COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 30.06.1995
COM(95) 149 final

95/0156 (CNS)

COMMUNICATION FROM THE COMMISSION

to the European Parliament and the Council
concerning a multi-annual Community programme
to stimulate the development of a European multimedia content industry
and to encourage the use of multimedia content in the emerging information society
(INFO2000)

Proposal for a
COUNCIL DECISION

adopting a multi-annual Community programme
to stimulate the development of a European multimedia content industry
and to encourage the use of multimedia content in the emerging information society
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(presented by the Commission)

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1a

TABLE OF CONTENT

1b

| 0. | DEFINITIONS |

WHAT DO WE MEAN BY CONTENT ?

Content is defined in this communication as data, text, sound, images or multimedia combinations thereof, represented in analogue or digital format on a variety of carriers such as paper, microfilm, magnetic or optical storage.

WHAT DO WE MEAN BY THE CONTENT INDUSTRY?

The *content industry* is involved in three main activities:

- creation
- development
- packaging and distribution of content-based products and services

The different **segments** of the industry are:

- print publishing (newspapers, books, magazines, corporate publishing)

- electronic publishing (on-line databases, videotex services, audiotex services, fax- and CD-based services, video games)

- the audiovisual industry (television, video, radio, audio and cinema).

The content industry is the single most important sector, both in terms of market value and employment, within the information industry at large, which includes the telecommunications equipment and services, computer systems and services, consumer electronics and office equipment industries.

WHAT IS THIS COMMUNICATION ABOUT?

The focus of this communication is on the transition from print to electronic publishing and on the interactive multimedia information services that are rapidly emerging.

This communication does **not** address those specific questions relating to the audiovisual industry, which are the subject of specific policy measures (Action plan for the introduction of advanced television services in Europe, MEDIA programmes and 'Television without frontiers' Council Directive). INFO2000 complements other Community programmes under the Fourth Framework Programme (especially IT, ACTS and TELEMATICS) and those addressing the cultural (RAPHAËL), SME (Integrated Programme in favour of SMEs and the Craft sector) and education and training (SOCRATES, LEONARDO) domains.

The content industry -- one of the key dimensions of the information society

The vision of a global networked economy and information society in which information and communication technologies and services play a crucial role in transforming all aspects of economic and social life is now at the heart of the global political agenda.

Content, in all its forms, is the vital raw material of the information society. This communication therefore deals with a key dimension of the European information society: the future development of the content industry in Europe.

The need for **political action** at European level to support Europe's transition to the information society has been widely recognised:

- in the **White Paper** "Growth, competitiveness, employment: the challenges and ways forward into the 21st century"

- in the **Bangemann report** "Europe and the global information society - Recommendations to the European Council"

- at the **Corfu and Essen Summits**

- in the **Commission's Action Plan** "Europe's Way to the Information Society"

- at the successful Brussels **G7 Conference** devoted to the information society.

The content industry is a **crucial sector** for the European economy and society, for at least three reasons:

1. It is important in terms of **employment**. It provides knowledge-intensive employment to over 2 million employees in Europe, realising a yearly turnover estimated at ECU 150 billion in 1994. The growth in this market is considerably above average growth rates and is set to remain so for years ahead.

2. Information services are key to improving the **competitiveness** of the European economy as information increasingly becomes a major factor in determining the efficiency and productivity of enterprises and administrations worldwide.

3. Information services are important carriers of Europe's **cultural identity** and **linguistic diversity**. The free flow of information supports the proper functioning of our democracies and, of course, the further development of the single market.

The content industry's role will become **even more vital in the future** because the expanding **information infrastructure** will fuel the demand for high quality, easily accessible and usable information services and will increase the opportunities for knowledge-intensive employment.

The key issue is whether the European content industries will succeed in exploiting the opportunities created by the emerging information highways.

Although basically strong and healthy, the European content industry faces some **comparative disadvantages**:

- Telecommunication costs in Europe are higher than in other parts of the world

- The European multimedia market lags behind the US by 3-5 years and remains fragmented through linguistic and cultural differences

- Trading of multimedia rights and access to and exploitation of Europe's public sector information are more complex than elsewhere in the world.

- Many content providers are nationally or regionally oriented, while the single market does not yet fully function in this domain.

Therefore, action is needed at the European level to mitigate these drawbacks. Europe must act quickly and vigorously to ensure favourable conditions for the development of its content industry and to foster its global competitiveness.

An integrated and co-ordinated approach at the European level

Important steps are already being undertaken by the Union to create the preconditions for a thriving content industry:

- The **liberalisation of telecommunications networks and services** by 1 January 1998 will facilitate the distribution of content and drive distribution costs down.

- A clear and stable **regulatory framework**, particularly in relation to intellectual property rights and privacy protection, will ensure protection of rights and people.

- **Research and Technological Development** (RTD) on applications of public interest is being supported in the Fourth Framework Programme.

To complement these actions, INFO2000 aims at stimulating the emerging multimedia content industry (a large part of which comprises small and often new enterprises) to recognise and exploit the new business opportunities that will be created. Its focus is on the transition from print to electronic publishing and on the interactive multimedia information services that are emerging.

The actions of INFO2000 take a dual approach: firstly, building on the **basic strengths** of Europe's content industry, and secondly addressing some of the **weaknesses** of the content industry and market in Europe.

To ensure that the actions fit into the **global context**, specific attention will be given to linking them to the recent Group of Seven (7 most industrialised nations - G7)

initiatives and to the relevant activities of international organisations such as the Organisation for Economic Co-operation and Development (OECD), the World Trade Organisation (WTO), World Intellectual Property Organisation (WIPO) and the Council of Europe.

2. THE NATURE OF THE CONTENT INDUSTRY AND MARKET

2.1. THE CHANGING BUSINESS ENVIRONMENT

Structural changes are taking place in the information industry with unprecedented speed:

- the rapid progress in the development of information and communication technologies (ICT)

- the continuing improvement in the performance and the reduction in prices of these technologies

- the development and increased availability of new applications

- the blurring of boundaries between historically distinct sectors of the content industry (like print publishing, electronic publishing, audiovisual) as content is increasingly produced in digital form.

These structural changes are having the following effects:

- *New players are entering the market*   New players, often from other parts of the information value-chain like distribution (telecom operators) or end-user access (computer, consumer electronics or software companies), are entering what used to be the exclusive domain of the content providers

- *High capacity distribution channels*   Broadband technology (high capacity 'pipelines' and ultra fast switches) and compression techniques (ability to 'squeeze' information in digital form) are turning previously scarce delivery channels into a commodity, soon to be in plentiful supply

- *Increased international competition*   Globalisation of electronic publishing market, coupled with deregulation, is increasing international competition in, up till now, mainly national or regional content markets

- *It is more difficult to protect intellectual property rights*   Protection of intellectual property rights - the main instrument to ensure fair rewards for those who create new content - is no longer self evident

- *More choice and more independence for the user*   Interactivity made possible

4

by producing or converting content into digital form (which can then be processed by a computer) and market segmentation increase the choice for the user and give him/her the ability to manipulate directly the information services that are offered.

The many take-overs, mergers, joint ventures and strategic alliances taking place, particularly in Europe and in the US, between the different communications and media-related businesses, are a clear proof of the changing environment the content industry will be facing in the years to come.

2.2. THE STRATEGIC IMPORTANCE OF THE CONTENT INDUSTRY

The importance of the content industry now and in the future can be illustrated by the scope and size of its employment, sales, value creation, and trade position.

Scope

Content-related activities cover a whole chain whereby value is added during the various steps in the process from source material to end-user. Creators, developers and packagers of the 'raw material' fuel the chain. Distributors provide the on- and off-line delivery mechanisms allowing end-user access by a variety of terminal devices and networks. The table on the next page illustrates this.

In addition, information is every business's second business. Different parts of the information value-chain can be found in other industrial sectors, since most economic or commercial activities involve the handling of information.

Employment and sales

The content industry is a big generator of revenue and jobs. Estimates of the content industry in the European Union suggest a 1994 turnover of around 150 BECU, employing over 2 million people. Content-related activities have historically generated growth rates in turnover and employment well above average for the overall EU economy.

The economic importance of the content industry within the EU can also be illustrated by comparing it with the 1994 sales and employment levels of some related sectors: telecommunications (133 BECU; 1.2 million full-time employees), information technology (113 BECU; 0.96 million full-time employees) and consumer electronics (43 BECU; 0.32 million full-time employees). Estimates for the US 1994 multimedia market at large value the content industry at US$ 255 Billion, as against the telecommunications sector at US$ 160 Billion and the information technology sector at US$ 151 Billion.

If the revenue and employment associated with information activities in other industry sectors are included in this analysis, content becomes an even more significant activity.

THE INFORMATION VALUE CHAIN

Shaded areas indicate the focus of INFO2000

ACTIVITY	SOURCE CREATION	CONTENT DEVELOPMENT	PACKAGING	DISTRIBUTION	END-USER ACCESS	*EFFECTS OF USE*
	——>——	———>———	———>———	——>——	——>——	
ACTORS e.g.	Programmers Photographers Actors Musicians Authors Animators	Editors Designers Directors Project managers Database producers	CD-ROM/CD-I producers Print publishers TV producers Multimedia companies Database service providers	Retail outlets Subscription agencies Museums / Libraries Cable operators Telecom operators Broadcasters Satellite operators	Researchers SMEs Professionals Public sector Education and Training sector Consumers Citizens	*Industry Commerce Administration Services Education and training Consumers Citizens*
OBJECTS e.g.	Images Text Graphics Music Sound Code Statistics	Databases Electronic book titles CD-ROM titles CD-I titles Game titles Interactive TV programmes	Books Newspapers Magazines Electronic books CD-ROM/CD-I products On-line database services Interactive TV services	Magnetic media Optical media Cable networks Telephone networks Mobile networks Satellite networks Paper	Game consoles Set-top boxes PCs TVs Fax Mobile terminals	*Growth Competitiveness Employment Better lifestyle Better public service Better education*
VALUE ADDED SHARE TREND	~48% UP			~38% DOWN	~14% CONSTANT	*N.A. UP*

6

Value creation

Content accounts for a major share of the total value added generated in the information value chain. Some private strategic studies estimate that at present the share of content in the total value added is around 48%. Distribution activities and end-user equipment generate some 38% and 14% respectively of total value added.

Due to increased competition and capacity in the distribution sector and wider availability of distribution channels and delivery platforms, the relative share of content in the information value chain is expected to grow even further. Recent market trends and various studies support this expectation.

Trade position

The trading position of the European content industry is variable and contrasts with the trading position of the IT and consumer electronics sector:

- The **audiovisual sector**, although strong in some areas such as music, has a **negative** and deteriorating trade balance overall, estimated at -3.1 BECU with the US for 1994. The problems of the audiovisual sector have a marked structural component, which is receiving growing attention and is the subject of a separate communication.[1]

- The **computer and office equipment and consumer electronics sectors** have significant and growing **negative** trade balances, evolving from -8.8 BECU in 1983 to -26 BECU in 1993.

- The traditional European **publishing industry** has a positive and improving trade balance with the rest of the world, growing from 1.2 BECU in 1983 to 2.1 BECU in 1993. The strong trading position in publishing has to be built upon, especially as print publishing in its present form will be among the key sectors affected by the move towards electronic publishing.

- An active policy as proposed in the INFO2000 programme is all the more important because many indicators show that, within specific segments of the emerging **electronic publishing markets**, Europe's position is weakening.

2.3. EUROPE'S COMPETITIVE POSITION

The European Union's content sector possesses many strengths:

- overall **market size** and population
- the presence of **world-ranking** information and media **conglomerates**
- a long-established **publishing tradition**

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[1] COM(94)523 of 8 February 1995 'Audiovisual Policy. Stimulating dynamic growth in the European programme industry (MEDIA2 1996-2000)'

7

- a rich content base
- large established markets in key industrial sectors
- a rich cultural and linguistic diversity.

But, as said before (page 3), it also suffers from important weaknesses:

- more fragmented markets along cultural, linguistic and national lines
- more expensive telecommunication services, particularly transnational
- more difficult access to and exploitation of public sector information
- substantially lower demand for advanced information services
- most content providers are nationally or regionally oriented.

Considering Europe's competitive position in terms of electronic publishing and infrastructure in the global context, it is vital that the position of European content providers be strengthened. Action must be focused on:

- stimulating the necessary structural adjustments of the industry
- mobilising demand, particularly at the European level
- exploiting the full potential of the single market.

THE EU AND THE US COMPARED

Revenues In 1994 revenues of the US electronic information sector were more than two and a half times the revenues of EU-based companies.

Equipment The US is considerably ahead in terms of the penetration of information technology equipment such as cable TV, personal computers (PCs) and modems (for linking PCs to telecommunications networks).

Tariffs High tariffs for the use of infrastructure inevitably have a negative impact on the use and development of multimedia content. Tariffs for high capacity infrastructure in the EU are on average 10 times higher than for equivalent capacity over equivalent distances in North America.

Telephone use The number of telephone calls per person per year in the EU is just over a quarter of those in the US, even though a similar number of people have phones.

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3. THE WAY FORWARD

3.1A OBJECTIVES

The proposed actions serve **three long-term strategic objectives** (see box below). These objectives aim at maintaining, extending and exploiting Europe's strength in content whilst narrowing the gap with our competitors. They are designed to encourage an integrated development across the European Union.

3.1B   ACTIONS

In working towards the objectives of INFO2000, the weaknesses indicated above will be tackled in an integrated and co-ordinated manner, along **three action lines** (see box below). These actions aim at accelerating market uptake of multimedia products and services; at unleashing the economic and cultural potential of public sector information; and at strengthening the international and pan-European dimension of the emerging European multimedia content industry. They are described in detail in Annex 1 to the Council Decision establishing INFO2000 and summarised in Annex 1 to this Communication.

3.2.   ADDRESSING OBSTACLES TO GROWTH

The European content industry is faced with a number of obstacles to growth that prevent it from quickly realising the critical mass necessary to compete on equal terms in the newly emerging multimedia markets.

These obstacles need to be addressed by actions both at national and European level if Europe is to expand its content industries, to exploit its richness of content and to face international competition. It are these remaining barriers that will be addressed by the proposed action lines as indicated below.

Stimulating demand and raising awareness

The variety of Europe's cultural and linguistic traditions makes economies of scope and scale (economies made through being able to address a large single market with

customised products) difficult to achieve and constrain product development. In addition, many surveys point to a limited awareness of content available to users across Europe. The aim here is to create new markets and to encourage clusters of pan-, European users.

Awareness-raising initiatives (action 1.1) are needed to develop further the opportunities, as are actions to favour the development of pan-European user groups (action 1.2). In addition, a common approach to information service interoperability (action 4.2) will help to open up market potential.

Exploiting Europe's public sector information

The public sector holds a dominant position in some segments of the European content market.

The actions proposed involve unleashing the economic and cultural potential of Europe's public sector information by developing relevant EU policies (action 2.1), by linking directories of European public sector information (action 2.2) and by making use of content resources in the public sector (action 2.3).

Triggering European multimedia potential

The provision of attractive European multimedia content is still in its infancy. For this market to take off the content must be attractive to the user, i.e. easy to access, well presented and with adequate transaction and payment mechanisms. Solutions for electronic advertising, electronic markets and digital revenue collection mechanisms need to be identified, evaluated and encouraged at the European level.

Three areas of specific importance to Europe to stimulate the development of attractive multimedia content are the exploitation of Europe's cultural heritage, business services for SMEs, and geographic information (action 3.1). Also actions aimed at making use of content resources in the public sector (action 2.3) will further contribute to providing an attractive pan-European multimedia content package.

Encouraging small multimedia producers

Although large enterprises play an important role in the content industries, the great majority of actors are small and medium sized enterprises (SMEs).

Most of the actions foreseen seek to encourage SMEs to overcome some of the problems of the emerging multimedia market. However, the actions aiming at catalysing high quality European multimedia content (action 3.1) and at facilitating trading in multimedia rights (action 3.2) are particularly relevant.

Initiating European multimedia trading systems

The licensing and re-use of content is constrained by a lack of uniformity of approach between media types, in different regions and in different markets. New digital

technology is only slowly being deployed to expand information trading markets.

Action is needed to ensure that multimedia trading systems can work across national and sectoral borders and to encourage intellectual property owners to trade multimedia rights. The actions foreseen aim at favouring a practical approach to this trading of multimedia intellectual property rights (action 3.2).

Promoting new business practices

The newly emerging multimedia markets are often transnational in nature and require new business approaches cutting across what used to be distinct business sectors.

New alliances and multidisciplinary teams will be increasingly required. For many actors in the content industry this means that new forms of creativity will have to be explored, new skills acquired, and new ways of conducting business implemented.

The changes and adjustments need to take place rapidly and be supported by developing and exchanging best business practice to encourage entrepreneurship (action 3.3) and by encouraging skills development (action 4.3).

3.3. PARTICIPANTS

Participants will be drawn from both users and suppliers in primarily content-related activities in the information value chain. They will include those involved in:

- source material creation of images, text, graphics, music, sound

- content development for databases, electronic book titles, CD-ROM/CD-I titles, game titles, and interactive TV programmes

- content packaging, producing information services such as on-line databases, videotex-, audiotex- and fax-based services, books, newspapers, magazines, interactive TV services, electronic books, CD-ROM/CD-I information and infotainment products, etc.

- content distribution, exploiting delivery channels such as optical and magnetic media, cable, satellite, and telephone networks, mobile networks, and paper

- end-users such as large and small businesses, public sector administrations, professionals, researchers, the education and training sector, consumers and citizens. Particular attention will also be given to those end-users who will see their roles evolving into suppliers of information services, as part of the move towards electronic markets and communities.

Those involved in end-user equipment, communications software and hardware and production tools will be invited to participate on the basis of the specific contributions that they can make to the programme.

Although large corporations will be important players in the global information market, they are not the main target for the programme actions. The emerging multimedia market potentially creates a broad range of opportunities for small and new enterprises. It is particularly this population and its inherent growth potential, in terms of both jobs and revenue, that INFO2000 is targeting.

Distinctions between roles in the content industry are, however, blurring. An increasingly wide range of actors from an ever broader group of sectors is becoming involved in exchanging and trading content over electronic networks. It is important that this whole range of experience be included in the programme if obstacles to growth are to be properly identified and appropriate action taken.

3.4. SELECTION OF PROJECTS

The main vehicle for the implementation of the INFO2000 programme will consist of Calls for Proposals as described in Annex III to the Council Decision.

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4. CONCLUDING REMARKS

The role of the private sector   Building the information society and its constituent elements (networks, basic services, applications, content) is first and foremost the responsibility of the private sector. Its role is crucial because its protagonists are accustomed to risk-taking, have extensive experience in exploring and developing new markets and are a valuable source of capital.

The role of the public sector   Nevertheless, the public sector role is essential in supporting the emergence of the information society at global, European, national and regional levels. Firstly, by developing a vision that responds to the many social, societal and cultural challenges. Secondly, by creating the appropriate regulatory conditions through the liberalisation of telecommunications networks and services and a clear and stable regulatory framework, particularly in relation to intellectual property rights and privacy protection. And thirdly by catalysing the changes needed to adapt to the new situation.

The actions proposed above aim at encouraging the transformation from print to electronic publishing in Europe and at stimulating the emergence of interactive multimedia information services.

The programme is based on extensive consultations with market actors, including user groups, and with representatives of the Member States. It seeks to ensure the greatest possible involvement of all relevant actors in the information value chain.

During the programme, the development of the European multimedia content market will be regularly monitored. Particular attention will be given to the competitive position of the multimedia content industry and its contribution to employment, social development and cultural diversity.

ANNEX 1: SUMMARY OF INFO2000 ACTIONS

#	TITLE	DESCRIPTION	JUSTIFICATION
1	Stimulating demand and raising awareness		
1.1	Creating new markets by raising awareness at the European level with specific user groups	Call for proposals for participating organisations (30-50) to: - Facilitate access to European wide repositories and catalogues - Demonstrate access to the European information highways - Support awareness campaigns and user training	Awareness and promotion are an important dimension of information society policy actions. Activities will: - Add a European dimension to national/regional activities - Support know-how/experience exchange - Facilitate co-operation in joint projects to achieve economies of scale and European-wide coverage - Build on previous experience and co-operation with other networks
1.2	Encouraging clusters of pan-European users	- Studies to analyse current situation - Start-up incentives for creation and functioning of clusters of pan-European users - Stimuli for co-operation and exchange of experience	- Lack of a well-articulated and organised demand-side at European level because of dispersion of users - Common European user problems for instance in relation to quality assurance or liability questions need addressing - European user groups are lacking in the multimedia content sector

#	TITLE	DESCRIPTION	JUSTIFICATION
2	Exploiting Europe's public sector information		
2.1	Developing policies to access and exploit European public sector information	- Studies to prepare a Green paper on access policies	- Co-ordination of access conditions for individuals and businesses across the Union - Co-ordination of conditions for re-use of content for businesses across the Union - Provision of equal opportunities for all individuals and businesses to access public sector information in the EU
2.2	Linking directories of European public sector information	Call for proposals for: - Pilot projects that interconnect existing national and regional directories of public sector information - Pilot projects for collaborative production of new directories of public sector information	- Demonstration of practical solutions to make European public sector information easily accessible to users in the EU - Co-ordination and EU-wide co-operation
2.3	Making use of content resources in the public sector (particularly in the cultural area)	Call for proposals for: - pilot projects for the networking of inventories to exploit the digital content resources in the public sector - pilot projects that integrate digital inventories with intellectual property trading systems	- Strengthening the European content sector by providing easier access to and transparency of content resources across Member States - Strengthening Europe's cultural identity - Stimulating co-operation and experience exchange at European level

#	TITLE	DESCRIPTION	JUSTIFICATION
3	Triggering European multimedia potential		
3.1	Catalysing high quality European multimedia content	Call for proposals to support the initial and precommercial phases of pan-European multimedia content development in the domains of: - European cultural heritage - Business services for SMEs - Geographic Information	- Multimedia content developers (mainly SMEs and new companies) have difficulty in exploiting the single market - Partner finding, acquisition of rights, multilinguicity, multicultural aspects, etc. are particularly problematic
3.2	Trading multimedia intellectual property rights	- Call for proposals to support pilot projects that lay the foundations for trading multimedia rights across sectors (text, sound, images) and across borders electronically - Studies to determine how different existing trading systems for intellectual property rights can work together - Development of practical tools that help SMEs in trading IPRs	- Management of rights presently dispersed by sector and by country - A new approach is necessary for multimedia trading on a pan-European scale - Critical mass is a vital element in creating a true European multimedia market
3.3	Developing and exchanging best business practice	- Support to descriptions of best business practice, e.g. studies, manuals - Support to diffusion of best business practice, e.g. workshops, seminars	- Normal business rules of sectors in the content industry do not apply to multimedia - Common development of best practice and experience exchange stimulate development of multimedia content industry

#	TITLE	DESCRIPTION	JUSTIFICATION
4	Support actions		
4.1	Observing and analysing the multimedia content market	Support to: - scenario development - quality assurance actions - market monitoring - strategic studies in specific areas - concertation meetings with relevant players (suppliers, users, administrations) to identify key issues affecting the multimedia content industry	- Multimedia content industry largely composed of SMEs - Global and international markets rapidly changing - SMEs lack resources for such critical activities - Programme actions need to remain rooted in reality
4.2	Spreading the use of multimedia content standards	- Support to actions that raise awareness of multimedia content standards - Support will be given to consensus building (workshops, etc.)	- Lack of interoperability and standardisation are obstacles to development of the multimedia content market
4.3	Encouraging skills development at European level	- Support to develop pilot courses for multimedia developers - Full implementation in Community education and training programmes (LEONARDO and SOCRATES)	- Adequate skills a key element for high quality multimedia titles - Interdisciplinary approach necessary (text, sound, video, stills, animation) - European dimension (mutilinguicity, multicultural) needs to be incorporated at the design stage

ANNEX 2: List of Acronyms/Abbreviations

ACTS	RTD in the field of Advanced Communication Technologies and Services
BECU	Billion ECU
CD	Compact Disk
CD-I	Compact Disk Interactive
CD-ROM	Compact Disk Read Only Memory
G7	Group of Seven Most Industrialised Nations
ICT	Information and Communication Technology
IMPACT	Information Market Policy Actions
IT	Technological Development in the field of Information Technologies
LEONARDO	Vocational training programme
MECU	Million ECU
MEDIA II	Audiovisual Policy: Stimulating dynamic growth in the European programme industry
OECD	Organisation for Economic Co-operation and Development
PC	Personal Computer
RAPHAËL	Community action programme in the field of cultural heritage
RTD	Research and Technological Development
SME	Small or Medium Sized Enterprise
SOCRATES	Community education programme
TELEMATICS	RTD in the field of Telematics Applications
WIPO	World Intellectual Property Organisation
WTO	World Trade Organisation

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18

Proposal for a Council Decision adopting a multi-annual Community programme to stimulate the development of a European multimedia content industry and to encourage the use of multimedia content in the emerging information society (INFO2000)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 130 paragraph 3 thereof,

Having regard to the proposal from the Commission [1],

Having regard to the opinion of the European Parliament [2],

Having regard to the opinion of the Economic and Social Committee [3],

Whereas the European content industry can make a significant contribution to the stimulation of growth, to the strengthening of competitiveness and to the development of employment in the Community, as indicated in the White Paper on "Growth, competitiveness, employment - The challenges and ways forward into the 21st century" [4];

Whereas the European Council at Brussels on 10-11 December 1993 decided, on the basis of that White Paper, to implement an action plan, consisting of concrete measures at both Union and Member States level, notably with respect to information infrastructures and new applications, for which new content is required;

Whereas the European Council at Corfu on 24-25 June 1994 took note of the Recommendations of the High Level Group on the information society as presented in the report "Europe and the global information society" [5]; and underlined that the Community and Member States have an important role to play in bringing about the information society by giving political impetus, by creating a clear and stable regulatory and legal framework and by setting an example in areas which come under

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[1] OJ N°.
[2] OJ N°.
[3] OJ N°.
[4] 'Growth, competitiveness, employment - The challenges and ways forward into the 21st century' COM(93)700 final of 5.12.1993, Chapter 5A 'The information society'.
[5] 'Europe and the global information society - Recommendations to the European Council', Brussels, 26 May 1994.

19

their aegis;

Whereas the Commission's action plan " Europe's Way to the Information Society - An Action Plan" [6] recognises the importance of content and stipulates that the Commission will propose ways to stimulate the creation of favourable conditions for content providers to adapt their skills and products to the new multimedia environment and to stimulate increased usage of new information services;

Whereas the Council on 28 September 1994 [7] underlined the particular urgency of the need to enhance the global competitiveness of the European content industry, taking account of the cultural diversity and of the impact of these products on society;

Whereas the European Council at Essen on 9-10 December 1994 underlined the importance of content in bringing about the information society;

Whereas the Council Resolution on Culture and Multimedia [8] on 3-4 April 1995 underlined the importance of multimedia for facilitating the development of the content industry and improving access of citizens to cultural heritage, as well as the catalysing role of Member States and the Union in the creation, production and distribution of high quality cultural multimedia programmes;

Whereas the three long-term strategic objectives of the Union's content policy shall be to facilitate the development of the European content industry; to optimise the contribution of new information services to growth, competitiveness and employment in Europe; and to maximise the contribution of advanced information services to the professional, social and cultural development of the citizens of Europe;

Whereas there are numerous barriers to the development of a European multimedia content industry and market, which are hindering the transition towards an information society;

Whereas the Community needs to build on the strong competitive position it has in some content sectors and whereas its competitive position needs to be strengthened in other content sectors;

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[6] COM(94)347 final of 19 July 1994 ' Europe's Way to the Information Society - An Action Plan'.
[7] Conclusions of the 1787th Council meeting 9561/94 (Press 197), 28 September 1994.
[8] Audiovisual/Culture Council session nr 1841 of 3-4 April 1995, Council document 6072/95 of 24 March 1995

Whereas the needs of users of information services, particularly in small and medium-sized enterprises and in the less favoured regions of the Community, merit special attention;

Whereas provision should be made for measures to encourage the participation of small and medium-sized enterprises (SMEs) in this programme;

Whereas the different rates of development in the provision and use of information services in the Member States deserve special consideration, having regard to the internal cohesion of the Community and the risks associated with a two-tier information society;

Whereas policy actions under this programme aiming at strengthening the position of the European content industry will be complementary to other content actions, particularly those related to the audiovisual sector [9];

Whereas any content policy actions must be complementary to other ongoing national and Community initiatives, as outlined notably in the Commission's action plan "Europe's Way to the Information Society - An Action Plan", and shall be performed in synergy with the Commission's education [10], training [11], RTD [12] and SME [13] policies and initiatives;

Whereas progress of this programme should be continuously and systematically monitored with a view to adapting it, where appropriate, to developments in the multimedia content market; whereas in due course there should be an independent evaluation of the progress of the programme so as to provide the background information needed in order to determine the objectives for subsequent content policy actions; whereas at the end of this programme there shall be a final evaluation of results obtained compared with the objectives set out in this Decision;

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[9] Council Decision 93/424/EEC of 22 July 1993 on an action plan for the introduction of advanced television services in Europe; COM(94)523 of 8 February 1995 'Politique Audio-visuelle. Créer un environnement favorable à l'essor des entreprises de l'industrie européenne des programmes (MEDIA2 1996-2000)'; Council Directive 89/552/EEC of 3 October 1989 'Television without frontiers' (OJ N° L 298, 17.10.1989, p.15).

[10] COM(93) 708 final of 3 February 1994.

[11] Council Decision of 6 December 1994 (OJ N° L 340, 29.12.1994, p.8).

[12] Fourth Framework Programme of the European Community activities in the field of research and technological development and demonstration (1994 to 1998), adopted by the Decision N° 1110/94/EC of the European Parliament and of the Council of 26 April 1994 (OJ N° L 126, 18.5.1994, p.1).

[13] COM(94) 207 final of 3 June 1994

2/

Whereas the actions in this programme will not in any way prejudice the competition rules of the Community;

Whereas it may be appropriate to engage in international co-operation activities with international organisations and third countries for the purpose of implementing this programme;

Whereas it is necessary to fix the duration of the programme;

HAS ADOPTED THIS DECISION :

Article 1

A programme is hereby adopted with the following objectives:

- Stimulate demand for, and use of, multimedia content,
- Create favourable conditions for the development of the European multimedia content industry,
- Contribute to the professional, social and cultural development of the citizens of Europe.

Article 2

In order to attain the objectives referred to in Article 1, the following actions shall be undertaken under the guidance of the Commission, in accordance with the action lines in Annex I and the detailed implementation arrangements set out in Annex III:

- stimulating demand and raising awareness,
- exploiting Europe's public sector information,
- triggering European multimedia potential,
- support actions.

Article 3

The programme shall cover a period of four years from 1 January 1996 to 31 December 1999.

Article 4

1. The Commission shall be responsible for the implementation of the programme.

2. The procedure laid down in Article 5 shall apply to:

- the work programme,
- the breakdown of the budgetary expenditure,
- the content of calls for proposals,
- the measures for programme evaluation,
- any departure from the rules set out in Annex III,
- participation in any project by legal entities from third countries and international organisations.

Article 5

1. The Commission shall be assisted by a committee of an advisory nature composed of the representatives of the Member States and chaired by the representative of the Commission.

2. The Commission representative shall submit to the committee a draft of measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter concerned, if necessary by taking a vote.

3. The opinion shall be recorded in the minutes; in addition, each Member State shall have the right to ask to have its position recorded in the minutes.

4. The Commission shall take the utmost account of the opinion delivered by the committee. It shall inform the committee of the manner in which its opinion has been taken into account.

Article 6

At the mid-term and at the end of the programme, the Commission shall submit to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, once the committee referred to in Article 5 has examined it,

an evaluation report drawn up by independent experts on the results obtained in implementing the action lines referred to in Article 2. The Commission may present, on the basis of those results, proposals for adjusting the orientation of the programme.

Article 7

Participation in this programme may be open, normally without financial support by the Community, to legal entities established in third countries and to international organisations, where such participation contributes effectively to the implementation of the programme and taking into account the principle of mutual benefit.

Article 8

This Decision is addressed to the Member States.

Done at Brussels,   For the Council
                                                     The President

ANNEX I

ACTION LINES FOR INFO2000

ACTION LINE 1: Stimulating demand and raising awareness

Lack of awareness of the potential of the new multimedia information products and services is an important factor constraining demand. This action line contributes to redressing that situation by adding a European dimension to awareness and user-group activities taking place at the national or regional level. Specific attention will be given to favouring demand development in less-favoured and peripheral regions of the Union.

1.1. Creating new markets by raising awareness at the European level with specific user groups

Under the IMPACT programme a network of organisations in the Member States has been created that have a responsibility for conducting awareness and information campaigns in relation to new information services. In different Member States this role is performed by different organisations like chambers of commerce, professional organisations or public bodies. By working in a European network these organisations are able to add a European dimension to their activities.

Under INFO2000 this successful formula will be continued and extended. The involvement of the Community in the network as a catalyst and a co-ordinator adds value to the individual activities and puts these activities in a clear European context. Apart from financial support for specific activities with a European dimension the Commission will encourage the exchange of know-how and experience, the use of common communication and information facilities, and co-operation between the various organisations in joint projects.

The organisations in the network will perform the following tasks:

- provide access to information collections and catalogues across the European Union;
- demonstrate and facilitate access to the European information highways;
- advise users on the possible sources for satisfying their multimedia content needs, both nationally and internationally;
- organise co-ordinated European awareness campaigns at the national or regional level;
- stimulate the training of users.

The main target groups for the actions will be small and medium-sized companies and libraries. The actual selection of specific target groups will be left to the national and

regional organisations concerned, since they are closest to the target groups.

Following a call for proposals a total of 30 to 50 organisations will be selected to participate in the network. Selection criteria will include knowledge of the local information market, affinity with the target groups foreseen and readiness to work in a European network. Actions which aim to stimulate women's interests in new information services are encouraged.

The network will co-operate with other relevant national organisations. It will liaise closely with other EU supported bodies and networks that have a complementary mission, such as the Information Society Project Office (ISPO), the European Information Centres (EICs), the Business Co-operation Network (BC-NET), the Value Relay Centres and the University Enterprise Training Partnerships (UETPs). Organisations from these networks could be selected in the call for proposals. Efforts will be made to avoid parallel or overlapping networks. Synergy and spin-offs will be sought with other awareness activities performed under the 4th Framework research programme such as the Advanced Communication Technologies and Services and Telematics applications programmes.

1.2. Encouraging clusters of pan-European users

A flourishing demand side is important for the development of a healthy market for advanced information products and services such as multimedia. In view of the rapid changes taking place in the information market, regular dialogue between suppliers and users can smooth the transition process. In general the supply side tends to be better organised than the user side, both at the national and at the European level. In two of the three sectors that compose the multimedia industry - information technology and telecommunications - the user side is increasingly organising itself both at the national and at the European level.

In the third sector of the multimedia industry - the content industry - the demand side is much less organised and is fragmented. Historically, the relationship between the content providers and the users has been indirect, i.e. through intermediaries. However, under the influence of the new communication networks this situation is changing. The need to develop direct relations between suppliers and users is increasingly being felt in the content sector also. At the national level, professional organisations and industry sector organisations are beginning to address the issue. However, for a successful development of the European multimedia content market it is important that groupings of users also emerge at the European level.

The actions foreseen under INFO2000 aim to stimulate this process by providing incentives for co-operation and exchange of experience between national user groups, thereby encouraging the emergence of European groupings. Specific measures will be tailored to address key user problems, for example quality assurance and questions of liability. The network of awareness organisations will be used to analyse the situation in individual Member States and will play a catalytic role in bringing about pan-European user groups.

26

ACTION LINE 2:   Exploiting Europe's public sector information

Europe's public sector information is a hidden resource to be exploited. The public sector collects and produces vast amounts of information, much of which is of interest to individuals and businesses, and which can be the raw material for value-added information services produced by the private sector content industry. Official statistical services either at regional, national or European level are an example.

Three sets of actions will be particularly helpful in supporting this public sector role and in exploiting its potential at European level:

* developing policies to access and exploit public sector information,
* linking directories of European public sector information,
* making use of content resources in the public sector.

Particular attention will be given to improving access from the peripheral regions of the Union.

2.1.   Developing policies to access and exploit European public sector information

In the Member States, rules for access to public sector information are very different or in some cases do not exist at all. As the transition to the information society progresses, this situation could become a barrier to full participation by individuals and businesses across Europe and may become the cause of unevenly distributed opportunities. Therefore, initiatives need to be taken at the European level to develop policies which facilitate access to and exploitation of public sector held information, in particular as regards information resources of European interest.

The Commission will produce, in close collaboration with Member States and market actors, a Green Paper analysing the situation in the different Member States, the relative position of the EU in a global context and the various possibilities for convergence of national approaches. To lay the foundations for this Green Paper, studies comparing national situations will be undertaken and exchanges of national experience will be encouraged.

2.2.   Linking directories of European public sector information

In a number of Member States practical initiatives are being taken to improve access to public sector information. In the European information society it must be ensured that the relevant public sector information becomes more easily accessible to all European individuals and businesses that may have an interest in such information.

The Commission will support initiatives to produce directories of European public sector information to a common format, so that they can be interlinked and easily accessed from any point in Europe.

Following a call for proposals, pilot projects for the production of information directories that incorporate the above characteristics will be supported. These pilot

projects may address the transnational interconnection of existing national or regional information directories as well as the collaborative production of new directories. Pilot projects based on public/private partnerships and applying multilingual solutions will be particularly encouraged.

2.3. Making use of content resources in the public sector

Europe is blessed with a rich stock of what might be called "information collections" under public sector control, for instance in museums, libraries, copyright and patent deposit systems, educational and training bodies, historical archives and architectural and industrial objects. These information collections need to be exploited if Europe is to build on these cultural and economic assets commercially and if Europe is to realise the potential of advanced technologies in support of public sector services. They are central to the Union's strength in the global information society and their commercial and strategic potential has already been underlined by a series of deals transferring control over some of them to private companies, not all of which have been European.

Most of these information collections are still in analogue form but they are increasingly being digitised. The INFO2000 programme aims at mobilising these digital collections for exploitation by the private sector.

To this end the Commission will support the creation of European inventories of digital information collections and stimulate their interconnection across the EU. This involves defining a common standard format for such inventories as well as integrating them with intellectual property rights trading systems. Support for the creation of inventories and their integration with intellectual property rights trading systems will be provided on the basis of calls for proposals. Related standards and specifications will be developed through studies and through task groups composed of the actors involved.

ACTION LINE 3:   Triggering European multimedia potential

The transition from "scribe to screen" is rapidly and fundamentally changing the structure of the content industry and the roles of the different players within it. Internationalisation and multimedia are key words in this respect. Content itself and new ways of creating, packaging, distributing and marketing it are increasingly becoming the key drivers behind these changes.

Coping with these changes and exploiting the opportunities that emerge is primarily the responsibility of the industries concerned. However, apart from a limited number of large corporations that operate on a global scale, the present day content sector in Europe is mainly made up of small and medium size companies. These have difficulty in dealing with a rapidly developing international multimedia market and the speed with which the changes take place. In addition the initial cost of producing high quality multimedia titles is high and the European market fragmented through cultural and linguistic barriers. The critical mass needed to recoup initial investments is therefore much more difficult to reach.

28

This puts European multimedia publishers, traditionally used to operating in a national or regional setting, at a disadvantage compared with their competitors from other parts of the world. Exploitation of the single market potential will become vital for global competitiveness.

This action line aims at mitigating these comparative disadvantages for European producers in the emerging multimedia market by:

- catalysing high quality European multimedia content
- favouring a practical approach to trading multimedia rights
- developing and exchanging best business practice

3.1 Catalysing high quality European multimedia content

The production of high quality European multimedia content will be stimulated in three strategic areas: economic exploitation of Europe's cultural heritage, business services for SMEs, and geographic information. Under the IMPACT programme pilot actions in these areas have illustrated the problems connected with a pan-European approach and have laid the foundations for further actions under INFO2000.

Multilingual interactive multimedia products can build on the wealth of available European content, while overcoming language barriers and other limitations of national and regional markets. Apart from the economic benefits, strong European business activity in this area is likely to contribute to the safeguarding of cultural identity and linguistic diversity. It will also increase the public's understanding of European cultural diversity across the Member States and regions.

In the areas indicated above - European cultural heritage, business services for SMEs and geographic information - calls for proposals will be launched to provide support to the initial and pre-commercial phases of pan-European multimedia content developments. The support given should help the companies concerned overcome the specific barriers with respect to multilingual and multicultural (re)use of content and to trans-national co-operation. These initial phases would include product definition, partner identification, cross-licensing negotiation, planning of co-operative distribution etc. up to and including the production of a prototype.

Support will be given to projects that demonstrate the feasibility of a trans-European multilingual and multicultural approach, contain a risk element, exert a strong catalytic effect on the market and imply substantial user involvement. Special add-on incentives can be provided to encourage participation by small and medium sized companies and organisations from less favoured and peripheral regions.

The calls for proposals will be co-ordinated closely with the Community programmes RAPHAËL and the Integrated Programme in favour of SMEs and the craft sector, as well as with the sectoral policy actions in the areas of Trade, Tourism and Social Economics.

29

3.2. Trading multimedia intellectual property rights

Historically, the management of rights is organised by sector (text, sound, image, video etc.) and by country. With the dawning of the multimedia age this situation is increasingly becoming a barrier to the development of multimedia content markets, as the time and effort that has to be spent on identifying and acquiring the different rights increases steeply with the number of data types involved and the number of countries where right holders are located. Small companies and new media start-ups suffer most from the present system as they may wish to re-use existing material.

The development of pan-European multimedia content often requires input from various Member States. Effective and efficient mechanisms for trading multimedia rights at the European level are therefore essential for the development of the European multimedia content industry.

A call for proposals will be launched inviting proposals for pilot projects that lay the foundations for cross-border trading of multimedia rights electronically. In addition, studies will be launched to determine how different intellectual property rights trading systems for multimedia in Europe can work together. As an aid to small and medium sized companies practical tools will be developed on best practices to acquire, exploit and protect multimedia rights. The actions will build on the relevant research and technological development activities under the Fourth Framework Programme.

Although the difficulty of reaching consensus should not be underestimated, in the longer term, harmonisation and rationalisation of legal requirements may be necessary.

3.3. Developing and exchanging best practice

Actions will be supported that aim at developing and exchanging best business practice in the multimedia content industry at the European level. Such actions will include descriptions of business processes and models relevant to the content industry, such as procedures for intellectual property acquisition and content asset valuation and management, and exchange of experiences with multimedia consumer panels to test and evaluate multimedia products and services.

These activities will be implemented by means of a combination of studies, workshops, seminars and publications. The relevant organisations in the European content industry will be closely involved.

4. Support actions

The programme support actions aim at amplifying the effects of the core actions of the programme by addressing a number of horizontal issues relevant for the programme as a whole.

4.1. Observing and analysing the multimedia content market

At regular intervals senior experts from the content industry, from user communities and from Member States will be convened to monitor, analyse and discuss the impact of multimedia on the content industry and on the different actors in the information value chain. When organising these meetings modern multimedia information and communication facilities will be used where possible.

The composition of the meetings will reflect the various segments of content creation, distribution and use within the European Union, as well as the many regulatory aspects (e.g. personal data protection) affecting the content dimension. They will thus serve as a focus for discussion, exchange of experience and co-operation between the various sectors of the content industry, between European and national policy makers, and between the supply and user sides of the content market.

The meetings will focus on:

- long-term scenarios, updated whenever justified by major international developments in markets, technologies, industries and policies
- key issues of common interest to market actors from different sectors and from different Member States, such as legal aspects and quality assurance
- obstacles to market development and recommendations to the industries, administrations and users to overcome them
- the execution of INFO2000, making recommendations on orientations and priorities.

Studies will be carried out to monitor changes in the European and global content markets and provide in-depth analysis of key issues.

4. 2. Spreading the use of multimedia content standards

Standards for the structuring and presentation of information, and standards for content encoding, including terminology, are essential in order to facilitate the exchange of documents and publications, and to enable the exploitation, access, maintenance and re-use of content.

The work started in this domain under the IMPACT programme will be continued and extended. Actions will be supported that raise awareness of and stimulate the use of existing content standards through workshops and electronic fora and by publishing reports on paper and electronically.

4.3. Encouraging skills development at European level

In order to stimulate skills development, the relevant European associations will be encouraged to develop and implement measures to equip the European content providers with the necessary skills to enter the age of multimedia and interactivity. Actions to be supported will normally be based on a three-staged approach:

3/

- identification of the most urgent training needs
- development of pilot courses to test the effectiveness and efficiency of the proposed actions
- launching of the activities in the relevant parts of the content industry and in the educational and training systems.

The first two steps could be supported under INFO2000. The third step would fall within the remit of programmes like SOCRATES and LEONARDO, thus achieving important multiplier effects.

The content industry will be extensively consulted in order to identify urgent needs and key areas. Representatives of universities and vocational training establishments will be closely associated with these initiatives. The role of the Community will mainly consist of stimulating, co-ordinating and enabling this process.

ANNEX II

INDICATIVE BREAKDOWN OF EXPENDITURE

1. Stimulating demand and raising awareness	30-40%
2. Exploiting Europe's public sector information	18-23%
3. Triggering European multimedia potential	33-45%
4. Support actions	7-12%
Total	100 %

This breakdown does not exclude the fact that a project could relate to several activities.

ANNEX III

THE MEANS FOR IMPLEMENTING INFO2000

1. The Commission will implement the programme in accordance with the technical content specified in Annex I.

2. The programme will be executed through indirect action and wherever possible on a shared-cost basis. The Community's financial contribution for shared-cost projects shall normally not exceed 50% of the cost of the project, with progressively lower participation the nearer the project is to the market place. Special add-on incentives can be provided to encourage participation by SMEs and less favoured regions.

3. The selection of shared-cost projects will normally be based on the usual procedure of calls for proposals published in the Official Journal of the European Communities. The content of the calls for proposals will be defined in close consultation with the relevant experts and according to the procedure referred to in Article 5 of the Decision. The main criterion for supporting projects through calls for proposals will be their potential contribution to achieving the objectives of the programme. Implementation procedures will accommodate the interests of all kinds of market operators and facilitate their participation in the programme.

4. The Commission may also implement a more flexible funding scheme than the call for proposals in order to provide incentives for the creation of partnerships, in particular involving SMEs and organisations in less favoured regions, or for other exploratory activities in different segments of the multimedia content market. This scheme might be operated on a permanent basis.

5. The Commission will make provision for considering in exceptional cases unsolicited project proposals which involve a particularly promising and significant multimedia market development, a highly innovative approach or an exceptional technology or methodology, and which cannot be submitted within the normal call for proposals procedure. The objective of avoiding market distortion will be maintained.

6. The detailed arrangements for the procedures referred to under points 4 and 5 will be implemented through the consultative committee procedure (type I) and in accordance with the Commission's financial regulations. They will be published in the Official Journal of the European Communities.

7. Projects fully financed by the Commission within the framework of study and services contracts will be implemented through calls for tenders in accordance with the Commission's Financial Regulations. Transparency will be achieved by publishing the work programme and circulating it to trade associations and other interested bodies.

8. For the implementation of the programme the Commission will also undertake

preparatory, accompanying and support activities designed to achieve the general objectives of the programme and the specific aims of each action line. This includes activities such as: studies and consultancy in support of this programme; preliminary actions in preparation of future activities; measures aimed at facilitating participation in the programme as well as facilitating access to the results produced under the programme; publications and activities for the dissemination, promotion and exploitation of results; analysis of possible socio-economic consequences associated with the programme; and support activities such as observation and analysis of the multimedia content market, spreading the use of multimedia content standards, and encouraging skills development at European level.

9. Participation in this programme by international organisations may be financed, in exceptional cases, on the same basis as that of legal entities established in the Community.

FINANCIAL STATEMENT

1. TITLE OF OPERATION

INFO2000, a multi-annual Community programme to stimulate the development of a European multimedia content industry and to encourage the use of multimedia content in the emerging information society

2. BUDGET HEADING INVOLVED

Item B5-723

3. LEGAL BASIS

Article 130 of the EU Treaty and Council Decision   /95 of . . 1995.

4. DESCRIPTION OF OPERATION

4.1.   General objectives of operation

Three long-term strategic objectives underpin the INFO2000 programme: to facilitate the development of the European content industry; to optimise the contribution of new information services to growth, competitiveness and employment in Europe; and to maximise the contribution of advanced information services to the professional, social and cultural development of the citizens of Europe.

These objectives aim at maintaining, extending and exploiting Europe's strength in content whilst narrowing the gap with our competitors. They encourage an integrated development across the European Union and so reduce the risks that different rates of progress might lead to a two-tier economy and a society composed of two segments: the information rich and the information poor.

4.2   Duration

The programme will be carried out over the period 01.01.1996 - 31.12.1999.

5.   CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1. Non-compulsory expenditure
5.2. Differentiated appropriations
5.3. Type of revenue involved

Revenues provided by contributions of third parties towards activities under action line 1.1 will, where applicable, be re-used pursuant to Article 27.2 of the Financial regulations of 21 December 1977 as last modified by Regulation 610/90 of 13 March 1990.

6. TYPE OF EXPENDITURE

6.1. 100% subsidy

Projects fully financed by the Community will be implemented through calls for tenders in accordance with the Commission's Financial Regulations. Full financing will apply generally to activities such as studies, workshops and seminars under action lines 2.1 and 3.2, and to the programme support actions under action line 4. Transparency will be achieved by publishing the work programme and circulation of it to trade associations and other interested bodies.

6.2. Subsidy for joint financing with other sources in the public and private sector

The selection of shared-cost projects will normally be based on the usual procedure of calls for proposals published in the Official Journal of the European Communities. This type of financing will apply to most of the activities defined under action lines 1, 2 and 3 and in particular to the financing of pilot projects. The content of the calls for proposals will be defined in close consultation with the relevant experts and the programme committee referred to in the Council Decision. The main criterion for supporting projects through calls for proposals will be their potential contribution to achieving the objectives of the programme. The Community's financial contribution for shared-cost projects shall normally not exceed 50% of the cost of the project, with progressively lower participation the nearer the project is to the market place. Special add-on incentives will be provided to encourage participation by SMEs and less favoured regions.

6.3. Interest subsidy Not applicable

6.4. Other   Not applicable

6.5. Should the operation prove an economic success, is there provision for all or part of the Community contribution to be reimbursed? No

6.6. Will the proposed operation cause any change in the level of revenue? If so, what sort of change and what type of revenue is involved? No

7. FINANCIAL IMPACT ON APPROPRIATIONS FOR OPERATIONS (PART B OF THE BUDGET)

7.1. Method of calculating total cost of operation

The amount of appropriations needed to finance the Community's contribution to the execution of the INFO2000 programme takes into account financial parameters derived from past experience and the nature of the actions proposed for realising the specific objectives defined under point 9.1. These unit costs and activity levels have been considered in determining the amounts indicated in the following table.

7.2. Breakdown of costs

The breakdown of commitment appropriations by action line in MECU (current prices) is indicated by the following table:

ACTION LINE	1996	1997	1998	1999	TOTAL
Stimulating demand and raising awareness	7	9	10	11	37
Exploiting Europe's public sector information	2	4	8	8	22
Triggering European multimedia potential	8	10	5	10	33
Programme support actions	2	2	2	2	8
TOTAL	19	25	25	31	100

The above breakdown takes account of the nature, volume and unit costs of the individual activities defined in detail in Annex I of the Council Decision.

7.3. Indicative schedule of commitment and payment appropriations

The total amount for the programme is estimated at 100 MECU (current prices) over the period 01.01.1996-31.12.1999 and is scheduled as follows:

SITUATION END 94	BUDGET 95	PDB 1996	IP 1997	IP 1998	IP 1999	IP 2000	TOTAL
/	/	19	25	25	31	-	100

8. ANTI-FRAUD MEASURES PLANNED

Overall monitoring will be performed by a committee composed of delegates of Member States. Specific monitoring criteria and procedures taking into account the nature of the action lines will be developed at the start of the programme and applied periodically during the programme implementation phase. Officials of the Commission, where necessary assisted by independent experts, will verify the proper implementation of the projects and studies prior to payment, taking into account contractual obligations and principles of good management. There will be administrative control by administrative services of DG XIII and by DGs XIX and XX. Audit by the Court of Auditors in accordance with the Treaty will apply. At the mid-term and at the end of the programme, an evaluation report will be drawn up by independent experts on the results obtained in implementing the action lines referred to in Article 2 of the Council Decision.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1. Specific objectives and target population

Specific objectives

To achieve the general objectives defined under 4.1., the INFO2000 programme will stimulate demand for, and use of, multimedia content and create favourable conditions for the development of the European multimedia content industry, by:

- stimulating demand and raising awareness
- exploiting Europe's public sector information
- triggering European multimedia potential.

The specific objectives are to accelerate market uptake of multimedia products and services by mobilising the users; to unleash the economic and cultural potential of public sector information; and to strengthen the international and pan-European dimension of the emerging European multimedia content industry.

Target population

Participants will be drawn from both users and suppliers in primarily content-related activities in the information value chain. Those involved in end-user equipment, communications software and hardware and production tools will be invited to participate on the basis of the specific contributions that they can make to the programme.

9.2. Grounds for the operation

Subsidiarity

The proposals take account of the principle of subsidiarity between the Community and Member States and between public and private sector roles, as outlined in the Commission's action plan "Europe's Way to the Information Society" (COM(94)347 of 19.7.94). In line with article 3B of the Maastricht Treaty, the programme's activity is only directed at those areas where there is added value at European level.

To ensure that the actions fit into the global context, specific attention will be given to linking them to the recent G7 initiatives and to the relevant activities of international organisations such as the OECD, the WTO, WIPO and the Council of Europe.

Synergy between the national and European content policy initiatives will be favoured. Apart from financial support for specific activities with a European dimension, the Commission will encourage the exchange of know-how and experience, the use of common communication and information facilities and co-operation between the various organisations in joint projects. Together, the proposed actions favour the further consolidation of the functioning of the single market. They provide for economies of scale in particular through experience exchange, joint pilot projects and demonstrators, and stimulation of pan-European information service provision in

support of a wide range of Community policies. They aim at favouring an integrated development across the European Union, by reducing the risks of different speed developments leading to a two-tier economy and a society composed of two segments: the information rich and the information poor.

Intervention modes

The costs of interventions will be kept as low as possible through recourse to competitive mechanisms in the form of calls for tenders and calls for proposals. The Commission's contribution to shared-cost actions will normally not exceed 50%. Duplication of work will be avoided and synergy with ongoing work at national and international level will be favoured by wide consultation on the work programme. Common facilities will be used to the largest extent possible for supporting the range of envisaged actions. The choice of intervention modes takes due account of the mid-term evaluation of the IMPACT2 programme, the orientations laid down in the Bangemann report and the Commission's action plan COM(94) 347, as well as of the results of various consultations with industry, users and Member States representatives in the preparation of the current programme proposal.

Spin-off and multiplier effects

Spin-off effects of content-related actions are likely as content provision contributes to the attainment of critical mass for delivery networks. The amount intended to finance pilot projects will be used, in particular, to attract possible additional sources of funding from the partners concerned, thereby having a multiplier effect on the development of the European multimedia content market.

Factors of uncertainty

The main factors of uncertainty which could affect the specific results of the programme are inherent technology push/demand pull uncertainties and the speed and shape of regulatory and legal reforms.

9.3. Monitoring and evaluation of the operation

At the mid-term and before the end of the programme, an evaluation report will be drawn up by independent experts on the results obtained in implementing the action lines referred to in Article 2 of the Council Decision. The evaluation shall take account of the 1995 base position as described in the "Study on assessing the present situation of the market for electronic information services for professional purposes in the EEA" (MSSTUDY), and of its evolution to be assessed by study updates.

In addition to the measurement of the evolution of the base position and the impact of the programme actions on this evolution, for each of the activities mentioned in Annex I of the Council Decision a limited number of activity performance indicators will be monitored. The most important performance indicators include the following:

For action line 1, stimulating demand and raising awareness: effectiveness and efficiency of national awareness organisations; scope, quality and volume of awareness

40

and training activity; and degree and quality of experience exchange and co-operation.

For action line 2, exploiting Europe's public sector information: catalysing effect of pilots in terms of degree of standardisation of national services and resources, networking among inventories, integration of inventories with intellectual property rights trading systems and share of public/private joint projects.

For action line 3, triggering European multimedia potential: catalysing effect of pilots in terms of number of companies involved, share of SME and Less Favoured Region participation, trans-national/cross-sectoral co-operation, public/private sector co-operation and facilitation of cross-border intellectual property rights trading.

9.4. Coherence with financial programming

The operation is included in the financial programming of DG XIII for the years concerned.

The objectives of the proposed operation correspond to broader objectives defined in DG XIII's financial programming and to the objectives relating to the development of the European information society as mentioned in the Commission's action plan COM(94)347 final of 19 July 1994 "Europe's Way to the Information Society -An Action Plan".

10. ADMINISTRATIVE EXPENDITURE

10.1. Additional Commission staff

Beyond the staff levels associated with the IMPACT2 programme it is estimated that an additional allocation of 3 A, 1 B and 2 C posts is required, without prejudice from where they will be derived from.

10.2. Amount of staff and administrative expenditure involved

The following annual amounts of administrative expenditure are foreseen:

10.2.1. Seconded national experts

A-1520   Total expenditure: ECU 210,000

Three national civil servants, each responsible for five Member States, will need to be seconded to co-ordinate content policy actions between the EU and national levels. In addition, three national civil servants, each responsible for a set of neighbouring programmes, will need to be seconded to co-ordinate INFO2000 with other relevant complementary programmes.

10.2.2. Meetings of experts

A-250   Total expenditure: ECU 324,000

In order to support the working of the expert meetings (4 meetings), and the project activities (5 calls with 1 meeting), the network of national awareness organisations (3 meetings), and the user groups (10 groups with 1.5 meetings), a total envelope of 27 meetings with an average cost of 12,000 ECU is requested.

10.2.3. Committee meetings

A-2510   Total expenditure: ECU 120,000

The INFO2000 Programme Committee referred to in the Council Decision will hold on average 6 meetings/year at an average cost of 20,000 ECU

10.2.4. Missions

A-130   Total expenditure: ECU 240,000

The total mission costs for Commission staff and seconded national experts are estimated at 240,000 ECU.

The actual allocation of the necessary administrative resources will follow from the relevant Commission decision on this question, taking into account the staff posts and supplementary amounts which will have been approved by the Budgetary Authority.

INFORMATION PLAN

0. RESPONSIBLE SERVICE

DG XIII-E

1. SUBJECT

INFO2000, a multi-annual Community programme to stimulate the development of a European multimedia content industry and to encourage the use of multimedia content in the emerging information society

Code number: 21132.3

2. NATURE AND LEGAL BASIS

Communication from the Commission to the European Parliament and the Council concerning a multi-annual Community programme to stimulate the development of a European multimedia content industry and to encourage the use of multimedia content in the emerging information society and proposal for a Council Decision adopting a multi-annual Community programme to stimulate the development of a European multimedia content industry and to encourage the use of multimedia content in the emerging information society (INFO2000).

Article 130 of the EU Treaty

3. TIMETABLE

It is desirable that the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions take account of the Communication and the proposal for a Council Decision with the relevant annexes in the second quarter of 1995.

4. INCIDENCE AND PROBABLE REACTIONS ON THE INITIATIVE MENTIONED UNDER POINT 1

A) Council, European Parliament, the Economic and Social Committee, the Committee of the Regions: +   B) General Public: +   C) Specific Publics: + Programme participants will be drawn from the electronic content value chain particularly in such sectors as content creation, development and packaging, and end-user access.   D) Opinion leaders: +   E) Political decision makers: +

43

5. REFERENCE TO AVAILABLE OPINION SURVEYS

No

6. OPPORTUNITY OF AN INFORMATION PLAN

YES LIMITED

Press release   YES   on adoption of the Communication by the Commission

Press conference   YES   on adoption of the Communication by the Commission

Publication in the OJ YES   on adoption of the programme by the Council

7. DGs CONCERNED
No

8. VISAS

a) INFORMATION CORRESPONDENT DG XIII	b) DG X	c) SPP
Date: Name:	Date: Name:	Date: Name:

44

	PROGRAMME CHARACTERISTICS
INFO2000	INFO2000 is a Community programme to encourage Europe's content providers to develop new multimedia products and services and to stimulate user demand for these products and services. INFO2000 aims at creating favourable conditions for the development of the European multimedia content industry, complementing other important policy actions announced in the Commission's action plan COM(95)347 final " Europe's Way to the Information Society " such as liberalisation of telecommunications and provision of a clear and stable regulatory framework. INFO2000 will focus on the transition from print to electronic publishing and on the interactive multimedia services that are currently emerging. Three lines of action are devised to tackle market bottlenecks and to meet the needs of both users and producers in this market area: - actions to stimulate demand and raise awareness, - actions to exploit Europe's public sector information, and actions to trigger European multimedia potential.

	INFO2000 RELATIONSHIPS
IT AND ACTS	IT and ACTS cover *infrastructure-oriented research* and *technological development* programmes in the field of *information technologies* (addressing software technologies, technologies for IT components and subsystems and *multimedia technologies*) and advanced *communication technologies* (addressing the technological base for interactive digital multimedia services, photonics, high-speed networking, mobility and personal communications, intelligent networks and service engineering, and quality, security and safety of communications services and systems). In contrast, INFO2000 is *content-oriented* and concentrates on the use *of both existing and future technologies* and *narrows the gap between research and market*. In particular contrast to the ACTS programme, INFO2000 is *delivery channel neutral* and aims at stimulating multimedia content for both network-based and off-line solutions. **In short, IT and ACTS stimulate the required research for providing better 'boxes and pipes' or information infrastructures of the future, while INFO2000 is concerned with content production, distribution and access over current and future technology boxes and pipes, enabled by previous research efforts. INFO2000 will thus be building on the results of the IT and ACTS programmes as and when they emerge.**
TELEMATICS	The specific programme Telematic Applications of Common Interest, which is *applied research-, network-* and *application-oriented,* is focusing on *applications in the public sector.* INFO2000 is *delivery channel neutral,* is about *creating favourable conditions for the development of the private sector content industry.* **In short, Telematics stimulates applied research for a limited number of public sector application domains such as healthcare, education, transport and libraries, thereby setting an example in areas which come under government aegis, while measures proposed by INFO2000 focus on creating favourable conditions for the development of the private sector European multimedia content industry and of the multimedia content market, where information products and services are traded for a price.**
MEDIA II	MEDIA II addresses the specific needs of the *audiovisual segment,* which is one sector of the content industry. The content industry at large is composed of those enterprises involved in content creation, development, packaging and distribution. It comprises, on the one hand, the different segments of print publishing (newspapers, books, magazines, corporate publishing) and electronic publishing (on-line databases, videotex services, audiotex services, fax- and CD-based services, videogames) and, on the other, the audiovisual industry (television, video, radio, audio and cinema). INFO2000 will contribute to the establishment of a comprehensive European content policy, addressing print publishing and electronic publishing segments in complement to content policy measures proposed by the Commission for the audiovisual segment. The focus of INFO2000 is on the *transition from print to electronic publishing* and on the *interactive multimedia information services* that are rapidly emerging. **In short, both programmes address different content segments and propose actions adapted to each segment's specific needs over the programme period. In the longer term, due to convergence of technologies, operators and markets, programme actions are likely to converge.**
RAPHAËL	Firstly, RAPHAËL is an instrument of EU *cultural policy,* while INFO2000 is basically an instrument of EU *information society policy.* Secondly, RAPHAËL is a *vertical programme* addressing specifically the cultural heritage sector, while INFO2000 is essentially a *horizontal programme* addressing more generic questions in relation to the information society. Thirdly, RAPHAËL covers a wide range of *sector-specific policy actions relevant for the EU cultural heritage* sector, while INFO2000 proposes a *limited number of actions focusing on common structural problems of a range of sectors.* Common ground between both programmes emerges in the areas of interplay between multimedia use for making cultural assets more visible, accessible and affordable as part of cultural policy (RAPHAËL) and exploitation of cultural assets for multimedia content industry development purposes (INFO2000). **In short, INFO2000 and RAPHAËL are different in terms of overall policy domain, sectoral coverage and range of proposed actions. Both programmes address, however, in a complementary way, limited common ground, related to the exploitation of European cultural heritage through multimedia.**
SOCRATES AND LEONARDO	The SOCRATES and LEONARDO programmes establish *general* Community frames for education and training policy actions for the *educational systems* and for a *wide range of economic sectors,* while INFO2000 concentrates on the *specific needs* of the multimedia content industry, by setting up *pilots* to be extended under the SOCRATES and LEONARDO programmes. INFO2000, SOCRATES and LEONARDO are therefore complementary as on the one hand INFO2000 pilot actions can be extended favouring large-scale use of adequate multimedia content in education and vocational training contexts and on the other hand SOCRATES and LEONARDO schemes can be used for the purposes of skills development within the multimedia content industry. LEONARDO addresses predominantly *supply-sector needs,* while INFO2000, in addition to skills-development actions aimed at the supply side of the multimedia content industry, also proposes awareness and training actions aimed at the *demand side.* **In short, INFO2000 stimulates pilot and experimental actions, while SOCRATES/LEONARDO provide the frames for large-scale application.**
SMEs AND CRAFT SECTOR	The purpose of the Integrated Programme in favour of SMEs and the Craft sector is, in the context of the White Paper, to initiate in a concerted manner measures facilitating reciprocal consultation between Member States and, where necessary, co-ordination between Member States with a view to improving the business environment by simplifying administrative procedures, promoting support measures for enterprises and identification of ways in which the Community can contribute to the development of enterprises. INFO2000 addresses the multimedia content industry which is, apart from a limited number of international and global players, composed of mainly SMEs. The INFO2000 programme aims at stimulating this sector and its users. **In short, the Integrated Programme and INFO2000 are fully complementary in improving the competitiveness of SMEs in Europe.**

COM(95) 149 final

DOCUMENTS

EN 15