

**Basis Request CAB GABRIEL/691 - Meeting with Charles Rifkin, CEO of Motion
Picture Association (MPA)**

Input on Creative Europe - MEDIA

Scene Setter

The MPA is not really an organisation interested by Creative Europe as there is a requirement of being a national of any of the MEDIA member countries to be eligible for funding. It is thus unlikely that the programme is an issue they wish to discuss.

LTT

- if Creative Europe/MEDIA were to be mentioned, present the essential features of the new programme and stress that it will bring about added value in view of the profound changes in the audiovisual industry.
- Two aspects should be drawn to their attention
 - the strengthened link between AVMSD and MEDIA in order to support the implementation of the Directive, esp. the rules on promotion of European works
 - the Directory of European films: it would be useful to seize this opportunity to have an exchange on the Directory of European films, explain how it fits in the Commission policy to better promote European films and, possibly to ask if MPA could support this initiative

Suggested speaking points

- For the future financial framework 2021-2027, the Commission has proposed to maintain and strengthen both the Culture and MEDIA supports within Creative Europe. The total budget proposed is 1.850.000.000.00, which would be a total increase of 27% compared to existing budget.
- With the proposed budget (Up to € 1.081.000.000 for MEDIA -58%), MEDIA will maintain and even strengthen its support to essential activities that have proved their impact and added value such as the Europa Cinemas network, festivals, the development and distribution of audiovisual works and the training of audiovisual professionals.
- In addition, MEDIA will increase its support to subtitling, adapt its action on festivals and VOD to make it more efficient by supporting networks and, for the first time, **underpin the AVMS Directive** and especially the provisions on promotion, prominence and visibility of European works in order to better promote the European audiovisual industry.

- This means that MEDIA will be used to support tools assisting AVMS providers and Regulators when implementing the quota requirements and the obligation of prominence by AVMS providers, which should enable to ensure that the rules are properly implemented.
- Otherwise, as you know, the prototype of the Directory of European films will be presented by the European Audiovisual Observatory in the coming weeks. The purpose is to increase transparency on the online market and eventually to increase the visibility and audiences for European films.
- As an association representing the film and television industry, I would like to know if you could support such an initiative.

Background

MEDIA

The MEDIA Programme was launched 26 years ago. Until 2013, it was a standalone programme. In 2014, it became part of Creative Europe, which brought together MEDIA, Culture and MEDIA Mundus programmes and a new cross-sectorial strand involving all cultural and creative sectors. The current budget of the MEDIA Programme is coming to an end in 2020.

The Commission tabled the general MFF proposal on 2 May, which included an increase in the MEDIA budget. The new programme proposed still called Creative Europe will contain 3 strands: Culture, MEDIA and the cross-sectorial. The MEDIA and Cross-sectorial will be as follows:

MEDIA: €1.081 billion will fund audiovisual projects and stimulate competitiveness in the audiovisual sector in Europe. The MEDIA programme will continue to support the development, distribution and promotion of European films, TV programmes and video games. In the coming years, more money will be invested in the international promotion and distribution of European works and innovative storytelling, including virtual reality. An online directory of EU films will be created to reinforce the accessibility and visibility of European works.

CROSS-SECTORIAL: €160 million will fund SMEs and other organisations working in the cultural and creative sectors. The funding will also be used to promote cultural policy cooperation across the EU, to promote a free, diverse and pluralistic media environment, and to support qualitative journalism and media literacy.

The new Programme would be an evolution of the current one, in which the two general policy objectives of cultural diversity and competitiveness will remain essential. At the same time, to keep pace with the changes that are taking place in the audiovisual industry and with the Digital Single Market policies, the new Programme will have a stronger focus on the demand side and on promotion of European works. In order to maximise its impact, the new

Programme will also focus on a more limited number of projects and actions. MEDIA will also be made for flexible, in order to accommodate further cooperation across the value-chain.

Despite the current budgetary constraints, the Commission has increased the budget that will be allocated to MEDIA for the period 2021-2027, i.e. a total amount of €1.081 billion will fund audiovisual projects and stimulate competitiveness in the audiovisual sector in Europe.

Beyond the current MEDIA actions that will be maintained and modernised, some novelties deserve to be mentioned with the objective to better promote European works in a more and more competitive environment to accompany the Audiovisual Media Services Directive, as it will be amended in the near future.

As far as production is concerned, MEDIA will continue to support high-quality TV series and animation programmes, which represent a strategic area in terms of image and audience potential. At the same time, Europe will have to be innovative in storytelling to be able to be present in new media, whether with interactive content, "mobile first" or web-series and to supply new forms of content driven by technology like virtual reality. MEDIA will encourage the European industry to pioneer these new and strategic areas.

MEDIA will encourage European industry players creating and promoting works able to compete with major US productions to take the necessary risks to scale up. The competitiveness of the European industry is at stake.

To stand out and increase visibility of European content in a fiercely competitive and more and more borderless digital space, global and effective digital promotional strategies will need to be developed. MEDIA will thus give priority to coordinated distribution and promotion strategies across borders. For European films with clear export potential, promotional activities in key global markets such as the United States, Asia or Latin America will also be supported.

To increase efficiency of our action MEDIA will encourage partnership and networking. The Europa Cinemas network, which is one of the biggest successes of the program, will be extended, particularly in Central and Eastern Europe, with a view to covering more medium-sized cities.

To increase the capacity of European small enterprises and foster exchange of best practices, networking and collaboration will be encouraged also in other strategic sectors such as video-on-demand and festivals. ..

The repository of European films, an online that will provide transparency on the VoD market has received massive industry support in Cannes; it will continue to be supported under the future programme and should stimulate the emergence of new business models and online tools enabling automated management of rights and offering possibilities of access to European works, including in territories where they have not been distributed.

The European Film Directory

The **goal** of the online directory of European films is to lay the foundation for an adaptation of the ecosystem in order to **increase the presence and visibility of European films on VOD** and benefit from the growing online market.

The specific purpose of the Directory is to increase **transparency on the market**, especially on the countries and VOD services where European films are currently made available. It will contain **reliable and constantly updated data on European films and their availability online in the VOD services in the different Member States**.

It will be managed by the European Audiovisual Observatory (EAO) who will use data acquired from Ampere Analysis (private company) to feed the database. In addition, the EAO would also ask to receive data from all VOD services available in the EU: TVOD, SVOD, EST, either independent or belonging to broadcasters or telecom companies or platforms owned by global operators. The tool would allow:

- National authorities, including film funding agencies, to be better informed on the quality of the offer of European films online in their country and, potentially, to develop suitable policy measures to foster the visibility of European films benefiting from public support;
- professionals, e.g. producers, distributors or VOD services to adapt their activities and improve the presence of European works online, notably the attractive titles.

The project has received a **massive support during the Cannes film festival this year with a manifesto signed by a number of stakeholders**: EFADs, ARP, Fondazione Cineteca di Bologna, EuroVOD, CNC, EFA, Studio Canal, Bertelsmann, SAAfilmDoo & Fassoo, SACD, ARTE, Universciné BE, Film Fund BE(FR), Europa Distribution, Europa International. At the same time other associations of producers (CEPI, EPC, EuroCinema, FIAD, FIAPF, IVF) have shown a nuanced support through a joint declaration insisting on the need for the tool to work on a voluntary basis and to respect the freedom to contract and distribution agreements. They also draw attention to the fact that some tools and databases already exist such as the Lumiere database managed by the EAO and the Agorateka run by the EUIPO. While we have responded to these concerns at a stakeholder meeting held in Brussels on 16/07/18, this shows the need to continue to evangelise the sector.

Next steps: The EAO is currently building the repository. A first prototype will be presented at Lyon during the Lumiere Festival in October this year. The European film repository will then be launched by the end of 2019. In the meantime a beta version will be presented in June 2019.

How can stakeholder contribute during 2019 to the foundation of the Directory?

In 2019, we encourage all VOD services to join the Directory and help ensure that the data contained are reliable and constantly updated. Appropriate data flows will be put in place so that this does not generate a heavy workload for VOD services. Names of the partners accepting to provide their data will be displayed on the Directory. Services will be encouraged to partner with the EAO through the MEDIA support especially the support to VOD services.

What potential use of the Directory?

The Directory's primary immediate use is to be a reliable information tool on the availability of European films online.

This infrastructure will also be useful for AVMS providers and regulators in the context of the implementation of the AVMSD. In future data on other European works covered by the Directive will be added.

By relying also on the information voluntarily provided by stakeholders i.e. VOD services, the Directory may become a focal point of a community of VOD services who have to implement the provisions of the AVMSD on promotion of European works (prominence and quota requirements); this community may share knowledge and information on this subject;

How could this Directory be further developed?

The "community" aspect of the tool could be further enhanced, which would require a certain coordination and animation to be developed around the issue of promotion of European content online.

In addition, this infrastructure and the data could be reused for the development of new business online tool(s) such as B2C services offering access to the films searched. The Commission will support this development in particular through the MEDIA support in the frame of the new Creative Europe programme (2021-2027).

