excellence, perhaps with a symbolic "centre of centres"*.

The Commission will implement this recommendation and will require a high degree of coordination between the training initiatives supported by the MEDIA Programme.

## ANNEX I

### MEDIA II PROGRAMME SUPPORT: OPERATION AND ARRANGEMENTS

#### 1. OPERATING TERMS

Under the Council's decisions, the Commission is responsible for implementing the Programme and in this capacity makes the final selection of the recipients of the programme's funding. Funds are allocated on the basis of files submitted to the European Commission in response to "Calls for Proposals" on the Programme's various lines of action, published several times a year in the Official Journal of the European Communities. These calls for proposals, and the relevant guidelines and forms for submitting a proposal are distributed to the professionals by the European network of MEDIA Desks and Antennas (18 national offices and 12 regional antennas). These Programme information offices can also assist professionals in submitting their projects.

In order to be able to make its selection from the proposals, the Commission enlists technical assistance from "intermediary organisations" with expertise in the three areas covered by the Programme. These three intermediary organisations, selected after a tendering procedure, are Media Research Consultancy (MRC) for training, European MEDIA Development Agency (EMDA) for development and D&S Service for distribution. A fourth organisation, MEDIA Assistance, assists the Commission in implementing contracts and making repayments.

Projects judged eligible are first submitted to independent experts and, in some cases,<sup>30</sup> to the MEDIA Committee, which is made up of representatives of the countries participating in the Programme, before the final decision is announced by the European Commission.

The MEDIA Committee is also consulted on the methods of implementing the Programme's measures, the content of calls for proposals, the definition of criteria and procedures for approving and selecting projects, the final choice of the intermediary organisations, matters concerning the programme's annual internal allocation and the methods of monitoring and evaluating measures.

#### 2. FUNDING ARRANGEMENTS

##### 2.1. MEDIA TRAINING

The objectives of the training programme set out by the Council's Decision were as follows:

To meet the needs of the industry and bolster its competitiveness by improving professional, initial and particularly continuing training for audiovisual professionals in order to provide them with the know-how and skills they need to take account of the European market and other markets, notably in the field of:

---

<sup>30</sup> This Management Committee gives its opinion on all Community allocations of over ECU 200 000 per year in the training sector, ECU 300 000 for development and ECU 500 000 in distribution.

- economic and commercial management, including legal aspects,
- utilisation and development of new technologies,
- screenplay techniques,
- encouraging cooperation and exchanging know-how by networking between the partners involved in the training (training institutions, professional sector and companies, trainer training).

The intention of this training programme is to provide the skills which professionals in the audiovisual industry need for project management and the management of companies which could have a real impact on the European market. Its aim is also to help designers and producers master screenplay techniques and the new image technologies (digital, multimedia, interactive techniques, etc.) in order to offer programmes of high artistic and commercial quality.

The training programmes supported by MEDIA must include a European dimension, particularly in the choice of trainers and their openness to non-national European students. They generally rely on close cooperation and an exchange of know-how between various partners working in the training field: film and television colleges, universities, specialist training centres, production and distribution companies, etc.

Funds are allocated in the form of non-repayable grants in relation to the cost and nature of the measures envisaged. The Commission's contribution may not exceed 50% of the cost of measures, except in duly justified exceptional cases where it may be up to 75%. The training measures supported are selected after a call for proposals published annually by the Commission.

## 2.2. MEDIA DEVELOPMENT

The Programme's objectives in the development sector are as follows:

- to promote the development of production projects submitted by companies aimed at the market, particularly the European market;
- to encourage an environment favourable to initiative and to the development of companies and networking among them;
- to promote the development of production projects and to encourage the development and networking of companies, particularly for animation programmes, programmes enhancing the audiovisual heritage and which make use of new techniques of creation.

MEDIA DEVELOPMENT thus provides technical and financial assistance to promote, via independent production companies, the development of film projects and audiovisual programmes which attract a European and international audience. It also supports the development of companies and networking among them.

### Support for project development

Loans are granted to European independent production companies to develop production projects in the following genres: drama (film and television), documentaries of creation, animation, productions which make use of the new creation technologies and archive-based productions. They cover the pre-production stage including writing, looking for partnerships, setting up funding, marketing and distribution schemes.

The amount of this loan may not exceed 50% of the development budget (writing, looking for partnerships, setting up funding, marketing and distribution schemes, etc.), up to a limit of ECU 35 000, but may be up to ECU 75 000 in some cases. It is repayable as a rule on the first day of shooting.

#### Support for production companies

These funds are available for financing part (50% maximum) of the investment for the expansion of independent production companies. Two complementary forms of support are available:

- support for drawing up a business plan is to enable the company to draw up a viable commercial and strategic plan. The maximum amount is ECU 10 000. It is to be repaid subsequently if the business plan enables the company to obtain support for developing the business;
- support for developing the business, given on the basis of a viable business plan, is to support the company's structuring and/or diversification efforts. The amount of this loan is between ECU 30 000 and ECU 150 000, up to a limit of 50% of the total amounts invested for this purpose.

#### Support for developing multimedia projects

This support is for projects submitted by specialist companies in this sector and covers entertainment and/or interactive educational products (on-line, off-line or hybrids) designed with the aid of digital technology and used on computer hardware. They must have a commercial aim and have already aroused the interest of publishers or distributors.

The call for projects provides for support at two different stages: one for project design (maximum subsidy of ECU 20 000), the other to create the master (maximum loan of ECU 250 000).

#### Industrial platforms

These groupings of European companies are entitled to MEDIA Programme financial support for developing activities which include support for project development and networking among companies.

A "platform" of this type is currently active in the animation (cartoons) sector.

### **2.3. MEDIA DISTRIBUTION**

The Programme's objectives in the broadcasting and distribution sector were to:

- strengthen the European distribution sector in the field of cinema and video by favouring the networking of European distributors and encouraging them to invest in the production of European cinema films;
- favour wider transnational distribution of European films by way of stimulation measures concerning their distribution and their exhibition in cinemas, and to encourage the networking of operators;
- promote the circulation, inside and outside the European Union, of European television programmes capable of appealing to a European and world audience and to encourage

independent European producers and European broadcasters to cooperate in the production of such programmes;

- actively support linguistic diversity of audiovisual and cinema works,
- facilitate the promotion of independent European production and its access to the market by the implementation of promotion services and actions.

MEDIA DISTRIBUTION encourages the transnational distribution of European films and audiovisual programmes in cinemas, on video and on television, as well as the structuring of the sector. It also supports cinema showings of European films and the promotion of European works and companies on the main professional markets.

There are eight mechanisms:

#### System of automatic support for cinema distribution

Grants are made to distributors proportionate to cinema attendance in previous years for non-national European films. It must be reinvested in production, guaranteed minimum receipts or the distribution of films outside their national territory. This system was introduced as an experiment in 1996 for a two-year period.

#### Selective support for the transnational distribution of European films and the networking of European distributors

Loans are granted to groupings of at least three distributors from different countries for the distribution of one or more recent non-national films. The maximum amount of support given is ECU 125 000 per distributor per film distributed. The amount used for dubbing/subtitling does not have to be repaid.

#### Support for the publishing and video distribution of European films and audiovisual programmes

Support is given to publishers and distributors. The amount of the loan varies according to the number of works which make up the catalogue (ECU 40 000 for at least five works and ECU 100 000 for a minimum of ten works). Support for dubbing/subtitling constitutes a grant.

#### Support for the TV broadcasting of European audiovisual works

This support is given to independent producers whose drama, documentary or animation projects already involve at least two Member States' broadcasters, preferably in different language communities. Allocated as advances on receipts with an upper limit of ECU 500 000 per work, it may not exceed 12.5% of production costs.

#### Support for marketing the operating rights of European audiovisual works

A loan which may be up to ECU 100 000, but which may not exceed 50% of the costs involved, is granted to independent TV distributors on the basis of a catalogue which they intend to market, where the running time does not exceed 208 commercial hours.

#### Support for publishing and broadcasting multimedia works

An advance on receipts of up to ECU 100 000 per title is granted for publishing and distributing recent multimedia works outside their national territory where there are real marketing prospects. Contributions to dubbing and subtitling costs are regarded as a grant.

### Support for promotion and market access

Grants are made to European initiatives which aim to facilitate the promotion of European independent production, either at major markets and audiovisual festivals or at more specific events. The amount of funding is limited to 50% of eligible costs.

### Support for cinema networks

Specific funding is provided for the networking of cinemas showing European films. The amount of funding is redistributed between the member cinemas of networks which undertake to screen a majority of European films and to take measures to promote the European cinema.

ISSN 0254-1475

COM(99) 91 final

# DOCUMENTS

EN

15 16 10 17

---

Catalogue number : CB-CO-99-097-EN-C

---

Office for Official Publications of the European Communities

L-2985 Luxembourg