

EUROPEAN FILM AGENCY DIRECTORS
A STATEMENT IN SUPPORT OF THE CONTINUATION OF THE MEDIA PROGRAMME 2014-2020
May 2011

European culture is at the heart of the European 2020 strategy. The plan for smart, sustainable and inclusive growth has not only a macroeconomic *raison d'être* but emphasizes the need for new strategies for innovation as well as strategies for social, educational and cultural cohesiveness and development.

For 20 years the European Union's MEDIA Programme has pursued this vision for Europe by supporting and thereby strengthening the audiovisual sector. In cultural terms the audiovisual sector in Europe serves as the mirror to all Europeans – giving us the opportunity to express our own cultural distinctiveness and to have a window on the culture of other. In economic terms the European IT, telecommunications and audiovisual industries are worth around 8% of the EU GDP and employ over 13 million people¹. The audiovisual sector alone cannot take all the credit, but it plays a crucial role to the whole value chain by producing films and other audiovisual works, that provide Europe and Europeans a wealth of entertainment, knowledge and information.

The MEDIA Programme is the key to cultural exchange and dialogue, enabling films and audiovisual content to reach new audiences right across Europe and internationally. The Programme complements member states policies and strategies for training, development, production, promotion and distribution of audiovisual content. By supporting the audiovisual industry in Europe, the MEDIA Programme provides professionals unique opportunities to think and act at a European level in their business strategies, whether we are talking about production companies, distributors, sales agents, film festivals, broadcasters, cinemas or audiovisual training providers.

The European Film Agency Directors (EFAD) has reflected on the EU Commission's plan for combining EU cultural programmes within a new framework: "Creative Europe". As a result EFAD is deeply concerned that the plan puts at risk the inextricable link between cultural and industrial targets which has characterised the MEDIA Programme and which has led to its success. Hence, the Programme could not only lose its specific but also the dedicated financial resources, crucial for the ongoing adaptation to technological and market developments. Hence, the EFAD has concluded that the MEDIA "brand", the specific programme structure, and its dedicated budget should be kept.

In Europe the audiovisual sector is fragmented. For example, the audiovisual market is characterised by plural language areas; the audiovisual industry is characterised by SMEs all across Europe, and access to finance for European content development, promotion and distribution, is characterised by weak ties between the sector and the risk capital. Moreover, the sector is undergoing fundamental changes due to the digital development.

A new MEDIA Programme should target these challenges by adding a European dimension to national and regional strategies which are delivered by industry and public support programmes. National policies and EU policies would then complement and reinforce each other.

Addressing the national level the EFAD maintains that there is a need for the EU community to maintain a flexible view on the approval of national policies aimed at responding to market challenges.

At European level the value of the MEDIA Programme results from adding a European dimension to the specific parts of the value chain for audiovisual works from training and development to promotion, distribution and exhibition. The core areas of the MEDIA Programme should be retained

given their importance for the cultural exchange of audiovisual content, cross border cooperation and business development.

Responding to the current challenges the European audiovisual sector is facing, the EFAD finds that the short- and mid-term priorities of the new MEDIA Programme should be the following:

· **Helping the sector to realise and benefit from the digital transition**

The digital transition has penetrated all aspects of filmmaking. At this stage the transition of promotion, distribution and exhibition is taking place with great opportunities and great risks. The Programme should prioritize the digitization of cinemas dedicated at exhibiting European content as well as standards for and the promotion of European content on all digital platforms being television or video-on-demand platforms.

· **New audiences**

The traditional business model for the exploitation of European films is being disrupted. Alongside the international film festivals around Europe and the European cinemas, which traditionally have been respectively the promotion platform and the window for European films, audiences can now be reached through digital platforms. The MEDIA Programme should encourage all stakeholders engaged at building new audiences to develop new strategies for promotion and distribution of European works to cinema audiences as well as to online audiences.

· **Access to finance**

The current MEDIA Programme has already targeted facilitating access to finance, primarily in relation to the finance of new projects by providing guaranties for bank credits. This measure should be enhanced and expanded to other areas of the value chain. The EFAD invites the Commission and the European Investment Fund to explore the possibility to establish an investment fund for the European audiovisual sector.

· **Increased flexibility**

The EU Commission has endeavoured to reduce the bureaucracy for the benefit of the applicants. This process should continue. The wish for more flexibility also addresses the need for the next Programme to be more adaptive to changes in technology and the market. In this respect, the Media Committee should be given a more strategic mandate with respect to the budget planning and changes in the Programme objectives and means during the implementation period.

The EFAD is looking forward to learning more about the Commission's intentions regarding the continuation of the MEDIA Programme anticipating that a proposal will be launched before or just after the summer break. To that end, EFAD members from the 27 EU member states and associated European countries will be at the disposal of members of national governments and parliaments, members of the EU Parliament as well as civil servants from national administrations and the EU Commission.

EFAD, CANNES
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