



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

modifying Decision No 163/2001/EC of the European Parliament and of the Council of 19 January 2001 on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA-Training) (2001-2005)

(presented by the Commission)

EXPLANATORY MEMORANDUM

The MEDIA Training programme was adopted by Decision n°163/2001/EC of the European Parliament and of the Council on 19 January 2001 to run from 1 January 2001 to 31 December 2005, with a budget of EURO 50 million.

This programme results from a proposal made by the European Commission on the basis of Article 150(4), intended to continue Community action in this sector. The Commission had initially implemented an “Action programme to promote the development of the European audiovisual industry (MEDIA) (1991-1995)”, adopted by Council Decision 90/ 685/EEC, and comprising, in particular, support for training activities to improve the professional skills of persons working in the European audiovisual programme industry. This was followed by the MEDIA II Programme (1996-2000), adopted by Council Decision 95/ 563/EC and by Council Decision 95/564/EC, which confirmed the Community strategy for developing and strengthening the European audiovisual industry.

The MEDIA-Training proposal aimed to achieve the following objectives, which are based on the EC Treaty objectives:

To meet the industry's needs and promote competitiveness by improving the continuous vocational training of professionals in the audiovisual sector, with a view to giving them the know-how and skills needed to create competitive products on the European and other markets, in particular in the field of:

- application of new technologies, and in particular digital technologies, for the production and distribution of audiovisual programmes with a high commercial and artistic added value; economic, financial and commercial management, including the legal framework and the techniques for the financing, production and distribution of audiovisual programmes;
- script-writing techniques and storytelling including techniques for the development of new audiovisual programme types.

To encourage co-operation and the exchange of know-how and best practice through networking between the partners responsible for training, namely training establishments, the professional sector and undertakings, as well as through developing training for the trainers.

The MEDIA-Training programme is intended to give professionals in the European audiovisual programme industry, mainly through continuous vocational training, the necessary skills to allow them to take full advantage of the European and international dimension of the market and of the use of new technologies. The programme has now existed since 1991. During this period, the programme has supported numerous projects, which have had a positive impact on employment within the European audiovisual sector, imparting professional skills to allow professionals to benefit fully from the European and international dimension of the market for audiovisual programmes.

This programme comes to an end at a time when there will be major changes for the future structure and functioning of the European Union. A number of important elements will certainly entail changes to Community action in this field: the European Union will welcome ten new Member States, the Intergovernmental Conference will produce results based on the Convention for the future of Europe, the European Parliament elections and the appointment of a new European Commission. It is clear that the European audiovisual sector will also be

affected by these changes, changes that the programme will need to adapt to. However, it is not possible at the current time to predict accurately the extent of shape of these future modifications.

Despite this situation, it is essential to ensure continuity of Community support for the sector, and to avoid any disruption of these mechanisms in support of Community objectives laid down in the Treaty. In addition, such actions involve a large number of professionals from the European audiovisual sector. In view of these circumstances, the European Commission proposes that the existing programme should be prolonged unchanged for 2006.

It is necessary to assure a legal basis to enable the programme to be prolonged by one year. At the same time, the Commission will continue to explore all existing possibilities for action in this field, through preparatory actions, such as the i2i Audiovisual “growth and audiovisual” action, and through studies to establish which forms of training are needed for the sector.

This approach will enable the Commission to prepare, on the basis of the insight gained, together with the results of the mid-term evaluation foreseen in Article 9 of the Decision establishing the programme and the results of the public consultation, a proposal for a new programme for Community support for the audiovisual sector.

The European Commission intends to present a proposal for the establishment of a new European Community programme for support of the European audio-visual sector, before the end of 2003. This programme would begin in 2007. Whilst it is clear that the other European Institutions and the operators concerned consider that the MEDIA programmes have been a success, the European Commission aims to further improve its action in this field.

The European Commission therefore proposes:

- to prolong MEDIA-Training for 2006;
- to adjust the overall budget of the MEDIA Training programme as prolonged to EURO 57.40 million.

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

modifying Decision No 163/2001/EC of the European Parliament and of the Council of 19 January 2001 on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA-Training) (2001-2005)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 150 (4) thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the Economic and Social Committee²,

Having regard to the opinion of the Committee of the Regions³,

Acting in accordance with the procedure laid down in Article 251 of the Treaty⁴,

Whereas:

- (1) The Council and the European Parliament by Decision n°163/2001/EC established the programme MEDIA-Training, a training programme for professionals in the European audiovisual programme industry, to run from 1 January 2001 to 31 December 2005.
- (2) It is essential to ensure the continuity of Community policy for the support of the European audiovisual sector in view of the objectives followed by the Community under Article 150 of the Treaty,

HAVE ADOPTED THIS DECISION:

Article 1

Decision 163/2001/EC is hereby amended as follows:

- (1) In Article 1, the date of 31 December 2005 is replaced by that of 31 December 2006
- (2) In Article 4(5), the financial framework set at EUR 50 million is replaced by EUR 57.40 million.

¹ OJ C , , p. .
² OJ C , , p. .
³ OJ C , , p. .
⁴ OJ C , , p. .

Article 2

This Decision shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

Article 3

This Decision is addressed to the Member States.

Done at Brussels,

*For the European Parliament
The President*

*For the Council
The President*

LEGISLATIVE FINANCIAL STATEMENT

Policy area(s): Culture - Industrial Policy

Activit(y/ies): Support to the audiovisual industry

Title of action:

**DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
modifying Decision No 163/2001/EC of the European Parliament and of the Council of
19 January 2001 on the implementation of a training programme for professionals in the
European audiovisual programme industry (MEDIA-Training) (2001-2005)**

1. BUDGET LINE(S) + HEADING(S)

B3-2011 MEDIA Training (15.05.01.02)

2. OVERALL FIGURES

2.1. Total allocation for action (Part B):

7,400 € million for commitment

This amount represents the budgetary impact of the proposal to prolong the programme, which is due to end on 31 December 2005, for the additional year concerned, 2006.

This amount relates to EU25. An amount corresponding to the impact of enlargement in 2004 will be added to the programme's overall budget, as modified by the current prolongation proposal.

2.2. Period of application:

1 January 2006 - 31 December 2006

2.3. Overall multiannual estimate of expenditure:

- (a) Schedule of commitment appropriations/payment appropriations (financial intervention) *(see point 6.1.1)*

€ million *(to three decimal places)*

	2006	2007	2008	2009	Total
Commitments	7,400				
Payments	4,200	1,400	1,800		7,400

- (b) Technical and administrative assistance and support expenditure *(see point 6.1.2)*

Commitments					
Payments					

Subtotal a+b					
Commitments	7,400				7,400
Payments	4,200	1,400	1,800		7,400

- (c) Overall financial impact of human resources and other administrative expenditure
(see points 7.2 and 7.3)

Commitments/ payments					
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TOTAL a+b+c					
Commitments	7,400				7,400
Payments	4,200	1,400	1,800		7,400

2.4. Compatibility with financial programming and financial perspective

Proposal is compatible with existing financial programming.

2.5. Financial impact on revenue:⁵

Proposal has no financial implications (involves technical aspects regarding implementation of a measure)

3. BUDGET CHARACTERISTICS

Type of expenditure		New	EFTA contribution	Contributions form applicant countries	Heading in financial perspective
Comp/ Non-comp	Diff/ Non-diff	NO/ YES	YES/NO	YES/NO	No 3

4. LEGAL BASIS

Art. 251 EC treaty

Art. 150 EC treaty

⁵ For further information, see separate explanatory note.

5. DESCRIPTION AND GROUNDS

5.1. Need for Community intervention ⁶

5.1.1. Objectives pursued

The objective of the prolongation is to ensure the continuation of the MEDIA Training Programme for support of the European audiovisual industry for the year 2006. The present programme will finish on the 31 December 2005. The prolongation is deemed necessary to ensure continuity of Community action in the transition period, which will be characterised by very important institutional changes (enlargement of the Union, new European Parliament and a new commission). Moreover the prolongation will allow the MEDIA Programme to comply with the financial perspectives which have been established until 2006.

The present request for prolongation does not include any amendment to Council Decision 163/2001/CE of 19 January 2001 except for the duration of the programme. As a consequence an additional year of budget allocation will be established.

The objectives of the decision will remain the support of the European audiovisual industry by enhancing its competitiveness. The MEDIA Training programme focuses on the provision of training schemes for professionals of the audiovisual sector in respect of creative capacities and the commercial skills needed to complete the production process. Priority is given to the use of new technologies in audiovisual production and to the strengthening of transnational co-operation in Europe.

5.1.2. Measures taken in connection with ex ante evaluation

The MEDIA Training Programme built upon the achievements of the MEDIA I and II Programmes. These programmes were the subject of extensive evaluation exercises, which helped in drafting their continuation in the MEDIA Training programme. The ex-ante evaluation carried out by the Commission services has reaffirmed the need for a specific training programme to enhance the competitiveness of the European audiovisual industry. It has also pointed out the necessity of focussing on the use of new technologies for production and distribution and has shown the advantages in terms of efficiency of the consolidation of European networks among training institutions. Finally, it has identified through the training actions a way to reduce the imbalances of production capacities in Europe and therefore particularly supports training programmes in countries with a low audiovisual capacity.

5.1.3. Measures taken following ex post evaluation

A mid-term evaluation of the MEDIA Training programme is currently being initiated by the Commission services assisted by an independent consultant. As the decision reads, the evaluation findings could allow for an adjustment in the programme with a view at improving its efficacy. The Commission will provide all relevant institutions with the outcome of the evaluation in the form of an official communication.

5.2. Action envisaged and budget intervention arrangements

The prolongation of the MEDIA Training programme does not include modifications to the structure of the programme. It will continue its support to institution organising and managing

⁶ For further information, see separate explanatory note.

training projects in Europe. The training supported will involve all actors of the production process including directors, produces, screenwriters and will also support their co-operation. The aim will be that of strengthening their artistic and commercial skills. Training institutions will also be the object of training action to ensure a proper “know-how” exchange.

The beneficiary will receive financial support from the Commission for up to fifty percent of the total budget of the projects involved. Financial support will be given in the form of grants and could cover also expenses related to the participation to training schemes for participants from other European countries then the one organising the training. Only in exceptional cases will the Community contribution cover up to sixty percent of total budget of the single project.

5.3. Methods of implementation

The implementation mechanism will respect the general regulation of Community actions. It includes grants, loans and co-financing schemes, based on detailed financial requests. The Community is fully financing services such as the organisation of expert panels, market studies, evaluation of projects and technical assistance. The financing will be awarded following calls for tender and calls for proposals.

The MEDIA Plus Programme is centrally managed by the Commission services. A technical Assistance Office located in Brussels assists the Commission services in management related issues. This office is financed on budgetary line B3-2010A (15.01.04.08) (covering both MEDIA Plus and MEDIA Training). At national level and in co-operation with national authorities MEDIA desks ensure the interface with the beneficiaries of the Programme. It should be noted that a study has been launched to examine the possibility of replacing the existing technical assistance office with an Executive Agency.

6. FINANCIAL IMPACT

6.1. Total financial impact on Part B - (over the entire programming period)

6.1.1. Financial intervention

Commitments (in € million to three decimal places)

Breakdown	2006	Total
Action 1: Training schemes	7,400	7,400
TOTAL	7,400	7,400

6.1.2. *Technical and administrative assistance, support expenditure and IT expenditure (commitment appropriations)*

It should be noted that the technical assistance costs for the MEDIA Training programme are covered by budgetary line B3-2010A (15.01.04.08) that covers the Technical Assistance Office for both MEDIA Training and MEDIA Plus.

The nature of these expenses could be altered if the results of a study on costs and effectiveness that will be launched in 2003 prove that it would be advantageous to set up an Executive Agency to manage the programme.

6.2. Calculation of costs by measure envisaged in Part B (over the entire programming period)⁷

Commitments (in € million to three decimal places)

Breakdown	Type of outputs (projects, files)	Number of outputs (total for years 1...n)	Average unit cost	Total cost (total for years 1...n)
	1	2	3	4=(2X3)
<u>Action 1 - Training schemes</u>		37	0,200	7,400
TOTAL COST				7,400

If necessary explain the method of calculation

7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

7.1. Impact on human resources

The officials currently managing the implementation of the existing programmes (MEDIA Plus and MEDIA Training) will manage the prolongation of the MEDIA Training Programme. This is detailed in the financial fiche for the prolongation of the MEDIA Plus programme.

7.2. Overall financial impact of human resources

7.3. Other administrative expenditure deriving from the action

It should be noted that the administrative expenditure for the MEDIA Training programme is covered under those of the MEDIA Plus programme.

8. FOLLOW-UP AND EVALUATION

8.1. Follow-up arrangements

In terms of implementation of the programme the prolongation will continue on the system built up under MEDIA Training. It will involve the participation a selection panels of the

⁷ For further information, see separate explanatory note.

various calls for proposals, the monitoring of ongoing service contracts and the financial control of all transactions.

8.2. Arrangements and schedule for the planned evaluation

A mid term evaluation of the MEDIA Training Programme is currently being initiated by the Commission sceances with the assistance of an external independent consultant. The results of such an evaluation will help in correcting if needed implementational shortcomings and structural deficiencies of the current programme. At the end of the MEDIA Training Programme an independent evaluator will carry out an evaluation of the impact of the programme. The results of the ex-post evaluation will be transmitted to the Parliament, the Council, the Committee of the Regions and the European Economic and Social Committee.

9. ANTI-FRAUD MEASURES

All the contracts, conventions and legal undertakings concluded between the Commission and the beneficiaries under the programme foresee the possibility of an audit at the premises of the beneficiary by the Commission's services or by the Court of Auditors, as well as the possibility of requiring the beneficiaries to provide all relevant documents and data concerning expenses relating to such contracts, conventions or legal undertakings up to 5 years after the contractual period. Beneficiaries are subject to the requirement to provide reports and financial accounts, which are analysed as to the eligibility of the costs and the content, in line with the rules on Community financing and taking account of contractual obligations, economic principles and good financial management.