

The European Union: a guide for audiovisual professionals

February 201



MEDIADESK **UK**

MEDIA 
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Although every effort has been made to ensure the accuracy of the material contained within, complete accuracy cannot be guaranteed. The contents are for general informational purposes only. Links and references to websites, organisations or people should not be taken as endorsement by the European Union.

The source of most of the figures and much of the factual information in this guide is the [European Commission](#). The help of the [Kern European Affairs](#) in researching this guide is gratefully acknowledged.

We appreciate your feedback. Please email any comments to uk@mediadeskuk.eu.

Contents

Page

4	How to use this guide
5	European Union organisational chart
6	Part 1: How the European Union works
39	Part 2: The European Union and the audiovisual industry
65	Part 3: European Union funding opportunities for the audiovisual industry
100	Part 4: The Council of Europe
110	Part 5: The British Film Institute in Europe
114	Glossary of acronyms
116	Glossary of terms
125	Appendices

How to use this guide

The aim of *The European Union: a guide for audiovisual professionals* is to provide an introduction to the European Union (EU), its composition, powers, activities and initiatives, as well as an overview of its policies for and interventions in the audiovisual sector.

For ease of reference and navigation, this guide is divided into four parts. The contents list on page two gives chapter titles. Each section is preceded by a detailed breakdown of its contents, enabling the reader to dip in and out of the guide to suit their interests. It neither needs to be, nor is it intended to be read sequentially from start to finish.

Part 1: How the European Union works provides an overview of the EU's history, objectives and organisation, and the powers and work of its three principal institutions: the European Parliament, the European Commission and the Council of the European Union. It also provides overviews of other significant European institutions, and a section on the budget.

Part 2: The European Union and the audiovisual industry is designed to give audiovisual professionals an overview of the audiovisual policy and initiatives of the EU. Section seven concentrates on the political and regulatory framework, covering subjects from the Audiovisual Media Services Directive to state aid, and from media literacy to the Digital Agenda for Europe. Section eight considers the international dimension of EU audiovisual policy.

Part 3: European Union funding opportunities for the audiovisual industry is an overview of various funding streams available to the industry at EU level. Section nine presents the work of MEDIA and Culture Programmes, the EU's support programmes for the audiovisual, cultural and creative sectors. Section ten covers research and innovation funding while section 11 explores regional funds. This part concludes with EU's international funding opportunities.

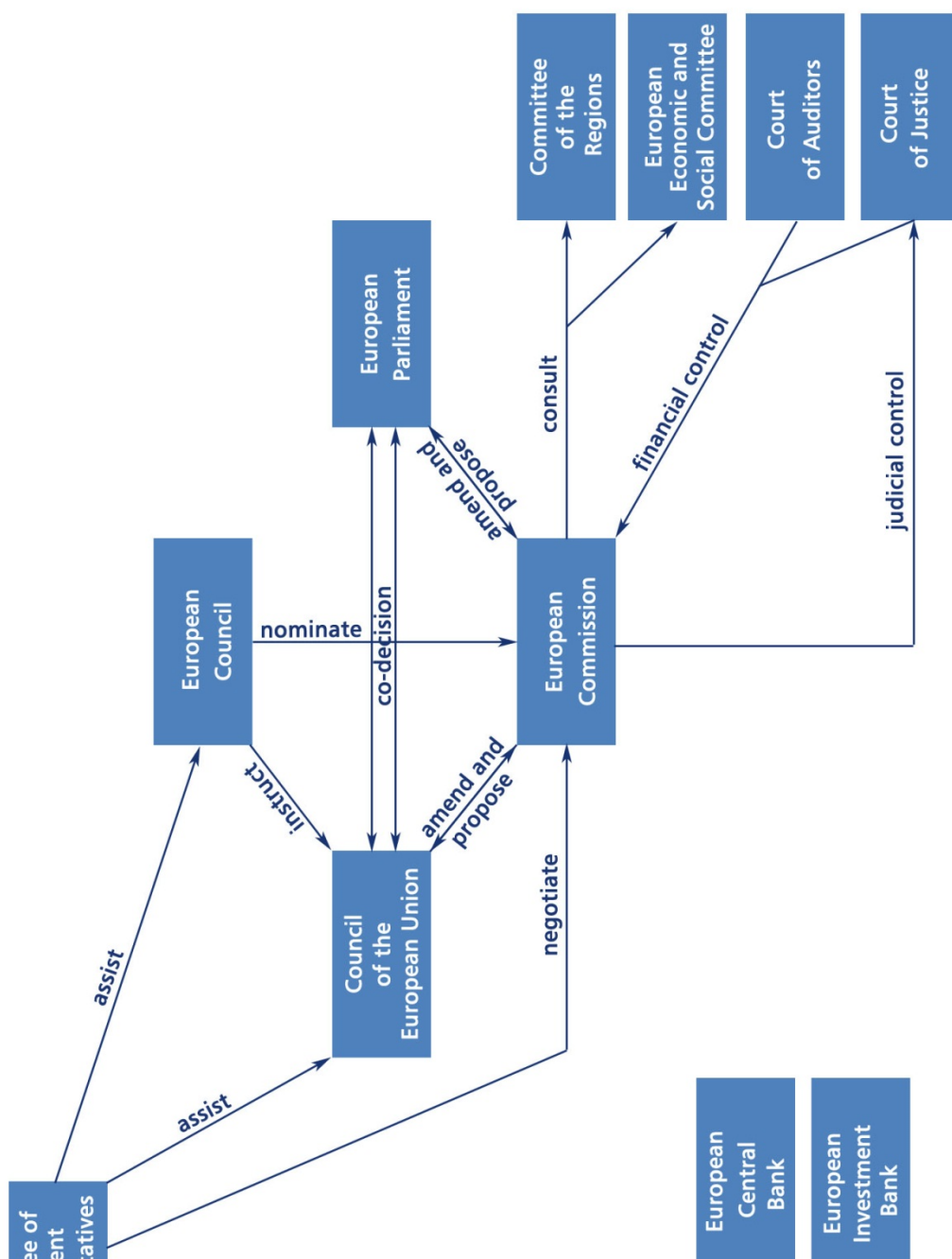
Part 4: The Council of Europe offers an outline of the oldest Europe-wide organisation, the Council of Europe. Distinct from the EU, the Council of Europe has three initiatives of importance to the audiovisual sector: the European Convention on Cinematographic Co-production, the European Audiovisual Observatory and Eurimages – all of which are covered in these sections.

Part 5: The British Film Institute in Europe outlines the BFI's objectives and explains the organisation's contribution to the European agenda.

Finally, the appendices provide profiles and contact details for key EU officials, statistics for the European film market and examples of MEDIA funding in the UK from 2009 to 2011.

The guide also features a glossary of terms and many hyperlinks. Terms which are **blue and bold** have a glossary definition, and terms which are **blue and underlined** are hyperlinks, directing the reader to external websites for further information. Terms which are **green and underlined** are interactive bookmarks, pointing the reader towards a relevant section within the Guide which clarifies or elaborates on a term used.

European Union organisational chart



Part 1:

**How the European Union
works**

1. Introducing the European Union	9
1.1 EU membership	9
1.2 The EU and the UK	10
1.2.1 The European Union Act 2011	10
1.3 The treaties of the EU	10
1.4 The Treaty of Lisbon	11
1.5 The EU’s objectives	11
1.6 How the EU makes decisions	12
1.7 Decision making and the Treaty of Lisbon	12
1.7.1 Ordinary legislative procedure	13
1.7.2 Qualified Majority Voting	13
1.7.3 Special legislative procedures	14
1.7.4 Passerelle clauses	14
2. The European Commission	16
2.1 Composition of the Commission	16
2.2 What the Commission does	18
3. The European Parliament	20
3.1 Composition of the Parliament	20
3.2 What the Parliament does	23
3.3 How the Parliament organises its work	24
4. The Council of the European Union	25
4.1 Composition of the Council	25
4.2 What the Council does	25
4.3 The Presidency	26
4.3.1 Presidency rotations	26
4.4 How the Council organises its work	28
5. Other European institutions and bodies	29
5.1 Court of Auditors	29
5.2 Court of Justice of the European Union	29
5.3 European Central Bank	30
5.4 European Council	30
5.5 Committee of the Regions	30
5.6 European Data Protection Supervisor	31
5.7 European Economic and Social Committee	31
5.8 European Investment Bank	31
5.8.1 European Investment Fund	32

5.9	European Ombudsman	32
6.	The budget of the European Union	32
6.1	How the budget is financed	32
6.2	National compensation mechanisms	33
6.3	Agreeing the budget	33
6.3.1	Multiannual Financial Framework (MFF) 2007-2013 objectives	34
6.4	2012 expenditure	34
6.5	MFF 2014-2020	36
7.	European Union's overall strategy – Europe 2020	36
7.1	Digital Agenda for Europe	38

Part 1: How the European Union works

1. Introducing the European Union

The [European Union](#) (EU) is an economic and political partnership between 27 democratic European countries. The aim of the EU is to bring peace, prosperity and freedom to its 500 million¹ citizens in a fairer, safer world. In its 50-year history, the EU has developed a **single market** through a standardised system of laws in all **Member States**, aiming to ensure the free movement of people, goods, services and capital. It has also become a major trading power, generating an estimated 23% share of the nominal gross world product.² Since 1999, 17 **Member States**³ have adopted a common currency, [the euro](#), and these **Member States** now constitute the **euro area**. The EU maintains common policies on trade, agriculture, fisheries and regional development and has developed a role in foreign policy, having representation at the [World Trade Organisation](#), **G8**, **G-20 major economies** and at the [United Nations](#).

Member States delegate some of their decision-making powers to shared institutions so that decisions on matters of joint interest can be made democratically at European level. The powers and the responsibilities of the EU institutions, and the rules and procedures they must follow, are laid down in the **treaties** on which the EU is founded.

1.1 EU membership

There are six founder Member States:

- Belgium
- France
- Germany
- Italy
- Luxembourg
- The Netherlands

There have been six waves of accession:

- 1973: Denmark, Ireland, UK
- 1981: Greece
- 1986: Portugal, Spain
- 1995: Austria, Finland, Sweden
- 2004: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic (Slovakia), Slovenia
- 2007: Bulgaria, Romania

¹<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&language=en&pcode=tps00001&tableSelection=1&footnotes=yes&labeling=labels&plugin=1>

²<http://www.imf.org/external/pubs/ft/weo/2012/01/weodata/weorept.aspx?pr.x=26&pr.y=12&sy=2012&ey=2012&scsm=1&ssd=1&sort=country&ds=.&br=1&c=001%2C998&s=NGDPD&grp=1&a=1>

³ Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, Spain.

To join the EU, these countries had to fulfil the economic and political conditions known as the **Copenhagen criteria**.

Croatia applied for EU membership in 2003 and in December 2011 signed the [Treaty of Accession 2011](#) to become the 28th **Member State**. The ratification process is ongoing, but the accession of Croatia to the EU is expected to take place on 1 July 2013.

The EU has also accepted Iceland, the Republic of Macedonia, Montenegro, Serbia and Turkey as official candidates for membership. Albania has applied for EU membership, and Bosnia and Herzegovina has signed a [Stabilisation and Association Agreement](#) (SAA) with the EU, which generally precedes membership application.

1.2 The EU and the UK

The European Communities Act 1972 provided for the incorporation of EU law into the domestic law of the UK, and the UK became a **Member State** of the EU in the first wave of accession in 1973.

1.2.1 The European Union Act 2011

It was announced on 25 May 2010 that the UK government would introduce legislation to ensure that in future, UK parliament and citizens will have their say on any proposed transfer of powers from the UK to the EU. The [European Union Act 2011](#) received **Royal Assent** on 19 July 2011.

The Act ensures that if there is a change to the EU treaties that moves a power or an area of policy from the UK to the EU, then the government will have to get UK citizens' consent in a national **referendum** before it can be agreed. The Act also provides that an **Act of Parliament** will be required for all types of EU treaty change, and that EU law can only take effect in the UK legal system by virtue of the will of parliament.

1.3 The treaties of the EU

The EU is based on two **treaties**: the Treaty of Rome, which became the [Treaty on the Functioning of the European Union](#) in 2009, and the [Treaty on European Union](#) (more commonly known as the Maastricht Treaty). The Treaty of Rome was signed on 25 March 1957, and established the [European Economic Community](#) (EEC). Initially the EEC was established to foster economic co-operation, but was intended to develop into a political union.

Thirty years later, the [Single European Act](#) (SEA) of 1986 created the basis for the establishment of an internal market, and the European flag became the symbol for the EEC.

In 1992 the Treaty on European Union was signed in Maastricht, the Netherlands. It introduced and encouraged new forms of co-operation between the **Member State** governments, and recommended that the EEC support and supplement the **Member States'** actions in the areas of culture, heritage and 'artistic and literary creation, including in the audiovisual sector'.⁴ By adding inter-governmental co-operation on defence and justice and home affairs to the existing 'Community' system, the Maastricht Treaty created a new structure which was political and economic: the European Union.

The signing of the [Treaty of Amsterdam](#) in 1997 caused substantial changes to the Treaty on European Union, including a greater emphasis on citizenship and the rights of individuals and the beginnings of a [Common Foreign and Security Policy](#) (CFSP). It was followed in 2001 by the [Treaty of Nice](#), which reformed the institutional structure of the EU to anticipate enlargement.

In the early 2000s, there was a move to replace the existing treaties and reorganise the institutional functioning of the EU by introducing a 'European Constitution'. However, due to negative **referendums** on the text in the Netherlands and France, plans for the European Constitution were adapted into another treaty, the Treaty of Lisbon, which was signed in 2007 and came into force on 1 December 2009.

1.4 The Treaty of Lisbon

The [Treaty of Lisbon](#) (initially known as the Reform Treaty) reformed the decision-making process within the EU to make it more democratic and efficient. It amended and updated the [Treaty on the Functioning of the EU](#) and the [Treaty on European Union](#), but has not replaced them.

The Treaty of Lisbon increased the power of the [European Parliament](#) and national parliaments, introduced the possibility of citizens' initiatives, defined more clearly the division of competences between the EU and the **Member States** and created the functions of 'President of the [European Council](#)' and '[High Representative for the Union in Foreign Affairs and Security Policy](#)' to represent the EU in external actions. It also gave binding legal effect to the EU's [Charter of Fundamental Rights](#), and enlarged the competencies of the EU regarding humanitarian aid, administrative co-operation, intellectual property rights protection, public service, sports and tourism.

1.5 The EU's objectives

The [Treaty of Lisbon](#) clearly sets out the EU's aims and values of peace, democracy, respect for human rights, justice, equality, rule of law and sustainability.

The Treaty of Lisbon pledges that the EU will:

⁴ [Article 128 of the Maastricht Treaty](#)

- Offer an area of freedom, security and justice without internal frontiers
- Work for the sustainable development of Europe
- Combat social exclusion and discrimination
- Promote economic, social and territorial cohesion among **Member States**
- Remain committed to economic and monetary union with the euro as its currency
- Uphold and promote the EU's values internationally
- Contribute to the protection of human rights.

1.6 How the EU makes decisions

The **Member States** delegate **sovereignty** for certain matters to independent institutions which represent the interests of the EU as a whole, its **Member States** and citizens. The most prominent of these are the [European Commission](#), which upholds the interests of the EU and the [European Parliament](#), which is directly elected by EU citizens. Each national government is represented within the [Council of the European Union](#).

In general, it is the European Commission that proposes new legislation, but it is the Council and Parliament that pass the laws. In some cases, the Council can act alone. [Other institutions](#) also have roles to play.

The main forms of EU law are **regulations**, **Directives** and **decisions**:

- Regulations are binding legislative acts that must be directly applied throughout the EU as soon as they come into force
- Directives establish a common aim for all Member States, but it is left to the authorities within the Member States to decide on the form and method of achieving it
- Decisions are binding on those to whom they are addressed (e.g. a Member State or an individual company) and are directly applicable in that they may be invoked by individuals before national courts.

1.7 Decision making and the Treaty of Lisbon

The Treaty of Lisbon reformed the EU's decision-making process by simplifying the existing three types of legislative procedures. [Article 289 of the Treaty on the Functioning of the EU](#) now only refers to two types of procedure:

- Ordinary legislative procedure
- Special legislative procedures.

In addition, the Treaty of Lisbon introduced [passerelle clauses](#) which enable the ordinary legislative procedure to be generalised, under certain conditions, to areas that were initially outside its scope.

1.7.1 Ordinary legislative procedure

The ordinary legislative procedure replaces the former **co-decision procedure**, and is more legitimate from a democratic point of view. It involves the Parliament as a co-legislator at the Council's side. Over time, the co-decision procedure became the most widely-used legislative procedure, so the Treaty of Lisbon renamed it, established it as a common law procedure and extended it to new areas of policy, including culture.⁵

The ordinary legislative procedure is implemented in the same way as the former co-decision procedure,⁶ whereby the Council and the Parliament have equal authority and adopt legislative acts at either the first or second reading. If the two institutions have not reached agreement following the second reading, a **Conciliation Committee** is convened.

1.7.2 Qualified Majority Voting

Under the ordinary legislative procedure, the Council and the Parliament use qualified majority voting (QMV). QMV ensures that the legitimacy of decisions can be safeguarded in terms of their demographic representativeness, and has replaced the previous system of unanimous voting in almost every policy area.

The QMV system is based on a weighting of votes and a 'demographic verification' clause. The number of votes allocated to each **Member State** is weighted to reflect the size of the population. The Member States with the largest populations have 27-29 votes, the medium-sized countries have 7-14 votes and the small countries 3 or 4 votes:

Member States	Number of votes
France, Germany, Italy and UK	29 each
Poland and Spain	27 each
Romania	14
The Netherlands	13
Belgium, Czech Republic, Greece, Hungary and Portugal	12 each
Austria, Bulgaria, Sweden	10 each
Denmark, Finland, Ireland, Lithuania and Slovakia	7 each
Cyprus, Estonia, Latvia, Luxembourg and Slovenia	4 each
Malta	3
Total	345

A qualified majority is reached if a proposal has received 255 votes out of a total of 345, representing a majority of the Member States. Moreover, a **Member State** may request verification that the qualified majority represents at least 62% of the total population of the EU. If this is not the case, the decision is not adopted.

⁵ Article 167 of the Treaty on the Functioning of the EU

⁶ As described in Article 294 of the Treaty on the Functioning of the EU

On 1 November 2014 a new definition of QMV called 'double majority' will enter into force. In accordance with the Treaty of Lisbon, the new qualified majority will comprise at least 55% of the members of the Council, representing at least 15 Member States and at least 65% of the European population. A blocking minority may be formed comprising at least four members of the Council. Between November 2014 and March 2017, any Member State may request that the current QMV be applied instead of the new double majority system.

1.7.3 Special legislative procedures

Special legislative procedures replaced the former consultative, co-operation and **assent** procedures in order to simplify the EU's decision-making process by making it clearer and more effective. Special legislative procedures are exceptions to the ordinary legislative procedure, and the [Treaty of the Functioning of the EU](#) does not give a precise description of them. The rules of special legislative procedures are therefore defined on an *ad hoc* basis by Articles of the [Treaty on European Union](#) and the [Treaty on the Functioning of the EU](#) that provide for their implementation.

In special legislative procedures, the [Council of the European Union](#) is the sole legislator. The role of the [Parliament](#) is limited to consultation or approval depending on the case.

1.7.4 Passerelle clauses

[The Treaty of Lisbon](#) introduced passerelle clauses in order to be able to apply the ordinary legislative procedure to areas for which the Treaties had laid down a special legislative procedure. Passerelle clauses also allow voting by [QMV](#) to be applied to acts that were initially to be adopted unanimously.

There are two types of passerelle clause:

- The general passerelle clause applying to all European policies (activation of this clause must be authorised by a unanimous Decision of the European Council)
- Specific passerelle clauses relating to certain European policies.

Specific passerelle clauses have some procedural particularities with respect to the general passerelle clause. For example, national parliaments do not generally have a right to object, which is granted to them by the general clause. In other cases, the application of certain specific clauses may be authorised by a **Decision** of the [Council of the European Union](#), and not of the [European Council](#) as is the case for the general clause. The implementing rules for the specific clauses therefore differ from case to case and are described in the Articles of the Treaties.

There are specific passerelle clauses for these six areas:

- [The Common Foreign and Security Policy](#) (CFSP)
- Environmental matters
- Judicial co-operation concerning family law (this is the only specific clause in which national parliaments retain a right to object)
- [The multiannual financial framework](#) (MFF)
- Reinforced co-operation in areas governed by unanimity or by a special legislative procedure
- Social affairs.

2. The European Commission

[The European Commission](#) is the guardian of the treaties and its job is to represent and uphold the interests of the EU as a whole. It is independent of national governments and can take action against Member States in order to pursue the EU's interests. It drafts proposals for new European laws which it presents to the European Parliament and the Council of the European Union.

It is also the EU's executive arm and is responsible for implementing the decisions of the Parliament and the Council. The Commission manages the day-to-day business of the EU: implementing its policies, running its programmes and spending its funds.

The seat of the Commission is in Brussels, Belgium, but it also has offices in Luxembourg, representations in all EU countries and delegations in many capital cities around the world. [There are four offices in the UK: in Belfast, Cardiff, Edinburgh and London.](#)

2.1 Composition of the Commission

The term 'Commission' is used in two senses. First, it refers to the team of 27 men and women (one from each Member State) appointed to run the institution. These appointed members are known as Commissioners. They have generally held political positions on a national level, and many have been government ministers, but as members of the Commission they are committed to acting in the interests of the EU as a whole. They provide the Commission's political leadership during their five-year term, and each Commissioner is assigned responsibility for specific policy areas by the President of the Commission. The appointment of all Commissioners, including the President, is subject to the approval of the Parliament, and when in office, they remain accountable to the Parliament, the only institution with the power to dismiss the entire Commission. The current President of the European Commission is José Manuel Barroso,⁷ who began his second term of office in February 2010.

Second, it refers to the larger institution that also includes the administrative body of approximately 25,000 European civil servants who are split into departments called Directorates-General (DGs) and Services. Each DG is responsible for a particular policy area and is headed by a Director-General who is answerable to one of the Commissioners. Overall co-ordination is provided by the [Secretariat-General](#).

⁷ See Appendix I

DGs and Services

Directorates-General (DGs)		
Agriculture and Rural Development (AGRI)	Enterprise and Industry (ENTR)	Interpretation (SCIC)
Budget (BUDG)	Environment (ENV)	Joint Research Centre (JRC)
Climate Action (CLIMA)	EuropeAid Development and Cooperation (DEVCO)	Justice (JUST)
Communication (COMM)	Eurostat (ESTAT)	Maritime Affairs and Fisheries (MARE)
Communications Networks, Content and Technology (CONNECT)	Foreign Policy Instruments Service (EEAS)	Mobility and Transport (MOVE)
Competition (COMP)	Health and Consumers (SANCO)	Regional and Urban Policy (REGIO)
Economic and Financial Affairs (ECFIN)	Home Affairs (HOME)	Research and Innovation (RTD)
Education and Culture (EAC)	Human Resources and Security (HR)	Secretariat-General (SG)
Employment, Social Affairs and Inclusion (EMPL)	Humanitarian Aid (ECHO)	Taxation and Customs Union (TAXUD)
Energy (ENER)	Informatics (DIGIT)	Trade (TRADE)
Enlargement (ELARG)	Internal Markets and Services (MARKT)	Translation (DGT)
Services		
Bureau of European Policy Advisers (BEPA)	Historical archives	Legal Service (SJ)
Central Library	Infrastructures and Logistics – Brussels (OIB)	Office for Administration and Payment of Individual Entitlements (PMO)
Data Protection Officer	Infrastructures and Logistics – Luxembourg (OIL)	Publications Office (OP)
European Anti-Fraud Office (OLAF)	Internal Audit Service (IAS)	

2.2 What the Commission does

The Commission has four main roles:

- **Proposing new legislation to Parliament and the Council**

The Commission has the 'right of initiative' – it can propose new laws to protect the interests of the EU and its citizens. Under the **principle of subsidiarity**, it does this only on issues that cannot be dealt with effectively at national, regional or local level.

When the Commission proposes a law, it tries to satisfy the widest possible range of interests. To get the technical details right, it consults experts through various committees and groups and holds **public consultations**.

The relevant departments in the Commission produce a draft of the proposed new law. If at least 14 of the 27 Commissioners agree with the draft of a new law, it is then sent to the Council and Parliament. After debating and amending the draft, they decide whether to adopt it as law.

- **Implementing policies and budget**

The Commission is the executive in all areas of EU action, but its role is particularly important in certain sectors, including agriculture (drawing up **regulations**), competition policy (monitoring cartels and mergers, removing or monitoring discriminatory **State aid**) and technological research and development.

The Commission is also responsible for managing and implementing the EU budget under the supervision of the **Court of Auditors**. The Parliament uses the Court of Auditors' annual report to grant the Commission **discharge** for implementing the budget.

- **Enforcing European law**

The Commission ensures that European legislation is applied correctly in the Member States and will take steps to deal with infringements of Community obligations (e.g. against a Member State that is not applying a **Directive**).

If a matter cannot be settled through the **infringement procedure** then the Commission must refer it to the **Court of Justice**, which ultimately ensures that the law is observed in the interpretation and application of the treaties. Court of Justice judgements are binding for Member States and the European institutions.

Under the supervision of the Court of Justice, the Commission also monitors companies' adherence to **competition law**.

- **Representing the EU on the global stage**

The Commission is an important representative of the EU on the international stage, and is the voice of the EU in forums such as the [World Trade Organisation](#). The entry into force of the [Treaty of Lisbon](#) created a new post: The EU High Representative for Foreign Affairs and Security Policy,⁸ who chairs the [Foreign Affairs Council](#), conducts the [Common Foreign and Security Policy \(CFSP\)](#) and ensures the consistency and co-ordination of the EU's external action.

⁸ This post is currently held by Baroness Catherine Ashton (UK). See Appendix I for more details.

3. The European Parliament

Elected every five years by **direct universal suffrage**, the [European Parliament](#) is the expression of the democratic will of the EU's 500 million citizens.⁹ Brought together within pan-European political groups, the major political parties operating in the Member States are represented.

The Parliament is based in three cities. 12 plenary sessions are held each year in Strasbourg, France, (the Parliament's official seat), while extra sessions and committee meetings are held in Brussels, Belgium. Luxembourg City, Luxembourg, hosts the [Secretariat of the European Parliament](#).

3.1 Composition of the Parliament

The most recent election of Members of the European Parliament (MEPs) took place in June 2009 and there are now 753 MEPs from 27 countries sitting in groups formed on the basis of political affiliation, rather than nationality. Each Member State decides on the form its election will take, but follows identical democratic ground rules: equality of the sexes and a secret ballot. In all Member States, the voting age is 18, with the exception of Austria, where it is 16.

MEPs are elected under a system of **proportional representation**: Each Member State has a set number of seats, the maximum being 99 and the minimum six.¹⁰ Elections are held either on a regional basis, as for example in Belgium, France, Italy and the United Kingdom; on a national basis, as in Denmark and Spain, or under a mixed system as in Germany. In Belgium, Greece and Luxembourg voting is compulsory. In 1979, 16.5% of MEPs were women, and this figure has risen steadily over successive parliamentary terms. In 2013, just over a third of MEPs are women.

MEPs influence every area of the day-to-day life of the European public: the environment, consumer protection and transport, as well as education, culture and health. The [Statute for MEPs](#) entered into force in July 2009, and made the terms and conditions of MEPs' work more transparent and introduced a common salary for all Members paid from the EU budget.

The Parliament currently has seven political groups and 30 'non-attached Members'.

⁹<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&language=en&pcode=tps00001&tableSelection=1&footnotes=yes&labeling=labels&plugin=1>

¹⁰ The eighth Parliament will be elected in 2014 and will be subject to the Treaty of Lisbon ruling that there will be 751 members, with the maximum number of seats allocated to each Member State lowered to 96.

Political groups in the European Parliament 2009-2014 (7th term)

Political group		No of Members	UK party membership
EPP	Group of the European People's Party (Christian Democrats)	271	None
S&D	Group of the Progressive Alliance of Socialists and Democrats in the European Parliament	188	Labour
ALDE	Group of the Alliance of Liberals and Democrats for Europe	85	Liberal Democrats
Greens/EFA	Group of the Greens/European Free Alliance	59	Green Party, Plaid Cymru, Scottish National Party
ECR	European Conservatives and Reformists Group	52	Conservative, Ulster Conservatives and Unionists - New Force
GUE/NGL	Confederal Group of the European United Left – Nordic Green Left	34	Sinn Féin
EFD	Europe of Freedom and Democracy Group	34	UK Independence Party
NI	Non-attached Members	30	British National Party, Democratic Unionist Party, UK Independence Party, We Demand a Referendum
		753	

Members of the European Parliament 2009-2014 (7th term)

	EPP	S&D	ALDE	Green s/EFA	ECR	GUE/ NGL	EFD	NI	Total
Germany	42	23	12	14	0	8	0	0	99
France	30	13	6	16	0	5	1	3	74
Italy	35	22	6	0	0	0	10	0	73
United Kingdom	0	13	12	5	26	1	10	6	73
Spain	25	23	2	2	0	1	0	1	54
Poland	29	7	0	0	11	0	4	0	51
Romania	14	11	5	0	0	0	0	3	33
The Netherlands	5	3	6	3	1	2	1	5	26
Belgium	5	5	5	4	1	0	1	1	22
Greece	7	8	1	1	0	3	2	0	22
Hungary	14	4	0	0	1	0	0	3	22
Portugal	10	7	0	1	0	4	0		22
Czech Republic	2	6	0	0	9	4	0	0	21
Sweden	5	6	4	4	0	1	0	0	20
Austria	6	5	0	2	0	0	0	6	19
Bulgaria	7	4	5	0	0	0	0	2	18
Denmark	1	4	3	2	1	1	1	0	13
Finland	4	2	4	2	0	0	1	0	13
Slovakia	6	5	1	0	0	0	1	0	13
Ireland	4	3	4	0	0	1	0	0	12
Lithuania	4	3	2	0	1	0	2	0	12
Latvia	4	1	1	1	1	1	0	0	9
Slovenia	4	2	2	0	0	0	0	0	8
Cyprus	2	2	0	0	0	2	0	0	6
Estonia	1	1	3	1	0	0	0	0	6
Luxembourg	3	1	1	1	0	0	0	0	6
Malta	2	4	0	0	0	0	0	0	6
Total	271	188	85	59	52	34	34	30	753

3.2 What the Parliament does

The Parliament has three essential functions:

- **Passing EU laws**

Under the [ordinary legislative procedure](#), the Parliament shares legislative power equally with the Council of the European Union (which represents national governments), and is therefore empowered to adopt European laws. The range of policies covered by the Treaty of Lisbon's ordinary legislative procedure has increased, giving the Parliament more power to influence the content of laws in areas including agriculture, energy policy, immigration and EU funds. It can accept, amend or reject the content of European **Directives** and **Regulations**. Parliament must also give its permission for new countries to join the EU.

- **Budgetary authority**

The Parliament and the Council of the European Union together constitute the EU's budgetary authority, which annually decides expenditure and revenue. The procedure of examining and adopting the budget takes place between June and late December each year. Parliament also has a committee that monitors how the budget is spent, and every year passes judgement on the Commission's handling of the previous year's budget.

- **Democratic supervision**

The Parliament exercises influence over European institutions in several ways:

The Parliament plays a central role in appointing the Commission. It ratifies the appointment of the Commission President, holds confirmation hearings of the nominee Commissioners and then decides whether or not to appoint the Commission, as a whole, by a vote of confidence. The Parliament also has the right to dismiss the Commission via a **motion of censure**, but to date this has never been adopted. The Parliament also monitors the Commission by examining reports it produces and by questioning Commissioners. The Parliament's committees play an important role here.

The Parliament also exercises democratic supervision over all other EU activities including the Council and the bodies responsible for foreign and security policy. To facilitate this supervision, the Parliament can set up temporary committees of inquiry.

The [European Council](#) presents its programme and six-monthly report to the Parliament. It also informs the Parliament of the preparations for, and outcomes of its meetings, and of the progress of legislative activities. The European Council is represented, sometimes at ministerial level, at meetings of the parliamentary committees.

3.3 How the Parliament organises its work

At monthly **plenary sessions** the Parliament examines proposed legislation and votes on amendments before deciding on the text as a whole. Prior to each plenary, two weeks are set aside for MEPs to debate the Commission's proposals in committees that specialise in particular areas of EU activity. Audiovisual matters are dealt with by the Culture and Education Committee.

The decisions, positions and proceedings of the Parliament are published in the [*Official Journal of the European Union*](#).

Parliamentary committees in 2013:

- [Agriculture and Rural Development](#)
- [Budgetary Control](#)
- [Budgets](#)
- [Civil Liberties, Justice and Home Affairs](#)
- [Constitutional Affairs](#)
- [Culture and Education](#)
- [Development](#)
- [Economic and Monetary Affairs](#)
- [Employment and Social Affairs](#)
- [Environment, Public Health and Food Safety](#)
- [Fisheries](#)
- [Foreign Affairs](#)
 - o [Human Rights](#)
 - o [Security and Defence](#)
- [Industry, Research and Energy](#)
- [Internal Market and Consumer Protection](#)
- [International Trade](#)
- [Legal Affairs](#)
- [Organised Crime, Corruption and Money Laundering](#)¹¹
- [Petitions](#)
- [Regional Development](#)
- [Transport and Tourism](#)
- [Women's Rights and Gender Equality](#)

¹¹ This is a temporary committee of inquiry which will run until March 2013 with the possibility of extension

4. The Council of the European Union

The [Council of the European Union](#) (also known as the Council of Ministers and the EU Council) is the EU's main decision-making body. It should not be confused with:

- European Council: another EU institution, where EU leaders meet around four times a year to discuss the [EU's political priorities](#)
- [Council of Europe](#): this is not an EU body at all. See [Part 4](#).

4.1 Composition of the Council

The Council is composed of one representative at ministerial level from each of the 27 EU Member States, each of whom is politically accountable to his or her national parliament.

All the work of the Council is prepared or co-ordinated by the [Permanent Representatives Committee \(COREPER\)](#), made up of the permanent representatives of the Member States working in Brussels. The frequency of Council meetings varies according to the urgency of the subjects dealt with. Which Ministers attend which Council meeting varies according to the subject. For example, the Ministers for Foreign Affairs attend in the configuration known as the General Affairs Council to deal with external relations and general policy questions, while the Ministers responsible for economic and financial affairs meet as the Economic and Financial Affairs Council, and so on. There are ten Council configurations:

- [Agriculture and Fisheries](#)
- [Competitiveness](#) (internal market, industry, research and space)
- [Economic and Financial Affairs](#) (the Ecofin Council)
- [Education, Youth, Culture and Sport](#)
- [Employment, Social Policy, Health and Consumer Affairs](#)
- [Environment](#)
- [Foreign Affairs](#)
- [General Affairs](#)
- [Justice and Home Affairs](#)
- [Transport, Telecommunications and Energy](#).

4.2 What the Council does

The Council has six key responsibilities:

- Passing EU laws in co-decision with the Parliament
- Co-ordinating the broad economic and social policies of the Member States
- Concluding agreements between the EU and other territories or international organisations
- Approving the EU's budget, jointly with the Parliament

- Taking the decisions necessary for framing and implementing the EU's [Common Foreign and Security Policy](#) (CFSP) based on guidelines set by the European Council
- Co-ordinating the activities of Member States and adopting measures in the field of police and judicial co-operation in criminal matters.

4.3 The Presidency

The Presidency of the Council plays a vital part in the organisation of the work of the institution, notably as the driving force in the legislative and political decision-making process. The Council is presided over for a period of six months by each Member State in accordance with a pre-established rota. The Member State holding the Presidency organises and chairs all meetings, and has the opportunity to propose its priorities for its tenure.

Only one Council configuration is not chaired by the six-monthly presidency: [Foreign Affairs](#), which, since the entry into force of the Treaty of Lisbon, has been chaired by the High Representative of the Union for Foreign Affairs and Security Policy.¹²

The role and duties of the Presidency include:

- The management and enhancement of co-operation between EU members in the European Council, the Council of the European Union, and COREPER
- The representation of the Council in other EU institutions and bodies (especially the Parliament and the Commission)
- The representation of the EU in international organisations, meetings, forums, and in its relations with third countries.

The Presidency is assisted by the [Secretariat-General](#), which prepares and ensures the smooth functioning of the Council's work at all levels.

4.3.1 Presidency rotations

Since 2007 the Presidencies have been organised in groups of three, or 'trios'. Each trio co-operates in a common political programme to ensure consistency and cohesion over an 18-month period. A newer Member State is present in every trio so that it may gain experience from older Member States.

¹² This post is currently held by Baroness Catherine Ashton (UK). See Appendix I for more details.

Trio	Year	Months	Country
T1	2007	Jan-Jun	Germany
		Jul-Dec	Portugal
T2	2008	Jan-Jun	Slovenia
		Jul-Dec	France
T3	2009	Jan-Jun	Czech Republic
		Jul-Dec	Sweden
T4	2010	Jan-Jun	Spain
		Jul-Dec	Belgium
T5	2011	Jan-Jun	Hungary
		Jul-Dec	Poland
T6	2012	Jan-Jun	Denmark
		Jul-Dec	Cyprus
T7	2013	Jan-Jun	Ireland
		Jul-Dec	Lithuania
T8	2014	Jan-Jun	Greece
		Jul-Dec	Italy
T9	2015	Jan-Jun	Latvia
		Jul-Dec	Luxembourg
T1	2016	Jan-Jun	The Netherlands
		Jul-Dec	Slovakia
T2	2017	Jan-Jun	Malta
		Jul-Dec	UK
T3	2018	Jan-Jun	Estonia
		Jul-Dec	Bulgaria
T4	2019	Jan-Jun	Austria
		Jul-Dec	Romania
T5	2020	Jan-Jun	Finland

4.4 How the Council organises its work

The EU's laws are made by the Council and the Parliament. In most cases, the Council can only legislate on the basis of proposals submitted to it by the Commission. It can ask the Commission to submit any proposals it may deem appropriate. The Treaty of Lisbon introduced the 'citizen's right of initiative' whereby if at least one million citizens from a significant number of Member States sign a proposal, it will be considered by the Commission.

The Council is obliged to make public any general debates or discussions/votes on legislative acts. These events are televised¹³ and the written documentation available to the ministers is published. Discussions on matters which do not involve legislation, for example foreign affairs, are not accessible to the public but are always followed by a press conference and a press release explaining what decisions have been taken.

The Council adopts proposals using the demographically democratic qualified majority voting (QMV) system.

¹³ Europarl TV: <http://www.europartv.europa.eu/en/home.aspx>

5. Other European institutions and bodies

The 'institutional triangle' formed by the Commission, Parliament and Council of the European Union produces the policies and laws that apply throughout the EU. In principle, it is the Commission that proposes new laws, but it is the Parliament and the Council that adopt them. The Commission and the Member States then implement them, and the Commission enforces them. This triangle is flanked by four more **institutions**: the Court of Auditors, the Court of Justice of the European Union, the European Central Bank and the European Council. A number of other bodies have key roles in making the EU work, and specialist agencies handle certain technical, scientific or management tasks.

5.1 Court of Auditors

The [Court of Auditors](#) checks that all the EU's revenue has been received and all its expenditure incurred in a lawful manner and that financial management of the EU budget has been sound. The Court of Auditors has the right to audit any person or organisation handling EU funds.

The Court presents a yearly audit report to the Parliament and Council, which is examined by the Parliament, which can then approve or question the Commission's handling of the budget. The Court of Auditors has no legal powers of its own. If auditors discover fraud or irregularities they inform the [European Anti-Fraud Office](#) (OLAF).

5.2 Court of Justice of the European Union

The [Court of Justice of the European Union](#) (CJEU) encompasses the whole EU judicial system and comprises the Court of Justice, the General Court and the Civil Service Tribunal.

The [Court of Justice](#) has a role similar to that of courts in the Member States. It is responsible for ruling on legal disputes between Member States, between the EU and Member States, between EU institutions and authorities and between individual citizens and the EU. In addition, judges in Member States can turn to the Court of Justice to rule on questions of interpretation of EU law. The Court of Justice is composed of one judge per Member State and eight 'advocates-general' who present reasoned opinions on all cases publicly and impartially.

The purpose of the [General Court](#)¹⁴ is to relieve the burden on the Court of Justice: It is responsible for giving rulings on actions brought by private individuals, companies and some organisations, and cases relating to competition law. This court also has one judge from each Member State.

¹⁴ Created in 1988 as the 'Court of First Instance', it became the 'General Court' under the Treaty of Lisbon.

The [Civil Service Tribunal](#) deals with disputes involving the EU civil service including between all bodies or agencies and their staff where jurisdiction is conferred on the CJEU.

5.3 European Central Bank

The [European Central Bank](#) (ECB) manages the euro and safeguards price stability in the **euro area**. It is also responsible for framing and implementing the EU's economic and monetary policy.

To carry out its role, the ECB works with the European System of Central Banks (ESCB), which covers all EU Member States. The 17 Member States in the **euro area**, together with their national central banks and the ECB, make up the **Eurosystem**.

The ECB works in complete independence, and it is the only body that can give instructions to members of the **Eurosystem**. The EU institutions and Member State governments must respect this principle and must not seek to influence the ECB or other Eurosystem members.

5.4 European Council

The [European Council](#) is an **institution** consisting of the Heads of State or Government of the Member States, together with its President and the President of the Commission.¹⁵ It defines the general political direction and priorities of the EU. The European Council works alongside and provides leadership to the Council of the European Union, while its meetings shape future policy. Though influential in setting the EU political agenda, it has no powers to pass laws.

The Treaty of Lisbon established a permanent President of the European Council¹⁶ who represents the EU on the world stage. The President must be a non-head of Government and serve a minimum term of three years which can be extended to five.

During any six-month period, the European Council will host one or two full **summits**. Decisions in the European Council are made unanimously. The European Council publishes conclusions after its meetings calling for specific initiatives, which the Commission and the Council of the European Union are expected to pursue.

5.5 Committee of the Regions

The [Committee of the Regions](#) (CoR) ensures that the identities, culture and rights of regions are respected. It is composed of representatives of regional and local authorities and has to be consulted on matters concerning regional policy, the environment and education. The CoR has role following the entry into force of the [Treaty of Lisbon](#), as the Commission is now

¹⁵ The current President of the Commission is Manuel Barroso. See Appendix I for more details.

¹⁶ The current President of the European Council is Herman Van Rompuy (Sweden). His term runs from 1 June 2012 to 30 November 2014.

required to consult with local and regional authorities across the EU at the early stage of pre-legislation.

5.6 European Data Protection Supervisor

The task of the [European Data Protection Supervisor](#) (EDPS) is to ensure that the EU institutions and bodies respect the right to privacy when processing personal data. The EDPS advises on all processing effected by the EU institutions and bodies and on proposals for new legislation. It co-operates with national protection authorities in all Member States.

5.7 European Economic and Social Committee

The [European Economic and Social Committee](#) (EESC) is a consultative body that gives European interest groups, including trade unions and consumer associations, a formal platform to express their opinions on EU issues. On average the EESC delivers 170 advisory documents and opinions a year. All opinions are forwarded to the EU decision-making bodies and then published in the [Official Journal of the European Union](#).

The EESC has 344 members drawn from economic and social interest groups across Europe. Members are nominated by national governments and appointed by the Council of the European Union for a renewable five-year term. The EESC must be consulted before decisions are taken on economic and social, regional and environment policy. It therefore has a key role to play in the EU's decision-making process.

5.8 European Investment Bank

The [European Investment Bank](#) (EIB) is owned by the 27 EU Member States. It is an independent organisation that borrows money on the capital markets (rather than drawing on the EU budget) and lends it at a low interest rate to projects in line with EU policy objectives.

The EIB has six priority objectives for lending:

- Cohesion and convergence
- Development of trans-European transport and energy networks (TENs)
- Environmental sustainability
- Implementation of the **knowledge economy**
- Support for **small and medium-sized enterprises (SMEs)**
- Sustainable, competitive and secure energy.

5.8.1 European Investment Fund

The [European Investment Fund](#) (EIF) is a specialist provider of financial support to **SMEs** across Europe. It is owned by the [European Investment Bank](#) (EIB) with which it forms the 'EIB Group'.

The EIF provides **venture capital** for SMEs, particularly new firms and technology-oriented businesses. It also provides guarantees to financial institutions (such as banks) to cover their loans to SMEs. However, the EIF is not a lending institution. It does not grant loans or subsidies to businesses, nor does it invest directly in any firms. Instead, it works through banks and other financial intermediaries. It uses either its own funds or those entrusted to it by the EIB or the EU.

The EIF is active in every Member State, and Croatia, Iceland, Liechtenstein, Norway and Turkey.

5.9 European Ombudsman

The [European Ombudsman](#) is elected for a renewable term of five years and acts as an intermediary between the citizen and the EU authorities. It investigates complaints of 'maladministration', where EU institutions, bodies, offices or agencies have broken the law, failed to respect the principles of sound administration or violated human rights.

6. The budget of the European Union

The [EU's annual budget](#) is equivalent to around 1% of the EU's wealth as a whole, which works out as approximately €244 per EU citizen.¹⁷ The budget finances actions and projects in policy domains where all Member States have agreed to act at EU level.

6.1 How the budget is financed

The means by which money is raised to fund the EU budget are set out in an agreement known as the [Own Resources Decision](#). This **Decision** allows for three sources of revenue:

- **Traditional own resources**

These mainly consist of duties that are charged on imports of products coming from a non-EU State, and bring in approximately 12% of the total revenue.

- **VAT-based contributions**

VAT-based resources account for 11% of total revenue. The VAT base to be taxed is capped at 50% of gross national income (GNI) for each Member State.

¹⁷ Source: *The European budget at a glance*:
http://ec.europa.eu/budget/biblio/publications/publications_en.cfm

- **Contributions based on GNI**

Although this is a balancing item (i.e. to fund the part of the budget not covered by other sources of income), it has become the largest source of revenue and today accounts for over 75% of the total revenue.

The budget also receives revenue from other sources, such as taxes paid by EU staff on their salaries, contributions from non-EU countries to certain EU programmes and fines on companies that breach competition or other laws. These miscellaneous resources add up to around €1.4 billion, or approximately 1% of the budget.

Revenue flows into the budget in a way which is roughly proportionate to the wealth of the Member States. Austria, Germany, the Netherlands, Sweden and the UK are the largest net contributors. EU funds flow out to the recipients within the Member States and in third countries in accordance with identified priorities. Less prosperous Member States receive proportionately more than the richer ones and most countries receive more than they contribute to the budget.

6.2 National compensation mechanisms

In the past, some countries felt that they were paying too much towards the budget compared to other countries. Measures were taken to correct these imbalances, including:

- The UK rebate: The UK is reimbursed by 66% of the difference between its contribution and what it receives back from the budget (worth about €4 billion in 2010). The calculation is based on its Gross National Income and VAT
- Lump-sum payments to the Netherlands and Sweden
- Reduced VAT **call rates** for Austria, Germany, the Netherlands and Sweden.

The cost of the UK rebate is divided among the Member States in proportion to their contribution to the EU's GNI. However, since 2002 this has been limited to 25% of its normal value for Austria, Germany, the Netherlands and Sweden. The remainder of the cost is shared by the 22 other Member States.

6.3 Agreeing the budget

The Commission, Parliament and Council have different roles and powers in deciding the budget. As a first step, the Council adopts the [Multiannual Financial Framework](#) (MFF), a long-term financial planning instrument which currently covers the period 2007-2013. The MFF lays down maximum amounts ('ceilings') for each broad category of expenditure ('headings') for a clearly determined number of years. It aims to ensure EU expenditure develops in an orderly manner, within the limit of the EU's own resources.

The annual budgetary procedure as established by the [Treaty of Lisbon](#) lasts from 1 September to 31 December. All EU institutions and bodies draw up their estimates for the draft budget according to their internal procedures before 1 July, and the Commission consolidates these estimates and establishes the annual 'draft budget', which is submitted to the Council and the Parliament by 1 September.

The Council adopts its position on the draft budget including any amendments and passes it to the Parliament before 1 October, which then has 42 days to either adopt the budget or return amendments to the Council. The Council may accept the amendments within 10 days and adopt the draft budget.

If the Council does not accept the Parliament's amendments, a Conciliation Committee is set up, composed of Council and Parliament representatives. The Committee must come up with a text within 21 days, and the Council and the Parliament then have 14 days to approve or reject it. The Parliament may adopt the budget even if the Council rejects it.

In case either the Council or the Parliament rejects the draft or fails to decide, the budget is rejected and the Commission has to submit a new draft budget.

6.3.1 MFF 2007-2013 objectives

The MFF for the current period was adopted in 2006. It has three main priorities:

- Harnessing European economic integration (the 'single market') to the broader goal of sustainable growth by mobilising economic, social and environmental policies
- Strengthening the concept of European citizenship by creating an area of freedom, justice, security and access to basic public goods and services
- Establishing a coherent role for Europe on the global stage in the way it assumes its regional responsibilities, promotes sustainable development and contributes to civilian and strategic security.

6.4 2012 expenditure

On 12 December 2012 the budget for 2013 was agreed with €132.8 billion (2.8% increase from 2012) in payments and €151 billion (+2.6) in commitments.

http://ec.europa.eu/budget/figures/2013/2013_en.cfm

Since the detailed breakdown of the 2013 figures is not yet available, below is the illustration of expenditure lines from 2012.

Expenditure estimates for EU policies	Budget 2012 (€bn)	% of total budget	% change from 2011
Sustainable growth	67.5	45.9	4.7
Competitiveness for growth and employment, <i>including:</i>	14.8	10.1	9.1
- <i>Seventh research framework programme</i>	9.6	6.5	11.1
- <i>Lifelong learning and Erasmus Mundus</i>	1.2	0.8	7.9
- <i>Trans-European Networks projects</i>	1.4	1.0	7.4
- <i>Competitiveness and innovation framework programme</i>	0.6	0.4	8.0
- <i>Social policy agenda</i>	0.2	0.1	1.6
Cohesion for growth and employment, <i>including:</i>	52.8	35.9	3.5
- <i>Structural Funds</i>	40.9	27.8	2.6
- <i>Cohesion Fund</i>	11.8	8.0	6.4
Preservation and management of natural resources	60	40.8	2.2
Market-related expenditure and direct payments, <i>including:</i>	44	29.9	2.6
- <i>Agriculture markets</i>	43.6	29.6	2.6
- <i>Animal and plant health</i>	0.3	0.2	1.8
Rural development	14.6	9.9	1.3
Fisheries	1.0	0.7	1.1
Environment and climate change	0.4	0.3	4.3
Citizenship, freedom, security and justice*	2.1	1.4	10.9
Freedom, security and justice, (fundamental rights and justice, security and liberties, migration flows)	1.4	1.0	15.9
Citizenship, <i>including:</i>	0.7	0.5	2.1
- <i>Public health and consumer protection</i>	0.1	0.1	3.0
The EU as a global player**	9.4	6.4	7.4
Instrument for Pre-Accession Assistance	1.9	1.3	3.9
European Neighbourhood and Partnership Instrument	2.3	1.6	20.5
Development Co-operation Instrument	2.6	1.8	-2.9
Humanitarian aid	0.8	0.5	2.9
Democracy and human rights	0.2	0.1	5.5
Common foreign and security policy	0.4	0.3	10.9
Instrument for Stability	0.3	0.2	6.6
Administration	8.3	5.6	1.3
European Commission	3.3	2.2	0.2
Other institutions	3.5	2.4	1.0
Total	147.2		

* excluding European Union Solidarity Fund

** including the Emergency Aid Reserve

6.5 MFF 2014-2020

In June 2011 the Commission presented its proposal for the multi-annual budget for 2014-2020: an overall ceiling of €1,033 billion under five headings:

- Smart and inclusive growth (48%)
- Sustainable growth: natural resources (37%)
- Global Europe (7%)
- Administration (6%)
- Security and citizenship.

The commitment ceiling amounts to 1.08% of EU GNI compared to 1.12% for the 2007-2013 MFF, and the payment ceiling equates to 1.03% of EU GNI compared to 1.06% for 2007-2013.

This spending plan seeks to increase growth and jobs in Europe, encourage greener agriculture and establish a more environment-conscious and internationally prominent Europe. The proposals foresee funding increases for research and innovation, education and training and external relations. Specific funds will be used to fight crime and terrorism, and for migration and asylum policies. Climate spending is expected to increase some 20% across different policy fields. A new fund, the Connecting Europe Facility, will fund cross-border infrastructure projects to strengthen the internal market and boost growth and jobs. The proposed budget for the creative industries is €1.8 billion, under the new [Creative Europe](#) programme.

To put in place reforms and start implementation of the new programmes on time, the MFF should be adopted as soon as possible in 2013.

7. European Union's overall strategy - Europe 2020

Every decade or so the EU agrees a long-term strategy. Policy issues that can be linked to this top-level strategy can be prioritised in the work of European institutions, so it is important for issues of audiovisual policy to be able to demonstrate that link.

The period 2001-2010 was run under the [Lisbon Strategy](#), where the main objective was for Europe to become the world's leading knowledge-based economy, centred on research and innovation. The impact of this strategy varied across Europe, with the average Member State investment in knowledge-based fields remaining lower than expected. These results are recorded in the [Lisbon Strategy Evaluation](#).

[Europe 2020](#) replaced the Lisbon Strategy in June 2010, and will run until 2020. It builds on what has been achieved by the Lisbon Strategy, but changes perspective due to the global financial crisis, aiming to find a way out of the crisis and prepare the EU's economy for the

next decade. It identifies three key drivers for growth to be implemented through concrete actions at EU and national levels:

- [Smart growth](#) (aimed at fostering knowledge, innovation, education and the digital society)
- [Sustainable growth](#) (aimed at making EU production more resource-efficient while boosting competitiveness)
- [Inclusive growth](#) (aimed at raising participation in the labour market, the acquisition of skills and the fight against poverty).

To measure progress in meeting the Europe 2020 goals, five headline targets have been agreed for the EU as a whole, to be achieved by 2020:

- Employment
 - 75% of 20-64 year-olds to be employed
- Research and development (R&D)
 - 3% of the EU's GDP to be invested in R&D
- Environment
 - Greenhouse gas emissions to become 20% (or even 30%, if the conditions are right) lower than in 1990
 - 20% of EU's energy to come from renewable sources
 - 20% increase in energy efficiency
- Education
 - School drop-out rates to be reduced to below 10%
 - At least 40% of 30-34 year-olds to complete higher education
- Poverty/social exclusion
 - At least 20 million fewer people to be in or at risk of poverty and social exclusion.

Each of these headline targets have been translated into national targets for each Member State, reflecting different situations and circumstances.¹⁸

To ensure that Europe 2020 achieves its ambitious goals, a strong and effective system of economic governance has been set up to co-ordinate policy actions between the EU and Member States. Furthermore, the advent of Europe 2020 resulted in the launch of seven 'flagship initiatives' that sit within the three key drivers for growth:

¹⁸ http://ec.europa.eu/europe2020/pdf/targets_en.pdf

- **Smart growth**
 - [Digital Agenda for Europe](#)
 - [Innovation Union](#)
 - [Youth on the Move](#)

- **Sustainable growth**
 - [A resource-efficient Europe](#)
 - [An industrial policy for the globalisation era](#)

- **Inclusive growth**
 - [Agenda for new skills and jobs](#)
 - [European platform against poverty and social exclusion.](#)

Of these, the [Digital Agenda for Europe](#) has the most relevance to the audiovisual sector.

7.1 Digital Agenda for Europe

The [Digital Agenda for Europe](#) (DAE) is an initiative designed to develop a flourishing digital economy by 2020, and is a flagship initiative of [Europe 2020](#). Launched in May 2010 and managed by the [Directorate-General for Communications Networks, Content and Technology](#) (DG Connect), it details policies and actions to maximise the benefit of the digital revolution for EU citizens.

The DAE outlines seven priority areas for action:

- Creating a digital **single market** to deliver the benefits of the digital era
- Boosting cutting-edge research and innovation in information and communication technologies (ICT)
- Empowering all Europeans with digital skills and accessible online services
- Enhancing trust and security for internet users
- Improving ICT standard-setting and interoperability
- Increasing Europeans' access to fast internet
- Applying ICT to address challenges facing society such as climate change and the ageing population.

A progress report is produced each year to assess the efficacy of the DAE and identify emerging challenges. The Commission also maintains the [Digital Agenda Scoreboard](#), a publicly accessible online resource that provides analysis and detailed data on all the policy areas covered by the DAE. Initiatives within the framework of the DAE that address the needs of the audiovisual sector include: [Creative Content Online](#) and [Europeana](#).

Part 2:

**The European Union and the
audiovisual industry**

8. EU audiovisual political and regulatory framework	41
8.1 Audiovisual and media policies	41
8.1.1 Audiovisual Media Services Directive	41
8.1.2 Working Time Directive	43
8.1.3 State aid – the Cinema Communication	43
8.1.4 The State aid de minimis rule	45
8.1.5 Updating the Cinema Communication	45
8.1.6 European cinema in the digital era	46
8.1.7 Film heritage	47
8.1.8 Public service broadcasting	48
8.1.9 Protection of minors	49
8.2 Europe 2020	51
8.2.1 Digital Agenda for Europe	51
8.2.2 Creative content online	51
8.2.3 Europeana	53
8.2.4 Orphan works	53
8.2.5 Media literacy	54
8.2.6 Telecoms Reform	55
8.2.7 Media freedom and pluralism	56
8.2.7.1 Task Force for the Co-ordination of Media Affairs	57
8.2.7.2 High-Level Group on Media Freedom and Pluralism	58
8.2.7.3 EU Media Futures Forum	58
8.3 Culture	59
8.3.1 European agenda for culture in a globalising world	59
8.3.2 Work Plan for Culture 2011-2014	60
8.3.3 Cultural co-operation with Member States	60
8.3.4 Cultural sector dialogue	60
8.4 Cultural and creative industries	61
9. The international dimension of audiovisual policy	62
9.1 EU enlargement	62
9.2 European Neighbourhood Policy	62
9.3 World Trade Organisation	63
9.4 United Nations Educational, Scientific and Cultural Organisation	64

Part 2: The European Union and the audiovisual industry

8. EU audiovisual political and regulatory framework

The European audiovisual sector is worth an estimated €107 billion and provides 1.2 million highly-qualified jobs.¹⁹ The sector also plays an important role in fostering innovation, particularly for devices and networks. The EU records the second highest TV viewing figures globally, produces more films than the US (1320 EU – 817 US) and is home to more than 500 online video services.²⁰

EU audiovisual policy is implemented in four ways:

- The regulatory framework - mainly the [Audiovisual Media Services Directive](#) (AVMSD), but also EU recommendations on [State aid](#), [European film heritage](#) and more
- Funding programmes that complement national measures, e.g. the [MEDIA Programme](#)
- External measures, in particular the defence of European cultural interests in the context of the [World Trade Organisation](#)
- Other measures including the promotion of [online content distribution](#) and [media literacy](#).

8.1 Audiovisual and media policies

8.1.1 Audiovisual Media Services Directive

The EU's [Audiovisual Media Services Directive](#) (AVMSD) provides a set of rules for Europe's audiovisual industry that covers all services with audiovisual content irrespective of the technology used to deliver the content: The rules apply whether you watch news or other audiovisual content on TV, on the internet or on your mobile phone.

The AVMSD has the following objectives:

- Provide rules to shape technological developments
- Create a level playing field for emerging audiovisual media
- Preserve cultural diversity
- Protect children and consumers
- Safeguard **media pluralism**
- Combat racial and religious hatred
- Guarantee the independence of national media regulators.

¹⁹ Source: *20 years of passion: MEDIA 1991-2011*: <http://bookshop.europa.eu/en/media-pbNC3110667/>

²⁰ http://europa.eu/rapid/press-release_IP-11-868_en.htm

Due to the increased amount of user choice in and control over audiovisual services, the AVMSD makes a distinction between linear (television broadcasts) and non-linear (on-demand) services. This distinction is the basis for a graduated regulatory approach: In a two-tier system of rules the AVMSD acknowledges a set of core values applicable to all audiovisual media services, but provides lighter regulation to on-demand services where the users can choose the content and viewing time.

All audiovisual media services have to respect the basic tier of obligations in the following areas:

- Easy identification of media service providers
- Prohibition of incitement to hatred
- Accessibility for people with disabilities²¹
- Sponsorship and product placement

Copyright and neighbouring rights are not covered by the AVMSD. They are often granted separately for individual countries or territories, so broadcasters may only be able to transmit in a particular country or have to scramble the signal so only paying subscribers can view their output.

The AVMSD uses the country of origin principle, which means that the authorities in each Member State must ensure all audiovisual media services originating there comply with their own national rules that give effect to the AVMSD. The benefit of this is that content only needs to be checked once rather than in each Member State, making things simpler for service providers, especially those wishing to develop new cross-border business. If any Member State adopts national rules that are stricter than the AVMSD (as they are free to do), these can only be applied to providers in that jurisdiction.

The Member States agreed to transpose the AVMSD into their national laws by December 2009. As of November 2012 the Commission is still asking for clarification about implementation in certain territories, but only Poland is subject to an **infringement procedure**.²²

In May 2012 the Commission published the inaugural report on the application of the AVMSD,²³ which concluded that the Directive was working well, but certain advertising practices need to be addressed. The report also highlighted the need for further guidance on 'connected TV' (internet-enabled television). To that end, the Commission will update its

²¹ See the measures implemented by the UK to improve access of visually- and hearing-impaired people to television programmes: http://ec.europa.eu/avpolicy/docs/reg/twvf/national_measures/uk_impaired.pdf

²² http://europa.eu/rapid/press-release_IP-12-631_en.htm?locale=en

²³ http://ec.europa.eu/avpolicy/reg/twvf/implementation/reports/index_en.htm

guidelines on televised advertising in 2013 and will launch a public consultation on Connected TV in 2013.²⁴

8.1.2 Working Time Directive

Another Directive that impacts upon the audiovisual sector (in particular on film crews) is the [Working Time Directive](#) (WTD), which is designed to protect employees' health and safety. Under the WTD, each Member State must ensure that every employee is entitled to:

- A maximum of 48 working hours per week
- A minimum daily rest period of 11 consecutive hours in every 24
- A rest period during working time, if the worker is on duty for longer than six hours
- A minimum weekly rest period of 24 uninterrupted hours
- At least four working weeks of paid annual leave
- Extra protection in the case of night work (e.g. the right to free health assessments).

Interpretations of the WTD differ across Europe: In the UK it is possible for employees to 'opt out' of the 48-hour maximum working week,²⁵ while France passed stricter legislation limiting the maximum number of hours spent working each week to 35.²⁶

8.1.3 State aid – the Cinema Communication

EU rules exist which govern when Member States are allowed to support activities with public funding (State aid). The aim of these rules is to ensure that State aid does not unfairly advantage businesses in certain Member States and therefore interfere with laws governing competition. Under State aid rules, Member States must obtain clearance for public funding activities. That said, certain activities – for example, education, health, public service broadcasting, training, research and development, support for SMEs – are not required to be notified to the Commission under certain conditions and thresholds.

It is estimated that Member States provide €3 billion per year of support to the European film industry: €2 billion in grants and soft loans and €1 billion in tax incentives. Around 80% of this is for film production. France, Germany, Italy, Spain and the UK offer the majority of this financial support.²⁷ The Commission currently assesses aid for feature film production according to the State aid rules indicated in the [2001 Cinema Communication](#)²⁸ which is based on a provision in the Treaty on the Functioning of the EU²⁹ which allows aid of a cultural character, including film, provided that it does not adversely affect competition and

²⁴ http://europa.eu/rapid/press-release_MEMO-12-306_en.htm?locale=en

²⁵ For guidance on the WTD in the UK, visit the Directgov.uk website:

http://www.direct.gov.uk/en/Employment/Employees/WorkingHoursAndTimeOff/DG_10029426

²⁶ Known as 'Aubry's Law', this rule is the subject of much controversy in France.

²⁷ http://europa.eu/rapid/press-release_IP-12-245_en.htm?locale=en

²⁸ Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on Certain Legal Aspects Relating to Cinematographic and other Audiovisual Works

²⁹ Article 107.3(d)

trade between Member States. This provision is commonly referred to as the 'cultural derogation'.

The Communication sets out the criteria against which it assesses State aid to cinema and TV programme production:

- Member States must ensure that the cultural content of the supported works satisfies verifiable national criteria. In accordance with the **principle of subsidiarity**, the Commission does not express a view, at any stage, about what is considered to be cultural
- Producers must be free to spend at least 20% of the film budget in other Member States without suffering a reduction in the State aid provided. (**Territorialisation** of up to 80% is therefore permitted)
- The proportion of State aid (aid intensity) must not exceed 50% of the production budget of all films except those classed as 'difficult' and/or 'low-budget' – terms defined by the Member State concerned. Films produced in a limited linguistic or cultural area will benefit from greater funding flexibility
- In order to ensure that national schemes for supporting film or television productions are not more attractive in some Member States than in others, supplementary aid for specific production activities (such as post-production) is not allowed.

As with other forms of State aid, aid given to film or TV production must respect the 'general legality' principle - that is, it must not be subject to conditions that are contrary to provisions of the Treaty on the Functioning of the EU. In particular:

- The State aid must not:
 - be reserved exclusively for nationals of the Member State concerned
 - require beneficiaries to have the status of a national undertaking established under national commercial law
 - require workers of foreign companies providing filmmaking services to comply with national labour standards
- Where the State aid is financed by a **parafiscal charge** and benefits national producers either solely or to a greater extent than competitors in other Member States, then that charge must not be levied on imported production, and national production must not enjoy a lower rate of charge when exported.

Undertakings in the film and TV programme production sector may benefit from regional State aid or other State aid frameworks that apply across industry generally, for example, SMEs, research and development, training or employment.

8.1.4 The State aid de minimis rule

The de minimis rule³⁰ sets a ceiling below which aid is deemed not to fall within the scope of State aid, and is therefore exempt from the requirement to notify the Commission. The rule applies to many sectors including the audiovisual industry, and the ceiling currently stands at €200,000, granted over a period of three financial years.

It is the responsibility of the Member States to check that the total amount of de minimis aid granted to an organisation over a period of three financial years does not exceed the ceiling.

8.1.5 Updating the Cinema Communication

The [Cinema Communication](#) came into force in 2001 and despite the original intention of expiry in 2003, has been extended three times, most recently in 2007. It is expired on 31 December 2012.

In March 2012 the Commission launched a public consultation on its proposed changes to the Cinema Communication (the '[draft Communication](#)'). This was the second and final consultation in the process of reviewing the current State aid assessment criteria.

Three main changes were proposed in the draft Communication:

- To extend the scope of activities covered by the Communication to include all phases of an audiovisual work from concept to delivery to audiences (the existing rules only apply to production support)
- To limit the spending obligation in the territory granting production support to a maximum of 100% of the aid
- To require that film production support schemes that base the calculation of the aid amount on the production expenditure in a given territory, such as film tax incentives, treat any production expenditure in the **European Economic Area** (EEA) as eligible.

The consultation closed in June 2012, and the majority of responses³¹ to the proposals were negative. Common problems raised in the responses included the perceived lack of evidence-based reasoning, the proposal to exclude VoD, games and transmedia works from State aid rules and the changes in territorialisation rules.

The new draft Communication on State Aid to Cinema went into inter-services consultation within the EC in November 2012. This second draft version took into account responses to the consultation and in particular the criticism against the idea of a cap for aid intensity for

³⁰ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32006R1998:EN:NOT>

³¹ Responses can be viewed here:

http://ec.europa.eu/competition/consultations/2012_state_aid_films/index_en.html#replies

non-EU films with large budgets. The draft Communication however still mentions that the EC will monitor the use of State aid for foreign film productions but the details on how such monitoring will be performed are not specified. The adoption of the Communication by the College of Commissioners is expected early 2013.

8.1.6 European cinema in the digital era

The digital revolution has transformed the European cinema industry. It enables distribution costs to be reduced which could lead to an increase in the number and diversity of European films shown across the world. However, there are risks to digitisation which need to be managed so that all cinemas (particularly smaller, arthouse and specialised cinemas) can benefit. In May 2010 the commission published the communication on a Digital Agenda for Europe.

After consulting the Member States and film industry, the Commission published a **Communication** in September 2010 on the '[opportunities and challenges for European cinema in the digital era](#)'. It concluded that the transition to digital projection has a number of inherent risks that have to be tackled to enable European cinemas to benefit from its opportunities. The Communication stated that it is necessary to ensure:

- Flexibility and transparency in the standardisation process, so that digital cinema projection standards can meet the diverse needs of European cinemas
- Legal security in the field of [State aid](#) for the digitisation of cinemas, in the form of clear assessment criteria enabling Member States to design their schemes accordingly
- EU financial support for the digital transition of cinemas showing European films or having an impact on regional development.

The Commission accordingly set in place a new strategy, which would encourage digital transition in cinemas across the EU. Activities within this strategy included the study commissioned in 2010 on digital equipment costs across the EU, which resulted in the Parliament adopting a Resolution calling on Member States to financially support the digitisation of all the equipment in EU cinemas.³² The Commission also launched a new MEDIA support scheme for the digitisation of cinemas screening a significant percentage of recent European (non-national) films.

The EC is expected to publish later in 2013 a proposal for a Recommendation on Film in the Digital Era (DG EAC in the lead), which will relate to the digitisation of archives and cinemas. It should propose measures to increase accessibility and visibility of European films offline and online and promote new methods of distribution. It should also call for more flexibility in relation to release windows, a topic which is a top issue among European policy makers

³² <http://www.europarl.europa.eu/oeil/popups/summary.do?id=1176666&t=d>

The recommendation will be a joint project of DG MART (following the Green Paper on copyright), DG EAC (following the Communication on Digital Cinema) and DG CONNECT concerning film heritage.

The Recommendation on European Film in the Digital Era is expected to propose an adaptation of practices, working methods and policy by improving access to the data concerning viewing VOD services, promoting new methods of distribution to increase the visibility and viewing of European films. It will also propose measures to promote the visibility of European films online and encourage right holders to increase the availability of their works online, facilitating the creation of catalogues of EU films and promoting the use of standardised databases facilitating the identification of right holders and rights clearance.

Release windows

In all policy documents from European institutions the sequencing of release windows is questioned. Most recently, the European Commission has made clear³³ that the upcoming Recommendation on European Film in the Digital Era will call for more flexibility regarding the sequencing of release windows. The EC should aim at fostering the experimentation with new distribution models for audiovisual works. The new modes of distribution would be complementary to the windows release system currently of application in the EU Member States. The latter would remain solely competent to decide on the system.

Similarly, the European Parliament highlighted the need for flexibility in relation to release windows in its report on the online distribution of audiovisual works in the EU³⁴.

8.1.7 Film heritage

The EU is tasked with encouraging its Member States to co-operate in conserving and safeguarding cultural heritage of European significance, including cinema.³⁵ The 2005 [Recommendation to Member States on Film Heritage](#) calls for Europe's cinematic works to be methodically collected, catalogued, preserved and restored so that they can be passed on to future generations. EU countries are asked to inform the Commission every two years of what they have achieved in this respect. Following the publication of implementation reports in August 2008 and July 2010, the Commission is currently preparing a third implementation report on the basis of Member States reports.³⁶

³³ European Commission's Green Paper on the online distribution of audiovisual works in the European Union: opportunities and challenges towards a digital single market
http://ec.europa.eu/internal_market/consultations/docs/2011/audiovisual/green_paper_COM2011_427_en.pdf

³⁴ European Parliament's report on the online distribution of audiovisual works in the European Union
[http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fNONSGML%2bREPORT%2ba7-2012-0262%2b0%2bDOC%2bPDF%2bV0%2f%2fEN"\);](http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fNONSGML%2bREPORT%2ba7-2012-0262%2b0%2bDOC%2bPDF%2bV0%2f%2fEN)

³⁵ Article 167.2 of the Treaty of the Functioning of the European Union

³⁶ http://ec.europa.eu/avpolicy/reg/cinema/index_en.htm

In 2011 the Commission financed a study on the '[challenges of the digital era for film heritage institutions](#)' with a view to reviewing and updating the 2005 Recommendation. The study ran from January to December 2011, and covered the following topics:

- The challenges in relation to the collection, storage, preservation, restoration and digitisation of film material
- Comparison with other sectors facing the same challenges (e.g. American production companies and film heritage institutions; public service broadcasting archives)
- Evaluations and proposals for legal/organisational/technical changes needed to ensure that film archives can continue to perform their role in the digital era
- Policy options and recommendations for EU and Member State action.

The Commission also assists directly in efforts to protect film heritage by:

- Organising annual meetings of the [Cinema Expert Group](#), where experts from film archives across Europe exchange best practice and look for common solutions to problems
- Promoting European standardisation to achieve interoperability among film databases and catalogues in Europe
- Supporting film producers worldwide, represented by the [International Federation of Film Producers Associations](#) (FIAPF), and European film archives, represented by the [Association des Cinémathèques Européennes](#) (ACE), in their negotiations on a framework agreement for the voluntary deposit of film and film materials in European archives.³⁷

8.1.8 Public service broadcasting

Public Service Broadcasters (PSBs) are broadcasters with a public service mandate, the definition of which lies within the competence of the Member States, which can decide at national, regional or local level. Such a mandate would be consistent with the objective of fulfilling the democratic, social and cultural needs of a particular society and guaranteeing pluralism, including cultural and linguistic diversity. To fulfil this mandate, PSBs benefit from license fees or direct financial support from their Member State.

The [Protocol on the System of public broadcasting in the Member States](#) sets out the respective competencies of the EU and the Member States in this field. The Commission's task is to verify whether or not Member States respect the Treaty provisions, especially the [State aid](#) rules in this area. The principles are laid down in the [Communication from the Commission on the application of State aid rules to Public Service Broadcasting](#), which was revised and adopted in July 2009. While taking into account the technological changes which have fundamentally altered the broadcasting and audiovisual market, the

³⁷ http://www.ace-film.eu/?page_id=444

Communication aims to ensure a level playing field between PSBs and private operators. At the same time, the rules provide several options to establish a financing regime which respects the specific features of the individual broadcasting system of each Member State.

8.1.9 Protection of minors

The development of audiovisual media services in the EU must go hand-in-hand with the protection of the general interests of all European citizens - including the most vulnerable. To that end, the [Audiovisual Media Services Directive](#) (AVMSD) contains specific rules to protect minors. The Commission has also published two Communications in this regard: the [Strategy for a Better Internet for Children](#) and the [Communication on video games](#):

- **The AVMSD**

The [AVMSD's](#) general approach, a system of graduated regulation, also applies to the protection of **minors**. The less control a viewer has and the more harmful content could be, the more restrictions apply.

Overview of graduated regulation

	Linear services (television broadcasts)	Non-linear services (on-demand)
Content which 'might seriously impair' minors (i.e. pornography or gratuitous violence) must...	...not be included in any programme.	...only be made available in such a way that ensures that minors will not normally hear or see such on-demand audiovisual media services.
Content which 'might be harmful' to minors must...	...only be made available in such a way that ensures that minors in the area of transmission will not normally hear or see such broadcasts. This can be ensured by selecting the time of the broadcast or by any technical measure (e.g. encryption).	No restrictions.

With regard to the protection of minors, the AVMSD is complemented by the [1998](#) and [2006](#) Recommendations. The [1998 Recommendation](#) was the first legal instrument concerning the content of online audiovisual and information services. The AVMSD takes into account that the protection of minors has always to be balanced with other important values of a democratic society, for instance freedom of expression. In addition, protection of minors cannot work without parental responsibility.

The Commission does not monitor programmes on an individual basis but rather the performance of Member States in general. Therefore, complaints about the suitability of content should be made to the media regulator(s) in the Member State concerned.³⁸ If it is not clear which Member State has jurisdiction, or a citizen does not speak the language of the Member State concerned, they may also contact the media regulator of their own Member State. Regulators are obliged to co-operate, particularly in cross-border cases.

- **Strategy for a Better Internet for Children**

In May 2012 the Commission published a **Communication**, the [Strategy for a Better Internet for Children](#), to help give minors the skills and tools they need to benefit safely from the digital world. The Communication also aims to unlock the potential of the market for interactive, creative and educational content online. It brings together the Commission and Member States with mobile phone operators, handset manufacturers and providers of social networking services to deliver concrete solutions for a better internet for minors.

The Communication proposes a series of actions grouped around four main goals:

- Stimulate the production of creative and educational online content for children and develop platforms which give access to age-appropriate content
- Increase awareness of and teach of online safety in all EU schools to develop children's digital and media literacy and self-responsibility online
- Create a safe environment for children where parents and children are given the tools necessary for ensuring their protection online
- Combat child sexual abuse material online by promoting research into, and use of innovative technical solutions.

- **Communication on video games**

In April 2008 the Commission published the [Communication on video games](#) based on a survey of the Member States conducted to find out how they protect minors from unsuitable content in video games. The Communication promotes freedom of expression for adults and freedom of adult gamers to play any game that does not contravene criminal law.

The **Communication** identified the following actions to improve the protection of young gamers:

- More Member States should sign up to the age-suitability rating systems [Pan-European Game Information](#) (PEGI) and [PEGI Online](#)
- The video games and console industry should regularly update the criteria for age rating and labelling in PEGI and actively advertise it

³⁸ A list of EU regulators can be found here: http://ec.europa.eu/avpolicy/info_centre/links/index_en.htm#reg

- Member States and stakeholders should work together on innovative solutions for effective age verification and evaluate the effects of playing video games, notably on health
- Within two years, retailers and publishers should agree on a pan-European code of conduct on the sale of games to minors and on commitments to raise awareness of the PEGI system
- Member States and all stakeholders are encouraged to take initiatives to improve media literacy applied to video games.

8.2 Europe 2020

8.2.1 Digital Agenda for Europe

The [Digital Agenda for Europe](#) (DAE) is an initiative designed to develop a flourishing digital economy by 2020, and is a flagship initiative of [Europe 2020](#). Launched in May 2010 and managed by the [Directorate-General for Communications Networks, Content and Technology](#) (DG Connect), it details policies and actions to maximise the benefit of the digital revolution for EU citizens.

The DAE outlines seven priority areas for action:

- Creating a digital **Single Market** to deliver the benefits of the digital era
- Boosting cutting-edge research and innovation in information and communication technologies (ICT)
- Empowering all Europeans with digital skills and accessible online services
- Enhancing trust and security for internet users
- Improving ICT standard-setting and interoperability
- Increasing Europeans' access to fast internet
- Applying ICT to address challenges facing society such as climate change and the ageing population.

A progress report is produced each year to assess the efficacy of the DAE and identify emerging challenges.³⁹ The Commission also maintains the [Digital Agenda Scoreboard](#), a publicly accessible online resource that provides analysis and detailed data on all the policy areas covered by the DAE. Initiatives within the framework of the DAE that address the needs of the audiovisual sector include [Creative Content Online](#) and [Europeana](#).

8.2.2 Creative content online

In 2008, the Commission adopted a [Communication on creative content online in the single market](#), which built on a [2006 consultation process](#) and launched further measures to

³⁹ The most recent report was published in December 2011: http://ec.europa.eu/information_society/digital-agenda/documents/dae_annual_report_2011.pdf

support the cross-border delivery of online content. The Communication launched the [2008 consultation process](#) and identified four main areas requiring EU action:

- Availability of creative content
- Multi-territory licensing of creative content
- Digital rights management systems (DRMs)
- Piracy/unauthorised file-sharing.

The Communication also proposed a stakeholder discussion group (the ‘Content Online Platform’) to look at forthcoming challenges. The [final report on the Content Online Platform](#) was published in May 2009.

2009 saw a [third consultation process](#) on the topic of online content which addressed the role of legal online markets and explored a variety of copyright management models that may induce a more rapid development of such markets.

In 2011, the Commission published a **Green Paper** to gather views on how European content producers can seize the opportunities presented by new digital technologies, and move towards a digital **single market**. The [Green Paper on the online distribution of audiovisual works in the European Union: opportunities and challenges towards a digital single market](#) considered the ways in which the audiovisual sector was changing in response to technological developments and consumer expectations. It invited stakeholders to comment on the challenges and opportunities facing audiovisual media service providers, and asked in particular whether the existing regulatory and legal framework posed barriers to the cross-border availability of online services in the EU. The Green Paper focused on the copyright licensing framework, and discussed a number of regulatory approaches to licensing. In addition, it looked at the remuneration of authors and performers for the online use of their works.

The Green Paper received responses from citizens, public authorities and private companies from across Europe⁴⁰, and helped shape the new **Communication on content in the Digital Single Market** published by the Commission on 18 December 2012. In it, the Commission has announced that it will lead a stakeholder dialogue entitled “Licensing Europe”⁴¹, with the aim of delivering “market-led solutions” in four topics including:

- Cross-border access and the portability of services
- User-generated content and licensing for small-scale users of protected material
- Facilitating the deposit
- Online accessibility of films in the EU.

⁴⁰ http://ec.europa.eu/internal_market/consultations/2011/audiovisual/index_en.htm

⁴¹ Communication from the Commission on Content in the Digital Single Market , Brussels, 18.12.2012 COM(2012) 789 final http://ec.europa.eu/internal_market/copyright/docs/copyright-infso/121218_communication-online-content_en.pdf

In parallel it will investigate through studies and impact assessments the need for legislative solutions in relation to territoriality of copyright and the fragmentation of the copyright market.

8.2.3 Europeana

The [Digital Libraries Initiative](#) (DLI) was launched in 2005, and is now part of the [Digital Agenda for Europe](#), a flagship initiative of [Europe 2020](#). The aim of the DLI is to make all of Europe's cultural resources and scientific records available digitally. Its largest resource is [Europeana](#), an internet portal that acts as an interface to millions of films, pieces of music, books, paintings, museum objects and archival records that have been digitised throughout Europe.

Europeana does not bring together content in a single database, rather, it offers a single access point to databases all over Europe. Europeana gave access to just two million items when it was launched in 2008, but in 2012 users could reach over 22 million items.⁴² Among professionals in the heritage sector, Europeana is also a platform for knowledge exchange that promotes collaboration between librarians, curators, archivists and the creative industries.

In October 2011, the Commission adopted a [Recommendation on Digitisation and Digital Preservation](#), which complements the 2005 [Recommendation to Member States on Film Heritage](#). The Recommendation on Digitisation and Digital Preservation asked Member States to step up their efforts, pool their resources and involve private operators to digitise cultural material and make it available through Europeana. In order to provide a more balanced set of contributions from across Europe, the [Recommendation](#) set targets for each Member State for a minimum content contribution by 2015.⁴³

8.2.4 Orphan works

Orphan works are works (films, books, newspapers etc.) that are covered by copyright but whose owners cannot be identified or found. If a work's copyright owner cannot be found to give permission to use the work, any person or organisation that creates a digital version could theoretically be taken to court. This is a serious obstacle for large-scale digitisation projects such as [Europeana](#), and for libraries that want to digitise their collections and make them available online. Orphan works represent a substantial part of the collections of Europe's cultural institutions (e.g. the British Library estimates that 40 per cent of its copyrighted collections – 150 million works in total - are orphan works).

⁴² <http://pro.europeana.eu/web/guest/about/facts-figures>

⁴³ There are currently 944,234 UK objects in Europeana. The Recommendation has asked that this increase to 3,939,000 by 2015.

In May 2011 as part of its [Intellectual Property Rights Communication](#), the Commission adopted a proposal to establish common rules on the digitisation and online display of orphan works. In October 2012, the [Directive on Orphan Works](#) was adopted by the Council. After its entry into force Member States are given two years to transpose the **Directive** into national law.

The Directive focuses on three elements of the orphan works problem. Firstly, it contains rules on how to identify orphan works. It states that a cultural organisation that wishes to digitise and make available the work has to conduct a diligent search to find its copyright holder(s). In this search, it should rely on sources such as databases and registries. One such tool that exists is the [Accessible Registry of Rights Information and Orphan Works](#) (ARROW), which is supported by the EU's [ICT-PSP programme](#). It is hoped that other sectors will also develop similar central rights information databases.

Secondly, the Directive establishes that if a diligent search does not yield the identity or location of the copyright holder(s), the work will be recognised as an orphan work. This status will be recognised across the EU, and the work will be permitted to be digitised and displayed online in all Member States. The Directive also foresees the establishment of a single European registry of all recognised orphan works that will be set up and run by the [Office for Harmonisation in the Internal Market](#) (OHIM).

Thirdly, the Directive establishes the uses that can be made of the orphan works. The beneficiary organisations will be entitled to use orphan works to achieve aims related to their public interest mission. They will be allowed to conclude public-private partnerships with commercial operators and to generate revenues from the use of orphan works to cover the digitisation costs. The Directive also foresees a mechanism to allow a rights holder to assert their copyright and thereby end the orphan work status.

The new Directive applies to:

- Publicly accessible libraries, educational establishments and museums
- Archives
- Film or audio heritage institutions
- Public service broadcasters.

Provided that all the conditions set out in the Directive are fulfilled, these cultural organisations will be entitled to digitise orphan works and make them publicly available online in all Member States. The Directive applies to cinematographic and audiovisual works.

8.2.5 Media literacy

Media literacy is the ability to access, understand and critically evaluate different aspects of the media and to communicate in a variety of contexts. Media literacy relates to all media,

including television and film, radio and recorded music, print media, the internet and digital communication technologies. It is also fundamental for European cinema: media literacy involves raising awareness of European cinematographic heritage and the support for audiovisual creativity.

In 2007 the Commission adopted a [Communication on media literacy in the digital environment](#), specifically online content, commercial communications and audiovisual works, which links to the [AVMSD](#)'s rule that the Commission must report on the levels of media literacy in all Member States.

The **Communication** invites Member States to:

- Encourage national authorities responsible for regulating audiovisual and electronic communications to play a bigger role in media literacy initiatives
- Regularly monitor media literacy initiatives and define new evaluation criteria
- Develop codes of conduct or legislative frameworks by involving all interested parties (e.g. regulatory authorities, content providers and producers, educational establishments etc.).

In 2009, the Commission issued a [Recommendation on media literacy in the digital environment for a more competitive audiovisual and content industry and an inclusive knowledge society](#). The **Recommendation**, which called for all EU countries and the media industry to increase people's awareness of the many forms of media messages they encounter, was formally adopted by the Council, which particularly welcomed:

- The Commission's intentions to encourage greater consensus on media literacy and to develop tools to help Member States and the Commission measure levels of media literacy across Europe
- The focus on the active involvement of the industry in promoting media literacy initiatives
- The recognition of the role that Member States' education systems could play in promoting media literacy.

In order to facilitate the debate on media literacy in education, the Commission created an [expert group](#) composed of representatives of all Member States, Iceland, Liechtenstein, Norway and Sweden. The objective of the group is to examine the current place of media literacy in schools in all the countries represented and to discuss its possible inclusion in formal education.

8.2.6 Telecoms Reform

The EU's regulatory framework for telecoms services aims to promote free and fair competition and to create a strong communications industry in Europe, which is boosting

Europe's economy by supporting every area of activity which relies on electronic communications.

The rules which govern the electronic communications sector in the EU, in force since 2002, were revised to address the fast-changing needs of the sector in November 2009. The [Telecoms Reform](#) covers all forms of fixed and wireless telecoms, data transmission and broadcasting. The regulation of the content carried by such services is, however, dealt with under separate rules covered in audiovisual and media policies.⁴⁴

The revised framework covers issues including:

- Strengthening of consumer rights
- Giving consumers more choice by reinforcing competition between telecoms operators
- Promoting investment into new communication infrastructures, in particular by freeing radio spectrum for wireless broadband services
- Making communication networks more reliable and more secure, especially in case of viruses and other cyber-attacks.

The [Body of European Regulators of Electronic Communications](#) (BEREC) helps to ensure fair competition and consistency of regulation in the telecoms markets. The Commission is in charge of monitoring the timely and correct implementation, and the [Telecoms Reform](#) was to be transposed into national law in the Member States by May 2011. In May 2012 the Commission asked the [Court of Justice](#) to fine five Member States for failing to implement the new telecoms rules by the deadline.⁴⁵

8.2.7 Media freedom and pluralism

Media pluralism is a concept that embraces all measures that ensure citizens' access to a plurality of media types; diverse in every respect, from ownership and sources to delivery platform and author. Media freedom implies the free exercise of journalism including protection of sources and independence of newsrooms from political or commercial influence. Media freedom is considered to be part of freedom of expression and consists of the right to publish print, audiovisual, electronic and other public media without government interference or prior censorship.

The EU's commitment to respect pluralism of the media, as well as the right to information and freedom of expression is enshrined in its [Charter of Fundamental Rights](#). The Commission also runs several initiatives to ensure media freedom and pluralism, including

⁴⁴ http://ec.europa.eu/avpolicy/reg/index_en.htm

⁴⁵ Belgium, the Netherlands, Poland, Portugal, Slovenia: http://europa.eu/rapid/press-release_IP-12-524_en.htm?locale=en

the [Task Force for the Co-ordination of Media Affairs](#), the High-Level Group on Media Freedom and Pluralism, the EU Media Futures Forum and the Media Pluralism Study.

8.2.7.1 Task Force for the Co-ordination of Media Affairs

The [Task Force for the Co-ordination of Media Affairs](#) (Media Task Force) is based in [DG Connect](#). Its mission is to support growth and jobs (key objectives of [Europe 2020](#)) specifically in the media sectors, and to promote freedom of the press and diversity and pluralism in the media.

In this connection, the Media Task Force has four primary roles:

- To act as a sounding board for EU media policy
 - Pre-screens Commission policy proposals to check for possible unintended effects on editorial freedom or industry competitiveness; maintains an [inventory of measures affecting the media](#)
 - Co-ordinates Commission policy-making for the media
- To observe and monitor [media pluralism](#)
 - Provides the administration for the [High-Level Group on Media Freedom and Pluralism](#) and the [EU Media Futures Forum](#)
 - Published an independent study to test concrete and objective [indicators for assessing media pluralism](#) in September 2009
- To research the economic aspects of media pluralism
 - Works to develop the Commission's understanding of publishing and talks to the publishing industries to discuss how they can adapt to the digital age and devise new business models
- To be a contact point for external enquiries
 - Handles enquiries on media pluralism and freedom of the press from media companies, organisations and citizens.⁴⁶

⁴⁶ The Media Task Force can be emailed on cnect-taskforce-media@ec.europa.eu

8.2.7.2 High-Level Group on Media Freedom and Pluralism

Established in October 2011, the [High-Level Group on Media Freedom and Pluralism](#) analyses and provides recommendations to the Commission on issues such as:

- Limitations to media freedom arising from political interference (state intervention or national legislation)
- Limitations to media independence arising from private and commercial interference
- The question of the concentration of media ownership and its consequence for media freedom/pluralism and on the independence of journalists
- Existing or potential legal threats to the protection of journalists' rights and their profession in Member States
- The role and independence of regulatory authorities
- Existing or potential measures in favour of quality journalism, ethics and media accountability, within the respective competences of national, EU and international authorities.

8.2.7.3 EU Media Futures Forum

In December 2011, the Commission established the [EU Media Futures Forum](#) to reflect on the future of the media industries from a global perspective. The 28 forum members represent the whole value chain of the media business, and they agreed to consider all media content forms made available to consumers regardless of the technological platform. This includes content-wise radio, TV and video content (e.g. film, TV programmes), music, written content online and in print (news, magazines, books and their websites) and games.

The mandate of the forum is threefold:

- To identify the opportunities and challenges linked to the major changes in the media sector as a result of the digitisation of the industry
- To assess how current EU policies help or hinder the transition to a digital single market and which new policies might be needed
- To attract attention - at the appropriate level - of public authorities, consumers, creators and the rest of the industry on the urgency to act if Europe is to benefit fully from the digital transition.

The focus of the forum is not to protect industry players and structures but to ensure that competitiveness and growth is assured by creating the optimal conditions for in-depth journalism and for the plurality of European content to thrive in the digital age.

In September 2012 the forum published a report⁴⁷ depicting the key disruptive trends, identifying how they have affected the industry so far and what their expected impact will

⁴⁷ http://ec.europa.eu/information_society/media_taskforce/doc/pluralism/forum/report.pdf

be in the future. The report also presents a set of recommendations for the foundation for future policies.

8.3 Culture

8.3.1 European agenda for culture in a globalising world

Culture is not only a fundamental element of society and the lives of individuals, but is also a catalyst for European integration. Wherever it is able to do so, the EU plays a role in cultural policy and European cultural co-operation. The [Communication on a European agenda for culture in a globalising world](#) (the Agenda) was proposed by the Commission in 2007 and marked the beginning of a new era in this area. It was endorsed by the [Council of the European Union](#) in November 2007, and then, a first, by the [European Council](#) in December 2007.

The contents of the Agenda can be divided into three areas of action:

- Cultural diversity and intercultural dialogue
- Culture as a catalyst for creativity and innovation
- Culture as part of the EU's international relations.

The Agenda also calls for a stronger place for culture in relevant EU programmes and policies ('mainstreaming') as well as the promotion of evidence-based policy making, in particular through the development of comparable statistics on culture across the EU. This is in line with [Article 167 of the Treaty of Lisbon](#), according to which, the EU 'shall take cultural aspects into account in its action under other provisions of the Treaties, in particular in order to respect and to promote the diversity of its cultures'.

In July 2010 the Commission published a report on the progress in the Agenda's three action areas at EU and Member State level.⁴⁸ The report summarised the developments in EU policies in which culture is present and considered the future of the Agenda and its continued implementation.

⁴⁸ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SEC:2010:0904:FIN:EN:PDF>

8.3.2 Work Plan for Culture 2011-2014

Based on the action areas set out in the [Agenda](#), and drawing on the achievements of the Work Plan for Culture 2008-10, the [Work Plan for Culture 2011-2014](#) provides six priority areas for the cultural field under which specific activities are pursued:

- Cultural diversity, intercultural dialogue and accessible and inclusive culture
- Cultural and creative industries
- Skills and mobility
- Cultural heritage, including mobility of collections
- Culture and external relations
- Culture statistics.

8.3.3 Cultural co-operation with Member States

Using the **open method of co-ordination** (OMC), the Commission co-ordinates co-operation with and between Member States on cultural matters. The OMC allows authorities at Member State level to appoint representatives to EU-wide working groups which discuss and validate national/regional best practice and make proposals for co-operation initiatives.

In the field of culture, there are currently OMC working groups for the following areas, each of which corresponds to a priority area of the [Work Plan for Culture 2011-2014](#):

- Cultural diversity and dialogue/accessible and inclusive culture
- Cultural and creative industries
- Skills and mobility
- Cultural heritage (including mobility of collections).

Each of these working groups produce reports on their areas of expertise for use by EU policy-makers, industry professionals and citizens.⁴⁹

8.3.4 Cultural sector dialogue

The Commission is committed to engaging with the EU's cultural sector, aiming to ensure that its voice is clearly heard in policy debate at EU level. To this end, [DG Education and Culture](#) established three platforms from which associations and networks across the EU can produce policy recommendations:

- Platform for Intercultural Europe

Funded by the [Culture Programme](#), the [Platform for Intercultural Europe](#) is a membership association that works to develop understanding of intercultural dialogue and provide a space for cross-sectoral engagement, reflection and learning. It seeks to improve national

⁴⁹ http://ec.europa.eu/culture/our-policy-development/policy-documents/omc-working-groups_en.htm

and regional policies on diversity and intercultural engagement by engaging with policy debates at EU-level.

- Access to Culture Platform

The [Access to Culture Platform](#) advocates culture as a fundamental right of all citizens. It pushes for culture to be prioritised in EU policy-making, and formulates clear priority areas for action to develop the conditions of creation, education and participation across Europe.

- European Platform on the Cultural and Creative Industries

The [European Platform on Cultural and Creative Industries](#) comprises over 40 organisations representing a wide range of cultural and creative sectors. Through policy recommendations and public advocacy, the platform aims to highlight the fundamental role of cultural and creative industries in Europe and unlock their full potential. Its mandate is focused on the strategic use of EU support programmes (including [Structural Funds](#)), export and internationalisation support strategies and good financial practice for **SMEs** in the cultural and creative sector.⁵⁰

The members of the three platforms convene every two years at the [European Culture Forum](#) to exchange ideas on the most pressing issues facing culture in an open environment.

8.4 Cultural and creative industries

In recent years, there has been an increasing awareness of the importance of cultural and creative industries (CCIs), including the audiovisual sector, at EU level. In order to better understand the type of business environment that would meet the specific needs of creative entrepreneurship, the Commission published a **Green Paper** in April 2010 entitled '[Unlocking the potential of cultural and creative industries](#)', which prompted contributions from organisations and individuals from all over Europe.

The respondents largely agreed that successful support for CCIs calls for a cross-departmental co-operation at all levels of policy governance, including at a regional level. They also called for a better integration of CCIs into the [Europe 2020](#) strategy and underlined the vital importance of copyright as a reward for creativity. The majority of respondents insisted on the need to make CCIs' access to funding easier, to promote skills development, including creative, managerial and digital skills, as well as culture/media literacy, to promote mobility as a way to strengthen the sectors' capacity to go international and contribute to cultural diversity, and to further reinforce international co-operation and exchange.

⁵⁰ A report on good financial practices for SMEs will be published by this platform in 2014.

The follow-up to the Green Paper will mainly happen through measures to be implemented in the context of the new EU programmes post 2013, in particular [Creative Europe](#). In the meantime, discussions on the potential of the CCIs at EU and Member State level are continuing on the [European Platform on Cultural and Creative Industries](#) and in the [European Creative Industries Alliance](#).

9 The international dimension of EU audiovisual policy

The audiovisual sector is a powerful instrument for international relations and an essential component of actions to foster and improve international cultural co-operation and promote cultural diversity. As such it plays a key role in the strategic objectives of the [European Agenda for Culture](#), particularly the third strategic objective: ‘promoting culture as a vital element of the EU's international relations’.

9.1 EU enlargement

Before joining the EU, countries have to bring their national laws into line with EU rules, including – in the audiovisual field – the [AVMSD](#). When they do so, they become eligible for funding under MEDIA.

Croatia has had its membership terms agreed and is awaiting ratification by all Member States to join (expected 1 July 2013), but it was able to join MEDIA in 2008 following the alignment of its broadcasting legislation with EU rules. Bosnia and Herzegovina has been promised the prospect of joining the EU when ready, and is expected to join MEDIA soon. MEDIA funding applications are currently accepted from Bosnia and Herzegovina, but successful selection is dependent on the finalisation of the EU membership negotiation process.

9.2 European Neighbourhood Policy

Developed in 2004, the [European Neighbourhood Policy \(ENP\)](#) is designed to bring the EU's eastern and southern neighbours⁵¹ closer to the EU, facilitating their participation in the EU internal market and progressively working towards the creation of a free trade area. The EU and its neighbours mutually agree on Action Plans which set objectives based on joint ownership, common interests and shared values, reciprocal commitments and differentiation. The Action Plans support the implementation of national plans and reform programmes in the political, economic, social and institutional fields.

In the audiovisual field the main goals of co-operation as set out in the Action Plans are:

- A better mutual understanding between EU countries and their neighbours
- Co-operation in the fight against racism and xenophobia

⁵¹ Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestine, Syria, Tunisia, Ukraine

- The establishment of a dialogue on audiovisual policy (including legislation and reform).

The ENP, which is chiefly a bilateral policy between the EU and each partner country, is further enriched with regional and multilateral co-operation initiatives:

- Black Sea Synergy (launched in Kiev, Ukraine, in February 2008)
- Eastern Partnership (launched in Prague, Czech Republic, in May 2009)
- Union for the Mediterranean (the Euro-Mediterranean Partnership, formerly known as the Barcelona Process, re-launched in Paris, France in July 2008).

The Eastern Partnership and the Euro-Mediterranean Partnership feature programmes designed to support co-operation between the audiovisual industries within the territories they cover and those in the [EU Member States](#).

9.3 World Trade Organisation

[The World Trade Organisation](#) (WTO) regulates international trade. The [WTO's General Agreement on Trade in Services](#) (GATS) is the principal multilateral framework where trade issues are dealt with, including those pertaining to the audiovisual sector.

The audiovisual sector is subject to the most important WTO rule of general application: the most-favoured-nation treatment (MFN), which is an obligation of non-discrimination between trading partners, whereby the most favourable treatment given to any country must be given to all WTO members, unless the treatment in question is granted in the context of regional trade agreements.

The EU and its Member States have sought to maintain their freedom of action in the audiovisual sector on the basis of cultural objectives, particularly the preservation and development of cultural diversity. They have secured this by notifying the WTO of exemptions from the application of the MFN rule. The negotiations and entry into force of the 2005 [UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions](#) further helped consolidate its position.

The EU MFN exemption for measures based on agreements on audiovisual co-productions seeks to preserve the possibility of conferring national treatment to audiovisual works covered by such agreements (with respect to all countries with whom an agreement may be concluded). Another MFN exemption that is relevant to co-operation with third countries is the exemption allowing for the granting of benefits of specific support programmes (such as [MEDIA](#)) or funds (such as Eurimages⁵²) to audiovisual works and suppliers of such works meeting certain European origin criteria.

9.4 United Nations Educational, Scientific and Cultural Organisation

[The United Nations Educational, Scientific and Cultural Organisation](#) (UNESCO) is an agency of the [United Nations](#) designed to contribute to international peace and security by promoting collaboration through education, science, and culture. [The UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions](#), which entered into force in March 2007, provides a framework to support and strengthen the EU's internal and external policies. It also provides a legal framework for international co-operation in the area of cultural diversity, with various implications for audiovisual policy.

First, it gives concrete expression, in international treaty law, to the recognition of the specificity of cultural goods and services (such as audiovisual works) and legitimises domestic and international cultural policies. In relation to the fundamental rights aspect, which is key in the EU audiovisual negotiations with countries seeking accession to or stronger ties with the EU, the Convention enshrines important principles such as equal dignity, the respect of minority rights and media pluralism as part of the promotion and the protection of cultural diversity. It can therefore impact positively on audiovisual policy-making and the promotion of pluralism in third countries.

The Convention also provides a commitment to international cultural co-operation actions and can pave the way for new developments of EU international co-operation with third countries through co-operation agreements and other instruments allowing for increased exchanges in the cultural and audiovisual fields.

Among the provisions addressing developing countries, one of particular relevance to the audiovisual sector is Article 16 which provides that developed countries shall facilitate cultural exchanges with developing countries by granting preferential treatment to artists and other cultural professionals and practitioners, as well as cultural goods and services from developing countries.

Lastly, the Convention can bring more clarity regarding situations where parties' measures can be justified for the protection and promotion of cultural diversity. It reaffirms the respect of international rights and obligations arising from other treaties to which the Convention members are parties but without subordinating the Convention to the latter and obliging, on the contrary, the parties to take into account the relevant provisions of the Convention when applying and interpreting their existing international obligations or when entering into new international obligations.

Part 3:

European Union funding opportunities for the audiovisual industry

10. The MEDIA and Culture programmes	67
10.1 The MEDIA Programme	67
10.1.1 How MEDIA works	68
10.1.2 What MEDIA funds	69
10.1.3 MEDIA in the UK	70
10.1.4 MEDIA Mundus	72
10.1.5 MEDIA Production Guarantee Fund	72
10.2 The Culture Programme	72
10.2.1 The Culture Programme in the UK	74
10.3 Creative Europe	74
11. Research and innovation funding	75
11.1 7th Framework Programme for Research and Technological Development	76
11.1.1 How to access EU FP7 funding	78
11.1.2 Horizon 2020	78
11.2 Competitiveness and Innovation Framework Programme	79
11.2.1 How to access CIP funding	80
11.2.2 Enterprise Europe Network	81
11.2.3 European Creative Industries Alliance	81
11.2.4 COSME: Programme for the Competitiveness of enterprises and SMEs	85
12. EU Regional policy and the Structural Funds	86
12.1 European Regional Development Fund	89
12.1.1 INTERREG	90
12.2 European Social Fund	91
12.3 Cohesion Fund	92
12.4 How to access the Structural Funds	92
12.5 Special support instruments	93
13. Lifelong Learning Programme	95
13.1. Erasmus for All	96
14. International funding opportunities	97
14.1 Eastern Partnership Culture Programme	97
14.2 Euromed Audiovisual	97
14.3 Mercosur Audiovisual	98
14.4 ACP Cultures	98

Part 3: EU funding opportunities for the audiovisual industry

10 The MEDIA and Culture programmes

10.1 The MEDIA Programme

The [MEDIA Programme](#) (MEDIA) is the EU's financial support programme for the audiovisual industries. It currently comprises 17 funding schemes, each targeting a different area of the audiovisual sector. The programme operates in seven-year funding rounds and has existed since 1991. The current edition of the programme, MEDIA 2007, commenced on 1 January 2007 and will run to 31 December 2013.

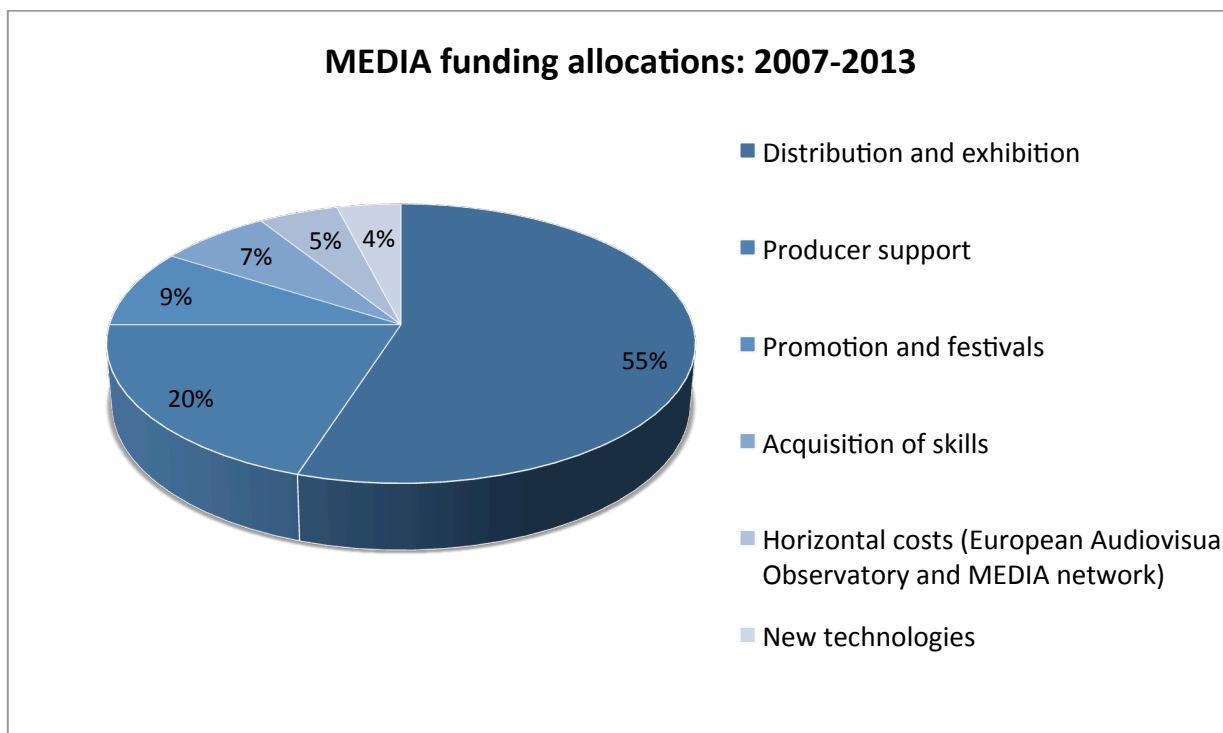
MEDIA 2007 has three aims:

- To preserve and enhance European cultural and linguistic diversity and its cinematographic and audiovisual heritage, guarantee its accessibility to the public and promote intercultural dialogue
- To strengthen the competitiveness of the European audiovisual sector in an open market
- To increase the international circulation and audience of European audiovisual products inside and outside of the European Union.

MEDIA 2007 has five areas of priority:

- Acquisition of skills
- Project development
- Distribution and exhibition
- Promotion and festivals
- New technologies.

MEDIA 2007 has a budget of €755 million to support EU initiatives that fall within the programme's areas of priority. The funding is allocated in the following proportions:



10.1.1 How MEDIA works

The [MEDIA Unit](#) in DG Education and Culture manages the political, institutional and budgetary aspects of [MEDIA](#), and oversees its promotional activity and evaluation. The Unit is also responsible for [MEDIA Mundus](#), [media literacy](#) and the future [Creative Europe](#) programme.

Under supervision from [DG Education and Culture](#), [DG Communication](#) and [DG EuropeAid Development and Co-operation](#) the [Education, Audiovisual and Culture Executive Agency \(EACEA\)](#) is in charge of MEDIA's operational management. This includes:

- Preparing and launching Calls for Proposals
- Evaluating and pre-selecting applicants and projects
- Contracting and signing project agreements
- Monitoring projects and communicating with and providing information to beneficiaries.

The MEDIA Management Committee supervises the Commission in approving MEDIA's budget, guidelines and funding allocations. It comprises representatives from all 33 **MEDIA participating countries**, usually from ministries and/or national public funding agencies.

Staff at [MEDIA Desks and MEDIA Antennae](#) answer enquiries about MEDIA funding. They also encourage participation in training courses, festivals and markets and help prepare applications. Each country has a central office, called a Desk, usually based in the capital city. One or more regional offices in key cities often support this national Desk - these are

known as Antennae. The MEDIA Desks and Antennae are usually hosted by a national film agency or other relevant organisation.

10.1.2 What MEDIA funds

There are 17 MEDIA funding schemes which offer non-repayable grants to producers, distributors, sales agents, organisers of training courses, operators in new digital technologies, operators of VoD platforms, exhibitors and organisers of festivals, markets and promotional events. All funding is distributed on the basis of **Calls for Proposals** (Calls) consisting of a set of guidelines and application forms. Calls usually work on an annual basis with one or more deadlines throughout a year. Applications are independently assessed, and funding is awarded on the basis of merit.

Scheme name	Remit
Distribution and exhibition	
Automatic	For distribution companies: A subsidy based on the number of paid cinema admissions in the previous calendar year for recent non-national European films. The scheme is designed in two stages: generation and reinvestment.
Digitisation of Cinemas	Funding is available to support the digitisation of European cinemas that show a significant percentage of non-national European films . The scheme funds the side costs linked to the purchase of digital projectors.
Sales Agents	A subsidy, the amount of which depends on the agent's performance in selling European films in a qualifying period. The scheme is designed in two stages: generation and investment.
Selective	For distribution companies: Designed to facilitate the transnational distribution of European films, it aims to encourage the release of films that might be a challenge were they to be supported by market forces alone.
VoD/DCD	Available to support the digital distribution of European audiovisual works to a wider, international audience and/or to cinema exhibitors. This scheme funds two types of service: video-on-demand (VoD) and digital cinema distribution (DCD) .
New technologies	
Pilot Projects	Supports the pilot phase of projects aiming to develop new ways of creating, distributing and promoting European audiovisual content with the use of new, innovative information and communication technologies.

Producer support	
Development – Interactive Projects	For companies that have produced at least one previous interactive project which has been distributed recently, and that now wish to invest in the development of another interactive project which complements an audiovisual project.
Development – Single Project	For companies that have produced at least one previous project which has been distributed recently and that now wish to invest in the development of another project.
Development – Slate	For medium to large-sized companies that have experience at an international level and the financial capacity to support the simultaneous development of several projects.
i2i Audiovisual	Offers grants to cover up to 50% of insurance, financial and completion guarantee costs to companies which bear the costs of bank financing.
TV Broadcasting	For companies producing a television programme (in principle not intended for theatrical release) with at least three European broadcasters from three Member States attached.
Promotion	
Access to Markets	For organisations that propose events and activities (including online tools) designed to promote European audiovisual works and facilitate access to markets for European professionals.
Audiovisual Festivals	For film festivals that programme at least 70% European content. Funding can be used for costs such as subtitling, translation, catalogue printing and travel costs for professionals accompanying a film at the festival.
Training	
Continuous Training	For training activities for film and television industry professionals in the areas of new technologies, economic, financial and commercial management and script development.
Initial Training	For projects that encourage the networking of film schools and mobility of European film students, in particular through collaboration between European film schools and training institutes, and with the participation of partners from the professional sector.

10.1.3 MEDIA in the UK

The UK is a significant beneficiary of MEDIA funding, and in 2011 UK companies and films received over €14 million of investment.⁵³ Over 120 companies were supported to the level of €7.4 million. The beneficiaries included cinemas, producers, operators in interactive and new media, distributors, sales agents, film schools, professional training providers and organisers of festivals and promotional events. A further €6.8 million was invested in the European distribution of over 50 UK films, including Phyllida Lloyd's *The Iron Lady*, Tom

⁵³ <http://mediadeskuk.eu/assets/Uploads/Downloads/MediaInUK2011.pdf>

Hooper's *The King's Speech* and Mike Leigh's *Another Year*. MEDIA also brings European films to the UK, a traditionally difficult market for foreign language films. 2011 saw *The Kid with a Bike*, *Le Havre*, *We Have a Pope* and other European films enjoy box office success for their MEDIA-supported UK releases.⁵⁴

The UK has three information offices which give advice on the MEDIA Programme: MEDIA Desk UK, MEDIA Antenna Scotland and MEDIA Antenna Wales. Professionals based in Northern Ireland refer to MEDIA Desk UK in London for advice and help. The three offices share a website designed to improve UK audiovisual professionals' understanding of and access to MEDIA funding.⁵⁵

MEDIA offices in the UK			
Office	City	Contact	Host organisation
MEDIA Desk UK	London	Agnieszka Moody 020 7173 3221	British Film Institute
MEDIA Antenna Scotland	Glasgow	Emma Valentine 0141 302 1776	Creative Scotland
MEDIA Antenna Wales	Cardiff	Judy Wasdell 0300 061 5637	The Welsh Government

Europa Cinemas

Founded in 1992 with funding from the MEDIA programme, Europa Cinemas is a network of film theatres focusing on European films. Its objective is to provide operational and financial support to cinemas that commit to screening a significant number of European non-national films, to offering events and initiatives as well as promotional activities targeted at young audiences, and to screening digital European non-national films. Over the years the network has become a trusted brand that clearly signposts access to European cinema for filmgoers. In 2011 the average percentage of European films in Europa Cinemas' programming reached 59.8%. With the MEDIA programme's support, the network operates in 32 countries, 538 cities, 907 cinemas, and 2,203 screens, as well as in a further 26 countries, 99 cities, 215 cinemas or 819 screens outside Europe through funding from MEDIA Mundus. In the UK there are 50 Europa Cinemas including BFI Southbank, Curzon Cinemas, Watershed in Bristol, Glasgow Film Theatre and the Showroom in Sheffield.

Funding Programme

MEDIA

Website

www.europa-cinemas.org



MEDIA Mundus

[MEDIA Mundus](#) is the Commission's international audiovisual co-operation programme which runs alongside MEDIA. It has a budget of €15 million for the period 2011-2013 to support projects which strengthen cultural and commercial relations in the audiovisual industry between Europe and professionals of non-European countries. The principle of mutual benefit underpins MEDIA Mundus. It has the following objectives:

- To enable Europe to play its cultural and political role in the world more effectively
- To increase consumer choice and cultural diversity globally
- To increase the competitiveness of the European audiovisual industry.

Funding is available for initiatives proposed by organisations based in **MEDIA participating countries** with partners from non-European countries in the areas of training, market access, distribution and circulation of audiovisual works. In 2012, €5 million was awarded to 35 projects that support collaboration between Europe and countries including Australia, Canada, Japan, Mexico and Russia.⁵⁶

10.1.4 MEDIA Production Guarantee Fund

The €8 million [MEDIA Production Guarantee Fund](#) (MPGF) is a loan guarantee fund designed to make it easier for film producers to gain access to bank financing. The fund has a budget of €8 million over four years (2010-2013) to guarantee loans to audiovisual companies and is run on behalf of the Commission by two operators: the [French Institute for the Financing of Cinema and Cultural Industries](#) (IFCIC) and Spain's [Guarantee Society for the Audiovisual Sector](#) (Audiovisual SGR). The Commission estimates that the leveraging effect of MPGF will allow for more than €100 million to be freed up for loans to film producers with small or medium-sized businesses.⁵⁷

10.2 The Culture Programme

The Commission's [Culture Programme](#) (2007-2013) has a budget of €400 million for projects and initiatives that celebrate Europe's cultural diversity and enhance shared cultural heritage through the development of cross-border co-operation between cultural operators and institutions.

The programme has three main objectives: to promote cross-border mobility of those working in the cultural sector, to encourage the transnational circulation of cultural and Artistic output, and to foster intercultural dialogue. 37 European countries participate in the programme.⁵⁸

⁵⁶ http://ec.europa.eu/culture/media/media-content/documents/fundings/media-mundus/mm_selected_projects-2012.pdf

⁵⁷ http://europa.eu/rapid/press-release_IP-11-23_en.htm

⁵⁸ Albania, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania,

The programme supports three main strands of activity:

- **Support for cultural actions**

The [support for cultural actions](#) strand takes about 75% of the Programme's budget, and is designed to enable a wide range of cultural organisations from various countries to co-operate on cultural and artistic projects. It includes the following sub-strands:

- [Multi-annual co-operation projects](#)

For projects with a minimum of six cultural operators from different participating countries working across sectors to develop joint cultural activities over a period of three to five years. No further calls in the current programme under this sub-strand.

- [Co-operation projects](#)

For projects with a minimum of three cultural operators from different participating countries working across sectors to develop joint cultural activities over a maximum of two years. No further calls in the current programme under this sub-strand.

- [Co-operation with third countries](#)

For actions with a minimum of three partners from different participating countries plus at least one partner from a third country outside the EU.⁵⁹

- Special measures

Relating to high-profile actions of considerable scale and scope. (e.g. the [European Capitals of Culture](#) initiative.)

- **Support for cultural bodies**

The [support for cultural bodies](#) strand uses approximately 10% of the programme's budget to support cultural bodies working at European level, including networks, cultural ambassadors and policy support structures. These bodies may encourage exchange between cultural organisations in different European countries, identify the European artistic community's needs, represent the sector in dealing with EU institutions, participate in the public debate on cultural issues and act as European cultural ambassadors.

- **Support for analysis and dissemination activities**

The [support for analysis and dissemination activities](#) has three areas of focus:

Luxembourg, Macedonia, Malta, Montenegro, the Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Turkey, UK

⁵⁹ Australia and Canada for the May 2013 application deadline.

- Providing support for analytical activities in the field of cultural co-operation and policy development
- Supporting the [Cultural Contact Points](#) (CCPs) which ensure the effective grassroots dissemination of practical and targeted information on the Culture Programme in all participating countries
- Supporting the collection and dissemination of information so that cultural operators can make use of the output and results of EU-funded projects.

10.2.1 The Culture Programme in the UK

[Visiting Arts](#) is the Cultural Contact Point (CCP) for the UK. It promotes the Culture programme and provides information and advice on the programme's various funding opportunities. In 2011, transnational co-operation projects involving UK beneficiaries were awarded €17.5 million. A further €1.9 million was awarded to UK cultural ambassadors, advocacy networks, festivals and literary translation projects. The Culture Programme has supported major institutions in the UK including the [British Library](#) and the [Liverpool Biennial of Contemporary Art](#), as well as smaller organisations such as [Crying Out Loud](#) and [Opera Circus](#). Major UK projects supported include the [LUMIERE](#) festival and the London Jazz Festival's [Jazz in the New Europe](#).⁶⁰

10.3 Creative Europe

In December 2011 the Commission unveiled its proposal for the post-2013 successor to the [MEDIA](#) and [Culture](#) programmes: [Creative Europe](#).⁶¹ With a proposed budget of €1.8 billion for the period 2014-2020, Creative Europe represents a 37% increase on current spending levels for the 2007-2013 editions of the MEDIA and Culture programmes.

Jazz in the New Europe

With the support of a one-year grant from the European Union's Culture Programme, Jazz in the New Europe was a major new initiative in 2012 for the London Jazz Festival. Bringing seminal figures together with emerging talent in a string of new collaborations and commissions, club nights and panel sessions, the series reflected the riches of the European jazz scene. A wide range of artists were featured including an especially assembled group led by French jazz heavyweight Henri Texier, as well as strands of programming taking in music from Finland and France and IRO Haala.

Funding Programme

The Culture Programme, European Cultural Festivals Strand

⁶⁰ [Selected Projects Promoting Arts and Culture across Europe](#) (SSPACE) is a database of all projects with UK partners funded by the Culture Programme since 2007.

⁶¹ http://ec.europa.eu/culture/creative-europe/documents/communication_en.pdf

It is proposed that Creative Europe will allocate more than €900 million in support of the cinema and audiovisual sector through a 'MEDIA Strand' and almost €500 million for culture through a 'Culture Strand'. It is expected that [MEDIA Mundus](#) will be incorporated into the MEDIA Strand. The Commission is also proposing to allocate more than €20 million to a new **financial instrument**, the [Cultural and Creative Sectors Loan Guarantee Facility](#), which will enable small operators to access up to €1 billion in bank loans. Furthermore, it is proposed that the new programme will provide around €60 million in support of policy co-operation and innovative approaches to audience-building and new business models.

Following a period of consultation at EU and Member State level, the Council of the European Union's [Education, Youth, Culture and Sport Council](#) agreed to a 'partial general approach' on Creative Europe, which means broad agreement on all aspects of the proposal, with the exception of the budget and the financial guarantee mechanism. Although it does not have a formal status in the legislative process, the partial general approach is a political statement by the Council. It sends a signal to the Parliament about what is likely to be acceptable to the Council and the basis on which a final version might be agreed.

As of November 2012, the first formal legislative stage of the adoption process, the European Parliament's first reading of the proposal, is ongoing, as are negotiations on the budget for the EU's [Multiannual Financial Framework](#) (MFF) for 2014 to 2020. The final shape of the MFF will of course impact upon all of the EU's programmes including Creative Europe. It is expected that the final budget will be adopted in the first half of 2013.

11 Research and innovation funding

In an open global economy, competitiveness relies on the capacity of businesses to create high value-added goods and services. A move towards innovation-based sustainable growth is therefore at the heart of the EU's response to globalisation. In June 2010, the EU adopted [Europe 2020](#), a strategy that aims to get the European economy back on track. At the heart of Europe 2020 is the conviction that the EU needs research and development (R&D) and innovation to create smart, sustainable growth and get Europe out of the current economic crisis.

The EU has four key funding opportunities that can provide support for research and innovation, also within the audiovisual sector: the [7th Framework Programme for Research and Technological Development](#), the [Competitiveness and Innovation Framework Programme](#), the [Structural Funds](#) and the [Cohesion Fund](#). In certain situations, the value of these funds can be enhanced by combining them.⁶²

⁶² Guidance on how to do this can be found on CORDIS: http://cordis.europa.eu/eu-funding-guide/combine-options_en.html

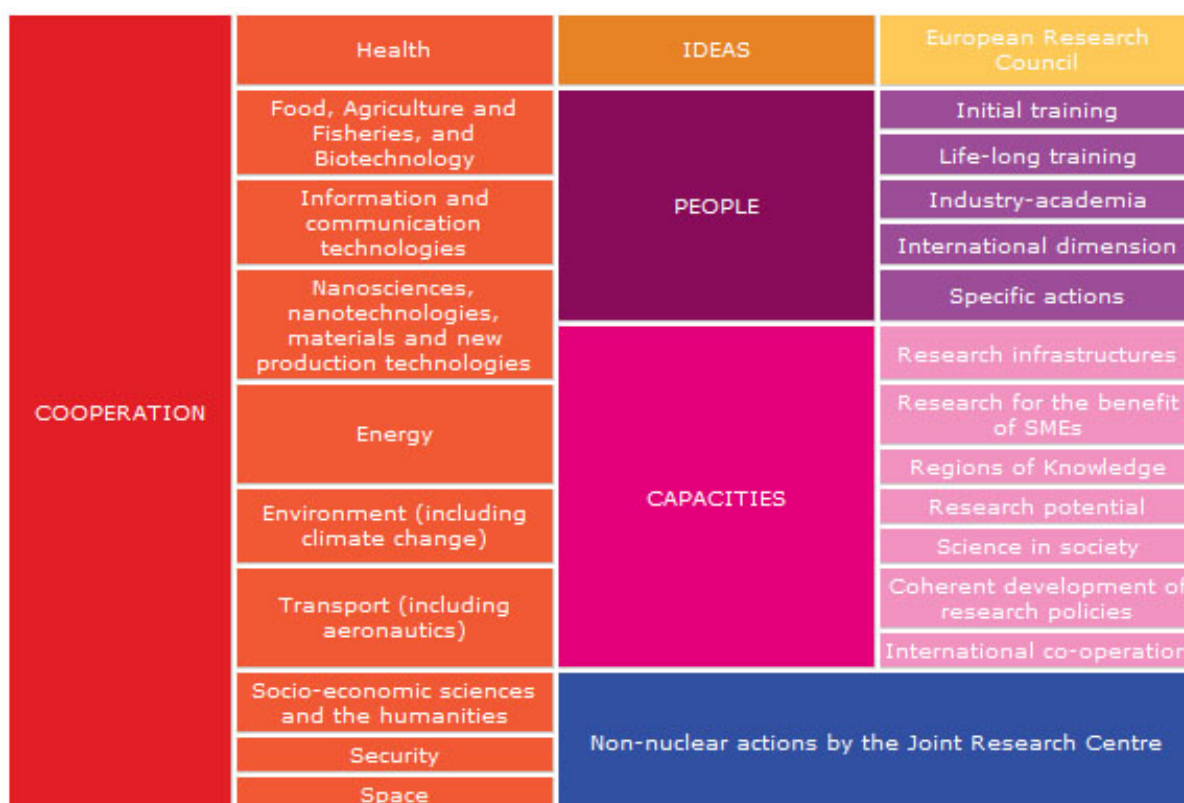
11.1 7th Framework Programme for Research and Technological Development

Research Framework Programmes are the main instrument at EU level aimed specifically at supporting research and development. They have two major strategic objectives: strengthening Europe's scientific and technological base and supporting its international competitiveness and the EU policies, through co-operation among Member States and with international partners.

Running from 2007 to 2013, the [7th Framework Programme for Research and Technological Development](#) (EU FP7) has a budget of over €50 billion, which will be used to co-finance European projects in the field of research and technological development. Alongside the [7th Euratom Framework Programme for Nuclear Research and Training Activities](#) (Euratom FP7), EU FP7 supports the Commission's [Joint Research Centre](#) (JRC), a Directorate-General that acts as the Commission's own research laboratory and provides customer-driven scientific and technical support for the conception, development, implementation and monitoring of EU policies.

EU FP7 is implemented through four specific programmes:

Co-operation	The largest component of EU FP7 the Co-operation programme funds research activities that foster collaboration between industry and academia to gain leadership in key areas including information and communication technologies (ICT).
Ideas	The Ideas programme is uniquely flexible in its approach to EU research in that proposed research projects are decided solely on the basis of their excellence as judged by peer review. It is implemented by the European Research Council (ERC). Research may be carried out in any area of science or technology. Particular emphasis is placed on emerging and fast-growing fields at the frontiers of knowledge and on cross-disciplinary research.
People	The People programme supports mobility and career development for researchers in Europe and beyond. It is implemented by the Commission's Marie Curie Actions and supports activities involving the initial training of researchers support for lifelong training and career development and the transfer of knowledge.
Capacities	The Capacities programme supports projects that strengthen research abilities innovation capacity and European competitiveness.



11.1.1 How to access EU FP7 funding

Participation in EU FP7 is open to universities, research centres, multinational corporations, SMEs, public administrations, funding bodies and even individuals. It is important to underline that EU FP7 is not just for researchers in research entities or the education sector. Across the range of activities supported by EU FP7, companies may also participate. The [Marie Curie Industry-Academia Partnerships and Pathways](#) (IAPP) scheme is specifically designed for commercial enterprises. Enterprises are also the main players in the [European Technology Platforms](#) (ETPs) and [Joint Technology Initiatives](#) (JTIs).

As a general principle, EU FP7 is open to participation from any country in the world. However, the procedures for participation and the funding possibilities vary for different groups of countries. Applicants from the EU Member States enjoy the broadest rights and access to EU FP7 funding.

Recent Commission data indicates that the UK has received a large share of EU FP7 funding, €2bn, equivalent to 14.4% of all the total allocation. The UK is involved in more successful projects than either France or Germany, 41% of all grant agreements in EU FP7 to date.⁶³ UK-based organisations interested in exploiting the opportunities provided by EU FP7 should refer to the [FP7UK Community Network](#), a support service funded by the UK Government's [Department for Business Innovation and Skills](#) (BIS). The Network offers a website, helpline and a network of [National Contact Points](#) (NCPs) which provide free advice on understanding EU FP7's rules and regulations, finding a project partner and how to avoid application pitfalls.

11.1.2 Horizon 2020

[EU FP7](#) will end in December 2013 and be replaced by [Horizon 2020](#), the EU's 8th Framework Programme for Research and Technological Development.

Horizon 2020 is the financial instrument implementing the Innovation Union, a [Europe 2020](#) flagship initiative aimed at securing Europe's global competitiveness. Running from 2014 to 2020 with an €80 billion budget, this new framework programme is part of the drive to create new growth and jobs in Europe.

Horizon 2020 will combine all research and innovation funding currently provided through the EU FP7 with the innovation-related activities of the [Competitiveness and Innovation Framework Programme](#) (CIP) and the [European Institute of Innovation and Technology](#) (EIT).

The proposed support for research and innovation under Horizon 2020 will:

⁶³ <https://www.gov.uk/eu-framework-programme#uk-performance-in-the-framework-programme>

- Strengthen the EU's position in science with a dedicated budget of almost €24 billion. This will provide a boost to top-level research in Europe, including an increase in funding of 77% for the [European Research Council](#) (ERC)
- Strengthen industrial leadership in innovation through investment in key technologies, greater access to funding and support for **SMEs**
- Help address concerns such as climate change, developing sustainable transport and mobility, making renewable energy more affordable, ensuring food safety and security and coping with the challenges presented by an ageing population.

Horizon 2020 will tackle societal challenges by helping to bridge the gap between research and the market by, for example, helping innovative companies develop their technological breakthroughs into viable products with real commercial potential.

International co-operation will also be a priority for Horizon 2020. The programme will be open to international participation and include targeted actions with key partner countries and regions.

Horizon 2020 will be implemented using the [EU International Strategy for Research and Innovation](#), adopted by the Commission in September 2012.

11.2 Competitiveness and Innovation Framework Programme

With **SMEs** as its main target, the [Competitiveness and Innovation Framework Programme](#) (CIP) supports innovation activities (including eco-innovation), provides better access to finance and delivers business support services in the regions. It encourages a better take-up and use of information and communication technologies (ICT) and promotes the increased use of renewable energies and encourages energy efficiency.

CIP runs from 2007 to 2013 with a budget of over €3.6 billion. It is divided into three operational programmes, two of which are relevant to the audiovisual industry:

- **The Entrepreneurship and Innovation Programme**

The [Entrepreneurship and Innovation Programme](#) (EIP) focuses on facilitating access to finance for new and developing **SMEs** and encourages investment in activities that help to create an environment favourable to SME cross-border cooperation and promote innovation and entrepreneurship in business environments.

The EIP offers the following funding opportunities:

- Better access to finance for SMEs through [CIP financial instruments \(SMEG and GIF\)](#), particularly **venture capital** investments and loan guarantee schemes
 - The [Enterprise Europe Network](#)
 - Support to encourage [trans-national networking of innovative companies](#)
 - [Support for eco-innovation](#), making sustainable development a business reality
 - [Support for policy-making that encourages entrepreneurship and innovation](#).
- **The Information Communication Technologies Policy Support Programme**

The [Information Communication Technologies Policy Support Programme](#) (ICT-PSP) aims to foster innovation and competitiveness through the wider uptake and best use of ICT by citizens, governments and businesses and in particular SMEs. To this end, it supports pilot and networking actions with a focus on areas of public interest such as health, inclusion, transport, public sector information, cultural heritage and education. The programme also covers the monitoring of ICT use, policy and conferences.

11.2.1 How to access CIP funding

Participation in [CIP](#) is open to a wide range of organisations and individuals, but the eligibility criteria vary for each funding scheme. All Member States can participate, and in some cases participation is extended to third countries.⁶⁴

SMEs wishing to find out more about the CIP financial instruments should consult the Commission's [Access to Finance website](#), where they can find out if they are eligible and see the list of financial intermediaries present in their country⁶⁵. The [EIP](#) and [ICT-PSP](#) accept applications for funding under Calls for Proposals and Calls for Tender which are published on their websites.

More information about CIP and other EU funding opportunities can be obtained from the [Enterprise Europe Network](#) which exists in all Member States. There are also CIP National Contact Points (NCPs) specialising in ICT.⁶⁶

⁶⁴ http://ec.europa.eu/cip/faq/index_en.htm#090126248788c842

⁶⁵ In 2012 in the UK and 14 other EU countries there were no intermediaries to offer these services.

⁶⁶ http://cordis.europa.eu/fp7/ncp_en.html

11.2.2 Enterprise Europe Network

Co-financed by [CIP](#), the [Enterprise Europe Network](#) (EEN) is a key instrument in achieving [Europe 2020](#)'s aim to boost employment and industry growth and competitiveness. Part of [DG Enterprise and Industry](#), the EEN's aim is to increase access to EU business opportunities by offering a comprehensive range of support services for **SMEs**, larger businesses, entrepreneurs, research centres and universities across Europe. It is made up of nearly 600 organisations in more than 50 countries and is the largest network supporting businesses in the world. The EEN is divided into 17 [Sector Groups](#), each of which provides tailored support in their field. The audiovisual sector is supported by the [Creative Industries Sector Group](#), which offers the following services:

- Finding innovative technological solutions to complement product development
- Finding clients and co-operation partners
- Promoting innovative technologies in a database of technology profiles
- Arranging one-to-one meetings with potential partners at creative industries-related trade fairs and company missions to visit potential partners
- Communicating interests and concerns in regard to EU policies to EU policymakers
- Providing information about EU research programmes and assisting with EU grant applications
- Finding out about laws and regulations concerning the sector in other Network countries.

The EEN also has contact points in countries across the world, and there are over 30 in the UK,⁶⁷ each of which offers tailored support to businesses in their region to increase their competitiveness through internationalisation and innovation. There are currently Creative Industries Sector Group members based in two EEN contact points in the UK: [Enterprise Europe South West](#) and [Greater London Enterprise](#). UK-based audiovisual professionals looking for advice on how to work with Europe, navigating EU legislation, securing EU funding and more should contact these offices in the first instance.

11.2.3 European Creative Industries Alliance

The [European Creative Industries Alliance](#) (ECIA) is an open platform that brings together policy-makers and business support practitioners from 28 partner organisations in the EU's creative sector. Supported by [DG Enterprise and Industry](#) and financed by [CIP](#), the ECIA aims to build a community in Europe that actively supports creative industries as a driver for competitiveness, job creation and structural change by developing better policies and tools for creative industry businesses and professionals. The ECIA has a budget of €6.75 million, with which it expects to mobilise additional public and private funding of €100 million for the creative industries.

⁶⁷ <http://portal.enterprise-europe-network.ec.europa.eu/about/branches/UK/>

The ECIA works with the [Policy Learning Platform](#) (ECIAP) to bring together national and regional policy-makers to develop better practice in support of service innovation in creative industries. It also offers three types of funding to the creative industries: Vouchers, Access to Finance and Clusters.

- **Vouchers**

The ECIA has four [voucher schemes](#) that provide support to companies in the European creative sector. The average value of each 'voucher' (a grant) is €5,000.

- **+Innova Creativity**

The [+Innova Creativity](#) voucher scheme allows companies in traditional industries to access innovative services from creative industries. It is implemented in the Basque Country, Spain and aims to promote the excellence of the Basque creative industries and the strengthening of Basque industrial innovation.

- **4CNW**

The [For Creative Challenge Celtic Crescent North West](#) (4CNW) voucher scheme is a transnational business innovation support programme delivered by [The Creative State North West](#). The goal of the scheme is to develop the creative industries and the wider innovation ability of SMEs based in the North West Region of Ireland, Northern Ireland and Scotland. Funding is awarded following applications to Calls for Proposals.

- **FAD-INS**

The [Fashion, Audiovisual, Design Innovation Scheme](#) (FAD-INS) aims to demonstrate the viability and efficiency of vouchers as key elements in innovation financing for SMEs in Barcelona. It is designed to address the issues of globalisation, capacity building and internationalisation in the fashion, audiovisual and industrial design sectors.

- **VINCI**

The [Vouchers in Creative Industries](#) scheme offers funding for the implementation of innovation projects in creative sector SMEs based in Salzburg, Austria.

- **Access to Finance**

The ECIA offers two [Access to Finance](#) initiatives specifically for the creative industries. Both initiatives aim to improve the conditions of access to finance for young innovative services, setting up specific 'investment readiness' coaching networks and establishing an early stage European **venture capital** fund for creative industries.

- **FAME**

The [Facilitating Access and Mobilisation of European Finance for Creative Industry Growth](#) (FAME) project is designed to improve the conditions of access to finance for creative industries companies across Europe. It aims to mobilise additional funding for the creative industries by setting up a 'FAME Pan-European Fund for the Creative Industries' by making use of existing EU funding such as the [European Investment Fund](#) (EIF) and combining it with private funds from loans, venture capital, business angels and guarantees.

- **C-I Factor**

The [Bringing Creative Businesses Together with Investment](#) (C-I Factor) partnership is working towards improving the conditions of access to finance for creative industries companies across Europe with a special focus on ways to improve the leverage of crowd funding. With guidance from a 'Creative Industries Finance Acceleration Advisory Board', the partnership will implement a pilot action to link informal forms of crowd-funding with professional investors such as venture capitalists, business angels and the EIF.

• **Clusters**

Creative industries, as with other industries, organise themselves in 'clusters'. The ECIA offers [two cluster initiatives](#) designed to develop and test new approaches for better cluster management in creative industries in order to professionalise the support offered to SMEs. This includes the development of customised training, coaching and mentoring of cluster managers. The actions also aim to facilitate the collaboration within and between creative industries clusters, such as through the organisation of matchmaking events, and support incubation and internationalisation activities in creative industries.

- **ECCL**

The [European Creative Cluster Lab](#) is a think-tank and beta site for new approaches and processes for creative cluster management in creative and traditional industries in Europe. The main goals of this cluster partnership are to test and experiment new creative cluster management styles, instruments and infrastructure in a lab environment. Over 50 organisations across Europe are associated with the project. The UK's [National Endowment for Science, Technology and the Arts](#) (NESTA) is one of the organisations following and disseminating project developments and providing input to and collaborating in various ECCL activities.

- **Cluster 2020**

The [Cluster 2020](#) partnership is developing and testing a blueprint for creative cluster excellence in order to help cluster organisations provide tailored and effective support to creative industries businesses. This includes trials and tests to optimise co-working, support services and approaches to fostering cross-sectoral linkages, start-ups and internationalisation activities. [Creative England](#) is a core Cluster 2020 partner, and

throughout 2012 and 2013 it will run a series of initiatives for SMEs in the creative sector, such as the [PICNIC Crossover Marketplace](#).

Cluster 2020

Cluster 2020 will support the creative industries in England, Germany and France, enabling them to overcome barriers and seize opportunities for growth by working towards creative cluster excellence.

This will include developing and testing a blueprint so that as many cluster organisations as possible can provide better creative business support across Europe. It will also provide effective, tailored, meaningful cluster support in order to render individual businesses better informed, more efficient and more expert in what they are doing. Cluster 2020 will reach out to 7,000 businesses, directly benefit 2,000 and support 250 in detail. It will operate across at least 11 clusters.

Participating creative businesses will be able to:

- Increase their efficiency and sustainability with new ways of working
- Experiment with productivity tools and how to use open data
- Connect with new partnerships and business opportunities in their own country and abroad
- Improve their understanding of key issues relevant to their business

Cluster 2020 Partners

Serious Games Institute (Coventry University, UK)

Creative England (UK), European Business & Innovation Centre Network (Brussels, Belgium)

Gate Garching (Munich, Germany) and BlackSwan (Provence, France)

National Endowment for Science, Technology and the Arts (NESTA)

Creative Industries Knowledge Transfer Network (CIKTN, UK)

Funding programme

Competitiveness and Innovation Framework Programme (CIP) through the European Innovation Alliance

Website

<http://www.creativeengland.co.uk/index.php/portfolio/business-support/>



11.2.4 COSME: Programme for the Competitiveness of enterprises and SMEs

From 2014, [CIP](#) will be replaced by the [Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises](#) (COSME), which will run until 2020 with a planned budget of €2.5 billion. It has the following objectives:

- Facilitating access to finance for **SMEs** (continuing the use of the [CIP financial instruments](#))
- Creating an environment favourable to business creation and growth
- Encouraging an entrepreneurial culture in Europe
- Increasing the sustainable competitiveness of EU companies
- Helping small businesses operate outside their home countries and improving their access to markets.

As the successor to CIP, COSME will:

- Ensure continuity with initiatives and actions already undertaken under the [Entrepreneurship and Innovation Programme](#) (EIP), such as the [Enterprise Europe Network](#) (EEN), building on results and lessons learnt
- Continue the successful features of the EIP, while simplifying management of the programme to make it easier for entrepreneurs and SMEs to benefit
- Support, complement and help co-ordinate actions by Member States, EU member countries. COSME will specifically tackle transnational issues that – thanks to economies of scale – can be more effectively addressed at European level.

COSME is expected to contribute to an annual increase of €1.1 billion in the EU's GDP, and the EEN is expected to assist 40,000 companies with partnership agreements, resulting in:

- 1,200 new business products, services or processes annually
- €400 million annually in additional turnover for assisted companies.

Access to finance will be easier for entrepreneurs, in particular those willing to launch cross-border activities, resulting in an expected annual increase of €3.5 billion in additional lending and/or investment for EU companies.

The Commission's proposal will be discussed by the Parliament and the Council, which must agree to adopt it. COSME should start on 1 January 2014.

12 EU regional policy and Structural Funds

[EU regional policy](#) is an investment policy. It supports job creation, competitiveness, economic growth, improved quality of life and sustainable development. These investments support the delivery of [Europe 2020](#). Regional policy (also referred to as ‘cohesion policy’) is also the expression of the EU’s solidarity with less developed countries and regions, concentrating funds on the areas and sectors where they can make the most difference.

During the period 2007-2013, EU regional policy will result in the investment of €347 billion in Europe's regions. This investment helps, for example, to improve transport and internet links to remote regions, boost **SMEs** in disadvantaged areas, invest in a cleaner environment and improve education and skills. Funding is also invested in innovation: developing new products and production methods, energy efficiency and tackling climate change.

Regional policy involves all levels of scale from EU to local: its priorities are set by the EU, and it is implemented by national and regional actors in partnership with the European Commission.

From 2007 to 2013, regional policy has three main objectives:

- **Convergence – solidarity among regions**

The largest amount of regional policy funding is dedicated to the regions falling under the [Convergence objective](#) (formerly known as ‘Objective 1’), the aim of which is to reduce regional disparities in Europe by supporting those regions whose gross domestic product (GDP) is less than 75% of the EU average. These regions are known as ‘convergence regions’. In the UK, there are two convergence regions: [Cornwall and the Isles of Scilly](#) and [West Wales and the Valleys](#).

With the addition of new Member States in 2004 and 2007, the EU average GDP has fallen. As a result, some regions in the older Member States are now above the 75% threshold. Those regions still need help from the regional policy, so they now receive ‘phasing out’ support until 2013. There is one phasing-out region in the UK: [Highlands and Islands of Scotland](#).

Examples of types of projects funded under this objective include improving basic infrastructure, helping businesses, building or modernising water treatment facilities, and improving access to high-speed internet connections. Regional policy projects in Convergence regions are supported by three European funds: the [European Regional Development Fund](#) (ERDF), the [European Social Fund](#) (ESF) and the [Cohesion Fund](#).

- **Regional Competitiveness and Employment**

The aim of the [Regional Competitiveness and Employment objective](#) (formerly known as 'Objective 2') is to create jobs by promoting competitiveness and making the regions concerned more attractive to businesses and investors. In other words, it is intended:

- To help the richer regions perform even better while creating a knock-on effect for the whole of the EU
- To encourage more balanced development in these regions by eliminating any remaining pockets of poverty.

This objective covers all regions in Europe not covered by the Convergence objective. In the UK the following regions are eligible under Regional Competitiveness and Employment objective: Cardiff, Cheshire, Cumbria, Devon, Dorset, Eastern Scotland, East Midlands, East of England, East Yorkshire (inc. North Lincolnshire), Flintshire, Gibraltar, Gloucestershire, Greater London, Greater Manchester, Lancashire, Monmouthshire, Newport, North East England, North Eastern Scotland, Northern Ireland, North Yorkshire, Powys, Somerset (inc. North Somerset), South East England, South Western Scotland, Vale of Glamorgan, West Midlands, West Yorkshire, Wiltshire, Wrexham

Regions that used to be covered under the Convergence objective but which are now above the 75% threshold receive 'phasing-in' support through the Regional Competitiveness and Employment objective. There are two phasing-in regions in the UK: [Merseyside](#) and [South Yorkshire](#).

The types of project supported by this objective include those developing clean transport, supporting research centres, universities, SMEs and start-ups, providing training and creating jobs. Funding is managed through the [ERDF](#) and the [ESF](#).

- **European Territorial Co-operation**

The aim of the [European Territorial Co-operation objective](#) (formerly known as 'Objective 3') is to encourage co-operation across borders (between Member States and/or regions) that would not happen without help from the regional policy. In financial terms, the sums concerned are negligible in comparison with the other two objectives (just 2.5% of the overall budget), but the objective concerns all regions within the EU.

Regional Policy Objectives - Summary

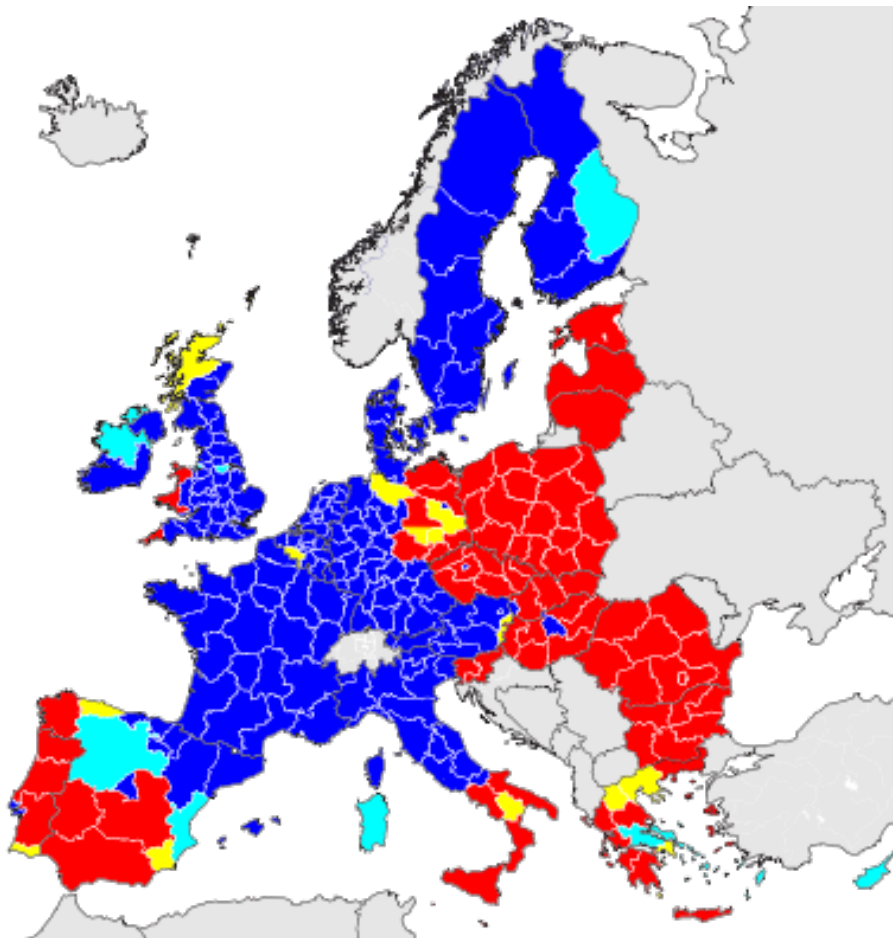
	Convergence	Regional Competitiveness and Employment	European Territorial Co-operation
Number of regions	99	172	all
Number of Europeans concerned	170 million	330 million	500 million
Total amount	€283.3bn (81.5% of total budget)	€55bn (16% of total budget)	€ 8.7bn (2.5% of total budget)
Type of projects	Improving basic infrastructure, helping businesses, water and waste treatment, high-speed internet connection, training, job creation, etc.	Development of clean transport, support for research centres, universities, small businesses and start-ups, training, job creation, etc.	Shared management of natural resources, risk protection, improving transport links, creating networks of universities, research institutes etc.

Which funds support which objectives?

Objectives	Structural Funds and instruments		
Convergence	ERDF	ESF	Cohesion Fund
Regional Competitiveness and Employment	ERDF	ESF	
European Territorial Cooperation	ERDF		

Cohesion policy atlas shows which regional policy funds apply in which geographical areas:

http://ec.europa.eu/regional_policy/atlas2007/index_en.htm



	Eligible under Convergence objective
	Phasing out eligibility under Convergence objectives
	Eligible under Regional competitiveness and employment objective
	Phasing in eligibility under Regional competitiveness and employment objective

12.1 European Regional Development Fund

The [European Regional Development Fund](#) (ERDF) aims to strengthen economic and social cohesion in the EU by correcting imbalances between its regions. It can provide funding under all three [EU regional policy objectives](#). The ERDF and the [European Social Fund](#) (ESF) are often referred to as the 'Structural Funds'.

Funding for the ERDF in 2007-2013 amounts to €201 billion, and is allocated to initiatives that promote regional development, such as:

- Direct investment in companies (in particular **SMEs**) to create sustainable jobs
- Infrastructures linked to research and innovation, telecommunications, environment, energy and transport
- **Financial instruments** (capital risk funds, local development funds) to support regional and local development and to foster co-operation between towns and regions.

The ERDF also gives particular attention to specific territorial characteristics. ERDF support is designed to reduce economic, environmental and social problems in towns. Areas naturally at a disadvantage due to their geography (remote, mountainous or sparsely populated areas) benefit from special treatment.

12.1.1 INTERREG

In the period 2007-13 the European Territorial Co-operation objective (formerly the INTERREG Community Initiative) covers three types of programmes:

- 53 cross-border co-operation programmes (INTERREG IVA) along internal EU borders. The programmes aim to develop cross-border economic, social and environmental activities through joint strategies for sustainable territorial development: involves encouraging entrepreneurship, protection and management of natural and cultural resources, and the development of collaboration, capacities and the joint use of infrastructures; ERDF contribution: €5.6 billion.
- 13 transnational co-operation programmes (INTERREG IVB) cover larger areas of co-operation such as the Baltic Sea, Alpine and Mediterranean regions. Establishes and develops transnational cooperation, including bilateral cooperation between maritime regions: priorities are innovation, the environment, better accessibility and sustainable urban development; ERDF contribution: €1.8 billion.
- The interregional co-operation programme (INTERREG IVC) and three networking programmes (Urbact II, Interact II and ESPON) cover all 27 Member States of the EU. Reinforcing the effectiveness of regional policy by encouraging regional and local authorities to form networks and exchange experience. They provide a framework for exchanging experience between regional and local bodies in different countries. ERDF contribution: €445 million.

The UK has various National Contact Points that offer advice on INTERREG funding.⁶⁸ However, all funds for INTERREG IVC project funding have been allocated after four calls for proposals, and there will be no further calls for proposals in the programming period 2007-2013.

⁶⁸ The UK directory of <http://www.wlga.gov.uk/uploads/publications/7674.pdf>



EuroScreen works to explore the positive relationship between the screen sector and the tourism industry. It is known that screen products such as films, TV programmes and commercials have the power to inspire audiences to visit locations shown on screen. The aim of EuroScreen is to align policies in both sectors to create new and innovative opportunities for SMEs in the tourism industry. This will be achieved by exploiting existing screen products to promote a destination and attract tourists to visit the locations they have seen.

Film London is the lead partner of this three year partnership consisting of nine different partners from eight regions across the EU: Apulia (IT), Bucharest (RO), London (UK), Lund (SW), Malaga (ES), Malta, Maribor (SLOV), Rzeszow (PL) Ystad (SW). A series of workshops and seminars will be hosted across Europe at various stages through the project until 2014.

Funding programme

European Regional Development Fund through INTERREG IVC programme

Funding amount

1.9€m including match funding from the partnership

Website

www.euroscreen.org.uk

12.2 European Social Fund

The [European Social Fund](#) (ESF) aims to improve employment and job opportunities in the EU. Alongside the [European Regional Development Fund](#) (ERDF), it is known as a 'Structural Fund'. It can provide funding under two [EU regional policy objectives](#): Convergence and Regional Competitiveness and Employment, and the current funding programme runs from 2007 to 2013 under the banner 'Investing in People'. During this period, the fund will invest around €75 billion on employment-enhancing projects.

Funding is given to six specific priority areas:

- Improving **human capital** (34% of total funding)
- Improving access to employment and sustainability (30%)
- Increasing the adaptability of workers and companies, enterprises and entrepreneurs (18%)

- Improving the social inclusion (14%)
- Strengthening institutional capacity at national, regional and local levels (3%)
- Mobilisation for reforms in the fields of employment and inclusion (1%)

12.3 Cohesion Fund

The [Cohesion Fund](#) is aimed at Member States whose Gross National Income (GNI) per inhabitant is less than 90% of the EU average. It serves to reduce their economic and social shortfall, as well as to stabilise their economy. It supports actions in the framework of the Convergence objective of [EU regional policy](#). It is subject to the same rules of programming, management and monitoring as the [ESF](#) and the [ERDF](#).

The Cohesion Fund finances activities falling under the category of ‘trans-European transport network’ and/or ‘environment’ (including energy efficiency, use of renewable energy and the improvement of public transport). The financial assistance of the Cohesion Fund can be suspended by a Council decision (taken by [QMV](#)) if a Member State shows excessive public deficit and if it has not resolved the situation or has not taken the appropriate action to do so.

For the 2007-2013 period the Cohesion Fund concerns Bulgaria, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.⁶⁹ The UK is not eligible to access the Cohesion Fund.

12.4 How to access the Structural Funds

The Structural Funds ([ERDF](#) and [ESF](#)) are spent through a decentralised system of shared responsibility between the Commission and Member States. The Commission negotiates and approves [Operational Programmes](#) proposed by the Member States and allocates resources. The Member States and their regions manage the programmes, implement them by selecting projects, control and assess them. For each Operational Programme, the Member State appoints a [Managing Authority](#) (a national, regional or local public authority or public/private body).

Funding applicants should therefore contact their relevant Managing Authority to find out about their Calls for Proposals and Calls for Tender, as well as the eligibility criteria and award procedures (e.g. ongoing application and project selection, Calls for Proposals on specific topics or competitions with fixed deadlines etc). The project selection criteria are agreed by each Operational Programme's Monitoring Committee and are published (e.g. on Managing Authority websites). Projects will be evaluated according to these criteria.

⁶⁹ Spain is eligible to a phase-out fund only as its GNI per inhabitant is less than the average of the older Member States.

The total budget for the Structural Funds and the Cohesion Fund at EU level for 2007-13 is €347 billion – about one third of the total EU budget. The UK (which is largely ineligible for over 80% of this funding under Convergence objective) receives €10.6 billion of this,⁷⁰ and currently has 15 [Operational Programmes](#) in place, each covering a different region and allocating funding following a set of objectives specifically formulated for the needs of that region. Each Operating Programme is administered by at least one [Managing Authority](#).

The UK also has 11 [Operational Programmes](#) that cater for projects supporting cross-border, transnational and interregional co-operation.

12.5 Special support instruments

In order to make the EU's regional policy more accessible and sustainable, the Commission's [Directorate-General for Regional and Urban Policy](#) worked with the [EIB Group](#) to develop four joint funding initiatives for the period 2007-2013. Two of them refer to the promotion of financial engineering instruments (JEREMIE and JESSICA) and the other two (JASPERS and JASMINE) operate as technical assistance facilities.

- **JASMINE**

[Joint Action to Support Micro-finance Institutions in Europe](#) (JASMINE) aims to provide technical assistance and financial support to EU-based non-bank **microcredit** providers and to help them to improve the quality of their operations, to expand and to become sustainable. Funding is awarded to applicants following the publication of [Calls for Expressions of Interest](#). Several UK-based organisations have benefitted from JASMINE funding including [Business Finance Solutions](#), a company that supports start-up companies in the North-West of England.⁷¹

JASMINE seeks also to promote good practice in the field of microcredit and has published a [European Code of Good Conduct for Microcredit Provision](#) which is subscribed to by organisations across the EU, including the UK's [Prince's Trust](#).

- **JASPERS**

[Joint Assistance to Support Projects in European Regions](#) (JASPERS) provides the support needed by the twelve EU countries which joined the EU in 2004 and 2007⁷² to prepare

⁷⁰ The € allocation for each Operational Programme in the UK can be viewed here:

<http://www.bis.gov.uk/policies/economic-development/european-structural-and-cohesion-funds>

⁷¹ The full list of beneficiaries can be viewed here:

http://www.eif.org/what_we_do/microfinance/JASMINE/index.htm

⁷² Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.

major infrastructure projects co-financed by EU funds. The UK is ineligible.

- **JEREMIE**

[Joint European Resources for Micro to Medium Enterprises](#) (JEREMIE) offers Member States, through their national or regional [Managing Authorities](#), the opportunity to change part of their [Structural Funds](#) grants into **venture capital** and guarantees, which can be used to fund **SMEs** more effectively. The use of JEREMIE is optional and not all regions and Member States have introduced it into their programmes. In the UK it is currently available in the [North East](#), [North West](#), [Wales](#) and [Yorkshire](#).

- **JESSICA**

[Joint European Support for Sustainable Investment in City Areas](#) (JESSICA) supports sustainable urban development and regeneration by allowing Member States to invest some of their [Structural Fund](#) allocations in revolving funds to help recycle financial resources to accelerate investment in urban areas. The initiative is used in four UK areas: the [East Midlands](#), [London](#), [Scotland](#) and [Wales](#).

13 Lifelong Learning Programme

The Commission's [Lifelong Learning Programme](#) (LLP)⁷³ enables people at all stages of their lives to take part in stimulating learning experiences, as well as helping to develop the education and training sector across Europe. With a budget of nearly €7 billion for 2007 to 2013, the programme funds a range of education initiatives including exchanges and study visits. Projects are intended not only for individual students and learners, but also for teachers, trainers and all others involved in education and training.

The LLP is built on four pillars (or sub-programmes):

- **Comenius**

The [Comenius](#) programme focuses on all levels of school education, from pre-school and primary to secondary schools. It is relevant for everyone involved in school education: mainly pupils and teachers but also local authorities, representatives of parents' associations, non-government organisations, teacher training institutes and universities.

- **Erasmus**

[Erasmus](#) is the most successful student exchange programme in the world. Each year, more than 230,000 students study abroad thanks to the Erasmus programme. It also offers the opportunity for student placements in enterprises, university staff teaching and training, and it funds co-operation projects between higher education institutions across Europe.

- **Leonardo da Vinci**

The [Leonardo da Vinci](#) programme funds practical projects in the field of vocational education and training. Initiatives range from those giving individuals work-related training abroad to large-scale co-operation efforts.

- **Grundtvig**

The [Grundtvig](#) programme focuses on the teaching and study needs of learners taking adult education, as well as the organisations delivering these services. It aims to help develop the adult education sector, as well as enable more people to undertake learning experiences, notably in other European countries.

These four pillars are joined by the [Transversal](#) programme that supports cross-sectoral educational activities, policy co-operation and innovation, support for learning languages,

⁷³ The programmes are run by the UK National Agencies. Ecorys manages the Leonardo, Grundtvig and transversal programmes and the British Council manages Erasmus and Comenius.

support for innovative learning tools and the dissemination and exploitation of project results. Finally, LLP includes '[Jean Monnet](#)' actions which stimulate teaching, reflection and debate on European integration, involving higher education institutions worldwide.

In the UK, the various LLP programmes are managed by two organisations. The [British Council](#) manages Comenius and Erasmus, and [Ecorys](#) manages Grundtvig, Leonardo da Vinci and Transversal.

13.1 Erasmus for All

[Erasmus for All](#) is the new 2014-2020 programme for education, training, youth and sport proposed by the Commission in November 2011. Erasmus for All would bring together all the current EU and international schemes for education, training, youth and sport, replacing seven existing programmes⁷⁴ with one, and with a proposed budget of €19 billion, the programme would have an increase of approximately 70% compared to the current seven-year budget.

Erasmus for All will support three types of initiative:

- Learning opportunities for individuals, both within the EU and beyond
- Institutional co-operation between educational institutions, youth organisations, businesses, local and regional authorities and NGOs
- Support for reforms in Member States to modernise education and training systems and promote innovation, entrepreneurship and employability.

The new programme will also feature two new initiatives:

- A loan guarantee scheme to help Master's degree students finance their studies abroad and to acquire the skills needed for knowledge-intensive jobs
- The creation of 400 'knowledge alliances' and 'sector skills alliances', partnerships between education institutions, training providers and business that will offer new and innovative learning opportunities.

Erasmus for All will be open to all Member States, and some non-EU countries will be able to benefit from initiatives aimed at promoting study abroad.

⁷⁴ Lifelong Learning Programme, Youth in Action, [Erasmus Mundus](#), [Tempus](#), Edulink and [Co-operation with industrialised countries](#).

14 International funding opportunities

14.1 Eastern Partnership Culture Programme

In 2008 the [Eastern Partnership](#) called for a specific programme that would support activities designed to strengthen the capacity of the cultural sector in its partner countries.⁷⁵ The result was the [Eastern Partnership Culture Programme \(EPCP\)](#).

The EPCP covers all cultural industries, including cinema and the audiovisual sector. It has a budget of €12 million for the period 2011-2014 and has the following objectives:

- To support and promote cultural policy reforms at governmental level, build the capacities of cultural organisations and develop the region's culture sector
- To contribute to the exchange of information, experience and best practice among cultural operators at regional and EU level
- To support regional initiatives/partnerships which demonstrate positive cultural contributions to economic development, social inclusion, conflict resolution and intercultural dialogue.

14.2 Euromed Audiovisual

Following two successful phases of the Euromed Audiovisual programme, [Euromed Audiovisual III](#) was launched in early 2010. The programme aims to contribute to intercultural dialogue and cultural diversity by supporting the development of cinematographic and audiovisual capacity in its South Mediterranean partner countries.⁷⁶ It promotes integration of the Mediterranean region's film and audiovisual industries, and aims to harmonise public sector policy and legislation.

Euromed Audiovisual III was developed in the framework of the Commission's Union for the Mediterranean, and has a total budget of €11 million over a three-year period. It has the following objectives:

- Co-operation between audiovisual operators in the Mediterranean
- Enhancement of the audiovisual heritage of the Mediterranean area
- Fostering the broadcasting of cinematographic works from the Mediterranean partners and the EU
- Promotion of investments, jobs and wealth creation in the audiovisual sector
- Transfer of technology and expertise through the training of professionals.

⁷⁵ Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine

⁷⁶ Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine, Syria, Tunisia

14.3 Mercosur Audiovisual

Mercosur Audiovisual, or RECAM⁷⁷ as it is officially called, was created by the Mercosur authorities⁷⁸ in December 2003 to promote audiovisual co-operation within the region.

In the context of the Interregional Framework Cooperation Agreement between the EU and Mercosur of 1995 currently in force, the EU is in contact with RECAM's Secretariat to provide technical assistance based on the expertise gathered by the EU during the development of its audiovisual policy and mechanisms. The programme aims to contribute to the mutual knowledge of the cultures of the two sides and the furthering of co-operation and exchanges in the audiovisual field between the EU and MERCOSUR.

The latest edition of the programme was launched in 2009, and the general objective is to strengthen the cinematographic and audiovisual sector in the Mercosur region. It has a total budget of €1.86 million, and its specific objectives include:

- Harmonisation of the legislation in the audiovisual sector in Mercosur Member States
- Strengthening the capacities of the Mercosur Audiovisual Observatory
- Circulation of audiovisual content
- Support for the preservation and dissemination of the audiovisual heritage of Mercosur
- Professional and technical training in the audiovisual sector.

14.4 ACP Cultures

[EC's EuropeAid Development and Cooperation](#) department is responsible for designing European development policy and delivering aid throughout the world. EuropeAid delivers aid through a set of financial instruments with a focus on ensuring the quality of EU aid and its effectiveness.

Culture is an important sector of social and human development, which contributes to identity-building and self-esteem, fosters economic growth and social cohesion, and helps to promote political participation and ownership. In its mainstreaming sense it is defined by specific values, traditions and behavioural patterns that need to be considered in all sectors of development when working with partner countries.

[The ACP Cultures+ Programme](#) is the 3rd support programme for the ACP (African, Caribbean and Pacific) culture sectors. With a total budget of €30 million, the programme is

⁷⁷ In Spanish: Reunión Especializada de Autoridades Cinematográficas y Audiovisuales del MERCOSUR (Special Conference of Cinema and Audiovisual Authorities of MERCOSUR)

⁷⁸ Mercosur was created in 1991 by the [Treaty of Asuncion](#) and encompasses four Latin American countries: Argentina, Brazil, Paraguay and Uruguay

implemented by the [Secretariat of the ACP Group of States](#) and financed under the [10th European Development Fund](#) of the European Union.

This new programme provides support to every link in the production chain: from creation/production to distribution/dissemination/promotion, including the development of vocational training courses.

- Boosting the creation/production of cultural goods and services in the ACP countries by promoting their integration into distribution channels and by drawing even more benefit from the interregional ACP framework
- Promoting their access to markets at different levels – local, regional, intra-ACP, European and international
- Enhancing the technical and entrepreneurial capacities of the different players, operators and entrepreneurs involved in the cultural sector in the ACP countries.

By requiring a distribution strategy for productions in each production plan and by allowing state television companies to submit bids for distribution, the emphasis is on the circulation/dissemination of productions and the economic and social dimensions of the cultural sector (market access, job creation and integration of activities into the formal economy).

The new programme continues the activities carried out under the ACPFILMS and ACPCULTURES programmes financed by the 9th European Development Fund, still under way. It takes on board the lessons learnt and recommendations made during consultations held in recent years with artists' representatives and professionals and entrepreneurs from the cultural sector in ACP countries.

Part 4:

The Council of Europe

15. Introducing the Council of Europe	103
16. Council of Europe interventions in the audiovisual sector	104
16.1 European Convention on Cinematographic Co-Production	104
16.1.1 Proposed revisions to the ECCC	104
16.2 Recommendation on Film Policy	105
16.3 European Convention for the Protection of the Audiovisual Heritage and its Protocol on the Protection of Television Productions	105
16.4 European Convention on Transfrontier Television	106
17. European Audiovisual Observatory	107
17.1 Origins and role	107
17.2 Information services	107
18. Eurimages	109

Part 4: The Council of Europe

15 Introducing the Council of Europe

The [Council of Europe](#) (CoE), which has its seat in Strasbourg, France, is the first and most widely-based European political organisation. Established in 1949 by ten founding members, it now covers most of the European continent with its 47 Member States.⁷⁹

Although the CoE and the EU share a common flag and anthem, their roles, functions and aims are quite distinct. The CoE is an intergovernmental organisation which is concerned primarily with protecting human rights, democracy and the rule of law. While the EU's Member States transfer national legislative and executive powers to the [Commission](#) and the [Parliament](#) in specific areas, CoE Member States maintain their sovereignty but commit themselves through [conventions](#) and co-operate on the basis of common values and common political decisions.

The CoE's budget for 2011 was just over €217 million,⁸⁰ raised primarily by contributions from CoE Member States.

The objectives of the CoE are to:

- Protect human rights, pluralist democracy and the rule of law
- Promote awareness and encourage the development of Europe's cultural identity and diversity
- Find common solutions to the challenges facing European society
- Consolidate democratic stability in Europe by backing political, legislative and constitutional reform.

The CoE also works to foster European identity and unity, based on shared fundamental values and a respect among the Member States for their common heritage and cultural diversity. In the audiovisual field, the CoE has set up specialist bodies and produced legal instruments to achieve its aims, which are based on the right to freedom of expression enshrined in Article 10 of the [Convention for the Protection of Human Rights and Fundamental Freedoms](#).

⁷⁹ Albania, Andorra, Armenia, Austria, Azerbaijan, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Republic of Macedonia, Malta, Republic of Moldova, Monaco, Montenegro, the Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, San Marino, Serbia, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, UK.

⁸⁰ <http://www.coe.int/aboutCoe/index.asp?page=CommentTravillonsNous&l=en>

16 Council of Europe interventions in the audiovisual sector

16.1 European Convention on Cinematographic Co-Production

The [European Convention on Cinematographic Co-Production](#) (ECCC) entered into force in April 1994. Its aims are to promote the development of European multilateral cinematographic co-production, to safeguard creation and freedom of expression and defend the cultural diversity of its signatories, of which there are currently 43,⁸¹ including the UK. This is achieved by a set of common rules that decrease restrictions and encourage European co-operation in the field.

Recent trends indicate that there has been a steady increase in European co-production activity. The total number of European majority co-productions has increased from 201 in 2008 to 230 in 2010, with the total number of individual country participations in European co-productions rising from 437 in 2008 to 491 in 2010.⁸²

In order to obtain co-production status, an applicant project should involve at least three co-producers, established in three signatory countries. In the absence of any agreement governing bi-lateral co-production relations between two signatory countries, the Convention shall also apply to bi-lateral co-productions. Co-producers from other countries can only participate if their total contribution to the applicant project does not exceed 30% of the total cost of production.

Currently, the UK has nine bi-lateral co-production treaties (with Australia, Canada, France, India, Israel, Jamaica, New Zealand, Palestine and South Africa)⁸³, and the Convention enables UK projects to be co-produced with each of the Convention's signatory countries. Projects produced in this way have access to the support provided to national films in each of these countries, including, where appropriate, [UK film tax relief](#) and [Lottery funding](#).

16.1.1 Proposed revisions to the ECCC

In 2011 the CoE instructed the media and creative industries consultancy Olsberg SPI to conduct an evaluation of the [European Convention on Cinematographic Co-production](#) (ECCC).

Published in March 2012, Olsberg SPI's evaluation document⁸⁴ recommended changes in a number of areas, including:

- Introducing online tools and networks to better co-ordinate and harmonise the implementation of the ECCC across Europe

⁸¹ <http://conventions.coe.int/Treaty/Commun/ChercheSig.asp?NT=147&CM=&DF=&CL=ENG>

⁸² European Audiovisual Observatory, *World Film Market Trends, 2008-2010*

⁸³ <http://www.bfi.org.uk/film-industry/british-film-certification-tax-relief/co-production>

⁸⁴ http://www.coe.int/t/dg4/cultureheritage/culture/film/COE_Report_print_final.pdf

- Revisiting the project assessment system to recognise the importance of directors, new forms of creative expression (such as special effects expertise) and the importance of non-European performing talent to the more ambitious projects
- Amending the required level of financial participation in order to improve the opportunities for less well-resourced countries to participate in a broader range of projects
- Creating a new system of data gathering to establish the level of co-production activity and the box office success
- Considering further changes to the internationalisation of membership and adapting the project assessment system to recognise the importance of European producers with strong co-production track records.

Actions that the Council of Europe will undertake with regards to these recommendations are still under consideration, but it is not expected that any major changes will be implemented this year. It is likely that the proposed revisions will be actioned in 2014-2015.

16.2 Recommendation on Film Policy

In the context of rapid globalisation and digitisation of cultural production and distribution, the CoE undertook a review in 2007 on whether the policy tools put in place by European countries effectively deliver the objectives of diversity and creativity.

The review resulted in September 2009's [Recommendation on National Film Policies and the Diversity of Cultural Expressions to the Council of Europe Member States](#), which provides general guidelines for the review of national film policies with the aim of increasing their effectiveness in a changing audiovisual environment.

The following priority areas were identified:

- Addressing film development and production
- Developing a comprehensive approach to film policy
- Encouraging the distribution and circulation of European films
- European cinema and young people
- Improving the regulatory frameworks for co-production and co-distribution
- Realising the full potential of digital technologies
- Transparency and accountability.

16.3 European Convention for the Protection of the Audiovisual Heritage and its Protocol on the Protection of Television Productions

With entry into force in January 2008, the [European Convention on Protection of the Audiovisual Heritage and its Protocol on the Protection of Television Productions](#) were the first binding international instruments in this field. They introduced the systematic storage

of audiovisual works in film archives, where the latest conservation and restoration technology can be used for long-term prevention of deterioration.

Central to the Convention and the **Protocol** is the principle of compulsory legal deposit of all moving-image material (produced or co-produced) and making it available to the public in each signatory country.⁸⁵ Legal deposit involves a requirement not just to deposit a reference copy with an officially designated archive but also to look after the material and conduct any necessary conservation work. In addition the material has to be available for consultation for academic or research purposes, subject to the international or national rules on copyright.

16.4 European Convention on Transfrontier Television

The [European Convention on Transfrontier Television](#) originally entered into force in 1993, and was amended and updated by the provisions contained in its **Protocol**,⁸⁶ which entered into force in March 2002.

This Convention created, for the first time, a legal framework for the free circulation of **transfrontier** television programmes in Europe, through rules in fields on programming, advertising, sponsorship and the protection of certain individual rights. It entrusts the signatory countries⁸⁷ with the task of ensuring that transmitted television programme services comply with its provisions. In return, freedom of reception of programme services is guaranteed as well as the retransmission of the programme services which comply with the rules of the Convention.

The Convention applies to all transfrontier programmes regardless of the technical means of transmission used (satellite, cable, terrestrial transmitters, etc.). Its main provisions cover:

- Freedom of expression, reception, and retransmission
- Right of reply
- Prohibition of pornography, violence, incitement to hatred
- Protection of **minors**
- The screening of European works including film
- Advertising standards
- Programme sponsorship.

⁸⁵ All CoE Member States, Belarus, the Holy See, Kazakhstan and the European Union.

⁸⁶ <http://conventions.coe.int/Treaty/en/Treaties/Html/171.htm>

⁸⁷ All CoE Member States, Belarus, the Holy See, Kazakhstan and the European Union.

17 European Audiovisual Observatory

17.1 Origins and role

Set up in December 1992, the [European Audiovisual Observatory](#) (EAO) operates within the legal framework of the CoE, and gathers and circulates information on the audiovisual industry in Europe. The EAO is a European public service body with representations from 38 CoE Member States⁸⁸ and the EU, represented by the Commission. It works alongside a number of professional organisations from within the industry and a wide network of correspondents.

According to its statute,⁸⁹ ‘the aim of the European Audiovisual Observatory shall be to improve the transfer of information within the audiovisual industry, to promote a clearer view of the market and a greater transparency. In doing so, the Observatory shall pay particular attention to ensuring reliability, compatibility and comparability of information’.

The EAO’s task is therefore clearly defined: to improve the transfer of and access to information. Achieving this means developing and providing information services in whichever formats audiovisual specialists need them most. The EAO has adopted a pragmatic definition of the audiovisual sector in which it works. Its principal areas of interest are DVD, film, new media and television.

In these four sectors, the EAO provides [information services](#) in the fields of market and statistics, law and production and financing.

17.2 Information services

The EAO provides an enquiry service for its users (industry professionals, policy-makers, journalists, lawyers and more), and collects, documents and processes information on the European audiovisual sector and disseminates it through five streams:

- Conferences and workshops
- Databases
- Online publications
- Online services
- Print publications.

The *Yearbook*, *IRIS* (the monthly publication on legal matters) and the other publications and information sources of the EAO offer a comprehensive, trilingual (English, French, German) source of reliable, comparable and regularly updated data on the economic and

⁸⁸ <http://www.obs.coe.int/about/oea/org/exco.html>

⁸⁹ <http://www.obs.coe.int/about/oea/org/statutes2000.html#statut>

statistical situation within the European audiovisual sector. Both the *Yearbook* and *IRIS* are also available as charged online services.

The EAO also manages five open-access online databases:

- **IRIS Merlin (legal information)**

The [IRIS Merlin database](#) gives access to over 6,000 articles on legal events of relevance to the audiovisual industry. The articles give details about legal instruments, decisions and policy documents from European countries and major European and international institutions.

- **KORDA (public funding information)**

The [KORDA database](#) holds information on public funding for film and audiovisual production and distribution in Europe. The database includes profiles of national, regional and some pan-European bodies, as well as information on individual funding schemes.

- **LUMIERE (film admissions)**

The [LUMIERE database](#) holds information on admissions of films released in European cinemas since 1996. The database is the result of the collaboration between the EAO and the various specialised national sources and the [MEDIA Programme](#).

- **MAVISE (television channels and companies)**

The [MAVISE database](#) provides information on all the television channels accessible in the EU, Croatia and Turkey. MAVISE contains detailed profiles of more than 6,000 companies and over 9,000 television channels.

- **PERSKY (directory of TV channels)**

The [PERSKY database](#) provides a comprehensive list of links to the websites of television channels in the EU and the 38 Members State of the EAO. It also provides links to other organisations that provide information on national television markets.

18 Eurimages

[Eurimages](#) is the CoE funding programme for the co-production, distribution and exhibition of European cinematographic works. Set up in 1988, it currently has 36 Member States.⁹⁰

Eurimages aims to promote the European film industry by encouraging the production and distribution of films and fostering co-operation between professionals. It has a budget of approximately €22 million per year,⁹¹ comprising chiefly of Member State contributions.

The UK withdrew from Eurimages in 1997, but films with the participation of UK production companies can still benefit from being minority (up to 30%) co-production partners. Examples of recent Eurimages-funded films involving UK co-production partners are: Peter Greenaway's *Goltzius and the Pelican Company* and *Epic*, by Polish director Pawel Pawlikowski.

Eurimages is currently operating three funding programmes:

- **Co-production support**

Since it was set up in 1988, Eurimages has supported the co-production of over 1,400 feature films and documentaries.⁹² The [co-production support scheme](#) offers funding to European projects with at least two co-producers from different Eurimages Member States. For bilateral co-productions the participation of the majority co-producer must not exceed 80% of the total budget, and the participation of the minority co-producer must not be lower than 20%. For multilateral co-productions, the figures change to 70% and 10% respectively. In the event that co-producers from countries outside of Eurimages participate in the project, their combined participation cannot exceed 30%. There are four deadlines each year for application submission.

- **Exhibition support**

Only cinemas located in Eurimages Member States that do not have access to support under MEDIA⁹³ are eligible for the Eurimages [exhibition support scheme](#). Cinemas supported by Eurimages belong to the [Europa Cinemas](#) network, which enables the exhibitor to benefit from the joint co-ordination, information and communication measures implemented by Europa Cinemas. These activities are co-financed by the exhibitors, who pay Europa Cinemas 5% of the support granted to them.

⁹⁰ Albania, Austria, Bosnia and Herzegovina, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Republic of Macedonia, Romania, Serbia, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland and Turkey.

⁹¹ <http://korda.obs.coe.int/korda.php/organisation/indexType1/id/172>

⁹² http://www.coe.int/t/dg4/eurimages/History/Coproduction/default_en.asp

⁹³ Albania, Georgia, Republic of Macedonia, Russia, Serbia and Turkey.

- **Digital equipment support for theatres**

The [digital equipment support for theatres scheme](#) supports exhibitors who operate cinemas assisted by the Eurimages exhibition support programme. Grants, capped at €30,000 per screen and/or 50% of the purchase and installation costs of the digital equipment, can be used to finance the purchase and installation of digital projectors, servers and other related equipment. To complete the overall financing, exhibitors must seek any additional funding from their national or local authorities or secure investments from their own equity or private sources.

Part 5:

The British Film Institute in

Europe

Part 5: The British Film Institute in Europe

19 The British Film Institute

The BFI is the lead organisation for film in the UK and since 2011 has combined a creative, cultural and industrial role as a Government arm's length body and distributor of National Lottery funds. Its key priorities are to support a vibrant UK film culture by investing in film education, audience access, filmmaking and film heritage. Founded in 1933 the BFI is a registered charity governed by Royal Charter. Visit bfi.org.uk for more information on BFI activities and to get involved.

19.1 How does the British Film Institute contribute to the European agenda?

- **Co-operation**

In every EU member state there is an agency – sometimes a stand-alone strategic body like the BFI, sometimes a government department – charged with promoting cinema and supporting the national film industry and film culture.

The BFI is part of the [European Film Agency Directors](#) (EFADs) network, set up in 2002 and comprising directors from all 27 EU Member States. The network's purpose is to enhance co-operation between the film agencies in order to strengthen their ability to drive film policy at home, across Europe and around the world.

Growing out of EFADs, the European Film Agency Research Network (EFARN) brings together the research specialists of the national film agencies and the EAO to share data, co-ordinate data holdings and co-operate to fill gaps and improve effectiveness.

Film is a significant ingredient in building political and trading relationships throughout Europe as is demonstrated by the [European Convention on Co-production](#). The UK plays a vital role in facilitating the burgeoning exchanges between Europe and emerging markets including Brazil, China, India and South Africa.

- **Advocacy**

The BFI works alongside the UK government and other stakeholders to inform and drive policies and actions aimed at improving European competitiveness, notably around skills training; the quality and range of film in Europe; the competitiveness of the European film industry; tackling copyright theft and infringement; promoting media literacy; access to finance; and the value of film to audiences, both as citizens and consumers. It has contributed to policy debates to help European film adapt to and take advantage of digital technologies

- **Expertise**

As it is estimated that 85% of UK audiovisual policy is decided by European institutions, particularly the European Commission, the BFI works closely with the UK Government, the devolved administrations and with the industry to represent the interests of UK film in Brussels and elsewhere on the global stage.

The BFI provides advice to the UK government on European matters, notably on **Directives** affecting the audiovisual sector, on **state aid** regulation, on the [UNESCO Convention on Cultural Diversity](#), on intellectual property, funding programmes and the workplans of the EU Presidencies. Through the [Department for Culture, Media and Sport](#) (DCMS), the BFI supplies up-to-date information and analysis to ministers and officials ahead of [Council of the European Union](#) and Audiovisual Working Group meetings, and to the [UK Permanent Representative](#). Its Research and Statistics Unit provides a wealth of statistical information to organisations across Europe.

The BFI hosts and co-funds MEDIA Desk UK, which provides information and advice to the UK audiovisual industry on the EU's MEDIA Programme, and more generally on the international aspects of filmmaking.

The BFI also represents the UK alongside the DCMS at the MEDIA Programme's Management Committee, and is contributing actively to the discussion of ways to improve the Programme's effectiveness in anticipation of the implementation of Creative Europe post-2013.

- **Leadership**

In partnership with Government, the industry, trade associations and public sector agencies, the BFI champions UK film skills and talent internationally, boosts co-production, helps sustain and grow the UK's inward investment and export sectors, and recognises the value of exchanging cultural assets, such as collections of films and curatorial skills, in building new trading relations. It provides leadership role in implementing a jointly-owned international strategy for film stimulated by the targeted use of Lottery and Grant in Aid funding. To underpin the international strategy, the BFI recently created an International Fund with specific support for inward investment and film exports.

Glossary of acronyms

AVMS	Audiovisual Media Services (Directive)
BEREC	Body of European Regulators of Electronic Communications
BIS	Department for Business, Innovation and Skills
CCP	Cultural Contact Point
CFSP	Common Foreign and Security Policy
CIP	Competitive and Innovation Framework Programme
CJEU	Court of Justice of the European Union
CNC	Centre National de la Cinématographie
COREPER	Committee of Permanent Representatives
COSME	Programme for the Competitiveness of Enterprises and SMEs
DCMS	Department for Culture, Media and Sport
DG	Directorate General
DLI	Digital Libraries Initiatives
EACEA	Education, Audiovisual and Culture Executive Agency
EAO	European Audiovisual Observatory
EC	European Community (now the European Union)
ECB	European Central Bank
ECCC	European Convention on Cinematographic Co-production
ECIA	European Creative Industries Alliance
EDPS	European Data Protection Supervisor
EEA	European Economic Area
EEC	European Economic Community
EEN	Enterprise Europe Network
EESC	European Economic and Social Committee
EFADS	European Film Agency Directors (network)
EFARN	European Film Agency Research Network
EIB	European Investment Bank
EIF	European Investment Fund
EIP	Entrepreneurship and Innovation Programme
EIT	European Institute of Innovation and Technology
ENP	European Neighbourhood Policy
EPCP	Eastern Partnership Culture Programme

ERA	European Research Area
ERC	European Research Council
ERDF	European Regional Development Fund
ESCB	European System of Central Banks
ESF	European Social Fund
EU	European Union
FIAPF	International Federation of Film Producers Associations
FP7	Seventh Framework Programme
GATS	General Agreement on Trade in Services
GDP	Gross domestic product
GNI	Gross national income
ICT	Information and Communication Technologies
ICT-PSP	Information and Communication Technologies Policy Support Programme
IFCIC	French Institute for the Financing of Cinema and Cultural Industries
LLP	Lifelong Learning Programme
MEP	Member of European Parliament
MFF	Multiannual Financial Framework
MFN	Most Favoured Nation
MPGF	Media Production Guarantee Fund
NCP	National Contact Point
NESTA	National Endowment for Science, Technology and the Arts
OLAF	European Anti-Fraud Office
OMC	Open method of coordination
PEGI	Pan-European Game Information
PSB	Public Service Broadcaster
QMV	Qualified Majority Voting
SEA	Single European Act
UK	United Kingdom
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VoD	Video-on-Demand
WTD	Working Time Directive
WTO	World Trade Organisation

Glossary of terms

Act of Parliament

A law enacted as primary legislation by a national or sub-national parliament.

Call rate

As VAT rates and exemptions vary between countries, a formula is used to create a harmonised VAT base to represent the estimated value of all goods and services subject to VAT in each Member State on a consistent basis. The EU then receives a proportion of this tax base - the 'call rate'.

Committee of Permanent Representatives (COREPER)

COREPER is responsible for preparing the work of the Council of the European Union. It consists of one ambassador ('Permanent Representative') from each Member State, and is chaired by the Member State which holds the Council Presidency. It is both a forum for dialogue (among the Permanent Representatives and between them and their respective national capitals) and a means of political control (guidance and supervision of the work of the expert groups).

Communication

The power of initiative, which is held by the Commission, is particularly important for the development of the common policies and therefore for the progress of the multinational integration process. All common policies, all EU legislation, all EU programmes have been adopted by the legislative bodies with Commission initiatives in the form of explanatory communications and proposals of legal acts.

Competition law

Regulates the exercise of market power by large companies, governments and other economic entities. It is integral to many of the core values of the EU, such as free movement of workers, goods and services. It prevents anti-competitive agreements and forbids price-fixing, control of production and market sharing.

Conciliation Committee

Conciliation is the third and final phase of the most important of the legislative procedures of the European Union, the co-decision procedure. The conciliation procedure always applies if Council does not approve all the amendments of the European Parliament adopted at its second reading. The Conciliation Committee is made up of twenty-seven Members of the Council or their representatives and an equal number of representatives from Parliament who make up the EP delegation.

The Conciliation Committee aims to draw up a 'joint text' from the date of its first meeting, which is submitted for approval by the Parliament and the Council, without any possibility of amendment. If the Conciliation Committee does not reach an agreement or if the 'joint text' is not approved by the Parliament or the Council, the act is deemed not to have been adopted.


Convention

A term used in international law to refer to certain formal statements of principle. Conventions are adopted by international bodies but usually apply only to countries that ratify them. These conventions are generally seen as having the force of international treaties for the ratifying countries.

Copenhagen criteria

These are the rules that define whether a country is eligible to join the EU. The criteria require that a Member State has the institutions to preserve democratic governance and human rights, has a functioning market economy, and accepts the obligations and intent of the EU.

Decision

Type of legislative act which is binding on those to whom it is addressed (e.g. an EU country or an individual company) and is directly applicable. For example, when the Commission issued a decision [fining software giant Microsoft for abusing its dominant market position](#) , the decision applied to Microsoft only.

Digital cinema distribution (DCD)

In the MEDIA VoD/DCD scheme digital cinema distribution is defined as digital delivery (to an acceptable commercial standard) of "Core Content", i.e. feature films, TV films or series (fiction, animation and documentary) to cinemas for theatrical exploitation (via hard disc, satellite, online, etc).

Direct universal suffrage

Election directly under a system where all persons (EU citizens) of voting age are eligible to vote.

Directive

An EU legislative act, which requires Member States to achieve a particular result without dictating the means of achieving that result. Directives normally leave Member States with a certain amount of leeway as to the exact rules to be adopted, and can be adopted by means of a variety of legislative procedures depending on their subject matter.

Discharge

The discharge is the decision by which the Parliament, at the Council's recommendation, 'liberates' the Commission for its management of the implementation of the EU budget. The discharge procedure may give rise to three situations: the granting, the postponement or the refusal of discharge. This process of parliamentary scrutiny is designed to ensure that budget appropriations are used in accordance with the principle of sound financial management, namely with the principles of economy, effectiveness and efficiency.

Euro area

The economic and monetary union (EMU) of 16 Member States which have adopted the euro as their sole legal tender. It currently consists of Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain. Monetary policy of the zone is the responsibility of the European Central Bank.

European Economic Area

Created in 1994, the EEA combines the countries of the European Union and member countries of EFTA (European Trade Association).

Countries that belong to the EEA are: Austria, Belgium, Bulgaria, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

Countries that are EEA member countries but not part of the European Union are: Norway, Iceland, Liechtenstein. Switzerland, while a member of EFTA, is neither in the EU nor in the EEA.

European Economic Community (EEC)

The **European Economic Community (EEC)** was an international organisation created by the Treaty of Rome of 1957. Its aim was to bring about economic integration, including a common market, among its six founding members: Belgium, France, Germany, Italy, Luxembourg and the Netherlands. Upon the entry into force of the Maastricht Treaty in 1993, the EEC was renamed the European Community (EC). It was then abolished by the 2009 Treaty of Lisbon, which provided that the EU would "replace and succeed the European Community."

Financial instrument

A real or virtual document representing a legal agreement involving some sort of monetary value. In today's financial marketplace, financial instruments can be classified generally as equity based, representing ownership of the asset, or debt based, representing a loan made by an investor to the owner of the asset. (source: www.investopedia.com). Read more:

<http://www.investopedia.com/terms/f/financialinstrument.asp#ixzz2HDU4omHD>

G8

The Group of Eight (G8) is an informal but exclusive body whose members aim to tackle global challenges through action and discussion. Members can agree on policies and can set objectives, but compliance is voluntary. It currently comprises the governments of eight countries: Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States. The EU is represented by the president of the Commission and the leader of the country that holds the EU presidency, but it does not take part in G8 political discussions and cannot host or chair the annual summit.

G-20 major economies

The Group of Twenty Finance Ministers and Central Bank Governors (G-20 major economies) is a forum for co-operation and consultation on matters pertaining to the international financial system. The 20 member economies comprise 19 countries plus the EU, which is represented by the President of the European Union and by the European Central Bank. The 19 countries are: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, Republic of Korea, Turkey, United Kingdom and the United States of America.

Green Paper

A document published by the Commission to stimulate discussion on given topics at EU level. Green Papers invite the relevant parties (bodies or individuals) to participate in a consultation process and debate on the basis of the proposals they put forward. Green Papers may give rise to legislative developments that are then outlined in White Papers.

Human capital

The stock of competencies, knowledge, social and personality attributes, including creativity, embodied in the ability to perform labour so as to produce economic value.

Infringement procedure

Each Member State is responsible for the implementation of EU law within its own legal system. The Commission is responsible for ensuring that EU law is correctly applied. Consequently, where a Member State fails to comply with EU law, the Commission has powers of its own to try to bring the infringement to an end and, where necessary, may refer the case to the European Court of Justice. The Commission takes whatever action it deems appropriate in response to either a complaint or indications of infringements which it detects itself.

Knowledge economy

The knowledge economy is the use of knowledge technologies (such as knowledge engineering and knowledge management) to produce economic benefits as well as job creation. The global economy is in transition to a "knowledge economy," as an extension of an "information society." The transition requires that the rules and practices that

determined success in the industrial economy need rewriting in an interconnected, globalized economy where knowledge resources such as know-how and expertise are as critical as other economic resources.

Media pluralism

Pluralism of the media means a media structure that is:

- comprised of competing media outlets which are independent from each other, a central owner, or other influence;
- diversified on separate but overlapping planes of ownership, political views, cultural outlooks and regional interests;
- able to communicate to all corners of society;
- capable of conveying a great variety of information and opinion;
- designed to draw information from a wealth of different sources.

MEDIA participating country

There are currently 33 countries participating in the MEDIA Programme, which includes:

- Member States of the European Union
- Countries of the European Economic Area participating in the MEDIA Programme (Iceland, Liechtenstein, Norway)
- Croatia (as of 17/3/2008)
- Switzerland
- Bosnia and Herzegovina (under the condition of the finalisation of the negotiation process and the formalisation of the participation of this country in the MEDIA Programme).

Member State

A state that is party to the EU treaties and has taken on the privileges and obligations of EU membership. Being an EU Member State places a country under binding laws in exchange for representation in the EU's legislative and judicial institutions. Member States maintain much autonomy, including in the sectors of national military and foreign policy.

Since the last enlargement in 2004, the following 27 countries are Member States: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK.

Microcredit

Microcredit is defined by the EU as loans up to €25,000, tailored to micro enterprises (those with up to nine employees) and people who would like to become self-employed but who

are facing difficulties in accessing the traditional banking services. Throughout the EU, micro enterprises represent 91% of all European businesses. Moreover, 99% of all start-ups in Europe are micro or small enterprises and one third of those were launched by unemployed people.

Minor

In law, a minor is a person under a certain age — usually the age of majority — which legally demarcates childhood from adulthood; the age depends upon jurisdiction and application, but is typically 18.

Motion of censure

The process by which the Parliament can dismiss an entire Commission. Adopting a motion of censure requires a two-thirds majority.

Non-national European film

In MEDIA distribution schemes - a film that originates from the territory different from that of the distributor, exhibitor or dvd/video publisher

Open method of co-ordination

The OMC provides a framework for co-operation between Member States, whose national policies can thus be directed towards certain common objectives. Under this intergovernmental method, the Member States are evaluated by one another with the Commission's role being limited to surveillance. The OMC takes place in areas which fall within the competence of the Member States, such as employment, social protection, social inclusion, education, youth and training.

Depending on the areas concerned, the OMC involves 'soft law' measures which are binding on the Member States in varying degrees but which never take the form of Directives, regulations or decisions. The OMC requires the Member States to draw up national reform plans and to forward them to the Commission.

Ordinary legislative procedure

The ordinary legislative procedure replaces the former co-decision procedure. This procedure is the most legitimate from a democratic point of view. It involves the European Parliament as a co-legislator at the Council's side. Over time, it has also become the most widely used legislative procedure.

Parafiscal charge

A tax on a specific product or service by which a government raises money for a specific purpose. The money raised is usually paid to a body other than the national tax authority.

Principle of subsidiarity

The principle of subsidiarity is intended to ensure that decisions are made as closely as possible to the EU citizen and that constant checks are made as to whether action at EU level is justified in the light of the possibilities available at national, regional or local level.

Proportional representation

In the case of the European Parliament, the apportionment of seats is not strictly in accordance with the population of the Member States. At present, the number of seats allocated to each Member State is determined by the treaties.

Protocol

There are two meanings of the word protocol. In the legal sense, it is defined as an international agreement that supplements or amends a treaty. In the diplomatic sense, the term refers to the set of rules, procedures, conventions and ceremonies that relate to relations between states. In general, protocol represents the recognized and generally accepted system of international courtesy.

Public consultation

A regulatory process by which the public's input on matters affecting them is sought. Its main goals are in improving the efficiency, transparency and public involvement in large-scale projects or laws and policies. It usually involves *notification* (to publicise the matter to be consulted on), *consultation* (a two-way flow of information and opinion exchange) as well as *participation* (involving interest groups in the drafting of policy or legislation).

Qualified majority voting (QMV)

The current voting system of the Council is defined in the Treaty of Nice. Member States have to cast their votes en bloc (i.e. a Member State may not split its vote), while different Member States have different voting weights. The Treaty of Lisbon stipulates that these voting arrangements will apply until 31 October 2014, when the 'double majority' system, which better reflects the size of Member State populations, will enter into force.

Recommendation

A recommendation in the European Union is one of two kinds of non-binding acts cited in the Treaty of Rome. Recommendations are without legal force but are negotiated and voted on according to the appropriate procedure. Recommendations differ from regulations, directives and decisions, in that they are not binding for Member States. Though without legal force, they do have a political weight. The Recommendation is an instrument of indirect action aiming at preparation of legislation in Member States, differing from the Directive only by the absence of obligatory power.

Referendum

A direct vote in which an entire electorate is asked to either accept or reject a particular proposal. It is a form of direct democracy.

Regulation

An EU legislative act that becomes immediately enforceable as law in all Member States simultaneously. Regulations can be adopted by means of a variety of legislative procedures depending on their subject matter.

Risk finance

In business economics, risk financing is concerned with providing funds to cover the financial effect of unexpected losses experienced by a firm.

Royal Assent

The granting of Royal Assent is the method by which any constitutional monarch formally approves and promulgates an act of his or her nation's parliament, thus making it a law

Single Market

The single market (sometimes called the internal market) describes the EU project to create free trade within the EU and to mould Europe into a single economy. It is one of the most wide-ranging and significant symbols of European integration, encompassing many of the policy areas where the EU is most influential. These include the European Customs Union, the single currency, the Schengen Convention and many other policies and laws designed to unite the diverse national economies of Europe into a single unit. Although it has been developing ever since the European Community was founded in 1957, the single market has only taken off in recent years and continues to develop.

State aid

State aid is a European Commission term which refers to forms of assistance from a public body or publicly-funded body, given to undertakings engaged in economic commercial activity on a selective basis, with the potential to distort competition and affect trade between member states of the European Union.

Small and medium-sized enterprises (SMEs); micro enterprises

Enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding €50 million, and/or an annual balance sheet total not exceeding €43 million.

Sovereignty

Supreme authority within a territory.

Summit

A meeting of heads of state or government, usually with considerable media exposure, tight security and a prearranged agenda.

Territorialisation

In the context of State aid for film, territorialisation clauses impose an obligation on producers to spend a certain amount of the production budget in a particular geographical area, as an eligibility condition for receiving aid. Territorialisation clauses may constitute a barrier to the free circulation of workers, goods and services across the EU.

Transfrontier

Beyond the frontier, or pertaining to what is beyond the frontier.

Treaty

An express agreement under international law entered into by actors in international law, namely sovereign states and international organizations. A treaty may also be known as an (international) agreement, protocol, covenant, convention or exchange of letters, among other terms. Regardless of terminology, all of these forms of agreements are, under international law, equally considered treaties and the rules are the same.

Venture capital

Financial capital provided to early-stage, high-potential, high risk, growth start-up companies. Venture capital is a subset of private equity.

Video-on-demand (VoD)

The delivery of a movie, TV programme, sports event or other video program to a TV set when the customer requests it. Video-on-demand (VoD) comprises free and paid programmes from satellite TV, telephone and cable companies, as well as the Internet.

Appendices

- I. **Directory of contacts and biographies**
- II. **European film market statistical overview 2011**
- III. **Examples of MEDIA funding: UK beneficiaries 2009-2011**

Appendix I

I.	Directory of contacts and biographies	127
I.i	The European Commission	127
I.ii	A-Z biographies of Commissioners with relevance to the audiovisual industry	129
I.v	European Parliament committees	134
I.vi	European Parliament Culture Committee members	140

Appendix I

I. Directory of contacts and biographies

I.i The European Commission

More details on the entries in **bold** can be found in Appendix I.ii

Portfolio	Commissioner	Nationality
President	José Manuel Barroso	Portugal
High Representative of the Union for Foreign Affairs and Security Policy	Catherine Ashton	United Kingdom
Vice-Presidents	Joaquín Almunia	Spain
	Siim Kallas	Estonia
	Neelie Kroes	Netherlands
	Viviane Reding	Luxembourg
	Olli Rehn	Finland
	Maroš Šefčovič	Slovakia
	Antonio Tajani	Italy
Agriculture and Rural Development	Dacian Cioloş	Romania
Budget	Janusz Lewandowski (Financial Programming and Budget)	Poland
	Algirdas Šemeta (Budgetary Discharge)	Lithuania
Climate Action	Connie Hedegaard	Denmark
Communication	Viviane Reding	Luxembourg
Communications Networks, Content and Technology	Neelie Kroes	Netherlands
Competition	Joaquín Almunia	Spain
Economic and Financial Affairs	Olli Rehn	Finland
Education and Culture	Androulla Vassiliou	Cyprus
Employment, Social Affairs and Inclusion	László Andor	Hungary
Energy	Günther Oettinger	Germany
Enlargement	Štefan Füle	Czech Republic
Enterprise and Industry	Antonio Tajani	Italy
Environment	Janez Potočnik	Slovenia
EuropeAid Development and Co-operation	Andris Piebalgs	Latvia
Eurostat	Algirdas Šemeta	Lithuania
Foreign Policy Instruments Service	Catherine Ashton	United Kingdom
Health and Consumers	John Dalli	Malta
Home Affairs	Cecilia Malmström	Sweden

Humanitarian Aid	Kristalina Georgieva	Bulgaria
Human Resources and Security	Maroš Šefčovič	Slovakia
Informatics	Maroš Šefčovič	Slovakia
Internal Market and Services	Michel Barnier	France
Interpretation	Androulla Vassiliou	Cyprus
Joint Research Centre	Máire Geoghegan-Quinn	Ireland
Justice	Viviane Reding	Luxembourg
Maritime Affairs and Fisheries	Maria Damanaki	Greece
Mobility and Transport	Siim Kallas	Estonia
Regional Policy	Johannes Hahn	Austria
Research and Innovation	Máire Geoghegan-Quinn	Ireland
Secretariat-General	José Manuel Barroso	Portugal
Taxation and Customs Union	Algirdas Šemeta	Lithuania
Trade	Karel De Gucht	Belgium
Translation	Androulla Vassiliou	Cyprus

I.ii A-Z biographies of Commissioners with relevance to the audiovisual industry



Joaquín Almunia, Spain
Vice-President of the European Commission
European Commissioner for Competition

Joaquín Almunia joined the Commission in 2004 and has been responsible for DG Competition since February 2010. He was previously European Commissioner for Economic and Monetary Affairs.

Almunia was chief economist of the Spanish trade union affiliated to the Socialist Workers' Party (PSOE), from 1976 to 1979. He was an economist at the Council Bureau of the Spanish Chambers of Commerce in Brussels from 1972 to 1975.

Almunia was a PSOE Member of the Cortes Generales from 1979 to 2004, representing Madrid. He was Minister of Employment and Social Security from 1982 to 1986 and Minister of Public Administration from 1986 to 1991, and was PSOE spokesperson from 1994 to 1997. Almunia was the party leader from 1997 to 2000.



László Andor, Hungary
European Commissioner for Employment, Social Affairs and Inclusion

László Andor is a Hungarian economist and European Commissioner for Employment, Social Affairs and Inclusion. Since 2003 he has been a Member of the Board of the Economic Section of the Hungarian Socialist Party, and until early 2010 he was on the board of directors of the European Bank for Reconstruction and Development, (EBRD), representing Croatia, the Czech Republic, Hungary and Slovakia.



José Manuel Barroso, Portugal
President of the European Commission
European Commissioner for Secretariat-General

After graduating in law from the University of Lisbon, José Manuel Barroso completed a Diploma in European Studies and a Master's degree in Political Science at the University of Geneva.

His political career began in 1980 when he joined the Social Democratic Party (PSD). He was named President of the party in 1999 and re-elected three times. During the same period, he served as Vice-President of the European People's Party. In April 2002, he was elected Prime Minister of Portugal. He remained in office until July 2004 when he became the eleventh and current President of the European Commission.



Karel De Gucht, Belgium
European Commissioner for Trade

Before Karel De Gucht became the European Commissioner for Trade, he had been the Commissioner for Development, the Belgian Minister of Foreign Affairs and chairman of the Flemish Liberals and Democrats (VLD), a Belgian political party. De Gucht was a member of the Flemish Parliament from 1999 to 2003 and a member of the European Parliament from 1995 to 1999.



Neelie Kroes, Netherlands
Vice-President of the European Commission
European Commissioner for Communications Networks, Content and Technology

Neelie Kroes' political career began in the Rotterdam Municipal Council, and in 1971 she was elected as a Member of the Dutch Parliament. From 1982 to 1989 Kroes served as the Minister for Transport, Public Works and Telecommunication in the Netherlands. She was appointed President of Nyenrode University from 1991 to 2000, and served on various company boards. Prior to serving as European Commissioner for Competition from 2004 to 2009, Kroes worked as an advisor to numerous charities.

In 2010 she became the European Commissioner for Digital Agenda. This portfolio includes the information and communications technology (ICT) and telecommunications sectors. For example: ensuring trust and security for the internet and new technologies; ensuring competitive communications such as in the mobile roaming market; building world-class European research and innovation in this sector; and providing every EU citizen with access to fast broadband. Since 1 July 2012 DG Digital Agenda has been managed by DG Communications Networks, Content and Technology.



Androulla Vassiliou, Cyprus
European Commissioner for Education and Culture
European Commissioner for Interpretation
European Commissioner for Translation

Androulla Vassiliou was elected to the House of Representatives of Cyprus in 1996 for the Movement of United Democrats, and re-elected for the period 2001-2006. During this time Vassiliou served on the European Affairs Committee and the Joint Parliamentary Committee of Cyprus and the EU. She was also an Alternate Representative of the Cyprus to the European Convention which drew up the European Constitution, the unratified precursor to the Treaty of Lisbon.

Between 2001 and 2006 Vassiliou was Vice-President of the European Liberal Democrat and Reform Party and the chairperson of the European Liberal Women's Network. In 2008 Vassiliou was appointed as European Commissioner for Health. In February 2010 she was given the portfolio of Education, Culture, Multilingualism and Youth.

I.iii Key Members of the European Parliament (MEPs)



[Jean-Marie Cavada](#)

Democratic Movement MEP for the Ile de France, France
European People's Party

Jean-Marie Cavada had a successful media career before turning to politics, working as the director of several French television companies (France 2, France 3, TF1). He was also the CEO of FR5 (an educational channel) from 1994 to 1997 and of Radio France Overseas (RFO) from 1997 to 1998. He also held the role of Administrator of ARTE France's Supervisory Board (1998-2004) and Administrator at the French Press Agency (1998-2001).

Cavada was first elected as an MEP in 2004, and is currently a member of the Education and Culture Committee and a substitute member of the Legal Affairs Committee

Cavada is the President of the European Parliament's Media Intergroup.



[Silvia Costa](#)

Partito Democratico MEP, Italy
Group of the Progressive Alliance of Socialists and Democrats

Silvia Costa was State secretary at the Ministry for universities, scientific research and technology (with responsibility for educational rights, health, scientific culture and sport) (1993-1994); member of the national committee for gender equality attached to the Prime Minister's Office (1994-2000); chair of the national commission for equal opportunities (1996-2000).

She chaired the European advisory committee on equal opportunities during the Italian Presidency of the EU in 1996. Also in 1996 she led the EU delegation to the annual session of the UN Commission on the Status of Women.

Silvia Costa is the Rapporteur on Creative Europe (2014-2020).



[Catalin-Sorin Ivan](#)

Partidul Social Democrat MEP, Romania
Progressive Alliance of Socialists and Democrats

Catalin-Sorin Ivan is the rapporteur for the Digital Agenda for Europe. He currently also holds the following posts in the Parliament:

- Member of Committee on Budgetary Control
- Member of Committee on Culture and Education
- Substitute of Committee on the Environment, Public Health and Food Safety



[Malcolm Harbour](#)

Conservative MEP for West Midlands, UK
European Conservatives and Reformists

Malcolm Harbour became an active member of the Conservative Party in 1972, and became an MEP for the West Midlands region in 1999. Initially a member of the European People's Party - European Democrats Group (EPP - ED) he gained a position on the Committee on Internal Market and Consumer Protection, serving as the EPP–ED spokesman and co-ordinator.

Harbour was also delegated several other responsibilities in the Parliament, and has been active on the single market strategy and the communications framework legislation.

After the 2009 election, Harbour transferred to the new European Conservatives and Reformists Group (ECR). He was nominated by the ECR and then subsequently elected as the chairman of the Committee on Internal Market and Consumer Protection.



[Mary Honeyball](#)

Labour MEP for Greater London, UK
Group of the Progressive Alliance of Socialists and Democrats in the
European Parliament

Mary Honeyball joined the Labour Party in the 1970s, and was first elected as an MEP in March 2000. Her current posts within the European Parliament are:

- Member of the Culture and Education Committee
- Member of the Women's Rights and Gender Equality Committee
- Substitute in the Regional Development Committee.



[Emma McClarkin](#)

Conservative MEP for the East Midlands, UK
European Conservatives and Reformists

Emma McClarkin's political career began with a role as Press Officer for the East Midlands Conservative MEPs, then as Political Advisor to Roger Helmer MEP in the European Parliament.

Emma is now one of five elected MEPs for the East Midlands region. Since elected Emma has been appointed Conservative Spokesperson and Member of the Committees on Culture and Education, the Internal Market and Consumer Protection and International Trade. She is also a member of the European Parliament's Media Intergroup.



[Doris Pack](#)

Christian Democratic Union MEP for Saarland, Germany
Group of the European People's Party

Doris Pack became a CDU MP in 1974, and a member of the Parliamentary Assembly of the Council of Europe in 1981. Pack was elected as an MEP in 1989, and has held various roles within the Parliament, including the Chair of the Franco-German Foundation for Cultural Cooperation, Vice Chair of the German Association of the European Foundation for Cultural Cooperation in Europe and a member of the ZDF Television Council.

Doris Pack currently chairs the Committee on Culture and Education



[Martin Schulz](#)

President of the European Parliament

Martin Schulz was born in 1955 in Germany. Joining the Social Democratic Party of Germany at the age of 19, he started out his political career. Aged 31, he was elected as the youngest mayor of North Rhine-Westphalia, a post he held for 11 years.

Since 1994, Martin Schulz is a Member of the European Parliament and has served in a number of committees, including Human Rights and Civil Liberties and Home Affairs. He led the SPD MEPs from 2000 and was subsequently elected Vice-Chair of the Socialist MEPs.

Since 2004, as leader of the Socialists and Democrats in the European Parliament, Martin Schulz campaigned for social justice, promoting jobs and growth, reforming financial markets, fighting climate change, championing equality and creating a stronger and more democratic Europe.

He was elected President of the European Parliament on 17 January 2012 for a mandate of two and half years.



[Helga Trüpel](#)

Group of the Greens/European Free Alliance, Germany

From 1987 to 1991, and 1995 to 2004 Helga Trüpel was a local councillor, and became an MEP and Vice-Chair of the Education and Culture Committee in 2004. She was the rapporteur for the Parliament's report on Europeana: *Europeana - the next steps*, published in 2010. In January 2010, she actively participated in a conference organised by [the Federation of European Films Directors](#) (FERA) focusing on cinema in the digital age.

She is Vice-Chair of Committee on Culture and Education and a Member of Committee on Budgets.

I.v European Parliament committees

Names in **bold** hold Vice Chair positions.

Names in *italics* hold Substitute positions.

Committee	Code	Chair	Nationality	EP party	UK members
Agriculture and Rural Development	AGRI	Paolo de Castro	Italy	S&D	John Stuart Agnew, UKIP <i>Richard Ashworth, Conservative</i> <i>John Bufton, UKIP</i> Diane Dodds, Democratic Unionist Party <i>Jill Evans, Plaid Cymru</i> Julie Girling, Conservative George Lyon, Liberal Democrats <i>Anthea McIntyre, Conservative</i> James Nicholson, Ulster Conservatives <i>Brian Simpson, Labour</i> Alyn Smith, Scottish National Party <i>Robert Sturdy, Conservative</i>
Budgetary Control	CONT	Michael Theurer	Germany	ALDE	Marta Andreasen, UKIP <i>Philip Bradbourn, Conservative</i> <i>Chris Davies, Liberal Democrats</i> <i>Derek Vaughan, Labour</i>
Budgets	BUDG	Alain Lamassoure	France	EPP	Marta Andreasen, UKIP Richard Ashworth, Conservative James Elles, Conservative George Lyon, Liberal Democrat Derek Vaughan, Labour
Civil Liberties, Justice and Home Affairs	LIBE	John Fernando López Aguilar	Spain	S&D	Gerard Batten, UKIP <i>Andrew Henry William Brons, BNP</i> <i>Michael Cashman, Labour</i> <i>Sajjad Karim, Conservative</i> Timothy Kirkhope, Conservative <i>Jean Lambert, Green</i> Baroness Sarah Ludford, Liberal Democrats Anthea McIntyre, Conservative Claude Moraes, Labour

					<p><i>Sir Graham Watson, Liberal Democrats</i> <i>Glenis Willmott, Labour</i></p>
Constitutional Affairs	AFCO	Carlo Casini	Italy	EPP	<p><i>John Stuart Agnew, UKIP</i> <i>David Campbell Bannerman, Conservative</i> Ashley Fox, Conservative <i>Andrew Henry William Brons, BNP</i> <i>Andrew Duff, Liberal Democrats</i> <i>Daniel Hannan, Conservative</i></p>
Culture and Education	CULT	Doris Pack	Germany	EPP	<p><i>Mary Honeyball, Labour</i> <i>Stephen Hughes, Labour</i> <i>Timothy Kirkhope, Conservative</i> <i>Emma McClarkin, Conservative</i> <i>Paul Nuttall, UKIP</i> <i>Kay Swinburne, Conservative</i></p>
Development	DEVE	Eva Joly	France	Greens/EFA	<p><i>Michael Cashman, Labour</i> Nirj Deva, Conservative <i>Fiona Hall, Liberal Democrats</i> <i>Linda McAvan, Labour</i> <i>Bill Newton Dunn, Liberal Democrats</i> <i>Keith Taylor, Green</i></p>
Economic and Monetary Affairs	ECON	Sharon Bowles	UK	ALDE	<p>Arlene McCarthy, Labour <i>Godfrey Bloom, UKIP</i> <i>Vicky Ford, Conservative</i> <i>Ashley Fox, Conservative</i> <i>Syed Kamall, Conservative</i> <i>Peter Skinner, Labour</i> <i>Catherine Stihler, Labour</i> <i>Kay Swinburne, Conservative</i></p>

Employment and Social Affairs	EMPL	Pervenche Berès	France	S&D	Phil Bennion, Liberal Democrats Derek Roland Clark, UKIP Roger Helmer, UKIP <i>Richard Howitt, Labour</i> Stephen Hughes, Labour Jean Lambert, Green <i>Anthea McIntyre, Conservative</i> Nicole Sinclair, UKIP
Environment, Public Health and Food Safety	ENVI	Matthias Groote	Germany	S&D	Martina Anderson, Sinn Féin <i>Godfrey Bloom, UKIP</i> Martin Callanan, Conservative Chris Davies, Liberal Democrats Jill Evans, Plaid Cymru <i>Vicky Ford, Conservative</i> <i>Jacqueline Foster, Conservative</i> <i>Julie Girling, Conservative</i> Nick Griffin, BNP Linda McAvan, Labour <i>James Nicholson, Ulster Conservatives</i> Paul Nuttall, UKIP <i>Struan Stevenson, Conservative</i> Glenis Willmott, Labour Marina Yannakoudakis, Conservative
Fisheries	PECH	Gabriel Mato Adrover	Spain	EPP	Chris Davies, Liberal Democrats <i>Diane Dodds, Democratic Unionist Party</i> Nigel Farage, UKIP <i>Julie Girling, Conservative</i> Ian Hudghton, Scottish National Party <i>George Lyon, Liberal Democrats</i> Struan Stevenson, Conservative

Foreign Affairs	AFET	Elmar Brok	Germany	EPP	Sir Robert Atkins, Conservative <i>William (The Earl of) Dartmouth, UKIP</i> <i>Andrew Duff, Liberal Democrats</i> <i>James Elles, Conservative</i> Richard Howitt, Labour <i>Baroness Sarah Ludford, Liberal Democrats</i> Charles Tannock, Conservative Geoffrey Van Orden, Conservative Sir Graham Watson, Conservative
Human Rights	DROI	Barbara Lochbihler	Germany	Greens/EFA	Richard Howitt, Labour <i>Baroness Sarah Ludford, Liberal Democrats</i> David Martin, Labour Nicole Sinclair, UKIP Charles Tannock, Conservative
Security and Defence	SEDE	Arnaud Danjean	France	EPP	David Campbell Bannerman, Conservative <i>Andrew Duff, Liberal Democrats</i> <i>Richard Howitt, Labour</i> <i>Charles Tannock, Conservative</i> Geoffrey Van Orden, Conservative
Industry, Research and Energy	ITRE	Amalia Sartori	Italy	EPP	Giles Chichester, Conservative Vicky Ford, Conservative <i>Nick Griffin, BNP</i> Fiona Hall, Liberal Democrats <i>Roger Helmer, UKIP</i> <i>Sajjad Karim, Conservative</i> <i>Peter Skinner, Labour</i> <i>Alyn Smith, Scottish National Party</i>
Internal Market and Consumer Protection	IMCO	Malcolm Harbour	UK	ECR	Trevor Coleman, UKIP <i>Ashley Fox, Conservative</i> <i>Ian Hudghton, Scottish National Party</i> <i>Emma McClarkin, Conservative</i> <i>Claude Moraes, Labour</i> Catherine Stihler, Labour

International Trade	INTA	Vital Moreira	Portugal	S&D	<i>Catherine Bearder, Liberal Democrat</i> David Campbell Bannerman, Conservative William (The Earl of) Dartmouth, UKIP <i>Syed Kamall, Conservative</i> <i>Emma McClarkin, Conservative</i> Robert Sturdy, Conservative
Legal Affairs	JURI	Klaus-Heiner Lehne	Germany	EPP	<i>Gerard Batten, UKIP</i> <i>Sharon Bowles, Liberal Democrats</i> <i>Mary Honeyball, Labour</i> Sajjad Karim, Conservative <i>Arlene McCarthy, Labour</i> Rebecca Taylor, Liberal Democrats
Organised Crime, Corruption and Money Laundering	CRIM	Sonia Alfano	Italy	ALDE	Trevor Colman, UKIP Bill Newton Dunn, Liberal Democrats Timothy Kirkhope, Conservative <i>Baroness Sarah Ludford, Liberal Democrats</i> Anthea McIntyre, Conservative <i>Emma McClarkin, Conservative</i> Claude Moraes, Labour <i>James Nicholson, Ulster Conservative</i> <i>Marina Yannakoudakis, Conservative</i>
Petitions	PETI	Erminia Mazzoni	Italy	EPP	<i>Martina Anderson, Sinn Féin</i> <i>Marta Andreasen, UKIP</i> <i>Sir Robert Atkins, Conservative</i> Michael Cashman, Labour Giles Chichester, Conservative Roger Helmer, UKIP Edward McMillan-Scott, Liberal Democrats Nicole Sinclair, UKIP <i>Keith Taylor, Green</i>

Regional Development	REGI	Danuta Maria Hübner	Poland	EPP	<i>Martina Anderson, Sinn Féin</i> Catherine Bearder, Liberal Democrat John Bufton, UKIP <i>James Nicholson, Ulster Conservatives</i> <i>Derek Vaughan, Labour</i>
Transport and Tourism	TRAN	Brian Simpson	UK	S&D	<i>Catherine Bearder, Liberal Democrats</i> <i>Phil Bennion, Liberal Democrats</i> Philip Bradbourn, Conservative Jacqueline Foster, Conservative <i>Syed Kammall, Conservative</i> Mike Nattrass, UKIP Keith Taylor, Green <i>Geoffrey Van Orden, Conservative</i>
Women's Rights and Gender Equality	FEMM	Mikael Gustafsson	Sweden	GUE/NGL	Godfrey Bloom, UKIP Mary Honeyball, Labour <i>Nicole Sinclair, UKIP</i> Maria Yannakoudakis, Conservative

I.vi European Parliament Culture and Education Committee members

Chair

Doris Pack, Germany

Vice chairs

Lothar Bisky	Germany
Lorenzo Fontana	Italy
Morten Løkkegaard	Sweden
Helga Trüpel	Germany

UK members

Mary Honeyball	Emma McClarkin
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Non-UK members

Zoltán Bagó, Hungary	Gianni Pittella, Italy
Malika Benarab-Attou, France	Marie-Thérèse Sanchez-Schmid, France
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Cătălin Sorin Ivan, Romania	László Tökés, Romania
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Marek Henryk Migalski, Poland	Marie-Christine Vergiat, France
Katarína Neveďalová, Slovakia	Sabine Verheyen, Germany
Chrysoula Paliadeli, Greece	Milan Zver, Slovakia

Substitutes

François Alfonsi, France	Raimon Obiols, Spain
Liam Aylward, Ireland	George Papanikolaou, Greece
Heinz K Becker, Austria	Bernd Posselt, Germany
Ivo Belet, Belgium	Mitro Repo, Finland
Nessa Childers, Ireland	Robert Rochefort, France
Nadja Hirsch, Germany	Olga Sehnalová, Czech Republic
Stephen Hughes, UK	Joanna Katarzyna Skrzydlewska, Poland
Seán Kelly, Ireland	Monika Smolková, Slovakia
Timothy Kirkhope, UK	Kay Swinburne, UK
Alexander Graf Lambsdorff, Germany	Claudiu Ciprian Tănăsescu, Romania
Hans-Peter Martin, Austria	Rui Tavares, Portugal
Iosif Matula, Romania	Isabelle Thomas, France
Jean-Luc Mélenchon, France	Róża Gräfin von Thun und Hohenstein, Poland
Francisco José Millán Mon, Spain	Iva Zanicchi, Italy
Elisabeth Morin-Chartier, France	Inês Cristina Zuber, Portugal
Paul Nuttall, UK	

Appendix II

European Film Market statistical overview 2011	142
Prepared by the BFI Research and Statistics Unit	
European theatrical market overview	142
DVD	143
Film on TV	144
List of tables	144

Appendix II

European Film Market statistical overview 2011

European theatrical market overview

- In 2011, the population of the EU-27 countries stood at approximately 503 million compared with 309 million in the USA (Table 1.1)
- Despite a much larger population, total admissions in the EU-27 were fewer than in the USA: 964 million compared with 1,182 million (Table 1.2)
- USA box office gross (\$9,277 million) was also greater than the EU-27 total (\$8,517 million), as was the number of screens (39,641 in the USA against 29,719 in EU-27), though the EU-27 countries produced more films than the USA (1,355 in EU-27 compared with 817 in USA) (Table 1.2)
- New Member States since 2004 (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia who joined in 2004 and Bulgaria and Romania who joined in 2007) accounted for 20.49% of the EU-27 population but only 8.9% of admissions (Table 1.1)
- France had the biggest box office gross in the EU in 2011 (\$1,910 million), and the highest number of admissions (216.6 million). The UK had both the second highest gross box office (\$1,687 million) and second highest number of admissions (171.6 million) (Table 1.3)
- France was also the most prolific European film producer, with 207 titles in 2011, followed by Spain (180) and Germany (174) and Italy (146). 133 titles were produced in the UK in 2011. (Table 1.3)
- New Member States produced a total of 168 films in 2011, 12.5% of the EU-27 total (Table 1.3)
- Of the five largest European film markets, France, UK and Germany all saw an increase in admissions from 2010 to 2011, whereas Spain and Italy both saw falls. The strongest growth was seen in Bulgaria (up 19.2%), Lithuania (up 17.7%) and Estonia (up 15.9%) (Table 2.1)
- Overall, admissions across the EU-27 increased by 2.5% from 2006 to 2011 (Table 2.1)
- Films from the USA dominated the top 20 films at the EU-27 box office in 2010, though six films (*Harry Potter and the Deathly Hallows*, *Inception*, *Robin Hood*, *Sherlock Holmes*, *Prince of Persia* and *the Chronicles of Narnia*) did have UK involvement (Table 2.2)
- UK films had a strong showing in the top 20 European films at the EU-27 box office in 2010. Seven of the top 20 films (including the top four), had UK involvement sharing 55% of total admissions (Table 2.3)
- French films achieved the greatest home market share in 2010 (35.7% in 2008), followed by the Czech Republic (34.8%) and Italy (30.4%). The UK, in fifth place, saw its home market share increase from 16.7% in 2009 to 24% in 2010 (Table 2.5)

- Outside its home market, the UK had its highest share of 2011 box office gross in Germany (21.4%), followed by Austria (19.5%) and Spain (14.7%) (Table 2.6)
- In 2011 the UK achieved the highest number of admissions per screen in the EU-27 (45,549), well above the average (32,441). Belgium was second highest with 45,204 (Table 3.1)
- France and Ireland had the highest average admissions per person (3.6) in Europe during 2011. France and Ireland's admissions per person were just under the USA (3.8) (Table 3.1)
- Ireland had the highest screen density in Europe (10.7 screens per 100,000 population), while Romania had the lowest (0.3). The EU-27 average (5.9) was well below the US (12.8 screens per 100,000 population) (Table 3.1).
- Cyprus had the highest average ticket price in Europe during 2011 (€12.51), followed by Denmark (€10.64) and Sweden (€10.57). The lowest average price was found in Lithuania (€3.62) (Table 3.2)
- Germany at €7.39, had highest ticket price of the five largest European film markets (France, Germany, Italy, Spain and UK) (Table 3.2)
- France had the most digital screens in Europe by 2011 (3,653), followed by the UK (2,714). The EU-27 total stood at 15,992 digital screens in 4,530 sites. All of the EU-27 countries now have at least six digital screens (Table 3.4).

DVD

- The UK has the largest DVD and Blu-ray market in Europe. In 2011, 303 million DVD and Blu-ray units were either rented or sold in the UK, 32.8% of the European total (of the 17 countries for which data are available). Germany had the second highest video market with 23% of the European total (Tables 4.2 and 4.4)
- Overall, the volume of DVD sales fell across Europe (over the 17 countries for which data are available) from 2009 to 2011 (at an average rate of 9.5%), compared with a fall of 10.7% in the USA. The largest percentage falls were seen in Austria (-24.1%), Spain (-20.1%), Italy (-17.8%) and Sweden (-17.1%) (Table 4.2)
- In comparison, the volume of Blu-ray sales has increased across Europe from 45.2 million units in 2010 to 56.9 million units in 2011 (Table 4.2)
- The volume of DVD rentals saw a fall across Europe from 2010 to 2011. The average rate of decline for Europe (over the 17 countries for which data are available) was 9.9% (compared with a 20.8% decrease in the USA) (Table 4.4)
- However, the volume of Blu-ray rentals has steadily risen across Europe from 2009 to 2011, increasing to 38.3 million units (Table 4.4)
- Ireland had the highest estimated penetration of DVD hardware in TV households in Europe (the 17 countries for which data are available) at 95.8% of households (followed by Italy with 94.6%). The corresponding percentage for the USA is 81.5%, which is the lower than Portugal, the country with seventh highest penetration in Europe (Table 4.5).

Film on TV

- The UK broadcast the most films on TV in 2009 (23,375 on 29 channels), followed by Germany (23,110 on 20 channels) and France (19,741 on 21 channels) (Table 5.1).
- The UK broadcast the highest number of UK films as a percentage of all films broadcast in that country (6.9%), followed by Ireland (5%), France (4.2%) and the Netherlands (3.8%).

List of Tables

- 1: Population, GDP and admissions, 2011
- 2: Market Indicators, EU-27 and USA 2011
- 3: Market Indicators, EU-27 countries compared in 2011
- 4: Number of feature-length films produced in Europe, USA and Japan, 2006-2011
- 5: Admissions in millions 2006-2010, EU-27 ranked by 2011 admissions
- 6: Top 20 films on release in Europe in 2010
- 7: Top 20 EU-27 films on release in Europe in 2010
- 8: Top 20 UK films released in Europe 2007-2010
- 9: Domestic production share of admissions in home market in 2009 and 2010
- 10: UK market share in selected EU-27 countries in 2011
- 11: EU-27 populations, screens and admissions, 2011
- 12: Average ticket price, EU-27 and USA, 2009 - 2011
- 13: Digital cinema screens in Europe, 2011
- 14: Retail DVD and Blu-ray market in Europe, 2009 – 2011
- 15: Rental DVD and Blu-ray market in Europe, 2009 - 2011
- 16: Estimated penetration of DVD and Blu-ray hardware in TV households in selected EU-27 countries, 2009 - 2011
- 17: Number of films broadcast on TV 2007-2009

Tables

Table 1: Population, GDP and admissions, 2011

Country	Population (million)	GDP (€ billion)	Admissions (million)	Admissions (Av. per person)
Austria	8.4	294.12	16.78	2.0
Belgium	11.0	362.48	22.80	2.1
Bulgaria	7.5	36.65	4.72	0.6
Cyprus	0.8	n/a	0.87	1.1
Czech Republic	10.5	151.78	10.79	1.0
Germany	81.8	2,551.05	129.60	1.6
Denmark	5.6	237.42	12.43	2.3
Estonia	1.3	15.40	2.47	1.8
Spain	46.2	1,058.79	98.34	2.1
Finland	5.4	183.70	7.10	1.3
France	65.0	1,970.15	216.63	3.6
UK	62.5	1,676.20	171.58	2.7
Greece	11.3	211.62	11.50	1.0
Hungary	10.0	98.70	9.50	1.0
Ireland	4.5	161.03	16.25	3.6
Italy	60.6	1,559.86	101.32	1.7
Lithuania	3.2	29.15	2.97	0.9
Luxembourg	0.5	40.89	1.28	2.7
Latvia	2.2	19.04	2.06	0.9
Malta	0.4	6.09	0.94	2.3
Netherlands	16.7	595.32	30.40	1.8
Poland	38.2	369.88	38.72	1.0
Portugal	10.6	169.82	15.70	1.5
Romania	21.4	127.10	7.24	0.3
Sweden	9.4	362.89	16.42	1.7
Slovenia	2.1	35.35	2.88	1.4
Slovakia	5.4	67.95	3.51	0.6
EU-27	502.5	12,453.60	964.11	1.9
USA	309.4	10,847.67	1,182.23	3.8

Sources: European Audiovisual Observatory, Screen Digest, Eurostat, US Census Bureau, EU-27 total and Malta admissions and admissions per person data are for 2010

Table 2 Market Indicators, EU-27 and USA 2011

	Population (million)	Admissions (million)	Box Office Gross (\$m)	Screens	Films produced 2011
EU-27	502.5	964.11	8,517.1	29,719	1,335
USA	309.4	1,182.23	9,276.9	39,641	817

Sources: Screen Digest (USA data and \$ box office), EAO (EU admissions, screens, films produced (all 2010 data)), US Census Bureau (USA pop), EU-27 box office from EAO (2012) data and converted to US\$ using average 2010 exchange rate