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**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 results of the MEDIA II programme (1996-2000)

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INTRODUCTION

The MEDIA II programme began on 1 January 1996 and ended on 31 December 2000. It was based on two Council Decisions :

- Decision 95/563/EC of 10/07/95 on the implementation of a programme encouraging the development and distribution of European audiovisual works, with an indicative budget of EUR 265 million,
- Decision 95/564/EC of 22/12/1995 on the implementation of a training programme for professionals in the European audiovisual programme industry, with an indicative budget of EUR 45 million.

The MEDIA II programme succeeded MEDIA I (1991-1995) and was followed by MEDIA Plus (2001-2005). These three generations of the MEDIA programme have a common objective: to improve the competitiveness of the European audiovisual programme industry.

With a budget of EUR 200 million, MEDIA I enabled audiovisual professionals in the Member States to strengthen their position on their national markets and at the same time to gain access to new forms of transnational cooperation (co-productions, cross-border cooperation, partnerships, consortia, etc.).

MEDIA II had a bigger budget (EUR 310 million) and its activities were focused on three priority areas: vocational training, development of projects and enterprises, and transnational distribution of films and audiovisual programmes.

MEDIA Plus had an even bigger budget of EUR 400 million and focused on the same three priority areas – training, development, distribution – plus a fourth area, promoting audiovisual works in Europe and worldwide.

The purpose of this report is specifically to evaluate the results of the MEDIA II programme, in accordance with Articles 7(5) and 6(5) of Decisions 95/563/EC and 95/564/EC establishing, respectively, the programmes MEDIA II - Development and Distribution and MEDIA II - Training. These Articles provide that the Commission "shall submit to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions a report on the implementation and results of the programme."

It is based on the conclusions of the ex-post evaluation of MEDIA II, carried out pursuant to Articles 7(1) and 6(1) of Decisions 95/563/EC and 95/564/EC and

assigned by the Commission to an independent consultant¹ following an open invitation to tender.

1. MEDIA II : A JUSTIFIED COMMUNITY ACTION, GEARED TO THE NEEDS OF THE EUROPEAN AUDIOVISUAL PROGRAMME INDUSTRY

1.1. Economic context

The European audiovisual industry showed a continuous significant trade deficit with the United States throughout the period 1996-2000 (more than 6 billion dollars, equivalent to approximately 250 000 jobs in 1997²). However, the deficit was not confined to this particular period. It has been there for the last few decades and is still there today.

Examination of the European audiovisual programme market reveals that the main cause is the inadequate circulation of non-national European works. In the cinema, for example, the bulk of the market is taken up by American films (66% in 2000)³, followed by national films. Non-national European films lag far behind in third place. They tend not to travel far and rarely sell more than 50 000 tickets outside their country of origin.

The poor circulation of non-national European works in Europe weakens the profitability of the European programmes industry and hampers its development, as well as causing development and production to be concentrated in just a small handful of countries. For example, in 1998, France, the United Kingdom, Italy and Germany accounted for 70% of all the films produced in the countries participating in the MEDIA programme.

This is a complex phenomenon and there is a whole raft of related explanations. Upstream, i.e. pre-production, compared with America the European industry invests too little in project development (writing, financial packaging, establishment of a marketing plan). In Europe, development costs represent 2 to 3% of production budgets, compared with 10 to 12% in the case of the American majors. Still upstream, the poor training of European audiovisual professionals results in an absence of corporate strategy, especially at the European level.

As for the distribution sector, it lacks the structure required to cope with the American competition. American film distributors have 50% of the market share in Europe as a whole, extending as high as 80% in the United Kingdom and 70% in Germany. These powerful distribution networks provide easy access for American films to European cinema screens, whereas "non-commercial" national films have a problem finding screens, and non-national European films even more so.

¹ The company BIPE

² Source : Commission services document SEC(1998) 837 of 14.5.1998.

³ Source : IMCA study

1.2. Community assistance justified and geared to the needs of the European industry

Ex-post evaluation of MEDIA II confirmed that a Community programme to assist the European audiovisual industry was fully justified by the economic situation in the audiovisual sector. The focusing of resources on development, distribution and training was appropriate for tackling the weaknesses of the European industry, the fragility and lack of competitiveness of European audiovisual products arising to a large extent from chronic under-investment both upstream (training, development) and downstream (distribution) of the production process.

- Thus, in the area of training, MEDIA II's aim was to support initiatives to enable professionals to acquire the know-how and skills needed in order to take account of the European and international markets (economic and commercial management, integration of new technologies, screenplay techniques) and to enhance the creative and commercial potential of their projects.
- In the area of development, MEDIA II's aim was to promote, by providing financial and technical assistance, the development of production projects aimed at the European and international markets and to contribute towards the development and strengthening of companies. The aims were to bring onto the European market programmes that were better adapted to the standards of the international market and to make companies structurally stronger.
- In the area of distribution, MEDIA II's aim was to improve the circulation of non-national European films and programmes. The main focus was on the distribution and screening of cinema films in cinemas outside their territory of origin. Other mechanisms were also put in place to promote the widest possible circulation of European programmes through television and other media (video, multimedia). Finally, the programme supported a series of initiatives aimed at facilitating the promotion and access to the international market of European independent productions.

The ex-post evaluation also underlined the complementarity between national measures and the MEDIA programme. During the period 1996-2000, the bulk of national aid (84%) was for production, while MEDIA II focused on training, development and distribution. The few instances of national aid for distribution were chiefly in support of national films, while MEDIA II exclusively encouraged the distribution of non-national European films. In the area of cinema operation, national aid was chiefly for structures, while MEDIA II aid was chiefly for cinemas to show European films. In the area of development, national aid was insignificant except in Germany, Finland and France.

Finally, MEDIA II assistance has also proved to be well suited to the specific needs of the European audiovisual sector, which comprises mainly small and medium-sized enterprises and is marked by an economic imbalance between countries with strong production potential and countries with a low production capacity and/or a restricted linguistic and geographical area⁴.

⁴ The following were considered as countries with a low audiovisual production capacity and/or a restricted linguistic and geographical area during the MEDIA II programme: Austria, Belgium,

On the one hand, new mechanisms were set up in the course of MEDIA II to meet the specific needs of medium-sized companies (automatic distribution support and slate funding)⁵, while existing mechanisms (selective distribution support and support for the development of individual projects) remained open to smaller companies.

On the other hand, the introduction of flexible positive discrimination in favour of countries with a low production capacity and/or a restricted linguistic and geographical area made it possible to begin to restore balance to the European market⁶.

2. EVALUATION OF THE IMPACT OF THE MEDIA II PROGRAMME

2.1. Overall impact of the MEDIA II programme on the European audiovisual sector

The total budget for the MEDIA II programme was EUR 358 million (including the initial budget allocation, reimbursements and appropriations made available again), of which 89% (EUR 320 million) was allocated to project support and 11% to horizontal operations. The ex-post evaluation confirmed the smooth administrative functioning of the programme, sound management by the Commission having reduced the operating costs by half compared with MEDIA I.

MEDIA II aid represented only 0.51% of the European audiovisual sector's economic weight overall, although this proportion was higher (average 0.80%) in the countries with low production output and exceeded 1% in Greece, Iceland, Belgium and Luxembourg.

The MEDIA II aid had a substantial knock-on effect, even though this is difficult to quantify precisely. An estimation of this knock-on effect was provided in the mid-term evaluation of MEDIA II⁷, which concluded that each Community euro invested had generated EUR 5.75 of investment in the industry. This multiplier coefficient was of course much lower in the training sector (2.38) but was higher in the distribution sector (7.2) and, to a lesser degree, in the development sector (4.19).

This estimate of the leverage effect produced by the Community funds ought no doubt to be revised upwards in order to measure the full impact of the MEDIA II programme, since it takes no account of the introduction of the automatic distribution support and slate funding mechanisms, mechanisms which, by virtue of their design and the reinvestment obligation that they contained, had a strong knock-on potential.

MEDIA II also made it possible to begin to restore balance to the European industrial market, a feature of which is the dichotomy between countries with a low production

Denmark, Finland, Greece, Ireland, Iceland, Liechtenstein, Luxembourg, Norway, Netherlands, Portugal and Sweden.

⁵ See paragraphs 2.2.1, 2.3.1. and 3.1.

⁶ See paragraph 2.1.

⁷ Commission report on the results obtained in the context of the MEDIA II programme during the period 1.1.1996 - 30.6.1998, COM(1999) 91 final.

capacity and/or restricted linguistic and geographical area⁸, whose volume of production is naturally limited, and countries with a higher production capacity (i.e. volume of production in relation to the population).

In order to offset the structural handicaps of the countries and regions with a low production capacity and restricted linguistic areas, a flexible positive discrimination policy with no pre-set quantified objectives was introduced. This system enabled these countries to receive approximately 30% of the aid distributed under MEDIA II, even though they represented only 19% of the European audiovisual market. MEDIA II has therefore helped lay the foundations for a long-term convergence of production structures within the Union.

2.2. Impact of the Distribution strand

2.2.1. Support for cinema distribution

- Selective support for cinema distribution

The aim of this support was to improve the transnational circulation of non-national European films and encourage European distributors to create and consolidate cooperation networks. Support was provided for the creation and production of marketing material to launch cinema distribution campaigns and for dubbing and subtitling. Projects had to involve at least three distributors joining together for the distribution of a film. With effect from 1999 the mechanism was also opened up to international sales agents.

Over the lifetime of the MEDIA II programme, 2 712 project applications were submitted. In all, 1 930 distribution campaigns for 305 films were supported. The total amount of MEDIA II funding awarded was EUR 62 million, i.e. an average of EUR 32 000 per film, representing 25% of the total average distribution budget. On average, there were 6 national distribution campaigns per film supported. The average production cost of the films supported was EUR 4.3 million. The number of project applications submitted each year rose by 60% between 1996 and 2000, evidence that the support mechanism was found extremely attractive, both in design and in the amounts allocated.

- Automatic support for cinema distribution

This mechanism was created part-way through the programme (in 1997) and consisted of an automatic support procedure for European distributors, awarded for the release of a non-national European film in any of the countries participating in the programme. The MEDIA II aid was calculated on the basis of the number of spectators paying to see the film, multiplied by a weighting coefficient based on the nationality of the film and the distribution area. The distributor was obliged to reinvest the aid in the distribution of another non-national European film.

⁸ The following were considered as countries with a low audiovisual production capacity and/or a restricted linguistic and geographical area during the MEDIA II programme: Austria, Belgium, Denmark, Finland, Greece, Ireland, Iceland, Liechtenstein, Luxembourg, Norway, Netherlands, Portugal and Sweden.

Over the lifetime of the programme, 1 462 films, with an average budget of EUR 6 million, attracted a total paying audience of 145 million, of which 106 million were eligible. The aid thus generated totalled EUR 44.7 million. Almost 80% of this aid was re-invested in 419 new European films. The mechanism took off very rapidly, the number of projects aided annually multiplying by 15 between 1997 and 2000. This demonstrates how successful the mechanism was with professionals, and how well-suited it was to their needs.

- Impact of MEDIA II on the circulation of European films

The number of European films distributed outside their national territory doubled over the lifetime of the programme, from 246 in 1996 to 499 in 2000. In 1999, 62% of these films had been supported by MEDIA II, compared with 64% in 2000. These films accounted for 90% of the ticket sales generated by non-national European films in Europe.

Because of the selection and award procedures adopted by distributors in allocating support for film distribution, the MEDIA II aid in fact went to films which already had a strong international circulation potential. However, it undeniably helped to consolidate that potential.

On the other hand, MEDIA II did not lead to the creation of stable networks between European distributors. Experience has taught us that the creation of such networks will have to be a medium to long-term structural objective, impossible to achieve over the period 1996-2000. This difficulty can be attributed to a strong reluctance on the part of independent distributors to group together. However, there are signs that they are gradually becoming more aware of the need to change the way they operate and of the benefits this could bring. One sign was the improvement, over the lifetime of MEDIA II, of functional collaboration between distributors during the preparation and dispatch of dossiers. This growing awareness can also be seen in MEDIA Plus, with the gradual emergence of groupings.

2.2.2. *Support for networks of cinemas*

The aim was to support, through subsidies, networks of cinemas pledging to screen a significant proportion of European films on new release and for a minimum period. The networks were selected on the basis of the number of cinemas they contained and the number of countries they involved.

Over the period 1996-2000, MEDIA II awarded funding to two networks, Europa Cinemas and Média Salles, for a total of EUR 17.2 million. These networks numbered 413 screens at the start of the programme and 754 by the end of 2000 (i.e. 3.4% of the cinemas in Europe). These cinemas scheduled 36% of their screenings for non-national European films (compared with a market average of 20%). At the end of the programme, the geographical distribution of the cinemas was evenly balanced and included countries with a low production capacity and/or restricted linguistic area.

- Impact of MEDIA II on the scheduling of non-national European films

MEDIA II was particularly helpful to small independent cinemas. Of the 356 affiliated cinemas, 130 were single-screen, 91 were two-screen and only five were multiplexes. The funding had a positive impact on their financial situation. Thanks to the leverage effect, their takings rose by between 5 and 10%.

The percentage of non-national European films screened in the networks awarded funding rose from 30% at the start of the programme to 36% by the end. MEDIA II support enabled the cinema operators to take more risks in scheduling films of this type.

2.2.3. *Support for television broadcasting*

The aim was to promote the television broadcasting of non-national European works by encouraging the creation of European co-productions. To qualify for support, producers had to satisfy an independence criterion, in terms of the maximum period of ownership of rights by broadcasters (7 years). The purpose of introducing this criterion was to change current practice on the television markets by encouraging shorter ownership of rights by the television channels. Such a change would benefit the independent production sector by allowing companies to have catalogues of works – veritable assets – and thus some self-financing capability and/or sufficient guarantees to present to financial partners.

Over the lifetime of MEDIA II, 362 projects received funding, for a total amount of EUR 39 million. 65% of the projects supported were documentaries, 27% fiction and 8% animations.

The overall investment in production was EUR 572 million, or 2.3% of European television production. The MEDIA funding therefore had an important leverage effect, in enabling independent producers to complete the financial package for international co-productions for which they had already assembled 75% of the funds.

The producers allocated support for television broadcasting were mainly concentrated in a small number of countries (France, Belgium, Germany, Italy, Spain and the United Kingdom). This was due to the independence criterion imposed, because practices in terms of ownership of rights by broadcasters turned out to be very different from one country to another. Experience from MEDIA II has taught us that funding alone will not bring about the changes anticipated in market practices: legislation too is required, both at Community level (the "Television without Frontiers" Directive)⁹ and at Member State level.

2.2.4. *Support for video and multimedia publishing and distribution*

The purpose of this support was to encourage European publishers and distributors to publish and distribute catalogues of films and of recent European audiovisual programmes on all video media for home use (VHS, DVD, CD-ROM).

⁹ Directive 89/552/EEC on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities, as amended by Directive 97/36/EC of the European Parliament and of the Council; OJ L 202 of 30.7.1997, p. 60.

Support for video and multimedia publishing and distribution covered 2 476 titles (including 188 multimedia titles), presented by 108 companies. MEDIA II funding amounted to EUR 10.4 million. Over the reference period, the DVD format grew in popularity (40% of the titles supported in 2000).

The ex-post evaluation indicated that funding had only a limited impact on this sector. The number of beneficiaries was small, and mainly confined to the three main video markets, France, the United Kingdom and Germany. Numerous medium-sized distributors never even applied for MEDIA II funding.

Support was minimal (EUR 10.4 million over 5 years) compared with the size of the end market (EUR 7 billion in 2000).

As a result, the support mechanisms for this sector were revised for MEDIA Plus.¹⁰

2.2.5. Support for promotion

The aim was to improve the promotion of European films and programmes and facilitate access by European independent producers and distributors to the professional markets. Two types of promotion were supported by MEDIA II:

- presence at the industry's major markets (the Berlin and Cannes film festivals, MIPCOM, MIP-TV and MILIA), where independent professionals could participate together at an "umbrella stand", providing them with maximum visibility and services;
- presence at the thematic markets (Cartoon Forum, Sunny side of the Doc etc.), where effective "pitching" sessions for projects could be organised.

Over the lifetime of MEDIA II, funding was awarded for 64 festivals, at which 7 500 European works were screened to over 2 million persons, and for 50 trade events and markets. The total amount of support awarded over the period 1996-2000 was EUR 19.1 million.

Concerning support for presence at the industry's major markets, 400 European independent companies benefited during the programme from the MEDIA umbrella stands. There was a high rate of satisfaction from these users (for example 85% in the case of the MIP-TV market).

Concerning support for presence at thematic markets, 1 164 European projects were presented to broadcasters (for advance sales) or to producers (for co-productions) at the Cartoon Forum alone. This type of action has undeniably helped to make independent producers more professional and paved the way for the establishment of landmark promotional thematic events.

¹⁰

See paragraph 3.2.

2.2.6. Support for catalogues

The aim was to provide financial support to companies engaged in the international distribution of television programmes, to help them produce promotional material (publishing/printing of paper catalogues or online catalogues), to dub and subtitle programmes, and to participate at international markets (stand hire, etc).

Over the lifetime of the MEDIA II programme, 62 companies received support for catalogues, for a total amount of EUR 3.6 million.

2.3. Impact of the Development strand

2.3.1. Support for project development

- Support for the development of individual projects

This support was awarded for the development of fiction, documentary, animation or multimedia projects intended for the cinema or television and presented by independent European production companies.

In all, 1 178 different companies were awarded development support, covering a total of 1 714 projects. The total amount of MEDIA II aid awarded was EUR 50.9 million, averaging EUR 30 000 per project. Works of fiction headed the list, followed by documentaries.

- Support for the development of project packages (slate funding)

This radically new funding mechanism was introduced in 1999 and allowed European independent production companies to be allocated a budget for the development of project packages. It was aimed at medium-sized production companies that had already ventured into the international market.

Over the period 1999-2000, 99 catalogues were selected, for a total amount of almost EUR 12 million and an average amount of EUR 125 000. The total number of projects supported was 400. Works of fiction represented three-quarters of this total, followed by documentaries. A shift in the nature of the funding applications received was very soon observed, from individual-project funding to slate funding, indicating how well this new instrument met the needs of medium-sized companies.

2.3.2. Support for the development of production structures

- Support for the development of production companies

The purpose of this support was to help companies become more competitive. It took the form of support for the drawing-up of five-year business plans and support for the implementation of business plans.

Between 1996 and 2000, 186 companies received support under this mechanism, for a total amount of EUR 8.4 million. The average loan awarded was approximately EUR 100 000. The introduction of slate funding in 1999 saw the gradual withdrawal of applications and resources for this type of support. Slate funding was seen as a more flexible instrument for supporting companies' medium-term strategies.

- Support for industrial platforms

This mechanism was intended to encourage European independent production companies working on animation projects, productions based on new technologies and productions promoting Europe's film and audiovisual heritage to join together in networks. The support was awarded to the platform responsible for redistribution and for providing advice to the producers in the network.

Two platforms were selected during the lifetime of the MEDIA II programme: Multimedia Investissement (Multimedia Investments) and Cartoon.

2.3.3. Impact of the Development strand

Aid for development has helped to make professionals more aware of the importance of the industrial stage of development, while giving them access to financial resources for developing their products. It has enabled producers to test their concepts and not produce projects of dubious potential as regards feasibility or profitability.

The economic impact of this aid on investment levels is, however, difficult to quantify. But the mechanism seems to have been particularly interesting to medium-sized producers, in enabling them to increase their volume of investment and improve their companies' financial situations. For small producers, it offered an alternative to costly bank finance. The aid represented a greater or lesser proportion of total development investment depending on the size of the recipient company (small or medium) and the country of origin (country with high or low production capacity). The amounts of development aid awarded per project (from EUR 23 000 to EUR 35 000 depending on the product category) were sufficiently high to be attractive and to have a real impact on the financing of the development.

2.4. Impact of the Training strand

MEDIA II pursued the following objectives with regard to training:

- providing professionals with initial and continuing training, especially in relation to the European dimension of markets and the use of new technologies;
- promoting cooperation and exchanges of know-how through the networking of professionals and the development of teacher training and distance training.

The training initiatives covered three main fields: economic and commercial management, utilisation and development of new technologies for the production of audiovisual programmes, and screenplay techniques.

Over the period 1996-2000, 186 training initiatives were co-financed, involving 8 691 participants. MEDIA II's contribution towards the total cost of EUR 94.9 million was EUR 39.7 million. Training in the new technologies attracted the most participants, followed by training in management, followed by training in screenplay techniques. A wide range of training institutions (from universities to associations) benefited from the MEDIA II Training strand.

In the course of the programme the training provision offered by these institutions was gradually tailored to the predetermined priorities (the three main fields mentioned above) and the professionals' requirements. There was a significant improvement in the educational content. Efforts were also made in terms of information and clarification of objectives, so as to reach out more effectively to the target audience. An increase in training provision in countries with low production capacity and a restricted linguistic area was also observed.

The impact of the Training strand can only be measured in the medium or long term. However, it already appears that the MEDIA II training initiatives have helped shake up the attitudes and practices of independent European professionals, in that they now take more account of the European dimension, the development stage, the end markets, transnational cooperation and spontaneous networks.

Workshops based on participants' individual projects have enabled the participants to target, calibrate, develop, produce and sell these projects more effectively. They have also fostered networks of contacts between independent producers of various countries, giving them easier access to certain resource people for the development, financial set-up, packaging, marketing, selling and distribution of their projects. The links created during these training courses have ranged from selective co-production to the sale of programmes and have led to some solid partnerships.

Investment in initial training initiatives has turned out to be far less profitable in terms of collective impact, since the participants have no previous experience and no anchor point in professional practice.

3. ADJUSTMENTS TO THE COMMUNITY ACTION FOLLOWING IMPLEMENTATION OF THE MEDIA II PROGRAMME

3.1. Adjustments during the programme

Several adjustments were made to the MEDIA II programme based on analysis of the evolution of the audiovisual programme market. The purpose of these adjustments was to adapt the programme as well as possible to the needs of the European audiovisual industry and maximise its structuring effects.

Thus, two mechanisms directed at medium-sized companies already possessing some financial capacity and experience at international level were set up during the programme, namely the system of automatic support for cinema distribution and the development of project packages (slate funding).

The first mechanism (automatic support for cinema distribution) was introduced experimentally in 1997 and was subsequently extended until the end of the programme, with a bigger budget, on the basis of positive conclusions in the mid-term evaluation¹¹ of MEDIA II. The second mechanism (slate funding) was introduced in 1999, on the basis of recommendations made in the mid-term evaluation.

¹¹ Commission report on the results obtained in the context of the MEDIA II programme during the period 1.1.1996 - 30.6.1998, COM(1999) 91 final.

The complementarity between these two new mechanisms and the existing mechanisms (selective support for distribution and support for the development of individual projects) has been strengthened. In the case of support for distribution, the selective aid was targeted on films with low initial commercial potential and therefore representing a bigger risk for the distributor. The support provided enabled these films to be released and made more attractive (dubbing, printing of copies, promotion campaigns). The automatic distribution aid, in contrast, went to more commercial, bigger-budget films. As regards support for development, slate funding offered medium-sized companies flexible support and better financial visibility. Maintenance of the system of support for individual projects ensured that smaller companies were not excluded from MEDIA II aid.

3.2. Design of the MEDIA Plus programme (2001-2005)

When the discussions on MEDIA Plus were launched, the need to provide Community support for the audiovisual sector was not challenged. This was because of the sector's economic situation, reflecting how much needed to be done in terms of training, development and distribution (see part 1 of this report). In fact, the economic assessment of the audiovisual sector justified a substantial increase in the MEDIA budget. While MEDIA II had had a budget of EUR 310 million, MEDIA Plus was allocated EUR 400 million.

Experience acquired from MEDIA II influenced the design of MEDIA Plus in the following ways. The focusing of resources on the three strands of training, development and distribution was maintained. However, the instruments set up under MEDIA II were adapted to take account of the results recorded over the period 1996-2000 and to take account of the sector's changing needs.

In the training field, the main adaptation was to introduce an incentive for the setting up of European networks of centres of excellence, to coordinate the activities of the training institutions.

In the development field, the support mechanisms for the development of production structures were scrapped, in favour of support mechanisms for the development of projects. Slate funding was seen to be a suitable mechanism for short and medium-term financing and structuring of companies and was maintained for MEDIA Plus.

In the distribution field:

- support for catalogues was replaced by support for digitisation of works and the creation of promotional and advertising material on digital media;
- the system of automatic support for cinema distribution was maintained, with a bigger budget;
- aid for sales agents was maintained under the selective support mechanism;
- the MEDIA II system of support for video and multimedia was replaced by a system of automatic support for publishers and distributors of European works on media for private use (video, DVD and CD-Rom).