

Opinion of the European Economic and Social Committee on the Proposal for a Decision of the European Parliament and the Council concerning the implementation of a programme of support for the European audiovisual sector (MEDIA 2007)

(COM(2004) 470 final — 2004/0151 (COD))

(2005/C 255/07)

On 9 September 2004, the Council decided to consult the European Economic and Social Committee, under Articles 157(3) and 150(4) of the Treaty establishing the European Community, on the abovementioned communication.

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 21 March 2005. The rapporteur was Mr Pegado Liz.

At its 416th plenary session, held on 6 and 7 April 2005 (meeting of 6 April), the European Economic and Social Committee adopted the following opinion by 133 votes, with seven abstentions.

1. Introduction: Gist of the proposal

1.1 With this proposal (COM(2004) 470 final of 14 July 2004), the Commission intends to follow up the Media Plus ⁽¹⁾ and Media-Training ⁽²⁾ programmes, taking account of the results of their mid-term evaluation in conjunction with the preparatory action *i2i Audiovisual: Growth and Audiovisual*, ⁽³⁾ the results of the broad public consultation held between May and August 2003, and the impact analysis containing an ex-ante evaluation from July 2004 ⁽⁴⁾.

1.2 The Commission considers the audiovisual sector to be a keystone of European citizenship and culture and able to play a unique role in building a European cultural identity. It does however note that this sector is fragmented; although this reflects an important cultural diversity, it has prevented the European audiovisual industry from being genuinely competitive with respect to non-European imports, both on the EU market and worldwide.

1.3 With the Media 2007 Programme, the Commission aims to stimulate private investment in the audiovisual sector to enable companies operating in that sector, especially SMEs, to improve their competitiveness and financial solidity, building on experience gained in previous programmes.

1.4 In order to develop synergies and to avoid bureaucratic duplication and obstacles, the Commission wishes to have a single programme covering the pre-production and post-production phases and focusing in particular on European-scale distribution.

1.5 The specific aims of the programme are, in short:

A) In the pre-production phase

I- Acquisition and improvement of skills in the audiovisual field:

- a) boosting European audiovisual professionals' skills;
- b) improving the European dimension of training activities.

II- As regards development:

- a) supporting projects from independent production companies;
- b) assisting the preparation of financial plans for European production companies and projects.

B) In the post-production phase

I- As regards distribution and dissemination:

- a) consolidating European distribution by encouraging distributors (i) to invest in the co-production, acquisition and promotion of non-national European films and (ii) to devise coordinated marketing strategies;
- b) improving the circulation of non-national European films on the European and international markets;
- c) promoting the transnational broadcasting of European audiovisual works produced by independent production companies;
- d) favouring the digitalisation of European audiovisual works;
- e) encouraging cinemas to exploit the possibilities offered by digital distribution.

⁽¹⁾ Council Decision 2000/821/EC of 20.12.2000, OJ L 13 of 13.1.2001.

⁽²⁾ Decision 163/2001/EC of the European Parliament and of the Council of 19.1.2001, OJ L 26 of 27.1.2001.

⁽³⁾ COM(2003) 725 final of 24.11.2003 and COM(2003) 802 final of 18.12.2003.

⁽⁴⁾ SEC(2004) 955 final of 14.7.2004.

II- As regards promotion:

- a) improving the circulation of European audiovisual works;
- b) improving access to European audiovisual works for the European and international public;
- c) encouraging joint actions between national film and audiovisual programme promotion organisations;
- d) fostering the promotion of Europe's cinematographic and audiovisual heritage.

C) Support for pilot projects in areas likely to be affected by the introduction and use of new information and communication technologies

1.6 In the Annex to the proposal, the Commission examines each operational objective in great detail, subdividing them and setting out, for each of them, the measures to be taken, arrangements for their implementation, the instruments to be used and the financial resources allocated to each one. Of the various forms of implementing measures, to be highlighted is the creation, along new lines, of a network of MEDIA desks and MEDIA antennae, with a long list of responsibilities and tasks.

1.7 The proposal concludes with a detailed budget covering the seven years of the Programme, with a budget for implementing the programme's implementation set at EUR 1055 million, specifying all the financial resources allocated to each action and measure planned.

2. Background

2.1 As stated above, this proposal pursues the approach first adopted by the Media (1991/1995) ⁽⁵⁾, Media II- Development and Distribution (1996/2000) ⁽⁶⁾, Media Plus ⁽⁷⁾, Media Training ⁽⁸⁾, and Media Training (2001-2005) ⁽⁹⁾ Programmes, which have now been integrated into a single programme.

2.2 It is worth recalling in this connection the main conclusions of the opinions adopted by the EESC on these programmes.

2.2.1 The EESC concluded its Opinion on the Proposals on MEDIA II-Training (1996/2000) and MEDIA II — Development and Distribution (1996/2000) ⁽¹⁰⁾ (COM(94) 523 final), by drawing attention to the need to 'reduce the risk of resources being wasted' and to define in advance criteria which 'ensure that the programmes and their funding are as effective as possible', as well as

the need to better define 'criteria and instruments which can help to pinpoint eligible parties and ensure maximum transparency'.

2.2.2 In its Opinion on the Proposals on Media Training (2001/2005) and MEDIA PLUS — Development, Distribution and Promotion (2001/2005) ⁽¹¹⁾ (COM(1999) 658 final), whilst supporting the Commission proposals, the EESC deplored the fact that these had not taken 'account of the fact that the importance of the European audiovisual industry does not derive exclusively from its entrepreneurial dimension, but also from its role as a vehicle for the promotion of our culture and democratic values'.

2.2.3 It also emphasised the need 'to evaluate the jobs which could be generated by [...] application' (of the measures proposed) and recommended that such measures should actively promote 'greater participation by women, [...] ensuring that women are [...] better represented in the sector'.

2.2.4 The EESC also acknowledged the lack of incentives for 'access to the market for independent [European] firms' and 'public access to the European audiovisual heritage' by means of digitalisation, suggested that it might be useful to set up 'pilot projects [...] in the framework of e-Europe', demonstrating its support for the promotion of subtitling and, regretting the paucity of the resources allocated, reiterated the proposal to create a European Information Society Agency 'which would help coordinate the various initiatives in the field of multimedia convergence'. It also welcomed the creation of a Guarantee Fund as a means of promoting the audiovisual sector ⁽¹²⁾.

2.2.5 Lastly, in its Opinion on the Proposals for a Regulation and for a Decision to extend the Media Training and Media Plus programmes until 2006 ⁽¹³⁾ (COM(2003) 188 final) and COM(2003) 191 final), the EESC, criticising the fact that the Commission had not been able to present its new multi-annual programmes for the audiovisual sector in good time,

- i) highlighted the glaring inadequacy of the funding allocated to the objectives proposed, in particular in light of enlargement,
- ii) recommended that the support provided under the programme be geared more effectively to supporting SMEs, particularly the many micro businesses in the sector, including the private funding mechanisms and funding from the EIB, such as the *Growth and audiovisual: i2i audiovisual* scheme,
- iii) highlighted the importance of Media Desks as the national interface with programme beneficiaries, and
- iv) reaffirmed a number of strategic points made in its Opinion of 27 April 2000.

⁽⁵⁾ Cf Council Decision 90/685/EC of 21.12.1990, OJ L 380 of 31.12.1990.

⁽⁶⁾ Council Decision 95/563/EC of 10.7.1995, OJ L 321 of 30.12.1995.

⁽⁷⁾ Council Decision 2000/821/EC of 20.12.2000, OJ L 13 of 17.1.2001.

⁽⁸⁾ Council Decision 95/564/EC of 22.12.1995, OJ L 321 of 30.12.1995.

⁽⁹⁾ Decision 163/2001/EC of the European Parliament and of the Council of 19.1.2001, OJ L 26 of 27.1.2001.

⁽¹⁰⁾ OJ C 256 of 2.10.1995.

⁽¹¹⁾ OJ C 168 of 16.06.2000

⁽¹²⁾ OJ C 204 of 15.07.1996

⁽¹³⁾ OJ C 10 of 14.1.2004

2.3 When considering the proposal now under examination, it will look at the substance of the observations and recommendations made, in order to ascertain to what extent they have been taken into account and whether they remain valid.

3. General comments

3.1 The EESC welcomes the Commission initiative, which to a large extent takes on board a variety of the EESC's suggestions and recommendations set out in previous opinions.

3.2 One particular example of this is the fact that the new MEDIA programme is designed to simplify the structure of Community action for the audiovisual sector by setting up a single integrated programme that will come into play in the pre-production and post-production phases (MEDIA 2007), replacing the two current programmes (MEDIA Plus and MEDIA-Training).

3.3 A further example is that the new programme also takes account of horizontal priorities previously highlighted by the EESC, such as:

- i) consideration of the cultural value of Europe's cinematographic and audiovisual heritage in the measures proposed;
- ii) strengthening SMEs' production structures;
- iii) reducing imbalances between countries with a high production capacity and those with a low production capacity or a limited linguistic area;
- iv) taking account of market developments with regard to the use of digital technologies; and lastly
- v) promoting dubbing and subtitling in the distribution and dissemination of European audiovisual works.

3.4 The EESC also notes and welcomes the sensible, well-ordered way that the draft Programme has been designed, in particular the way that the annex on the budget and the financial impact has been drawn up.

3.5 The EESC furthermore notes that, in the explanatory memorandum, the Commission has not been able, as it had intended, to give more detailed consideration to the role that industry can play in the lasting development of the European audiovisual and cinematographic sector as an important mouthpiece for European citizenship and culture. The EESC believes it to be crucial, however, that European cultural values are always safeguarded and that diversity and pluralism are guaranteed in all audiovisual media: this concern should form an integral part of all Commission initiatives under this programme.

3.5.1 In this context, the EESC wishes in particular to draw the Commission's attention to the need to strengthen initiatives to prevent too much concentration in the industry, which could harm pluralism and diversity and which could prove even more damaging where new technologies are being introduced, as this could be detrimental to production and distribution. The EESC also wishes to highlight the need to ensure that copyright is protected and to combat piracy, while consolidating resources for countering certain anti-competitive practices.

3.5.2 By the same token, the EESC can only welcome the Commission Communication on the follow-up to its communication on certain legal aspects relating to cinematographic and other audiovisual works⁽¹⁴⁾ and support the adoption by the European Parliament and the Council of the Proposal for a Recommendation contained therein, as stated in an earlier opinion⁽¹⁵⁾.

3.6 The EESC takes the view that including a definition of the main concepts underlying the programme in the decision itself — especially when these concepts are of particular importance in the context of the programme, such as the concept of the independent producer — would make it easier to understand the MEDIA 2007 programme, although it acknowledges that such concepts appear in other Community documents and that such definitions have traditionally been explained in 'guidelines' for the programme's implementation.

3.7 Having noted some differences in the various language versions of the proposal for a decision presented by the Commission, the EESC strongly recommends that these discrepancies be identified and ironed out in the definitive texts.

3.8 Lastly, whilst acknowledging that the funding earmarked for the proposed measures and the allocation of these funds over the years do not generally give rise to any further comments, the EESC feels that account should be taken of any implications arising from the remarks set out below under 'specific comments' and recommends that, in the mid-term evaluation, due thought be given to whether the resources allocated are adequate for fully achieving the programme's objectives.

4. Specific comments

4.1 The EESC recalls and reaffirms some of the strategic considerations set out in its opinion of 24 September 2003⁽¹⁶⁾ because it believes that the Commission's proposal for a decision still fails to give adequate coverage to some aspects relating to the need for the new programme to:

- ensure complementarity and consistency with other Community measures for producing a common strategy;

⁽¹⁴⁾ COM(2004) 171 final of 16.3.2004, OJ C 123 of 30.4.2004

⁽¹⁵⁾ OJ C 74, 23.3.2005. Rapporteur: Mr Braghin.

⁽¹⁶⁾ Previously referred to in point 2.2.5

- attach particular priority to technological development, innovation and cross-border movement;
- give a decisive boost to setting up and developing a system for providing information and monitoring new needs and developments in the audiovisual market;
- achieve a steady increase in public access to Europe's audiovisual heritage by means of its digitalisation and by setting up European networks, in particular for educational and training purposes;
- guarantee that regular and systematic evaluations are made of the programme's implementation, in order to ensure the best use of the financial resources available and to meet the requirements of the audiovisual industry;
- consistently support the development of pilot projects that address issues of content and not only the technological aspect;
- and effectively promote European films in Europe and throughout the world by systematically providing information on festivals.

4.2 The EESC also reiterates its recommendation, as stated in its opinion of 15 September 2004 ⁽¹⁷⁾, that more emphasis be placed on training in new technologies and on new requirements as regards the collection, cataloguing, conservation and restoration of film and television works, database management and standardised methods for storing work in high-quality digital format.

4.3 The EESC considers that although the programme's objectives include specific incentives for SMEs, these should be better reflected in the funds allocated, so as to allow for more effective and consistent support: equally, support for introducing new digital technologies — in cinemas and online — and for new initiatives in technological innovation would also warrant more substantial funding.

4.4 As regards management of the MEDIA 2007 programme, the EESC notes that the Commission has just set up an executive agency for the management of Community action in the fields of education, audiovisual and culture ⁽¹⁸⁾, for the period from 1 January 2005 to 31 December 2008, with the possibility of a review or extension of the tasks of the Agency in the framework of the new generation of programmes, which would thus include management of the Media 2007 programme.

⁽¹⁷⁾ Previously referred to in point 3.5.2

⁽¹⁸⁾ Commission Decision of 14 January 2005 setting up the Education, Audiovisual and Culture Executive Agency for the management of Community action in the fields of education, audiovisual and culture in application of Council Regulation (EC) No 58/2003 OJ L 24 of 27.1.2005, pp 35 to 38.

4.4.1 Given, however, that under the terms of point 7 of the explanatory memorandum, the Commission 'will delegate the management of the programme to an executive agency', reiterated in point 5.3 of the Annex and in point 6.1.1 — financial intervention — which also sets out the appropriations to be allocated to this executive agency, the EESC, having studied the aims and tasks of this Agency as set out in Article 4 of the aforementioned decision, urges the Commission to give a detailed, clear indication of i) what the agency's specific responsibilities will be for managing the Media 2007 programme in line with provisions 4(2), 4(3) and 4(4) and ii) how it will share competences with other Community bodies responsible for implementing, advising or evaluating the MEDIA 2007 programme and/or take over these competences.

4.4.2 In particular, consideration should be given to the need to provide the executive agency with human resources specialised in this particular area of the audiovisual sector; the Decision makes no mention of this.

4.4.3 Attention should also be drawn to the importance of ensuring that the integrated management of the programme is properly guaranteed by the agency, thereby specifically avoiding conflicts of responsibility — whether positive or negative — between the bodies involved in defining the programme's strategic aims and its management.

4.4.4 It should also be made clear what body or bodies will take over the Agency's responsibilities if, in mid-programme, there is no confirmation that it can continue to ensure the smooth, efficient running of the programme, without any alternative solutions being proposed.

4.5 As regards the financial provisions and because the European audiovisual market remains fragmented and its cultural heterogeneity is reflected in a dichotomy between (a) countries with a low audiovisual production capacity and/or a limited linguistic or geographical area, and (b) countries with a greater production capacity ⁽¹⁹⁾, the EESC considers that, notwithstanding the limitations imposed by competition law, the Commission — when defining the programme guidelines — could take account of the true situation in some Member States and regions that have demonstrably failed to develop their audiovisual industries to their full potential.

⁽¹⁹⁾ As highlighted in the Commission report on The implementation and the mid-term results of the MEDIA Plus and MEDIA Training programmes (2001-2005), backed up in the conclusions of the mid-term evaluation report presented to the European Commission (Report from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Report on the implementation and the mid-term results of the MEDIA Plus and MEDIA Training programmes (2001-2005) and on the results of the preparatory action 'Growth and audiovisual: i2i audiovisual' COM(2003) 725 final, of 24.11.2003: the report entitled Mid-Term evaluation of the MEDIA Plus and MEDIA Training Programmes, drawn up by the companies APRIL/Media Consulting Group/SECOR. On the issue of positive discrimination, see item 4(7) of the executive summary: The European added value of MEDIA for countries with a low production capacity and a restricted linguistic area).

4.6 As regards communication, the EESC fully supports the Commission's strategic option of strengthening the substantive powers of Media Desks and Antennae as set out in point 2.2 *MEDIA desks and MEDIA antennae* of Chapter 2 in the Annex to this decision. The EESC suggests as a result that the Commission should bring the wording of Article 12 into line with the wider range of tasks listed in the aforementioned point in the Annex ⁽²⁰⁾ and should provide appropriate funding for MEDIA desks to enable them to fulfil their tasks properly.

4.7 The Committee also wishes to highlight the need for Article 13(2) of the proposal to make explicit the Commission's obligation to ensure consistency and complementarity between the Media 2007 programme and the programmes and actions undertaken in the audiovisual sector as part of Community

cooperation with third countries and with the competent international organisations, as provided for in Article 9(2) of the Council Decision of 20 December 2000 on the MEDIA Plus programme ⁽²¹⁾.

4.8 The EESC also considers that, given the estimated duration of the programme (7 years) and the way that markets and technologies naturally develop, it would be advisable to change the evaluation timetable set out in Article 14(3) of the decision, amongst other things bringing forward the first mid-term evaluation report on the results and the qualitative and quantitative aspects of the programme's implementation. This would mean that the conclusions of this evaluation might still be used for a possible revision of the operational objectives and measures to be carried out.

Brussels, 6 April 2005

The President
of the European Economic and Social Committee
Anne-Marie SIGMUND

⁽²⁰⁾ The Committee believes that, with this proposal for an amendment, the proposal for a decision under review would gain in transparency and legal certainty.

⁽²¹⁾ OJ L 13 of 17 January 2001, p. 34 et seq.