



OBSERVATOIRE EUROPÉEN DE L'AUDIOVISUEL
EUROPEAN AUDIOVISUAL OBSERVATORY
EUROPÄISCHE AUDIOVISUELLE INFORMATIONSTELLE

Public Funding for Film and Audiovisual Works in Europe

2011 edition

Susan Newman-Baudais

A report by the
European Audiovisual Observatory



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Public Funding for Film and Audiovisual Works in Europe

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Set up in December 1992, the European Audiovisual Observatory's mission is to gather and distribute information on the audiovisual industry in Europe. The Observatory is a European public service body comprised of 37 member states and the European Union, represented by the European Commission. It operates within the legal framework of the Council of Europe and works alongside a number of partner and professional organisations from within the industry and with a network of correspondents. In addition to contributions to conferences, other major activities are the publication of a Yearbook, newsletters and reports, the compilation and management of databases and the provision of information through the Observatory's Internet site (<http://www.obs.coe.int>).

The KORDA database

KORDA is a database on public funding for the film and audiovisual sector in Europe. It is compiled and managed by the European Audiovisual Observatory and is freely accessible at <http://korda.obs.coe.int>

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Foreword

Wolfgang Closs
Executive Director
European Audiovisual Observatory

Public funding for film and television – a priority area of work for the European Audiovisual Observatory

In 2012 the European Audiovisual Observatory will celebrate the 20th anniversary of its establishment. For almost all of this time the Observatory has been collecting, analysing and publishing information on public funding for the film and television industry in Europe. Important milestones in this priority area of work for the Observatory have included:

- Creation between 1993 and 2000 of an internal database on national public aid schemes for film and television works;
- Participation in the drafting of a report entitled ‘European Cinema – A Common Future’ in 1996 for the 8th Conference of European Ministers for Cultural Affairs, organised by the Council of Europe in Budapest in October 1996;
- Publication in 1998 in collaboration with the French CNC of a report entitled ‘Public Aid Mechanisms for the Film and Audiovisual Industry in Europe’. This report included a first volume of comparative analysis and a second volume of national profiles;
- Publication in 2001 of a legal report in the IRIS *plus* series entitled ‘National Film Production Aid: Legislative Characteristics and Trends’;
- Inclusion for the first time in 2002 of statistical data on support provided by film funds in the Observatory’s statistical ‘Yearbook’;
- Launch in May 2003 of the Observatory’s KORDA database on public aid mechanisms for the film and television industry, allowing web-based free access to regularly updated information on film funds and their support activities;
- Publication in June 2003 of a further report in the IRIS *plus* series - ‘European Public Film Support Within the WTO Framework’;
- Launch of the IRIS Merlin database, providing access to legal information and including articles on laws and other legal instruments relevant to film funding;
- Organisation, in collaboration with the European Investment Bank, of a 2003 conference on ‘Film Financing in Europe: Policy, Strategy and Effect’ in London;
- Publication in May 2004, again in collaboration with the European Investment Bank, of a report entitled ‘Public funding for film and audiovisual works – a comparative approach’;
- Contribution to the Council of Europe forum ‘Shaping Policies for the Cinema of Tomorrow’ hosted by the Polish Film Institute in association with the Polish Ministry of Culture and the City of Cracow, held in Cracow in September 2008;
- Launch in May 2010 of the renewed and up-dated KORDA database, with enriched information on funds and a redesigned interface;
- Publication in April 2011 in the IRIS *plus* series of ‘An Insight into Selected Film Funding Systems’.

The publication of this report marks the latest milestone in the Observatory's work in this area and I hope that it will prove a valuable contribution to a number of discussions currently underway at both national and European levels. At the European level, the next years will see a number of important changes, including the revision of the 2001 Cinema Communication which lays down the criteria used to apply EU state aid rules to national support for film production, and the preparation of the next generation of the MEDIA Programme, whose current version finishes in 2013. Both of these topics are of utmost importance to all involved in the film industry and this report will, I hope, contribute to informed discussion and decision-making at all levels. At the national and regional levels, the growing importance of new distribution platforms for audio-visual content and the corresponding impact on the modes of conception and production of these works has meant that film funds need to consider how they can best accompany these changes. The information contained in this report will, I hope, contribute a factual basis to the stock-taking exercises necessary at such a juncture.

The scope of this report

The unique characteristics of the film and television industries have meant that public policies have paid particular attention to the sector virtually since it first came into existence. Such public intervention was made necessary by the domination of the international film market by the Hollywood giants since the end of the First World War, as well as by the economic weakness of national film industries and the political and cultural issues associated with the production and distribution of images.

Public intervention in the sector can take various forms. Television is the object of the most usual forms of intervention, through influence on the way television is financed (whether through public funding or through the regulation of private funding), through regulating the relations between broadcasters and producers or by obliging broadcasters to invest in production.

In parallel to policies structuring the television sector, public authorities also intervene in the day-to-day functioning of the film and television branches by providing various forms of aid. These include:

1. Direct intervention in the form of subsidies and grants;
2. Tax credits and shelters, allowing relief on income taxes;
3. Loans granted at preferential rates;
4. Loan guarantee systems which reduce the risks associated with investment in production;
5. Transfers of resources from one branch of the industry to another, either ordered by or assisted by public authorities;
6. Provision of practical assistance to promote filming through the establishment of film commissions;
7. Promoting film through the organisation of events such as festivals and film weeks;
8. Implementing legal and economic measures aimed at encouraging international co-operation between players in the industry.

This report focuses on the activities of public bodies providing funding for film and audio-visual works in Europe and therefore covers specifically aid of the types mentioned in points 1, 3 and 5 above. It includes, to the extent that these activities are undertaken by the funding bodies studied, certain activities to promote film and filming (points 6 and 7). It attempts to cover the entire variety of types of intervention by funding bodies, from direct funding for the creation of works (scriptwriting, project development and production) to support for the subsequent phases in the chain (promotion, distribution, exhibition) to more general measures intended to enhance both audience appreciation of audiovisual content (media literacy, archives and conservation, film culture more generally) and actions taken to ensure a sufficient supply of well-trained professionals in the industry.

Given the focus on the activities of film funds, this report does **not** cover tax incentives for production (point 2) nor does it cover the intervention of publicly funded bank and credit institutions in the sector (covered in point 4 but also partially in point 3). In particular, the report does **not** cover public intervention in the television industry, via regulation, license fee collection and redistribution and other means.

The geographical scope of this report is that of the member states of the European Audiovisual Observatory. A full list of these countries can be found in Appendix 4 at the end of the volume. Observatory member states include all the current members of the European Union and the European Economic Area as well as the member states of the European Union's MEDIA Programme but do not include all member states of the Council of Europe's Eurimages support fund nor of the Council of Europe itself. A single exception has been made to this rule in the chapter on 'Funding Body Population' (Chapter 1). In this chapter one additional country is included (Serbia) thus permitting coverage of all Eurimages' member states and allowing some basic comparisons.

Finally, this report is based on data collected for entry into the Observatory's KORDA database. Data on funds and their activities was obtained by a variety of means, including analysis of annual reports and financial statements and administration of questionnaires, supplemented by direct contacts with staff in funds. In order to simplify the challenging task of data collection, agreements were reached with two networks. The first was with Cine-Regio, the European network of regional film funds, whose Board and Secretary-General facilitated data collection by agreeing to centralise data collection from their members. The second was with the French regional fund, *Centre Images*, which has, since 1991, centralised data collection on regional funds established in France and published the results of this work in the form of the '*Guide: Soutiens à la production cinématographique et audiovisuelle. Régions, départements, villes*'. The editors of the '*Guide*' have allowed the Observatory to draw upon their work both for the KORDA database and for this report. In addition, Italian trade organisation ANICA and Austrian national agency, the *Österreichisches Filminstitut*, kindly shared the results of their research on regional film funds in their respective countries.

I would like to express the Observatory's most sincere thanks to both Cine-Regio and to Centre Images as well as to all the film funds which have provided data for both the KORDA database and for this report. I hope this volume will prove a useful tool - for funds themselves, for the groups that represent them, for public policy makers, for industry professionals and researchers and for everyone interested in the dynamics of this important element in European film and audiovisual policy.

Strasbourg, August 2011

Executive Summary

Public Funding for Film and Audiovisual Works in Europe

Of vital importance to the European film industry, public funding represents a key intersection point between public policy and market dynamics. The bodies that provide public funding for film and audiovisual works are the specific focus of this report. For the period 2005 to 2009, the report provides key indicators concerning the activity of these funds, as well as a series of country profiles covering more recent developments in the supranational, national and sub-national funding landscapes.

Four key groups of indicators have been retained, providing a complete picture of the evolution of the sector over the period:

- 1. Funding body population**
- 2. Funding body income**
- 3. Funding body spend**
- 4. Funding body activity**

■ 1. Funding Body Population

The report identifies the funding bodies which were in operation in Europe in 2009 and categorises them according to the administrative level at which they operated. Key findings are:

- 280 public funding bodies were in operation in Europe in 2009:
 - 67 of these were operating at the national level;
 - 195 bodies operated at sub-national levels (community, regional and local);
 - 7 were supranational funding bodies, such as MEDIA 2007 and Eurimages;
 - 11 different funds, based in Europe, proposed funding aimed at projects from outside the continent.

Taking as a starting point the census of funds published by the European Audiovisual Observatory in 2004, the report then looks at how the number of funds has evolved in the period up to 2009.

- 208 funds were in operation in 2004, but 280 in 2009 – a net gain of 72 funds;
- Regional and local funds were by far the most dynamic type in terms of fund creation
 - 47 new funds at these levels came into being over the period;
- Funds at the national and community level showed more measured growth
 - 10 additional funds were identified in each category in 2009;
- A worsening economic climate from 2008 onwards did not entirely halt fund creation
 - both national and sub-national funds have continued to appear in Austria, Italy, Poland and the Russian Federation since then;
- A trend towards consolidation can however be observed in some countries, notably the United Kingdom.

■ 2. Funding Body Income

Total resources available to funding bodies grew significantly over most of the period studied, as a result of fund creation, but also thanks to increases in the budgets of older funds. To avoid double-counting, fund income data is presented in two separate series. The first covers national and sub-national funds, the second supranational and other international funds.

- The total income of national and sub-national funding bodies in Europe in 2009 was EUR 2.1 billion:
 - EUR 1.6 billion (77%) of this income was earned by national funds;
 - Sub-national funds earned EUR 484 million (23%), excluding income which was earned by national funds but passed on to sub-national bodies;
- Total income for national and sub-national funds grew at an annual average rate of 8% between 2005 and 2008 but stagnated in 2009, increasing by just 0.7%;
- Public sources were the single most important component of fund income, providing more than half (54%) of total fund income in 2009;
- The second most important source was broadcasters (here including cable, satellite, digital and other distributors of audiovisual services), contributing 28% of the overall total.
- In 2009 the total income available to supranational funds and to funds catering principally for projects from outside Europe was EUR 173 million:
 - Income for these funds showed wide fluctuations over the period, linked to the life-span of certain funding schemes.

■ 3. Funding Body Spend

Funding body spend is defined in this report in a large sense. It includes both the total amount of funding awarded and the amounts spent directly by a fund on activities to benefit the sector.

- The total volume of spend on activity by all types of funding bodies in Europe in 2009 was EUR 2.07 billion:
 - EUR 1 436 million (69%) of this was spent by national funds;
 - EUR 483 million (23%) was spent by sub-national funds;
 - Supranational funds and funds for projects from outside of Europe spent a total of EUR 155 million (7% of total activity spend);
 - Estimated activity spend per head of population in Europe was EUR 2.60 and EUR 3.54 for the 32 countries members of MEDIA 2007;
- Fund activity spend grew by an annual average rate of 6% between 2005 and 2008 but stagnated in 2009 (-0.2%);
- With a total spend of EUR 581 million, France had highest level of funding in 2009, followed by Germany, Italy (estimated), the United Kingdom and Spain;
- Iceland, Norway, Luxembourg and France spent most per head of population.

■ 4. Funding Body Activity

This indicator is used to examine the way in which funding bodies distributed available resources between the different activities in 2009. The sheer diversity of funds and of their operating methods made this a particularly challenging analysis, undertaken using a pre-defined grid of activities. Two distinct groups of activities were defined: the first covered all the phases of the creation of works (scriptwriting, project development, production, post-production) and the second the various phases of exploitation (distribution, exhibition, promotion,...) as well as more general activities intended to develop audiences and enhance the sector.

- Total spend by all types of funds for the creation of works was EUR 1.43 billion, representing 69% of all activity spend:
 - The production phase accounted for 65% of total spend;
 - Scriptwriting accounted for 1% of total spend;
 - Project development represented 3%;
- Among the other activities supported, distribution was that to which the most funding was directed. This phase received a total of EUR 173 million in support, 8.4% of total European spend;
- Spend on exhibition represented 6.1% of the overall spend, for a total of EUR 125 million;
- Sub-national funds devoted 76% of their resources to the creation of works, proportionately more than national funds (70%);
- Sub-national funds also spent a higher proportion of their resources on company development, education and media literacy and activities promoting film culture, compared to national funds;
- On a *per capita* basis:
 - Iceland spent most on production;
 - Norway most on distribution support;
 - France was the highest spender on exhibition and promotion;
 - United Kingdom funds had the highest *per capita* spend on training, education, media literacy and film culture;
- 65% of the total spend on the creation of works was allocated to film, compared to 28% for works intended for television:
 - Feature films accounted for 62% of total spend;
 - Short films accounted for 3%;
 - Digital, multimedia and experimental works together with video games accounted for 1% of the total.

In addition to these four key indicators, this report also examines a number of specific transversal themes of interest in the context of public funding. These include:

- the contributions made by both public and private broadcasters to fund income and their importance in the income mix for key national and sub-national funds;
- a review of the current status of funding for the transition to digital cinema, pin-pointing which countries have schemes at either national or sub-national level and giving a brief idea of their characteristics. This section also describes the three supranational funding programmes currently in operation;
- profiles of two noteworthy representative groups, the European Film Agency Directors (EFAD) network, uniting directors of national funds, and Cine-Regio, the network of European regional funds. Capital Regions for Cinema, a further platform for collaboration is also featured;
- information on co-development funds and inter-regional initiatives, areas which have seen a recent growth in interest;
- tax incentives for production and bank and credit institutions working with the industry in Europe.

Funding Body Population

1.1 Key data

- 280 public funding bodies were in operation in Europe in 2009
 - 269 of these were in countries members of the European Union's MEDIA 2007 programme
- 67 funding bodies operated at the national level in Europe in 2009
 - 62 of these were in MEDIA countries
- 195 bodies operated at sub-national levels (community, regional and local)
 - 189 of these were in MEDIA countries
- 7 supranational funding bodies were identified as operating in the same year
- 11 different funds, based in Europe, proposed funding aimed at projects from outside the continent.

1.2 Introduction

This chapter examines the population of bodies providing public funding for film and audiovisual works in Europe from a number of different viewpoints. Section 1.3 looks at the population from the viewpoint of the administrative level (supranational, national and sub-national) at which these funds operate, while section 1.4 looks at the number of funds operating in each European country. Section 1.5 looks at the evolution in the number of funding bodies in Europe since 2004, when the European Audiovisual Observatory published the first version of this report.¹ This section also lists the principle new and restructured bodies that went into operation in the period since 2005. The chapter concludes with a look at the institutional framework within which these funding bodies operate: though all the organisations featured in the report have in common their distribution of funding coming at least partly from public sources, their institutional arrangements vary widely.

It should be noted that throughout this report the term 'funding body' is used to describe an organisation providing funding, though in fact that organisation may be a department or division of a larger body. This is frequently the case with specific funding lines for film made available by the divisions of local government with responsibility for culture.

1) A. LANGE & T. WESTCOTT, *Public Funding for Film and Audiovisual Works – A Comparative Analysis*, European Audiovisual Observatory, Strasbourg, 2004.

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1.3 Funding bodies by level

Public funding for film and audiovisual works is provided in Europe by bodies operating at different administrative levels. For the purposes of this report, the following levels have been defined:

- **National:** funding bodies are in place at this level in all but four of the countries studied in this chapter;
- **Community:** this level exists in countries where Cantons (Switzerland), Communities (Belgium, Spain), Entities (Bosnia and Herzegovina), *Länder* (Austria, Germany) or Nations (United Kingdom) have been granted constitutional competence in the field of culture;
- **Regional:** this level covers funding put in place by regional authorities (Belgium, Denmark, France, Hungary, Italy, Norway, Poland, United Kingdom, Sweden);
- **Local:** this level covers funding schemes established by municipal authorities and at the level of the French *départements*;
- **Supranational:** this level covers multilateral funds such as Eurimages, Ibermedia, the *Nordisk Film & TV Fond* and the MEDIA 2007 programme of the European Union;
- **Outside Europe:** publicly financed funds based in Europe but which provide support principally for filmmakers originating from outside the continent have been grouped together under this heading.

Table 1.1 Number of funding bodies identified in Europe / 2009

Level	Totals			
	EU27	MEDIA	Eurimages ⁽¹⁾	Europe ⁽²⁾
National	53	62	64	67
Community	54	65	62	67
Regional	85	95	87	97
Local	26	29	31	31
Sub-total	218	251	244	262
Supranational	6	7	7	7
Outside Europe	10	11	11	11
Total	234	269	262	280

(1) Including the Russian Federation, member state from 1 March 2011

(2) 37 European Audiovisual Observatory member states plus Serbia.

Note

See Appendix 4 for a full list of member states for each of the different groups.

Source: European Audiovisual Observatory / KORDA database

In 2009, the reference year for this report, a total of 280 different organisations providing funding for film and audiovisual works were in operation. This total includes a small number of funding bodies that did not actually make support payments in 2009 but which were nonetheless still active, in the sense that funding was once more made available in 2010 or that other, non-funding, activities were pursued during 2009.

Table 1.1 shows the number of funding bodies active by level in 2009. The totals are presented for different country groupings. For example, in the 27 member states of the European Union, there were a total of 218 funding bodies, whereas in the 32 countries participating in the MEDIA 2007 programme there were a total of 251 funds. 244 funds have been identified in the 35 members states of the Council of Europe's Eurimages fund and 262 funds in Europe as a whole. In addition 7 supranational funds and 11 funds for non-European works are based in European countries, with 6 and 10 of these respectively based in EU member states.

The figures shown here provide almost complete coverage of organisations based in Europe with a **specific remit** to support cinematographic works. They also include a large number of public sector organisations which have **specific funding lines** for the support of production as well as a smaller group of bodies such as film festivals, which administer a dedicated support fund. Prizes and bursaries proposed by film festivals have been excluded. It has not been possible to include funders who provide more general cultural support, which may include support for film sector-related activities (generally production) nor the very large number of local government departments also supporting film-related activities, notably exhibition, through their support for municipal cinemas and local arts centres. Funds whose sole benefit is delivered in the form of tax credits² have also been excluded, even though some of these operate under the label 'film fund'.

1.4 Funding bodies by country

All but four of the European countries reviewed for this report have a funding system operating at national level. The four countries without a **national** body are Bosnia and Herzegovina, Belgium, Liechtenstein and Malta. In Bosnia and Herzegovina support is organised at the level of each of the two Entities rather than at the level of the state. As responsibility for culture in Belgium is located at the level of the Communities, no single body responsible for film policy and funding operates at the level of the federal state; support is therefore organised at the level of the Communities. In Malta and in Liechtenstein no direct public funding is available, though public authorities support the local film industry through membership in multilateral support programmes such as MEDIA and, in Malta, through the establishment of a film commission providing location services and the provision of tax incentives.

A total of 195 funds operated at sub-national level in 2009. Of these 67 funding bodies are established at the administrative level of communities in federal states. These are bodies operated by the *Länder* in Austria and Germany, the Entities in Bosnia and Herzegovina, the Flemish and French Communities in Belgium, the Cantons in Switzerland, the Autonomous Communities in Spain and the Nations in the United Kingdom. Austria, Bosnia and Herzegovina, Germany and the United Kingdom have complete coverage, with specific funding lines or dedicated structures supporting the sector in each Entity, *Land* or Nation. Such sector specific support has not been identified in all of the Swiss Cantons, though all provide some form of general cultural funding, which can be used to support activity related to the film sector. In Spain, specific funding lines for film or a dedicated structure whose remit includes support to the sector have been identified in all but four of the Autonomous Communities. Of the three Belgian Communities, only the German-speaking Community has not put in place a support mechanism.

2) For information on tax incentives, see the Focus 4 section on page 43.

Table 1.2 Number of funding bodies identified by country and level / 2009

Country	Levels				Total
	National	Community	Regional	Local	
AL	1				1
AT	4	14		4	22
BA		2	1		3
BE		2	1		3
BG	1				1
CH	4	11		1	16
CY	1				1
CZ	2				2
DE	5	17			22
DK	1		2		3
EE	3				3
ES	1	16	1		18
FI	2		1		3
FR	4		27	17	48
GB	3	5	10		18
GR	1				1
HR	1			2	3
HU	4		3		7
IE	3				3
IS	1				1
IT	1		15	1	17
LI	0				0
LT	2				2
LU	2				2
LV	2				2
MK	1				1
MT	0				0
NL	3			1	4
NO	3		10		13
PL	1		5	3	9
PT	2				2
RO	1				1
RS	1		1	1	3
RU	1		unknown	1	2
SE	1		20		21
SI	1				1
SK	2				2
TR	1				1
Total	67	67	97	31	262

Note

See Appendix 4 for a full list of country ISO codes

Source: European Audiovisual Observatory / KORDA database

128 funds were operating in 2009 at the regional and local levels. Numerically this is the most important group, englobing a wide variety of funds, from small funds with a single support line and modest means to regional bodies supporting multiple activities with budgets superior to those of some national agencies. A number of the larger funds named after cities are in fact responsible to and financed by both municipal and regional or community-level authorities, and so have been categorised here under either 'Community' or 'Regional' funds. As a result the number of local funds, operating purely at the level of a municipality operating purely at the level of a municipality (or of a *département* in France), is relatively small.

France is the country with the greatest number of funds (48) thanks to a dense network of 44 regional funds covering the entire country. Austria (a total of 22 funds), Germany (22) and Switzerland (16) also have dense networks, principally due to their federal structure, while the funding initiatives of the Autonomous Communities bring the total number of funds in Spain to 18. In Sweden (21) and Norway (13), the high number of funds is linked to the creation of regional production and resource centres. In Italy (17 funds in total) and in Poland (9) specific efforts have been made to encourage the creation of regional funds. The process is still underway in both countries, with new regional funds coming into operation in 2010 and 2011. The

United Kingdom (18), where a dense network had been in place since 2002, will see a reversal of trend in 2011–2012, when eight of the English regional agencies will be regrouped into three hubs under the leadership of Creative England. Many Russian regions also provide funding to support the film industry, principally for exhibition and distribution, but with some production funding. However, with the exception of one local fund in Moscow City, it has not been possible to identify precisely these funds for this report.

Nine European countries had only one fund identified as being in operation in 2009. This group included some of the smaller countries (Cyprus, Iceland or "The former Yugoslav Republic of Macedonia") but also Bulgaria, Greece, Romania and Turkey.

■ 1.5 Changes in the number of funding bodies

In 2004 the European Audiovisual Observatory published a first version of this report covering 35 European countries and identifying a total of 183 funds at all levels. Three further countries are covered in this new edition of the report. Adjusting the 2004 totals to ensure consistency in country coverage gives a total of 208 funds identified as in operation in 2004, of which 195 were operating at the national and sub-national levels. By 2009 the total number of funds had risen to 280, a net gain of 72 funds. Regional and local funds were by far the most dynamic group, with 47 additional funds identified as being active in 2009.

Table 1.3 **Change in the number of funding bodies by level since 2004**

	Active in		
	2004	2009	Change
National	57	67	10
Community	57	67	10
Regional	64	97	33
Local	17	31	14
Sub-total	195	262	67
Supranational	5	7	2
Outside Europe	8	11	3
Total	208	280	72

Note

2004 data is based on the number of funds identified in the European Audiovisual Observatory's 2004 report on *Public Funding for Film and Audiovisual Works in Europe* with adjustments to ensure consistency in terms of coverage.

Source: European Audiovisual Observatory / KORDA database

1.5.1 New funds since 2005

Table 1.3 illustrates the dynamic nature of the funding landscape between 2004 and 2009. Despite the changed economic environment from 2009 onwards, new funds have continued to appear and old ones are restructured. Table 1.4 presents a non-exhaustive list of additions to and mutations of the funding landscape since 2005 and includes funds established in 2010 and 2011.

A number of funds appearing in this table were born out of the desire to rationalise existing arrangements by creating a leading national or regional agency with a wide range of responsibilities. This was the case of the *Polski Instytut Sztuki Filmowej* (PISF), established in 2005 and born out of the merger of three pre-existing Polish funding bodies. It was also the case for the *Norsk Filminstitutt* (NFI), created in 2008 out of the merger of four bodies, one of which was the *Norsk Filmfonds*, which had been in operation since 2001. Similarly, The Film Agency for Wales took over in 2006 from media agency *Sgrŷn*, with a wider brief to develop economic, cultural and educational aspects of film. A further example of restructuring in the United Kingdom is the 2010 absorption of Scottish Screen, a film sector body, into Creative Scotland, an organisation with a remit to support a wider range of creative activity. Finally the lead agency for film, the UK Film Council, was wound up in March 2011 and its film funding activities were transferred to the British Film Institute.

A further group of funds have been established with the intention of moving funding previously managed by a ministry at national or regional level into a distinct structure. This is the case in Croatia where the *Hrvatski audiovizualni centar* (HAVC) was set up in 2008 as a lead agency for film, taking over the funding activities previously managed by the Ministry of Culture. This was also the case in Slovakia with the creation of the *Audiovizuálny fond* (AVF), which took over from the Ministry of Culture's *AudioVízia* Programme in 2010. In Slovenia the launch in January 2011 of the *Slovenski filmski center*, replacing the *Filmski Sklad Republike Slovenije*, as a government agency, clarifies the legal position of film funding arrangements. The Macedonian Film Fund, launched in 2006, took over the funding activities formerly undertaken through the National Broadcasting Council. At the community and regional levels, the new *Instituto Navarro de las Artes Audiovisuales y la Cinematografía* (INAAC) takes over the funding activities of the Navarre regional government and in Switzerland the *Fondation romande pour le cinéma*, due to launch in July 2011, will unite the funding strands of six cantons and two cities.

Table 1.4 New and restructured funds / 2005 - 2011

Start Year	Country	Name	Level	Comments
2005	CH	Zürcher Filmstiftung	Community	Replaced previous funding by Canton and City of Zürich
2005	ES	Fondo Raíces	Community/ Outside Europe	Unites three Autonomous Communities and Argentina.
2005	PL	Polski Instytut Sztuki Filmowej (PISF)	National	Replaced funding by three older agencies
2006	MK	Macedonian Film Fund	National	Replaced funding provided by National Broadcasting Council
2006	GB	The Film Agency for Wales	Community	Replaced former media agency Sgrín
2007	AT	Kärnten: Filmförderung	Community	
2007	AT	Steiermark: Cinestyria Filmkunst	Community	
2007	DE	Deutscher Filmförderfonds (DFFF)	National	
2007	PL	Łódzki Fundusz Filmowy	Local	
2007	PT	Fundo de Investimento para o Cinema e Audiovisual (FICA)	National	Public/private investment fund. Operational in 2008.
2008	HR	Hrvatski audiovizualni centar (HAVC)	National	Replaced funding provided by Ministry of Culture
2008	PL	Dolnośląski Konkurs Filmowy	Regional	
2008	PL	Śląski Fundusz Filmowy	Regional	
2008	PL	Wielkopolski Fundusz Filmowy	Regional	
2008	NO	Norsk Filminstitutt (NFI)	National	Norsk Filmfonds merged into this body
2009	ES	Galicia: Axencia Galega das Industrias Culturais (AGADIC)	Community	Replaced Axencia Audiovisual Galega in 2009
2009	ES	Navarre: Instituto Navarro de las Artes Audiovisuales y la Cinematografía (INAAC)	Community	Established 2009, responsible for production funding from 2010
2009	HR	Rijeka: Office for Culture	Local	Match funding with HAVC
2009	HU	Győri Filmalap	Regional	Provides production services and assistance - no funding
2009	HU	Észak-magyarországi Filmalap	Regional	Provides production services and assistance - no funding
2009	IT	Toscana: Cinema Fund	Regional	Operational 2010
2009	PL	Pomerania Film	Regional	
2009	PL	Regionalny Fundusz Filmowy w Krakowie	Regional	
2009	PL	Gdyński Fundusz Filmowy: Centrum Kultury	Local	
2009	PL	Gdański Fundusz Filmowy	Local	Suspended 2010
2009	SK	Audiovizuálny fond (AVF)	National	Replaced Ministry of Culture AudioVizia Programme - first funding 2010
2010	Multiple	First Motion	Supranational	
2010	NO	Film fra Sør Film Fund	Outside Europe	Part of the Films from the South Festival. In co-operation with NFI
2010	AT	FISA - Filmstandort Austria	National	
2010	GB	Creative Scotland	Community	Scottish Screen was absorbed into this body in 2010
2010	HR	Split: Office for Culture	Local	Match funding with HAVC
2010	IT	Alto Adige: BLS – Film Südtirol · Alto Adige	Regional	New fund part of regional development agency.
2010	IT	Emilia-Romagna: Cineteca di Bologna - Sostegno alla produzione	Regional	
2010	IT	Lazio: Fondo FiLaS Sviluppo	Regional	New development fund linked to pre-existing production fund
2010	IT	Liguria: Fondo regionale	Regional	
2010	IT	Lombardia: Fondo di rotazione	Regional	
2010	IT	Sardegna: Fondo di rotazione per i lungometraggi	Regional	
2010	IT	Veneto: Fondo regionale	Regional	
2010	PL	Białostocki Fundusz Filmowy	Regional	
2010	PL	Mazowiecki Fundusz Filmowy	Regional	
2010	PL	Świętokrzyski Fundusz Filmowy	Regional	
2010	PL	Lubelski Fundusz Filmowy	Local	
2010	RU	Cinema Fund	National	
2011	EU	MEDIA Mundus	Outside Europe	Replaces MEDIA International which ran from 2008 to 2010
2011	BE (VGB)	Mediafonds	Community	First call 2011. Administered by the VAF.

Source: European Audiovisual Observatory / KORDA

Table 1.4 (cont.) **New and restructured funds / 2005 - 2011**

Start Year	Country	Name	Level	Comments
2011	CH	Fondation romande pour le cinéma	Community/Local	Regroups existing funding in 6 cantons and 2 cities
2011	GB	British Film Institute (BFI)	National	Existing institution taking over from UK Film Council in April 2011
2011	SI	Slovenski filmski center	National	Public agency replacing the Filmski Sklad Republike Slovenije

Source: European Audiovisual Observatory / KORDA

Finally there are funds which are entirely new creations. These include the *Deutscher Filmförderfonds* (DFFF) which started operation in 2007 and whose success has inspired a similar fund in Austria, *Filmstandort Austria* (FISA) which launched in 2010. Starting in the Russian Federation in the same year, the Federal Fund for Social and Economic Support to National Cinematography (The Cinema Fund) runs parallel to funding from the Ministry of Culture and is financed directly by the Federal Government. Numerous regional and local funds also appeared during this period, particularly in Poland and in Italy but also in Hungary (three regional funds, associated with film festivals and not yet active funders).

Compared to the activity on the regional front, the number of funds created at supranational level and for projects from outside Europe since 2005 is relatively modest. These include the supranational First Motion project, involving seven Baltic Sea countries and part-funded by European Union funds (ERDF and ENPI) as part of the Baltic Sea Region Programme. A similarly structured programme, North Sea Screen Partners (NSSP), part of the ERDF/ENPI-financed North Sea Region Programme has also been in operation since 2009. NSSP undertakes knowledge sharing, research, benchmarking, assists business and skills development, but does not have a vocation to provide direct funding, and has not therefore been included in the scope of this report. Finally a supranational inter-regional initiative, Film Arc, involving regional funds in Finland, Norway and Sweden, provides networking and company development opportunities to creative industry companies across the partner regions. This project concludes in 2010 and has not been considered here as a distinct funding body.

One further major event, just outside the time frame of Table 1.4, is the complete restructuring of the regional screen agencies in England. In tandem with the closure of the UK Film Council in Spring 2011, it has been decided to regroup the regional agencies into a single structure, Creative England. This structure, a joint venture between the existing agencies, will function through three hubs in Birmingham, Bristol and Manchester. Consultation on priorities for the new structure is underway at the time of writing.³

3) See the website of Creative England for further details: www.creativeengland.co.uk/

1.6 The institutional framework

Funding bodies providing support to the film industry (or 'film agencies' as they are frequently known), function within a wide variety of institutional frameworks in different European countries. Four principle categories of institutional arrangements can be identified:

1.6.1 Film and audiovisual media departments within Ministries of Culture

A small number of countries in Europe have not created a distinct body to administer support for film sector-related activities. In these cases support is provided directly through a government department, generally a Ministry of Culture.

- In Cyprus the Cultural Services Division of the Ministry for Education and Culture administers both production support through the Cinema Advisory Committee and other sector specific support;
- In Italy the *Direzione Generale per il Cinema*, a department of the *Ministero per i Beni e le Attività Culturali* (MiBAC), administers the cinema segment of the national support fund;
- The Cinema Section of the Ministry of Culture in Lithuania runs the national support programme. with additional support available through the *Kultūros rėmimo fondas*, a culture and sport support foundation also administered through the Ministry;
- In Turkey film support is provided by the General Directorate of Copyright and Film at the Ministry of Tourism and Culture.

At sub-national levels, numerous funds are organised as specific funding programmes within local government culture divisions.

1.6.2 Bodies with financial and administrative independence

The most common form taken by film agencies is that of a public body with administrative and financial independence, generally under the authority or direct supervision of a Ministry:

- In Albania, the *Qendra Kombëtare e Kinematografisë* (QKK) is a state body subordinate to the Ministry of Tourism, Culture, Youth and Sport;

- in Austria, the *Österreichisches Filminstitut* (ÖFI) is a federal institution and a legal entity under public law, under the supervision of the Federal Minister for Education, Arts and Culture;
- the *Centre du Cinéma et de l'Audiovisuel* of the French Community of Belgium is an independently managed State department, under the direct authority of the Minister in charge of audiovisual affairs;
- In Bulgaria, the *National Film Center* (NFC) is an Executive Agency (administrative body) under the Ministry of Culture charged with implementing the Cinema Industry Law;
- in the Czech Republic, the *Státní fond pro podporu a rozvoj české kinematografie* is a legal entity administered by the Ministry of Culture. Funding decisions are made by the Fund Council, whose members are elected by the Lower House of the Czech Parliament;
- in Germany, the *Filmförderungsanstalt* (FFA) is an institution incorporated under public law;
- in Denmark, the *Danske Filminstitutet* (DFI) is a government agency under the Ministry of Culture;
- in Spain, the *Instituto de la Cinematografía y de las Artes Audiovisuales* (ICAA) is an autonomous body under the supervision of the Ministry of Culture;
- in France, the statutes of the *Centre national du cinéma et de l'image animée* (CNC), were updated in 2009. The CNC is a public administrative organization, set up as a separate and financially independent entity under the authority of the Minister of Culture and Communication;
- In Greece, new legislation passed on 23 December 2010 modified the articles of association of the *Greek Film Centre* (GFC).⁴ The GFC no longer has the status of a public company but now becomes a not-for-profit entity under private law supervised by the Ministry of Culture and Tourism;
- In Croatia the *Hrvatski audiovizualni centar* (HAVC) is a public institution with links to the Ministry of Culture;
- in Ireland, *Bord Scannán na hÉireann* (the Irish Film Board) is a state agency established as a statutory corporation;
- in Poland, the *Polski Instytut Sztuki Filmowej* (PISF) was set up in 2005 as a state-owned legal entity whose activities are overseen by the Minister of Culture and National Heritage;
- in Portugal, the *Instituto do Cinema e do Audiovisual* (ICA) is a public law body with administrative and financial independence and its own assets. It is supervised by the Ministry of Culture;
- in Romania, the *Centrul National al Cinematografiei* is an autonomous administrative body supervised by the Ministry of Culture and National Heritage;

- In Slovenia, the status of the national film fund was modified by law in 2010, with the transfer of responsibility from the *Filmski Sklad Republike Slovenije* to a new public agency, the *Slovenski filmski center*;
- the Slovak *Audiovizuálny fond* (AVF) was established in January 2009 as a public legal entity run by a Board, a Supervisory Commission and a Director.

1.6.3 Foundations or Associations

In some countries, the national funding body functions as a public or private foundation or as an association, usually with not-for-profit status.

- In the Federation of Bosnia and Herzegovina, the *Fondacija za kinematografiju Sarajevo* is a foundation administered by the Federal Ministry of Culture and Sport;
- In the Flemish-speaking Community of Belgium the *Vlaams Audiovisueel Fonds* has the status of a not-for-profit association;
- In Estonia, the *Eesti Filmi Sihtasutus*, created in 1997, is a private law institution, funded by the State;
- In Finland, the *Suomen elokuväsäätiö* is an independent foundation which is supervised by the Ministry of Education and Culture;
- In Hungary, the *Magyar Mozgókép Közalapítvány* (MMKA) was a public foundation under the supervision of the Ministry of National Resources;⁵
- In the Netherlands, the *Nederlands Fonds voor de Film* is a foundation under the supervision of the Minister for Education, Culture and Science;
- In Sweden, the *Svenska Filminstitutet* also has foundation status and is managed by a board whose nine members are nominated by the government.

1.6.4 Private companies

- In Belgium, the regional fund *Wallimage* is a public limited company, created by the Walloon Region, and has two subsidiaries, *Wallimage Coproductions* and *Wallimage Entreprises*;
- In the United Kingdom, the UK Film Council was set up in 2000 with the temporary status of a "private company limited by guarantee" – the British Film Institute, to which its funding activities transferred in 2011, has charitable status.
- In Germany, most of the funds established by the *Länder* have the status of limited liability companies (GmbH);
- Many regional funders in the Nordic countries are structured as stock-based limited companies. Examples include Norwegian regional funders *Film Fund Fuzz A/S* and *FilmCamp A/S* and Danish regional fund *Film Fyn A/S*. Swedish funds *Film i Väst*, *Film i Skåne* and *FilmPool Nord* are all structured as public limited companies (AB).

4) Further information can be found in the article concerning this law in the European Audiovisual Observatory's IRIS Merlin database: <http://merlin.obs.coe.int/iris/2011/2/article29.en.html>

5) Replaced by a new fund in 2011.

Funding Body Income and Financing

2.1 Key data

- The total income of national and sub-national funding bodies in Europe in 2009 was EUR 2.1 billion
 - EUR 1.6 billion (77%) of this income was available to national funds
 - EUR 484 million (23%) was available to sub-national funds.
- Total fund income grew by an annual average rate of 8% between 2005 and 2008 but stagnated in 2009, increasing by just 0.7%
- The total income of funds operating in the 27 European Union countries was EUR 1.88 billion in 2009.
- Funds established in countries forming part of the MEDIA 2007 programme had EUR 2 billion of income at their disposal in the same year.
- In 2009 the total income available to supranational funds and to funds catering principally for projects from outside Europe was EUR 173 million.
- Public sources were the single most important component of fund income, providing more than half of total fund income in 2009.
- The second most important source was television companies and distributors of audiovisual services, contributing 28% of the overall total.

2.2 Introduction

This chapter discusses the income of funding bodies based in Europe. By 'income' is meant here the total financial resources available to a funding body both for

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its activities and to cover operating overheads. Section 2.3 looks at total funding body income for the period 2005 to 2009 and examines its evolution. It also provides a breakdown of the totals by administrative level (supranational, national, community, regional and local). Fund income by country is reviewed in section 2.4 and sections 2.5 to 2.7 examine the question of how funds are financed in more detail. The chapter concludes with a special focus section on a key source of finance for funds: contributions from broadcasters.

FOCUS 1 Fund income – a definition

For the purposes of this report a distinction is drawn between fund income and fund activity spend.

- **Fund income** is the financial resources from all sources available to the fund. It includes repayments, unallocated funding from previous years and may include transfers from reserves. Data on fund income is the basic element for the study of how funds are financed.
- **Fund activity spend** is the amount spent by the fund on its activities, whether in direct support paid out to companies and individuals in the sector or by organisation of activities which benefit the sector (such as promotional and networking activities). Data on fund activity is provided in Chapters 3 and 4 of this report.

In some cases, it has not been possible to obtain data on fund income. This is generally the case where the funding activities are run by a unit that is part of a larger administrative structure, and where income data is available only for the entire organisation. In these cases either the total amount allocated for activity or the total amount spent on relevant activities by the unit has been used as a substitute for income.

Fund income is analysed here for two groups of funds. The first are national and sub-national funds based in individual European countries. **Total income** for this group is calculated net of transfers between funds **in the group** and is accounted for at the level at which it is originally earned. Thus the national fund income shown in Table 2.1 and the income breakdowns shown in Figures 2.5 and 2.6 includes income which will subsequently be passed on to sub-national funds and become part of their income. The second group is composed of supranational funds, whose action covers multiple European countries and a small group of funds based in Europe whose funding principally goes to support filmmakers from outside Europe. Again totals are calculated net of transfers between funds in the group. It has not been possible to calculate income for each group net of transfers **between the two groups**. Therefore **no overall total income** (national, sub-national, supranational and other) **is calculated**, as it is not possible to do so without double-counting of income. For a global activity spend total, see Chapter 3.

2.3 Total fund income and its evolution

Income data for the period 2005 to 2009 was available for a total of 232 national and sub-national bodies based in Europe. The total income available to these funds in 2009 is estimated at EUR 2.105 billion, up 29% compared to the EUR 1.638 billion available in 2005. Fund income grew steadily between 2005 and 2008, at an annual average rate of 8%, but growth slowed significantly in 2009, with an estimated increase of just 0.7%. This phenomenon is almost certainly the result of the weakened economic situation of many European countries during the latter part of the period.

National, regional and local funds were affected by the stagnation of income in 2009. Funds operating at the level of communities (for example, the *Länder* funds in Germany) were an exception to this rule. Income for these funds had stagnated in 2008 but showed renewed growth in 2009, with a 10% increase overall. Growth came principally from small increases in income for many funds in the group, with only the Austrian *Filmfonds Wien*, the Belgian *Vlaams Audiovisueel Fonds* and the Catalan, Valencian and Galician funds in Spain showing more significant growth.

Table 2.1 Funding body income in Europe: national & sub-national funds / 2005 - 2009

Level	EUR million					% 2009 /2008	Number of funds analysed
	2005	2006	2007	2008	2009		
National*	1 289	1 388	1 511	1 634	1 621	-1%	62
Community	240	258	293	292	320	10%	53
Regional & Local	109	110	141	165	164	0%	117
Sub-total sub-national	349	368	434	457	484	6%	170
Total National & Sub-national	1 638	1 756	1 944	2 090	2 105	0.7%	232

Note

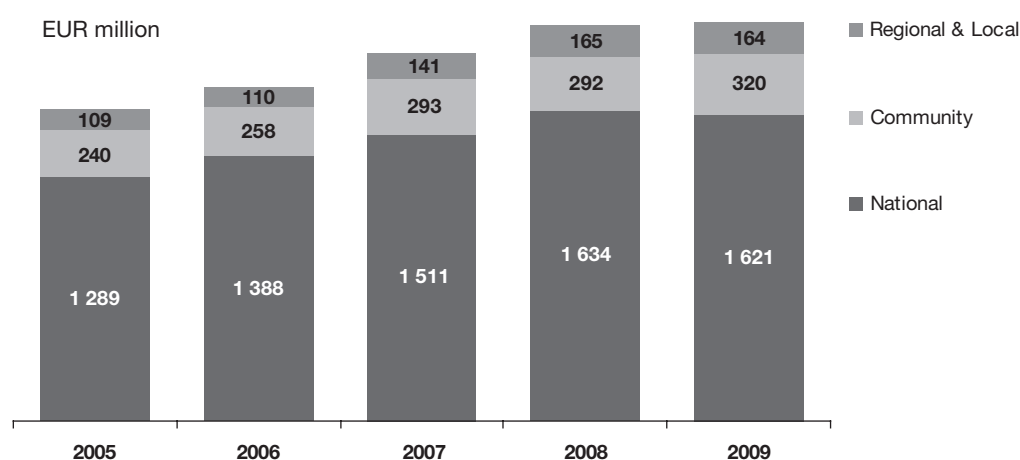
*National fund income shown here includes a portion of income that will subsequently be delegated to funds at the sub-national level.

As a result the final annual income available for use by sub-national funds will be higher than that shown here.

See Focus 1 above for methodological details and Chapter 7 for further data on sub-national fund income.

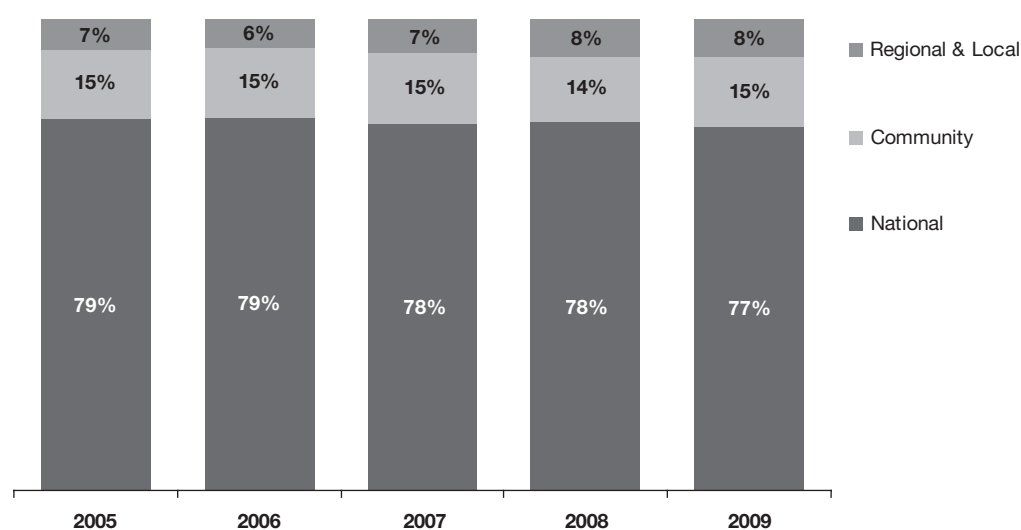
Source: European Audiovisual Observatory

Figure 2.1 Funding body income in Europe: national & sub-national funds / 2005 - 2009



Source: European Audiovisual Observatory

Figure 2.2 **Funding body income in Europe: national and sub-national funds % breakdown / 2005 - 2009**



Source: European Audiovisual Observatory

National funds accounted for more than three-quarters of total income available to funds, with funds operating at the level of communities (*Länder* in Austria and Germany, the French and Flemish-language Communities in Belgium, Cantons in Switzerland, Autonomous Communities in Spain and Nations in the United Kingdom) accounted for 15% of the total. 8% of estimated total income was available to regional and local funds.

Supranational funds and funds catering principally for projects from outside Europe had an estimated EUR 173 million of income available to them in 2009. A total of 7 supranational funds are analysed to obtain this total, including the MEDIA 2007 programme of the European Union, the Eurimages co-production, distribution and exhibition support fund of the Council of Europe and the *Nordisk Film & TV Fond*. Ten funds for projects from outside Europe are also analysed, including the European Union's Euromed, ACP Films and MEDIA International programmes, the *Fonds Sud Cinéma*, the Hubert Bals and Jan Vrijman funds and the World Cinema Fund.

Total income available to supranational funds declines between 2005 and 2007 and then rises again in 2008. This is linked to the lifecycle of the European Union's MEDIA Programme, with the third programme, MEDIA Plus, in its last year of operation in 2006 and a slightly lighter work programme foreseen for the first year of operation of the new MEDIA 2007 programme. In contrast funds such as the Eurimages co-production fund and the *Nordisk Film & TV Fond* maintained relatively stable budget levels over the period in question.

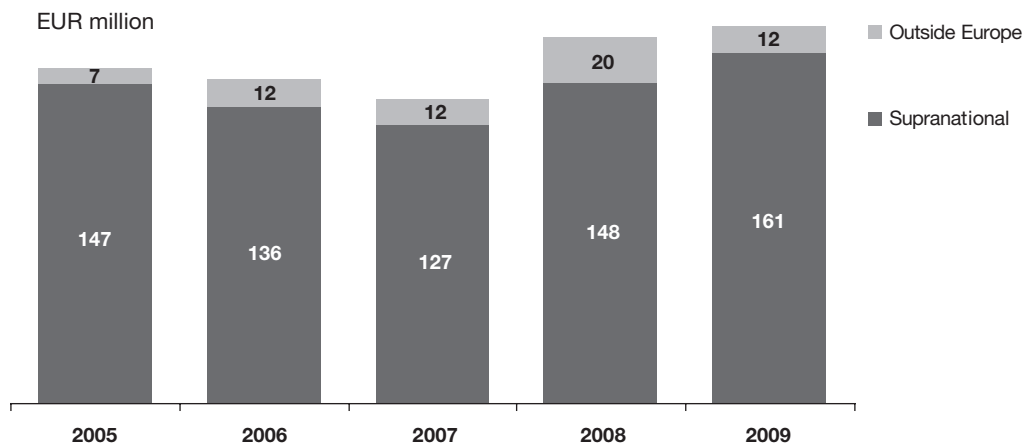
Total income for funds for projects from outside Europe also fluctuates noticeably over the period. This is due to the fact that the income for these funds has, in general, been allocated to the years in which funding activity took place, though the most important of these funds are established as programmes with a defined lifespan longer than that of the actual funding activity. Coincidence of the different lifecycles results in an exceptionally high figure for income in 2008 – the last year of the Euromed II programme, the first year of the MEDIA International pilot programme and the main year of activity for the ACP Films fund.

Table 2.2 **Funding body income in Europe: supranational and other funds / 2005 - 2009**

Level	EUR million					% 2009 /2008	Number of funds analysed
	2005	2006	2007	2008	2009		
Supranational	147	136	127	148	161	9%	7
Outside Europe	7	12	12	20	12	-41%	10
Total Supranational & Other	154	148	139	168	173	2.7%	17

Source: European Audiovisual Observatory

Figure 2.3 **Funding body income in Europe: supranational and other funds / 2005 - 2009**

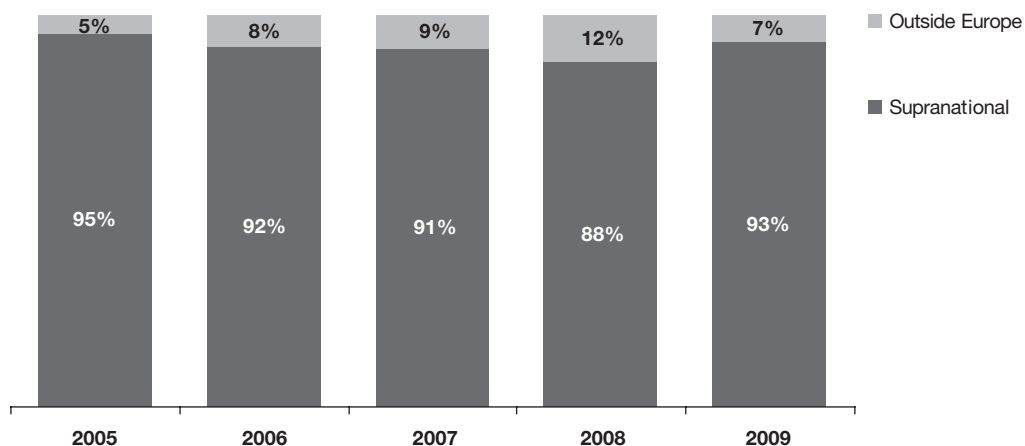


Source: European Audiovisual Observatory

Supranational funds accounted for more than 90% of income accruing to this group of funds in 2009,

with the MEDIA 2007 programme and Eurimages taken together accounting for 84% of the supranational total.

Figure 2.4 **Funding body income in Europe: supranational and other funds - % breakdown / 2005 - 2009**



Source: European Audiovisual Observatory

2.4 Fund income by country

The global figures presented in the previous section show that national and sub-national fund income grew steadily, at an annual average rate of 8%, between 2005 and 2008 but stagnated in 2009. However the picture at the level of individual European countries, shown in detail in Table 2.3, was varied. Out of the total of 35 countries covered, 18 showed a drop in income between 2008 and 2009, with the steepest declines in percentage terms registered in Greece, Latvia, Bosnia-Herzegovina, Romania and the Czech Republic. The largest drop in absolute terms was that experienced in Italy, where a

12% drop in fund income represented a decline of EUR 17 million in resources available.

In a number of countries, the steep decline in income in 2009 was partly the result of exceptionally high revenues for one or more funds in 2008. This is the case in Greece, where a good year at the box office boosted the Greek Film Centre's share of proceeds from a cinema ticket tax and contributed, together with increased public funds, to higher revenues in 2008.

Table 2.3 Total fund income by country / 2005 - 2009

Country	EUR thousand					% 2009/2008
	2005	2006	2007	2008	2009	
AL	820	637	1 238	1 230	1 005	-18%
AT*	42 607	43 533	52 719	57 059	65 148	14%
BA	731	961	1 724	2 490	1 283	-48%
BE	40 308	34 381	41 828	46 159	45 960	0%
BG	3 167	3 154	3 365	5 565	6 247	12%
CH*	34 458	39 247	41 454	41 475	45 943	11%
CY	900	900	900	900	1 400	56%
CZ	7 516	11 182	13 646	23 928	17 415	-27%
DE*	227 847	227 120	312 568	313 910	324 872	3%
DK	52 412	53 239	51 441	58 297	58 517	0%
EE	4 275	4 165	5 503	6 636	5 427	-18%
ES**	82 931	103 374	108 340	119 706	145 354	21%
FI	15 841	19 236	18 078	19 800	28 949	46%
FR	542 195	550 511	567 609	599 196	610 093	2%
GB	160 295	143 648	156 020	145 234	139 906	-4%
GR	4 889	4 862	7 547	11 854	5 590	-53%
HR	4 400	4 400	4 400	5 606	6 442	15%
HU	17 899	24 348	23 690	18 447	19 581	6%
IE	19 751	45 593	45 606	38 203	35 814	-6%
IS	4 774	5 016	6 665	4 924	3 827	-22%
IT	97 585	97 122	106 290	143 538	126 346	-12%
LT	1 292	1 867	2 574	2 842	2 686	-5%
LU	4 500	4 500	4 500	6 500	6 500	0%
LV	3 550	3 943	3 812	6 950	3 439	-51%
MK	902	2 133	0	1 691	1 690	0%
NL	49 137	51 835	67 352	73 140	70 611	-3%
NO	44 156	50 566	55 453	71 906	76 997	7%
PL	3 720	28 601	34 875	41 654	35 665	-14%
PT	19 180	18 603	18 334	32 793	34 689	6%
RO	7 021	10 138	12 008	11 898	7 526	-37%
RU***	66 361	76 115	82 217	81 787	74 526	-9%
SE*	60 995	69 619	70 436	70 717	75 968	7%
SI	3 795	4 607	4 757	4 851	4 395	-9%
SK	2 349	4 952	3 502	4 384	4 299	-2%
TR	5 632	11 372	13 717	15 081	11 228	-26%
Total EU 27	1 475 958	1 565 032	1 737 301	1 864 163	1 882 398	1.0%
Total MEDIA	1 563 745	1 664 261	1 845 274	1 988 075	2 015 607	1.4%
Total Europe	1 638 191	1 755 420	1 944 169	2 090 354	2 105 339	0.7%

Notes

Data in italics are estimated or include partial estimates.

* Not all sub-national funds included

** Funds in Asturias, Extremadura, Navarre and one smaller funding line in Catalonia have not been included.

Data for the national funding body, the ICAA, is the total of funding awarded for each year, rather than total income.

*** Federal fund only

Source: European Audiovisual Observatory

In the Czech Republic, the *Státní fond pro podporu a rozvoj české kinematografie* benefited in 2008 from a combination of high levels of revenues from repayments and copyright fees, an injection from the state budget and a temporary tax on broadcaster advertising revenue during the period of switchover to digital terrestrial television. This temporary tax continued to contribute to the fund in 2009.

With increased pressure on state finances in 2008 and 2009, totals for countries where funds are highly dependent on public sources tended to show the steep-

est declines. Such downward pressure was evident in all three Baltic States, with a 51% drop in Latvia, as well as in Iceland, where the *Kvikmyndamiðstöðvar Íslands* registered its second year of declining resources.

Albania, Bosnia-Herzegovina and Turkey also showed double-digit drops. In both Latvia and Turkey the steep decline was relative to an exceptionally high figure in 2008.

For another group of countries, a significant increase in available income can be noted in the first year of operation of a new fund. This is the case in Croatia, where

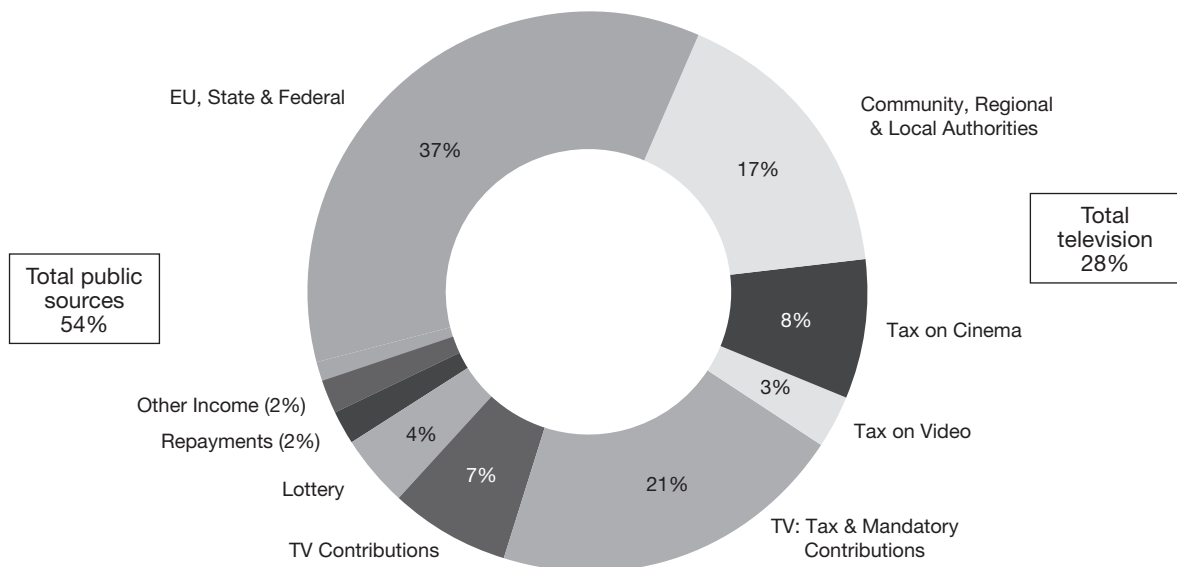
2008 marks the first year of operation of the *Hrvatski audiovizualni centar*, in Poland with the opening of the *Polski Instytut Sztuki Filmowej* in 2006, and in Norway following the merger of the *Norsk filmfond* into the *Norsk filminstitutt* in 2008. In “The former Yugoslav Republic of Macedonia” funding activities at the National Broadcasting Council ceased in 2006 but the new Macedonian Film Fund did not start operation until 2008, with the result that no funding was available during 2007.

The largest increase in absolute terms was in Spain, where resources available rose by almost EUR 26 million between 2008 and 2009.

2.5 How funds are financed

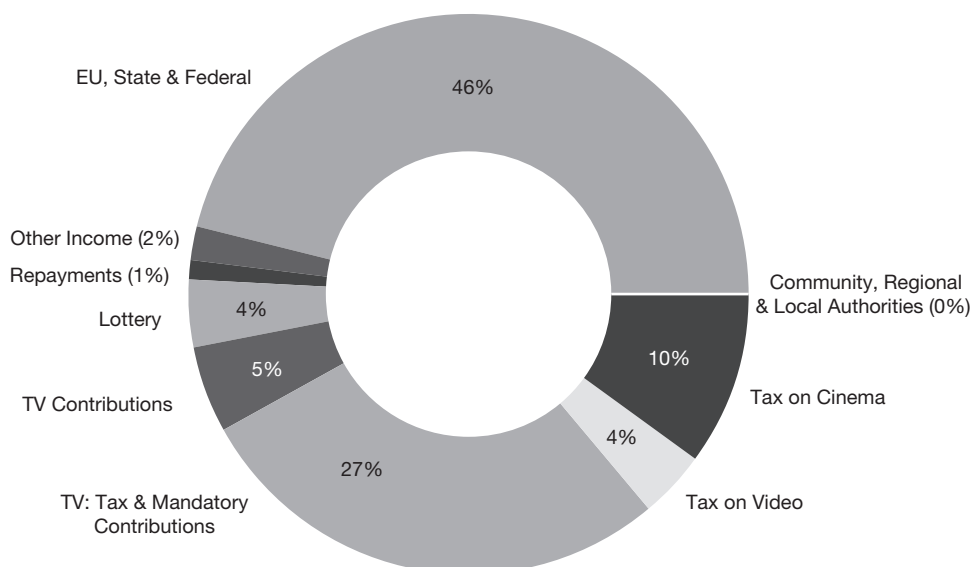
Fund income is financed from a variety of sources using a number of different models. As Figure 2.5 shows, income from public sources is the single most important component, at 54% of the total. Television is the second most important contributor at 28%, with taxes and mandatory contributions to funds accounting for 21% of the total. A further 7% of total income is composed of voluntary contributions by television companies. Taxes on cinema tickets and cinema advertising bring in 8% of revenue while levies on video and VoD contribute 3%. National lotteries supply 4% of income and approximately 2% of total resources are derived from repayments made to funds.

Figure 2.5 National and sub-national funding body income by source / 2009



Source: European Audiovisual Observatory

Figure 2.6 National funding body income by source / 2009



Note
Includes income that will subsequently be delegated to sub-national bodies.

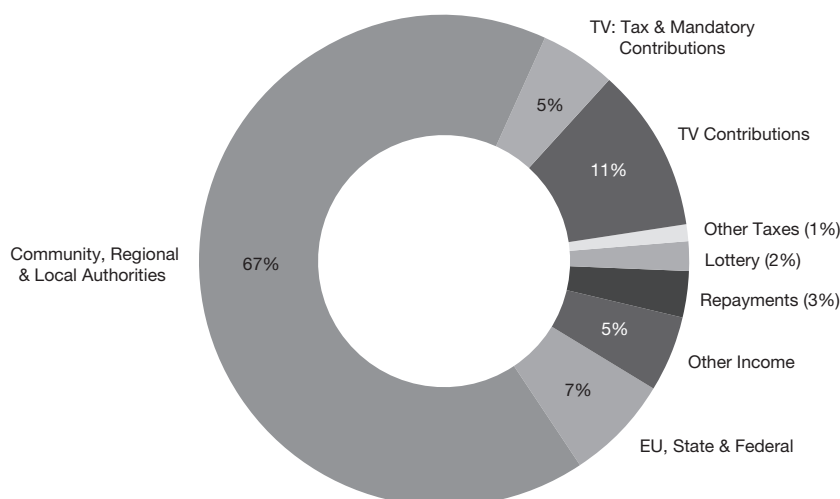
Source: European Audiovisual Observatory

Figures 2.6 and 2.7 show the difference in composition between fund income at the national and sub-national levels. For national funds, taxes and contributions from cinema, video and television are as important as EU, state and federal sources.

As might be expected, sub-national funds are more dependent on income from public sources than their national counterparts. The second most important source of income for these funds is voluntary contribu-

tions from television, at 11%. Taxation and mandatory contributions from television are less at this administrative level, representing only 5% of income. Lottery revenue is also of reduced importance, representing 2% of sub-national income, but 4% of the income of funds at the national level. The share of repayments (which includes unallocated funding and cancellations) is also slightly higher at the sub-national level.

Figure 2.7 **Sub-national funding body income by source / 2009**



Note
Includes income delegated from the national level. For further details see Chapter 7.

Source: European Audiovisual Observatory

2.6 Types of income

The summary data shown in figures 2.6 and 2.7 is of course heavily influenced by the income mix in the larger countries. Table 2.4 provides an overview on a country-by-country basis of the overall mix of fund finance upon which funds based in a country can draw.

Table 2.4 **Sources of fund income by country / 2009**

Level	Public sources		Taxes & Contributions				Other				Total
	EU, State & Federal	Community, Region & Local	Cinema	Video	TV & Cable	Other	Lottery	Other Orgs.	Repayments	Own & Other Income	
AL	989		1					12		3	1 005
AT*	21 828	23 582			19 460				278		65 148
BA		1 283									1 283
BE		32 933			12 466				356	206	45 960
BG	6 247										6 247
CH*	30 155	8 030			403		1 377	3 967	969	1 042	45 943
CY	1 400										1 400
CZ	5 402		502		5 665			5 616	46	184	17 415
DE*	93 100	87 806	20 726	19 552	70 340	435			20 815	12 099	324 872
DK	56 082	1 643							0	792	58 517
EE	4 182					1 168			32	45	5 427
ES*	90 453	53 196			248				1 121	337	145 354
FI	1 156	170					24 528	3 082	0	13	28 949
FR	6 979	62 464	120 610	29 170	390 470				0	400	610 093
GB	52 083	31 356			984		42 903	118	2 762	9 701	139 906
GR	3 091		1 864							636	5 590
HR	4 783	400			1 259						6 442

Table 2.4 (cont.) Sources of fund income by country / 2009

EUR thousand											
Level	Public sources		Taxes & Contributions				Other				Total
	EU, State & Federal	Community, Region & Local	Cinema	Video	TV & Cable	Other	Lottery	Other Orgs.	Repayments	Own & Other Income	
HU	19 183	53								345	19 581
IE	25 695				8 514				1 380	225	35 814
IS	3 827										3 827
IT	97 048	25 575					3 000			723	126 346
LT	1 978						629	79			2 686
LU	6 500										6 500
LV	3 327									111	3 439
MK	1 690										1 690
NL	41 591	2 410			24 128					2 481	70 611
NO*	53 219	2 485	2 630	7 643	3 310				1 393	5 746	76 426
PL	2 777	2 355	2 263	320	24 045		1 900			2 006	35 665
PT	9 755		121		23 843				896	75	34 689
RU*	74 526										74 526
SE*	33 347	15 473	15 175		5 512			332	1 687	4 442	75 968
SI	4 317									78	4 395
SK	4 179							120			4 299
TR	11 228										11 228
Total EU 27	591 700	339 016	161 260	49 042	585 674	1 603	72 959	9 347	29 371	34 899	1 874 872
Total MEDIA	683 682	349 931	163 890	56 685	590 646	1 603	74 337	13 314	31 733	41 687	2 007 509
Total Europe	772 116	351 214	163 891	56 685	590 646	1 603	74 337	13 327	31 733	41 690	2 097 241

Notes

* Not all sub-national funds are analysed.

- 'Repayments' includes cancellations and unallocated income.

- No income breakdown is available for Romania and for a number of smaller funds.

As a result, the overall total here is lower than that for Table 2.3

- Russian Federation is Ministry of Culture only.

Source: European Audiovisual Observatory

2.6.1 Funding from national and sub-national public sources

All the countries covered by this report draw upon public sources to finance their film funding systems. In eight countries funding systems were entirely financed by state, community or regional public sources in 2009. These were Bosnia-Herzegovina, Bulgaria, Cyprus, Iceland, Luxembourg, "The former Yugoslav Republic of Macedonia", the Russian Federation and Turkey. A second group of eight countries drew upon public sources for 95% or more of overall fund income in 2009. Countries in this group were Albania, Denmark, Hungary, Italy, Latvia, Spain, Slovenia and Slovakia. Additional income in these countries was generally constituted through repayments, own and miscellaneous income, with the exception of Albania, where a cinema ticket tax yields a small annual income for the national film agency. The total value in 2009 of funding from public sources was EUR 1.1 billion with European Union, state and federal level sources contributing EUR 772 million (69% of total funding from public sources) and community, regional and local government contributing EUR 351 million (31% of total public funding).

The flow of public funding to funding bodies is structured in a number of different ways. The most straightforward system is that of an annual budget appropriation from a responsible Ministry or governmental unit to the fund concerned. In some cases these state budget appropriations are voted directly in national parliaments. State or regional authority funds may also reach film funds via an intermediary body, such as a regional development agency. More elaborate systems involve the agreement of a funding envelope over a period of years. This is, for example, the case in Denmark where the four-yearly *Filmaftalen* sets out the policy objectives for *Det Danske Filminstitut* and the means which will be at its disposal to achieve them as well as the amounts and conditions of parallel investment by public service television in film production.¹ Similarly in Croatia, the National Programme for the Promotion of Audiovisual Activity is adopted for four-year periods. In the case of Italy, a single large state-financed fund, the *Fondo Unico dello Spettacolo (FUS)*, provides support to all the performing arts at the national level, including cinema, and its amount and the allocation within the global amount to the various strands are voted annually.

1) The most recent *Filmaftalen* runs from 2011 to 2014 and passed through the Danish Parliament in October 2010.

2.6.2 Taxes on cinema exhibition and mandatory contributions by exhibitors

Levies on cinema ticket sales were frequently the means chosen to finance the first production support schemes launched in Europe during the 1940s and 50s. Although some early adopters, such as the United Kingdom and Spain, have since abandoned this method of financing funds, the system has continued in use in a number of countries and has been introduced in recent years as part of the financing mix of newly established national funds.

Taxes on film exhibition or mandatory contributions by exhibitors exist in 10 out of 34 countries shown in Table 2.4. These are Albania, Croatia², the Czech Republic, Germany, France, Greece, Norway, Poland, Portugal and Sweden. A cinema tax also exists in Romania³ and in the Slovak Republic since 2010, which gives a total of twelve countries in Europe currently using this means to finance funds. This type of tax or contribution provided a total of EUR 164 million in revenue to funds in 2009.

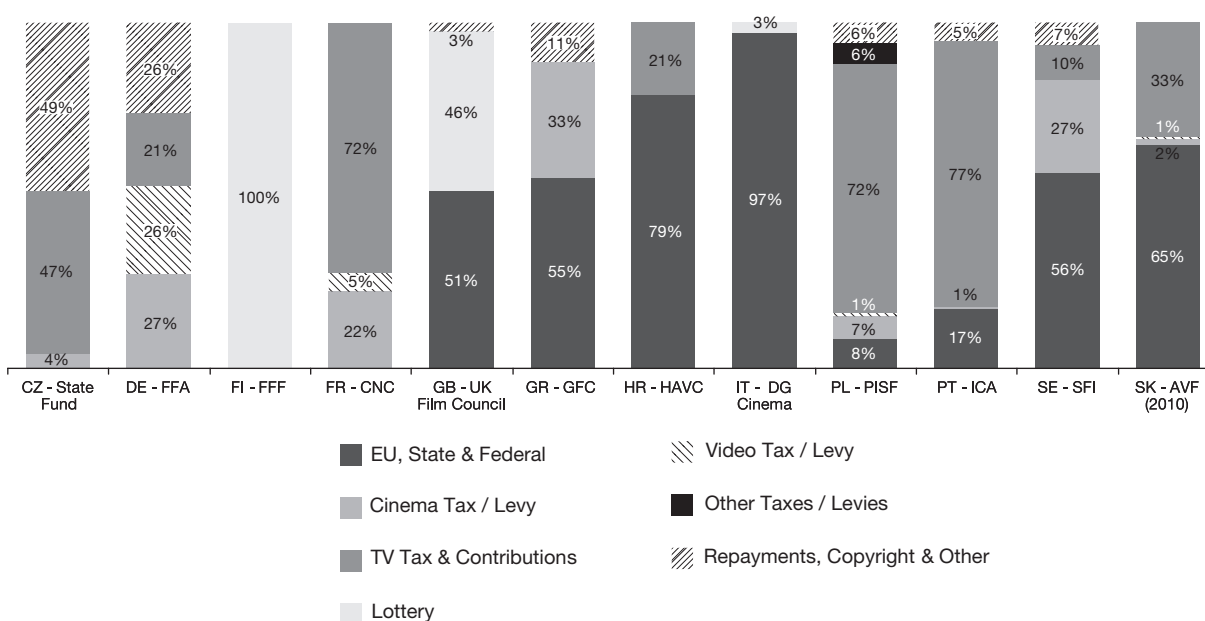
In 2009 cinema tax income accounted for over 33% of total fund income in Greece and slightly less than 20% of total fund revenues in France and Sweden. For all other countries concerned cinema taxes contributed less than 10% of total fund income (Albania, Czech Republic, Germany, Norway, Poland and Portugal). On

the level of individual funds, cinema taxes represented 33% of income at the Greek Film Centre in 2009, 27% of income at both the German *Filmförderungsanstalt (FFA)* and the Swedish *Svenska Filminstitut (SFI)*, 22% at the French CNC and the Norwegian *Norsk kino- og filmfond (NKFF)* and 7 and 4% respectively of income for the Polish PISF and the Czech State Fund. The Slovak *Audiovizuálny fond* earned 2% of its income from contributions by exhibitors in 2010.

Taxes on exhibition take two principal forms: either a tax or surcharge on the price of cinema tickets or a tax on exhibitor revenues more generally. The first type, taxes and surcharges on cinema tickets, can be found in the Czech Republic, where a 1 CZK fee has been charged on all cinema admissions since 1992 in order to finance the State Fund, and in Greece where part of the proceeds of a cinema admissions tax are reversed to the Greek Film Centre, as well as in France, Norway and Slovakia. A wider definition of revenues is used in Poland, where exhibitors must pay a fixed percentage of gross revenue from both the screening of films and cinema advertising, while in Portugal the *Instituto do Cinema e do Audiovisual* benefits from an exhibition tax which includes a levy on revenues from advertising in cinemas but not on other forms of exhibitor revenue. In Germany, a cinema levy is raised on net annual exhibitor turnover.

2) Not shown in Table 2.4 as no income was reported for this source in 2009
3) Not shown in Table 2.4 as no income breakdown was available

Figure 2.8 Income by source for selected national funding bodies / 2009



Source: European Audiovisual Observatory

2.6.3 Contributions from television broadcasters and distributors of audiovisual services

Broadly speaking this source of income can be divided into three types. These are taxes, mandatory contributions and voluntary contributions. Taken as a whole, this is the second most important element in overall fund finance, after public sources, and provided a total of EUR 591 million of revenue to funds in 2009. This figure includes contributions from national and regional public or private broadcasters and, for some countries, from distributors of audiovisual services. These contributions should not be confused with legal obligations for television companies to invest in film production – these often run in parallel to film funds but they do not provide a direct budgetary resource to the funds.

Strictly speaking, only five countries use a tax or levy on the revenues of television companies to finance their film funding bodies – these are France, Germany (since 2010), Poland, Portugal and Slovakia (since 2010). In France, Poland and Portugal such taxes are the funds most important source of income. For example, in France, the CNC derived 72% of its income, some EUR 391 million, from taxes on television services in 2009.

Mandatory contributions to fund budgets exist in the French-speaking Community of Belgium, in Croatia and in the Czech Republic, where the contribution is a temporary measure, as well as in Romania. Voluntary or negotiated contributions are to be found in Germany (*Länder* funds and to the FFA prior to 2010), in Sweden, in Norway (to the *Norsk filminstitutt*) and in Portugal (subscription to the capital of the *Fundo de Investimento para o Cinema e Audiovisual*). Broadcasters in member states of the fund also contribute to the supranational *Nordisk Film & TV Fond*.

Mandatory contributions by distributors of audiovisual services are relatively rare in Europe: in the French Community of Belgium this obligation applies since 2003⁴ to cable operators and, more recently, to internet service providers (ISPs), in France such an obligation applies to ISPs and in Poland to cable operators and digital satellite platforms. This form of contribution raises the issue of platform neutrality: as cable operators and operators of IPTV, digital satellite, DTT, WebTV and VoD platforms all compete on the same market, to be coherent the taxation base must integrate the principle of platform neutrality.

A small number of funds are specifically established and funded by broadcasters themselves. These include the funds based at national regulatory authorities in Austria, Ireland and Hungary. Other funds on a specific model include two funds in the Netherlands: the *Mediafonds* (formerly the STIFO fund), which receives an annual donation from the Ministry of Education, Culture and Science which is at least equal to one sixteenth of the income of the central advertising agency for public service broadcasters in the Netherlands, the *Stichting Ether Reclame* (STER) for that year, and the *Stichting Coproductiefonds Binnenlandse Omroep* (CoBO-fonds), which is partly funded by copyright fees paid for access to Dutch public service channels by cable operators in Belgium and Germany. The Austrian *ORF Film / Fernsehfonds Abkommen* is a distinct fund which operates in parallel to the *Österreichisches Filminstitut* and is financed by national public service television.

Table 2.5 provides a list of the different mechanisms in place. Further information on television contributions to film funds is given in section 2.7 which follows and in the special Focus section at the end of this Chapter.

4) Décret du 27 février sur la radiodiffusion (MB 17.04.2003)

Table 2.5 **Broadcasters' contributions to funds / 2009 - 2010**

Broadcasters contribute directly to national, supranational and other film funds			
Country	Level	Fund	Comments
...	Supra	Nordisk Film & TV Fond	Contributions from channels in member countries
...	Other	Hubert Bals Fund	Contribution from NPS (NL)
CZ	National	Státní fond pro podporu a rozvoj české kinematografie	Temporary measure during switchover to DTT
DE	National	FFA	Levy since 2010, previously voluntary negotiated contribution
FR	National	CNC	
HR	National	Hrvatski audiovizualni centar	
NO	National	Norsk filminstitutt (NFI)	
PL	National	Polski Instytut Sztuki Filmowej (PISF)	
PT	National	ICA	Exhibition tax plus additional protocol with RTP
PT	National	Fundo de Investimento para o Cinema e Audiovisual (FICA)	Investment fund
RO	National	Centrul National al Cinematografiei	
SE	National	Svenska Filminstitutet (SFI)	In the framework of the <i>Filmavtal</i>
SK	National	Audiovizuálny fond	From 2010

Source: European Audiovisual Observatory

Table 2.5 (cont.) **Broadcasters' contributions to funds / 2009 - 2010**

Broadcasters contribute directly to major sub-national funds			
Country	Level	Fund	Comments
BE (CFB)	Community	Centre du cinéma et de l'audiovisuel	Cable-operators, editors & distributors of TV services
CH	Community	Fonds Regio	
DE	Community	FFF Bayern	
DE	Community	Filmförderung Hamburg Schleswig-Holstein	
DE	Community	Filmstiftung NRW	
DE	Community	Hessische Rundfunk Filmförderung	
DE	Community	Medienboard Berlin-Brandenburg	
DE	Community	MFG Filmförderung	
DE	Community	Mitteldeutsche Medienförderung (MDM)	
DE	Community	Nordmedia	
ES	Community	Consorcio Audiovisual de Galicia	
Broadcasters contribute parallel funding via a negotiated agreement			
Country	Level	Fund	Comments
AT	National	ORF Film / Fernsehfonds Abkommen	Österreichisches Filminstitut (ÖFI) - ORF
CH	National	SSR-SRG: Pacte de l'audiovisuel	Inter-industry agreement
DK	National	Filmaftalen	DFI - Broadcasters
Broadcasters run or finance specific funds			
Country	Level	Fund	Comments
AT	National	Fernsehfonds Austria (RTR)	Regulatory authority fund
IE	National	Broadcasting Authority of Ireland	Regulatory authority fund
HU	National	NMHH	Regulatory authority fund
NL	National	CoBO-fonds	Foreign cable operators fees
NL	National	Mediafonds	% of revenue of PSB advertising sales house
Some examples of where broadcasters provide co-operation and partnership funding			
Country	Level	Fund	Comments
CH	National	Swiss Films	Contribution from Teleclub
ES	Community	Andalucía: Instituto Andaluz de las Artes y Letras	Partnership with RTVA
ES	Community	Catalonia: ICIC	Joint-funding with TVC
GB	Community	Northern Ireland Screen	With UTV
GB	Regional	Film London	With BBC / Channel 4 for digital low-budget features and shorts

Source: European Audiovisual Observatory

2.6.4 Taxes on video and VoD

Taxes on sales and rentals of video are a component of fund income in a limited number of countries – in 2009 these were France, Germany, Norway and Poland, as well as in Romania. Though this type of tax has a long existence in France, Germany and Norway, it is a relatively recent introduction in Poland, where the 2005 Act on Cinematography⁵ created a tax on distributors based on their revenue earned from the sale and rental of carriers with film recordings and on agreements authorizing other entities to make such sales or rentals. Even more recently the Act on the Audiovisual Fund of 2008⁶ ensured that the future Slovak *Audiovizuálny fond* would benefit from a tax on the non-theatrical revenues of distributors of audiovisual works.

In France the tax on video retail turnover was enlarged in 2004 to include Video on Demand transactions. Revenue from video and VoD represented 5% of forecast CNC income in 2009. In Germany, tax on video represents a much higher proportion of FFA income -

26% in 2009, derived from a tax on the turnover of video sales and rental companies as well as on VoD provider transactions. In Norway, a levy on video sales and rental transactions goes to fund the *Norsk kino- og filmfond (NKFF)* and income from this represented 63% of total income to *Film og Kino*, the industry umbrella organisation hosting the fund, in 2009.

2.6.5 Other taxes

A variety of other taxes contribute a total of EUR 1.6 million to global fund income. These include a tax on film exports which provides a part of the income of the German film promotional body, German Films Service + Marketing GmbH, which also provides funding for distribution. The *Eesti Kultuurkapitali*, an Estonian cultural endowment fund which provides support for filmmaking, derives over half of its income from a tax on gambling, while the remaining income is chiefly sourced from a tax on alcohol and tobacco. Similarly, the Romanian *Centrul National al Cinematografiei* received income from a tax on gambling and casinos until 2009, when it was abolished.

5) Ustawa z dnia 30 czerwca 2005 r. o kinematografii, Dz. U. Nr. 132, poz. 1111

6) Zákon č. 516/2008 Z. z. o Audiovizuálnom fonde

2.6.6 Lottery revenues

Film funds in Finland, Lithuania, Poland, Switzerland and the United Kingdom are partly financed by proceeds from the national lottery. In Finland the Ministry of Education and Culture distributes these funds to the national film agency, the *Suomen elokuvaseäätö*. In Lithuania, lottery proceeds, together with taxes on gambling and tobacco, finance the *Kultūros rėmimo fondas*, a culture and sports fund administered by the Ministry of Culture. In Poland, the PISF receives funds granted by the Minister of Culture from the Fund for the Promotion of Culture, whose income is derived from lottery revenues. In Switzerland, the *Fonds Regio* and the *Fondo FilmPlus* are both partially financed from lottery proceeds. A particularly elaborate system existed prior to 2011 in the United Kingdom, where the UK Film Council was entitled to receive an envelope of lottery funding, to be used both for its own funding schemes and to be redistributed to regional funds in England and Northern Ireland, to be used by them for specific types of support. In the Nations, both Scottish Screen (now Creative Scotland) and the Film Agency for Wales are authorised lottery funding distributors for Scotland and Wales respectively. From 2011, lottery funding in England is distributed for film-related funding by the British Film Institute, with the fate of devolved lottery funding in the English regions currently awaiting clarification. Finally in Italy the *Direzione generale per il cinema* was granted in 2007, 2008 and 2009 additional amounts sourced from the national lottery to be used for its support activities.

2.6.7 Copyright and collecting society income

Many funds derive income from the exploitation of works in which the fund holds copyright. However in a small number of cases, funds have been granted the right to perceive income from the copyright of older works produced by state-owned production structures prior to the creation of the fund. This is the case in Albania where the *Qendra Kombëtare e Kinematografisë* (QKK) derives income from the exploitation of works produced between 1957 and 1995 by its predecessor, the state production company, the *Kinostudio Shqipëria e Re*. In the Czech Republic, the State Fund was initially conceived as being almost exclusively financed by royalties from the exploitation of works produced in the former state studios. This model has experienced various difficulties, including the inevitably declining amount of revenues over time and delays in the payment of royalties to the fund, obliging the Czech state to make transfers to the fund on various occasions to ensure its functioning.

A related form of income is that derived from levies on the sales of blank media. An example of this type of income source can be found in Finland, where the AVEK fund, run by the copyright organisation *Kopijosto*, is financed both by a private copying levy and by funds from the Ministry of Education and Culture (for the DigiDemo project).

A small number of examples exist of funding provided by organisations collecting intellectual property payments on behalf of the authors and creators of audiovisual works. An example tracked for this report is the Swiss co-operative collecting society for film authors and copyright owners *Suissimage*. *Suissimage* provides funding itself but also makes contributions to the national *Teleproduktions-Fonds* and the inter-cantonal funds *Fondation vaudoise pour le cinéma*, *Fonds Regio* and the *Fondo FilmPlus*. Support schemes also exist at the SACD in France.

2.6.8 Repayments

Repayments, cancellations and unallocated funding accounted for around 2% of total fund income in 2009, for a total value of EUR 31.7 million. This data should however be treated with great prudence, as many funds do not officially show repayments as a source of income to the fund, even though their funding is either repayable or recoupable. As a result, this amount is almost certainly understated in the overall total. In addition, it should be recalled that many awards are made in the form of non-repayable subsidies, or indeed in the form of loans that are converted into subsidies if not repaid within a certain period. Nonetheless, in volume terms, loans and advances on receipts of various sorts are the prevalent form of funding.

Among the funds providing detailed information on repayments, the annual accounts of the German FFA show that in 2009, 12% of the fund's income came from repayments and cancellations. Funds using a support model that involves production investment with a negotiated recoupment position generally provide more detailed information in their annual accounts than other funds. For example, the UK Film Council derived 1% of its 2009 income (UK financial year 2009/2010) from recoupment on its rights portfolios. In Ireland, *Bord Scannán na hÉireann* covered 10% of its 2008 revenue by a transfer from the capital reserve constituted by recoupment revenues. In 2009 co-production revenues flowing to two Swedish regional production centres, *Film i Skåne* and *Film i Väst*, accounted for just under 11% of total income in each case.

2.7 New sources of fund finance

Increasing pressure on state finances have forced policy makers to consider new sources for fund finance and has at the same time increased the perceived attractiveness of inter-branch transfer models based on levies. Where funding systems are already based on these models, efforts have been concentrated on bringing new distribution platforms for audiovisual content into the contribution base either through taxation or obligations to invest.

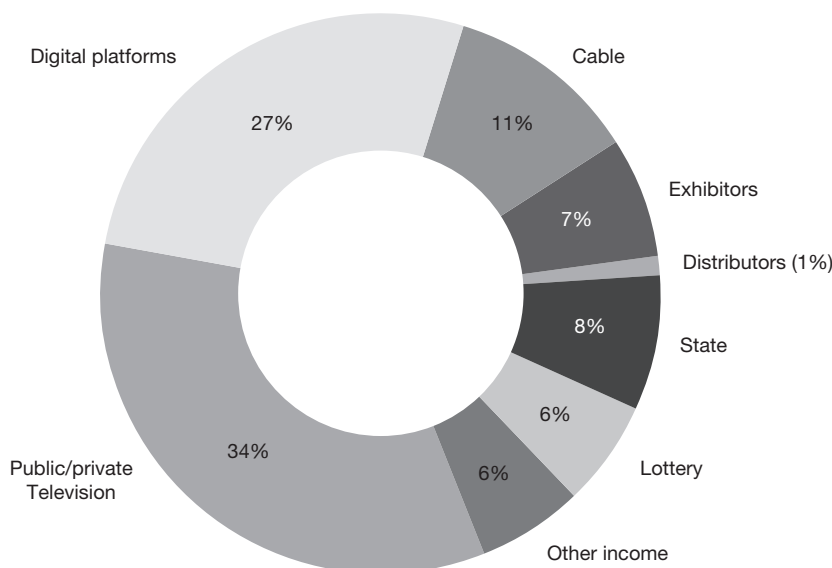
A number of examples of the inclusion of VoD services in both taxation bases and investment obligations exist and have been mentioned in section 2.6.4. In France VoD transactions have been included within the French tax on video sales and rentals since 2004 and, since November 2010, companies exploiting on-demand services must, under certain conditions, dedicate part of their turnover to the production of cinematographic works.⁷ VoD service providers are also included in the contribution base providing income to the German FFA, under article §66a of the *Filmförderungsgesetz* (FFG). In Romania, 3% of the amounts payable for the download of films via data transmission services (including the Internet and mobile telephony services) must, in principle, be reversed to the national cinematography fund.⁸

Extension of the taxation and contribution base for television companies has also taken place in a number of countries, for example by defining advertising revenues to extend to sponsorship, mobile phone surcharges and teleshopping. However the main change which has taken place is the widening of definitions to include 'editors and distributors of television services'. This extension was undertaken in France in 2007 in the context of a bill on the 'television of the future', and had the effect of including ISPs providing broadband television services in the taxation base.⁹ In the French-speaking Community of Belgium, a pre-existing

tax on cable-operators (as distributors of audiovisual services) and an obligation on public and private television companies to support film production either by investment or by contribution to the *Centre du cinéma et de l'audiovisuel* have been extended since 2009 to include ISPs where they act as editors or distributors of audiovisual services.¹⁰ In Greece, new legislation on the support and development of cinematography passed in December 2010 includes alongside an investment obligation for public and private television companies an obligation on telecommunications services providers to invest 1.5% of their annual turnover from the supply of audiovisual media services via internet or mobile phones in production.¹¹

A number of recently created funds provide examples of the inclusion of a wide range of users of audiovisual content in fund finance and represent a radical change in relation to previous funding arrangements in their respective countries. The earliest example of these is the Polish PISF, whose constituting act lays down its financing structure. Public and private broadcasters, operators of digital platforms and cable operators are all subject to a levy which is perceived directly by the PISF. Distribution on video and cinema exhibition are similarly subject to taxation in favour of the national agency. As a result the public funding component is much reduced. Figure 2.9 illustrates the resulting income breakdown for 2009.

Figure 2.9 Poland: Polski Instytut Sztuki Filmowej (PISF) - income by source / 2009



Source: European Audiovisual Observatory after PISF

7) Décret no 2010-1379 du 12 novembre 2010 relatif aux services de médias audiovisuels à la demande

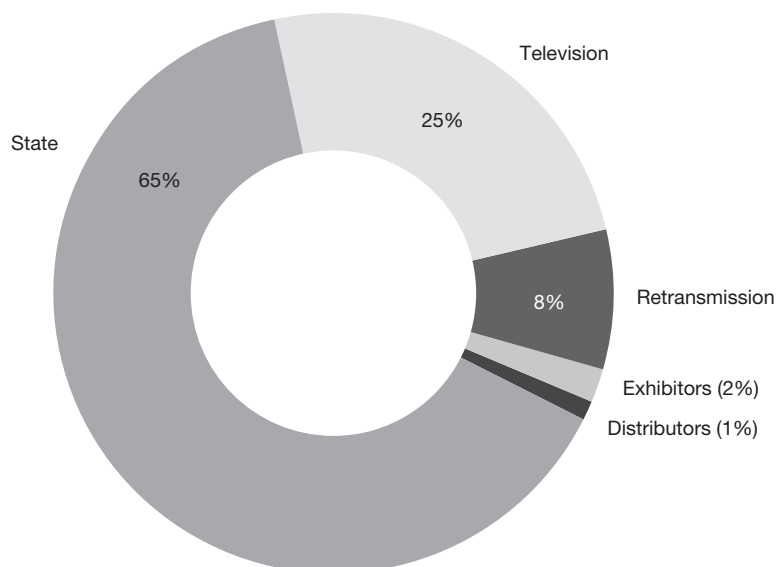
8) Legea nr. 303 din 03/12/2008 privind aprobarea Ordonanței de urgență a Guvernului nr. 7/2008 pentru modificarea și completarea Ordonanței Guvernului nr. 39/2005 privind cinematografia, precum și pentru modificarea Legii nr. 328/2006 pentru aprobarea Ordonanței Guvernului nr. 39/2006 privind cinematografia

9) Loi n° 2007-309 du 5 mars 2007 relative à la modernisation de la diffusion audiovisuelle et à la télévision du futur

10) Décret coordonné du 26 mars 2009 sur les services de médias audiovisuels

11) Act No. 3905/2010, Gazette A 219 of 23 December 2010

Figure 2.10 Slovakia: Audiovizuálny fond (AVF) – income by source / 2010



Source: European Audiovisual Observatory after AVF

A further radical change was operated in Croatia in 2008 when a new national agency went into operation. The *Hrvatski audiovizualni centar* was established by the Law on Audiovisual Activities of 2007¹² and derives its finance from a combination of state funds and contributions from users of audiovisual works. These include the national PSB, other public and private national and regional broadcasters, cable system broadcasters, broadcasters in mobile and fixed telecommunication networks, Internet providers, as well as other entities that use audiovisual works in performing economic activities (cinema operators and video retail).

The Slovak *Audiovizuálny fond* (AVF), which began operation in 2010, provides a third example of innovation at the national level. The fund replaced the former grant system of the Ministry of Culture with a self-governing public institution of a type new to cultural policy in the Slovak Republic. The finances of the fund are based on a combination of public sources (state budget subsidies) and contributions by public or private companies using audiovisual works as part of

their business. In practice this means that public and private television companies, exhibitors, distributors of audiovisual works and retransmission providers are all liable to contribute a percentage of their revenues. In addition, state subsidies may not be lower than the total sum provided by other contributors. The first payments to the fund were made in 2010 and gave a total income of more than EUR 7.3 million (compared to an annual average of around EUR 4.5 million under the previous system).

In Portugal, an innovative investment fund, the *Fundo de Investimento para o Cinema e Audiovisual* (FICA) was established in 2008 and has widened the financing sources of funding available to the Portuguese production sector. Subscribers to the capital of the fund in 2009 included an ERDF-backed investment fund *Fundo de Apoio ao Financiamento à Inovação* (FINOVA)¹³, public and private broadcasters as well as ZON Multimédia, a media group active in theatrical exhibition and distribution, pay and satellite television and internet access provision.

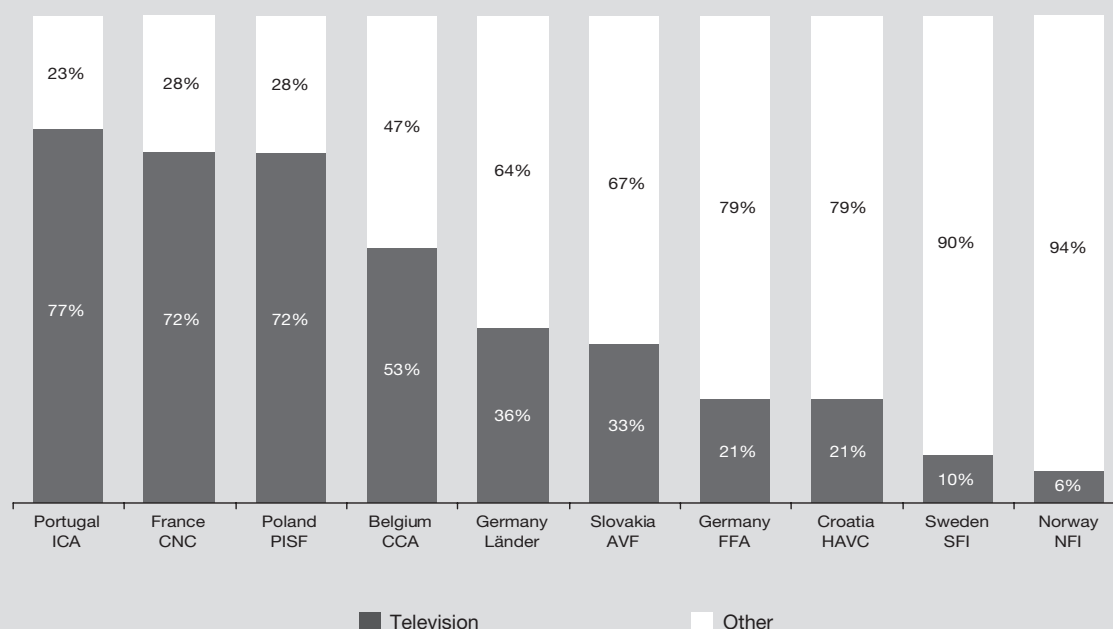
12) *Zakon o audiovizualnim djelatnostima*, Official Gazette No. 76/07 of 23 July 2007

13) In June 2009 FINOVA acquired the shares initially held in the fund by the Portuguese state through the IAPMEI.

FOCUS 2 Broadcasters' contributions to fund income

This special Focus section aims to supplement the information on broadcasters' contributions to fund income already provided in section 2.6.3. A total of EUR 591 million, 28% of total fund income, flowed to funding bodies from television companies, cable and pay-TV operators and operators of digital platforms in 2009. The importance of such revenue for individual funds is illustrated in Figure 2.11.

Figure 2.11 Importance of television contributions to fund income / 2009



Notes

- in % of total fund income
- all data 2009 except for Slovakia which is 2010

Source: European Audiovisual Observatory

As has been pointed out in section 2.6.3, funds are financed by television using two principle mechanisms. The first involves taxation or mandatory contributions based on turnover or revenue. The second mechanism is that of voluntary contributions to a fund. Table 2.6 provides further information on the voluntary contributions identified for this report, specifying both the television company involved and the amount contributed. Contributions from regulatory authorities and licence fee revenue transferred to a fund have been included, but funds run by broadcasters and regulatory authorities have been excluded.

Table 2.6 Direct contributions by broadcasters to funding bodies / 2009

Contributor	Country	EUR thousand	
		Amount 2009	Fund
Teleclub	CH	204	Swiss Films
Télévision suisse romande	CH	199	Fonds Regio
Bayerischer Rundfunk	DE	3 068	FFF Bayern
Hessischer Rundfunk	DE	750	Hessische Rundfunk Filmförderung
Landesanstalt für Medien	DE	1 740	NRW
Medienstaatsvertrag	DE	2 100	FFHSH (Filmwerkstatt Kiel)
Mitteldeutscher Rundfunk	DE	2 556	MDM
NDR	DE	7 097	FFHSH, Nordmedia
ProSiebenSat.1	DE	1 534	FFF Bayern
ProSiebenSat.1, ZDF, rbb, Degeto*	DE	6 700	Medienboard BB

Table 2.6 (cont.) **Direct contributions by broadcasters to funding bodies / 2009**

Contributor	Country	EUR thousand	
		Amount 2009	Fund
Radio Bremen	DE	128	Nordmedia
RTL	DE	4 503	FFF Bayern, NRW
SWR	DE	3 896	MFG
WDR	DE	13 882	NRW
ZDF	DE	8 072	FFF Bayern, FFHSH, MDM, MFG, Nordmedia, NRW
Danmarks radio	DK	314	Nordisk Film & TV Fond
TV2 Danmark	DK	314	Nordisk Film & TV Fond
CRTVG	ES	120	Consorcio Audiovisual de Galicia
RTVA	ES	128	Instituto Andaluz de las Artes y Letras
Nelonen Media	FI	38	Nordisk Film & TV Fond
Yleisradio	FI	370	Nordisk Film & TV Fond
BBC	GB	45	Film London
Channel 4	GB	18	Film London
UTV	GB	13	Northern Ireland Screen
Ríkisúvarpid	IS	17	Nordisk Film & TV Fond
Stöd 2	IS	17	Nordisk Film & TV Fond
NPS (NTR in 2010)	NL	35	Hubert Bals Fund
NRK	NO	386	Nordisk Film & TV Fond
TV2 Norge	NO	3 696	Nordisk Film & TV Fond, NFI
Kanal 5	SE	344	Nordisk Film & TV Fond, SFI
Modern Times Group	SE	441	SFI
SVT	SE	4 193	Nordisk Film & TV Fond, SFI
TV5	SE	1 104	Nordisk Film & TV Fond, SFI

* No breakdown available.

Source: European Audiovisual Observatory

Funding Body Activity Spend

3.1 Key data

- The total volume of spend on activity by funding bodies in Europe in 2009 was EUR 2.07 billion.
 - EUR 1.44 billion (69%) of this was spent by national funds
 - EUR 483 million (23%) was spent by sub-national funds
 - Supranational funds and funds for projects from outside of Europe spent a total of EUR 155 million (7% of total activity spend)
 - Estimated activity spend per head of population was EUR 2.60.
- Fund activity spend grew by an annual average rate of 6% between 2005 and 2008 but stagnated in 2009.
- The total activity spend of funds operating in the 27 European Union countries was EUR 1.73 billion in 2009.
- Funds established in countries forming part of the MEDIA 2007 programme spent EUR 1.83 billion on their activities in the same year.
- With a total spend of EUR 581 million, France was the country in Europe with the highest level of funding in 2009.
- Iceland, Norway and Luxembourg spent most per head of population.

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3.2 Introduction

This chapter discusses the total activity spend by funding bodies in Europe. By 'total activity spend' is meant the total amount of funding awarded plus the amount spent directly by funds on activities to benefit the sector. Section 3.3 looks at total activity spend for the period 2005 to 2009 and examines its evolution. It also provides a breakdown of the spend totals by administrative level (supranational, national, community, regional and local). Activity spend by country is reviewed in section 3.4 with details on spend by administrative level and spend per capita. A full list of all funds with spend amounts for the years 2005 to 2009 can be found in Appendix 3 on page 149. Finally, though tax incentive schemes are not included in the overall scope of this report, a special section at the end of this chapter provides a brief overview of this much discussed element of national film policy.

FOCUS 3 Total fund activity spend – a definition

For the purposes of this report a distinction is drawn between fund income and fund activity spend.

- **Fund income** is the financial resources from all sources available to the fund. It includes repayments, unallocated funding from previous years and may include transfers from reserves. Data on fund income is the basic element for the study of how funds are financed.
- **Fund activity spend** is the amount spent by the fund on its activities, whether in direct support paid out to companies and individuals in the sector or on the organisation of activities which benefit the sector (such as promotional and networking activities). **Fund activity spend** has thus two components:
 1. Funding spend
 2. Spend on relevant activities

These two elements have been treated in different ways. For funding spend two different measurement possibilities exist. The first is the amount actually **paid out** in funding during the year by the fund. The second is the sum of the total **funding awarded** during the year. For this study the second possibility, total funding

awarded, has been retained whenever possible, as it provides a realistic view of the activity of the fund during the year and tends more frequently to be in the public domain. In addition, using this measure maintains the link to actual lists of projects supported in any particular year, thus permitting additional analysis of the types of project supported (see Chapter 4). Data on funding paid out has been used only where no data on funding awarded was available. In a very limited number of cases, the total funding allocation for the year has been used as a substitute for total funding awarded. In particular this is the case for France, where the annual forecast spend of the CNC has been used.

Spend on other relevant activities cannot, however, be measured in terms of support awarded and thus total expenditure on each of these types of activities during the year in question has been used.

Overheads, administration costs and transfers to other funding bodies included in this study have been excluded from activity spend in almost all cases. Payments to pan-European organisations have also been excluded wherever it has been possible to identify them. As a result it is possible in this chapter to provide pan-European activity spend totals, encompassing the activity of national, sub-national, supranational and other types of funding bodies, without significant risk of double counting of spend.

Data is collated for the calendar year as the vast majority of funds studied here use this as the basis for their reporting. Funds based in the United Kingdom and a small number of other funds do however use financial years other than 1 January to 31 December. For the purposes of this report financial years which do not correspond to calendar years have been attributed to the year in which the majority of the reported activity took place, for example, the financial year 1 April 2009 to 31 March 2010 becomes 2009 in this report.

Finally, it should be noted that a full list of all funds with their corresponding spend amounts for the years 2005 to 2009 can be found in Appendix 3 at the end of the volume.

■ 3.3 Total activity spend and its evolution

Data on activity spend for the period 2005 to 2009 was available for a total of 232 national and sub-national bodies based in Europe and for a further 17 funds operating on a supranational level or providing funding principally to projects originating from outside of Europe. The total activity spend (funding awarded plus direct spend by funds on other activities supporting the sector) for all 249 funds is estimated at EUR 2.074 billion, a 17% increase on the 2005 spend total of EUR 1.766 billion. Spend slipped back slightly in the early part of the period, declining from EUR 1.766 billion in 2005 to EUR 1.754 billion in 2006 (-1%) but recovered strongly in 2007, rising by 11% in relation to 2006. The positive trend continued the following year with an additional EUR 134 million (+7%) directed towards the sector. By 2009, however, pressure on fund income had put an end to the upward movement in spending and the overall total for the year remained just below that of the previous year (-0.2%).

The principle contributor to the stagnation of spend in 2009 was a drop in spending by the national funds. Given the weight of these funds in the overall total (on average 71% for the period studied), a drop of 3% in their 2009 spend cancelled out gains at other administrative levels. Though funds at the sub-national (community, regional and local) and supranational levels were able to maintain and indeed increase their activity spend in 2009, their combined increase could not compensate for the drop at national level. Spend by funding bodies supporting projects from outside Europe also fell sharply, but this, as has been noted in Chapter 2, was linked to the life-time of specific support programmes and an exceptionally high spend figure for 2008 and should not be considered an underlying downward trend.

Table 3.1 Funding body activity spend in Europe / 2005 – 2009

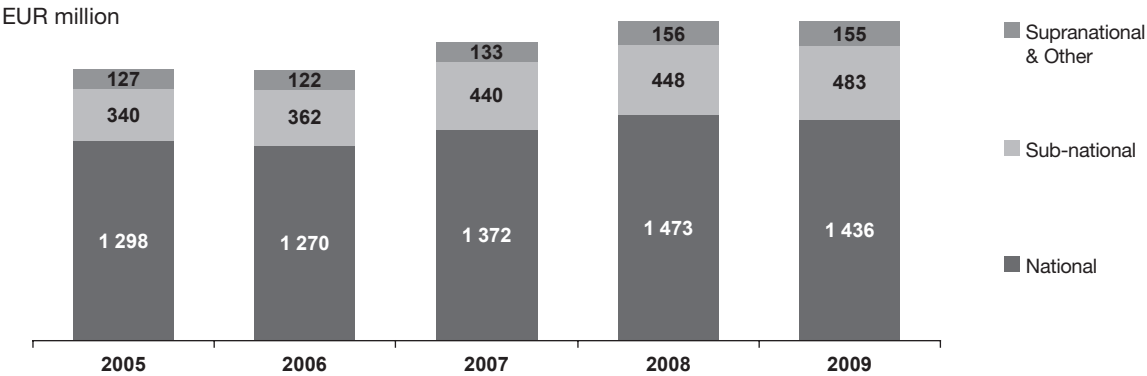
Level	EUR million					% 2009 /2008	Number of funds analysed
	2005	2006	2007	2008	2009		
National	1 298	1 270	1 372	1 473	1 436	-3%	62
Community	237	251	295	286	315	10%	53
Regional & Local	103	111	144	162	168	4%	117
<i>Sub-total Sub-national</i>	<i>340</i>	<i>362</i>	<i>440</i>	<i>448</i>	<i>483</i>	<i>8%</i>	<i>170</i>
Total National & Sub-national	1 638	1 632	1 812	1 922	1 919	-0.1%	232
Supranational	120	111	121	136	144	5%	7
Outside Europe	7	12	12	20	11	-43%	10
Total Supranational & Other	127	122	133	156	155	-0.9%	17
Grand Total	1 766	1 754	1 945	2 078	2 074	-0.2%	249

Source: European Audiovisual Observatory

At the sub-national level, activity spend rose at an annual average of 9% over the period 2005 to 2009. In contrast, at the national level the annual average rate of growth was just 3%, with the beginning and the end of the period marked by a contraction in spending. A contributing factor to the divergence in the rate of growth between the national and sub-national levels is the growth in the number of new funds going into operation over the period. As has been outlined in the first chapter, the sub-national level was especially dynamic in terms of fund creation, particularly at the regional and local levels. 47 new regional and local funds came on stream during the period, contributing new spend and maintaining growth.

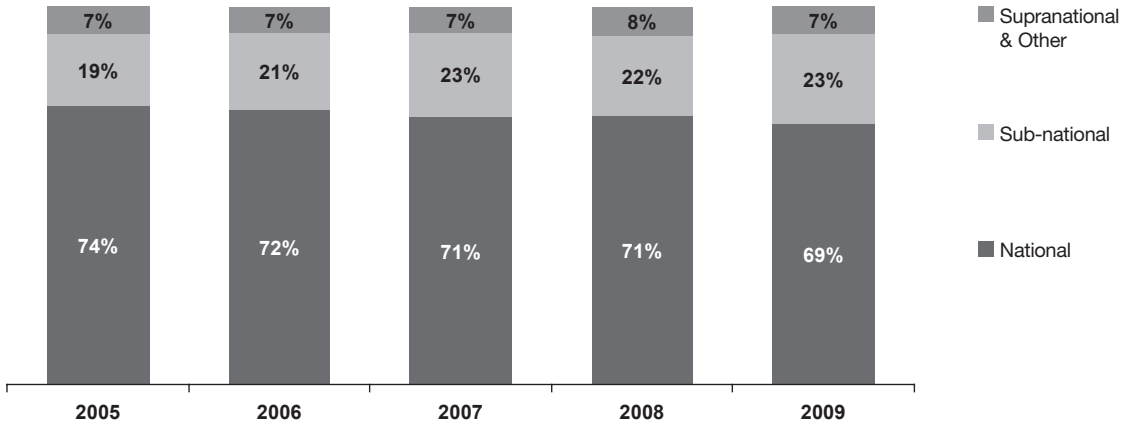
Thanks to growing numbers and activity spend, sub-national funds increased their share of total activity spend over the period, going from 19% of all spend in 2005 to 23% of the total in 2009. A one percentage-point fall in 2008 is due to the contraction in spend by funds at the community level over this period. Supranational and other funds account for on average 7% of total spend, with the MEDIA 2007 programme representing almost two-thirds of total spend at this level in 2009.

Figure 3.1 Funding activity spend in Europe / 2005 - 2009



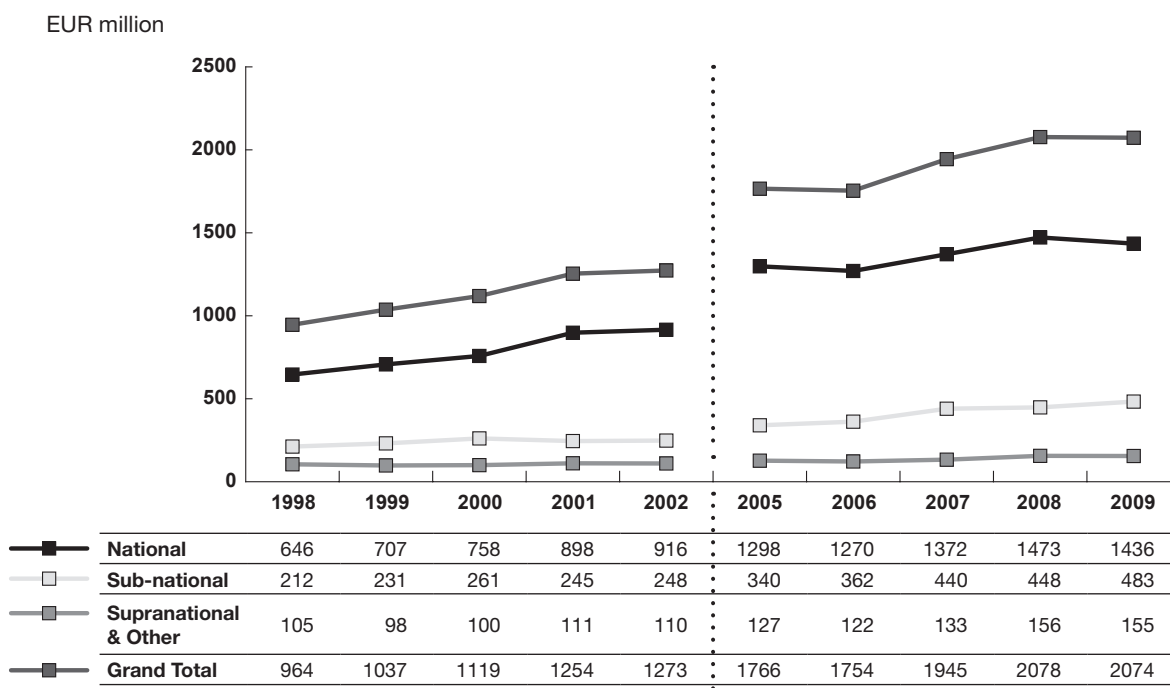
Source: European Audiovisual Observatory

Figure 3.2 Funding activity spend in Europe - % breakdown / 2005 - 2009



Source: European Audiovisual Observatory

Figure 3.3 Evolution of funding activity spend / 1998 - 2009



Source: European Audiovisual Observatory

Figure 3.3 puts fund activity spend into a larger perspective, drawing on data collected in the European Audiovisual Observatory's 2004 report on public funding.¹ Though data for the period 1998 to 2002 was compiled using a slightly different methodology, at the aggregate level the two series are relatively comparable. In 1998, total funding spend was EUR 964 million. In 1999 spend crossed the EUR 1 billion mark and by 2002, total funding spend in Europe was EUR 1.3 billion. 2005 is the next year for which relatively complete data is available and by then total activity spend had reached EUR 1.8 billion. The EUR 2 billion mark was crossed in 2008.

3.4 Total activity spend by country and level

Table 3.2 presents country-by-country activity spend totals for the five-year period 2005 to 2009. Though it has not been possible to track all identified funds over the entire five year period, coverage is sufficient to ensure that results are representative - 249 funds out of a total of 280 funds identified as active in 2009 were analysed for the purposes of this chapter.

Eighteen out of 35 countries showed a drop in total activity spend between 2008 and 2009. For the two most severely affected countries, Romania (-91% based on an estimation by the European Audiovisual Observatory) and Portugal (-62%), the drop was linked at least partly to exceptional circumstances occurring in

2009, rather than to a planned reduction in budget and thus in activity spend. In Romania the estimated drop in 2009 was, it appears, principally due to the fact that the national agency awarded no production funding during the year, pending European Commission approval of new production support measures. In Portugal, 2008 had seen a considerable boost to funding activity, with the creation of the *Fundo de Investimento para o Cinema e Audiovisual* (FICA). However the new investment fund encountered a number of transient operational difficulties during the first half of 2009 with a consequent reduction in activity. As a result overall data for Portugal was artificially depressed during 2009.

Eight out of the remaining 16 countries with shrinking activity spend in 2009 registered double-digit drops, while a further 8 countries showed smaller declines. In absolute terms, leaving aside the exceptional situation in Portugal, Poland and Italy showed the largest falls, with more than EUR 10 million less spent in 2009 than in the previous year for both countries.

Two of the countries with the highest levels of spend, France and Germany, both showed activity progressing positively in 2009, though neither enjoyed five consecutive years of spending growth. Of the five large Western European markets, only Spain registered an increase in spend for every year of the entire period covered here, and the additional EUR 16 million spent in 2009 was the largest absolute increase in Europe. The second largest increase was in France, with an additional EUR 15 million flowing towards the sector in 2009.

1) A. LANGE & T. WESTCOTT, *Public Funding for Film and Audiovisual Works – A Comparative Analysis*, European Audiovisual Observatory, Strasbourg, 2004. See Chapter 5.

Table 3.2 Total activity spend by country / 2005 to 2009

Country	EUR thousand					% 2009/2008
	2005	2006	2007	2008	2009	
AL	700	528	1 060	1 078	1 231	14%
AT*	46 327	45 843	52 906	56 674	65 492	16%
BA	731	961	1 724	2 448	1 271	-48%
BE	39 841	35 431	46 317	41 122	50 571	23%
BG	2 960	2 806	3 365	5 565	6 027	8%
CH*	30 808	32 400	34 398	32 753	34 317	5%
CY	900	900	900	900	1 400	56%
CZ	6 000	8 412	14 792	16 695	15 631	-6%
DE*	228 585	217 585	302 802	298 925	303 057	1%
DK	36 341	36 946	34 156	42 365	40 695	-4%
EE	4 024	3 896	5 178	6 265	5 092	-19%
ES*	81 309	100 592	101 327	107 769	123 667	15%
FI	15 047	16 491	16 069	18 512	25 848	40%
FR	525 160	522 255	540 995	566 020	581 206	3%
GB	161 171	124 040	138 921	131 020	127 827	-2%
GR	3 428	5 436	11 312	4 086	7 315	79%
HR	4 400	4 400	4 400	4 895	4 433	-9%
HU	28 805	21 759	17 096	16 922	18 102	7%
IE	15 955	42 526	40 382	36 164	29 941	-17%
IS	2 541	4 508	5 687	3 893	3 912	1%
IT	169 547	120 344	122 673	156 036	145 653	-7%
LT	1 292	1 867	2 661	2 803	2 609	-7%
LU	3 432	4 080	3 766	6 331	5 503	-13%
LV	2 824	3 076	3 626	5 982	3 042	-49%
MK	902	2 133	0	2 668	2 103	-21%
NL	40 649	46 575	60 794	62 761	64 014	2%
NO	42 746	42 174	48 082	53 226	54 879	3%
PL	3 720	19 135	25 366	46 074	32 278	-30%
PT	9 299	11 019	8 821	24 905	9 474	-62%
RO	4 500	7 000	8 000	8 000	755	-91%
RU**	66 361	76 115	82 217	81 787	74 526	-9%
SE***	46 622	50 537	51 790	53 025	56 455	6%
SI	3 408	3 844	3 084	4 646	5 448	17%
SK	2 349	4 706	3 502	4 384	4 298	-2%
TR	5 632	11 372	13 717	15 081	11 228	-26%
Total EU 27	1 483 494	1 457 098	1 620 601	1 723 949	1 731 402	0.4%
Total MEDIA	1 563 990	1 540 580	1 713 168	1 818 717	1 828 943	0.6%
Total Europe	1 638 315	1 631 690	1 811 886	1 921 779	1 919 303	-0.1%

Notes

Data in italics are estimated or include partial estimations.

232 funds analysed in 35 European countries.

26 out of 27 EU countries are included (Malta not shown).

* Not all sub-national funds analysed

** Federal level (Ministry of Culture) only - does not analyse all activities

*** Data incomplete for some sub-national funds 2005 to 2007. 2008 data for these funds includes some overheads.

Not all sub-national funds analysed.

Source: European Audiovisual Observatory

France was the country with the highest volume of direct spend in Europe, representing 30% of total activity volume in 2009. France is followed by the four other large Western European markets which accounted for a further 37% of total spending. In all, these five large markets represented 67% of the European activity total for 2009. The Russian Federation accounted for 4% of

total European spend, on the basis of figures that do not cover the entire range of interventions in the film sector by the Ministry of Culture. Two mid-sized Western European countries and two Nordic countries figure next, each contributing 3% of total activity spend.

Table 3.3 **Top 10 countries by 2009 activity spend**

#	Country	EUR thousand					Share of European total 2009
		2005	2006	2007	2008	2009	
1	FR	525 160	522 255	540 995	566 020	581 206	30%
2	DE*	228 585	217 585	302 802	298 925	303 057	16%
3	IT	169 547	120 344	122 673	156 036	145 653	8%
4	GB	161 171	124 040	138 921	131 020	127 827	7%
5	ES*	81 309	100 592	101 327	107 769	123 667	6%
6	RU**	66 361	76 115	82 217	81 787	74 526	4%
7	AT*	46 327	45 843	52 906	56 674	65 492	3%
8	NL	40 649	46 575	60 794	62 761	64 014	3%
9	SE***	46 622	50 537	51 790	53 025	56 455	3%
10	NO	42 746	42 174	48 082	53 226	54 879	3%
Total Top 10		1 408 477	1 346 060	1 502 507	1 567 243	1 596 776	83%

Notes

Data in italics are estimated or include partial estimations.

* Not all sub-national funds analysed

** Federal level (Ministry of Culture) only - does not analyse all activities

*** Data incomplete for some sub-national funds 2005 to 2007. 2008 data for these funds includes some overheads. Not all sub-national funds analysed.

Source: European Audiovisual Observatory

Table 3.4 which follows provides a more detailed breakdown of fund spend, with a split between spend at the national and sub-national levels for countries where this is relevant. Among the countries which have funds operating at the sub-national level, two countries stood out in terms of the ratio between national and sub-national spending. These are Germany, where total sub-national spending was almost equal to spending at the national level (50.5% of spend was at national level, 49.5% of spend was at sub-national level) in 2009, and the United Kingdom, where the split between national and sub-national spend was 56.5% national and 43.5% sub-national. These figures highlight the volume of spending by the major

Länder funds in Germany and the funds operated in the Nations and Regions in the UK. The two countries with the next highest ratios of sub-national to national funding were Austria, where sub-national funding represented 39.6% of the total, and Spain, where sub-national funding was 38.7%. Switzerland followed closely with 31.1%. It should be noted that not all sub-national funds were analysed in all of these three countries, so the real ratio of sub-national funding to national funding was probably somewhat higher. Sweden was another country with a relatively high ratio of sub-national to national funding, with regional funding representing 26.4% of all spend in 2009.

Table 3.4 **Total activity spend by country and level / 2005 to 2009**

Country	Level	EUR thousand					% 2009/2008	No of funds analysed
		2005	2006	2007	2008	2009		
AL	Total	700	528	1 060	1 078	1 231	14%	1
AT*	Total	46 327	45 843	52 906	56 674	65 492	16%	18
	National	28 008	27 321	32 078	36 671	39 536	8%	4
	Sub-nat.	18 319	18 522	20 828	20 003	25 956	30%	14
BA	Total	731	961	1 724	2 448	1 271	-48%	2
	National	-	-	-	-	-	-	0
	Sub-nat.	731	961	1 724	2 448	1 271	-48%	2
BE	Total	39 841	35 431	46 317	41 122	50 571	23%	4
	National	-	-	-	-	-	-	0
	Sub-nat.	39 841	35 431	46 317	41 122	50 571	23%	4
BG	Total	2 960	2 806	3 365	5 565	6 027	8%	1
CH*	Total	30 808	32 400	34 398	32 753	34 317	5%	8
	National	22 814	22 686	24 912	23 399	23 633	1%	4
	Sub-nat.	7 994	9 714	9 486	9 354	10 684	14%	4
CY	Total	900	900	900	900	1 400	56%	1

Source: European Audiovisual Observatory

Table 3.4 (cont.) Total activity spend by country and level / 2005 to 2009

Country	Level	EUR thousand					% 2009/2008	No of funds analysed
		2005	2006	2007	2008	2009		
CZ	Total	6 000	8 412	14 792	16 695	15 631	-6%	2
DE*	Total	228 585	217 585	302 802	298 925	303 057	1%	21
	National	113 082	99 219	157 826	155 090	152 932	-1%	5
	Sub-nat.	115 503	118 366	144 975	143 835	150 125	4%	16
DK	Total	36 341	36 946	34 156	42 365	40 695	-4%	3
	National	35 000	35 806	33 149	39 482	38 566	-2%	1
	Sub-nat.	1 342	1 139	1 007	2 883	2 128	-26%	2
EE	Total	4 024	3 896	5 178	6 265	5 092	-19%	3
ES*	Total	81 309	100 592	101 327	107 769	123 667	15%	13
	National	56 553	62 437	61 218	67 794	75 793	12%	1
	Sub-nat.	24 756	38 155	40 109	39 974	47 874	20%	12
FI	Total	15 047	16 491	16 069	18 512	25 848	40%	3
	National	15 047	16 449	15 961	18 512	25 848	40%	2
	Sub-nat.	n. c.	42	108	n. c.	n. c.	-	1
FR	Total	525 160	522 255	540 995	566 020	581 206	3%	48
	National	468 650	459 360	468 110	483 800	498 320	3%	2
	Sub-nat.	56 510	62 895	72 885	82 220	82 887	1%	46
GB	Total	161 171	124 040	138 921	131 020	127 827	-2%	16
	National	112 531	69 985	73 119	74 381	72 284	-3%	3
	Sub-nat.	48 640	54 055	65 802	56 639	55 544	-2%	13
GR	Total	3 428	5 436	11 312	4 086	7 315	79%	1
HR	Total	4 400	4 400	4 400	4 895	4 433	-9%	2
	National	4 000	4 000	4 000	4 495	4 033	-10%	1
	Sub-nat.	400	400	400	400	400	0%	1
HU	Total	28 805	21 759	17 096	16 922	18 102	7%	3
	National	28 805	21 759	17 096	16 922	17 942	6%	2
	Sub-nat.	-	-	-	-	160	-	1
IE	Total	15 955	42 526	40 382	36 164	29 941	-17%	3
IS	Total	2 541	4 508	5 687	3 893	3 912	1%	1
IT	Total	169 547	120 344	122 673	156 036	145 653	-7%	17
	National	155 547	115 344	105 673	129 036	116 053	-10%	1
	Sub-nat.	14 000	5 000	17 000	27 000	29 600	10%	16
LT	Total	1 292	1 867	2 661	2 803	2 609	-7%	2
LU	Total	3 432	4 080	3 766	6 331	5 503	-13%	1
LV	Total	2 824	3 076	3 626	5 982	3 042	-49%	2
MK	Total	902	2 133	0	2 668	2 103	-21%	2
NL	Total	40 649	46 575	60 794	62 761	64 014	2%	4
	National	38 656	43 383	57 260	59 967	61 487	3%	3
	Sub-nat.	1 994	3 192	3 534	2 794	2 527	-10%	1
NO	Total	42 746	42 174	48 082	53 226	54 879	3%	13
	National	41 326	38 965	44 275	48 276	48 734	1%	3
	Sub-nat.	1 419	3 209	3 807	4 950	6 146	24%	10
PL	Total	3 720	19 135	25 366	46 074	32 278	-30%	9
	National	3 720	19 135	25 102	44 847	30 039	-33%	1
	Sub-nat.	-	-	264	1 227	2 239	83%	8
PT	Total	9 299	11 019	8 821	24 905	9 474	-62%	2
RO	Total	4 500	7 000	8 000	8 000	755	-91%	1
RU**	Total	66 361	76 115	82 217	81 787	74 526	-9%	1
SE***	Total	46 622	50 537	51 790	53 025	56 455	6%	20
	National	38 034	39 905	40 502	39 392	41 526	5%	1
	Sub-nat.	8 588	10 632	11 287	13 633	14 928	9%	19
SI	Total	3 408	3 844	3 084	4 646	5 448	17%	1
SK	Total	2 349	4 706	3 502	4 384	4 298	-2%	2
TR	Total	5 632	11 372	13 717	15 081	11 228	-26%	1
Total national funds		1 298 279	1 269 977	1 372 353	1 473 295	1 436 263	-2.5%	62
Total sub-national funds		340 036	361 713	439 533	448 483	483 040	7.7%	170
Total all funds		1 638 315	1 631 690	1 811 886	1 921 779	1 919 303	-0.1%	232

Notes

Data in italics are estimated or include partial estimations.

* Not all sub-national funds analysed

** Federal level (Ministry of Culture) only - does not analyse all activities

*** Data incomplete for some sub-national funds 2005 to 2007. 2008 data for these funds includes some overheads.

Not all sub-national funds analysed.

Source: European Audiovisual Observatory

Table 3.5 Per capita activity spend by country / 2005 - 2009

Ranked by 2009 spend		EUR per capita				
#	Country	2005	2006	2007	2008	2009
1	IS	8.66	15.03	18.48	12.34	12.25
2	NO	9.28	9.09	10.27	11.24	11.43
3	LU	7.44	8.70	7.91	13.09	11.15
4	FR	8.37	8.26	8.50	8.84	9.03
5	AT*	5.65	5.55	6.39	6.81	7.84
6	DK	6.72	6.81	6.27	7.74	7.38
7	IE	3.88	10.11	9.36	8.22	6.73
8	SE*	5.17	5.59	5.68	5.77	6.10
9	FI	2.87	3.14	3.05	3.49	4.85
10	BE	3.81	3.37	4.38	3.86	4.70
11	CH*	4.15	4.34	4.58	4.31	4.46
12	NL	2.49	2.85	3.72	3.83	3.88
13	EE	2.99	2.90	3.86	4.67	3.80
14	DE*	2.77	2.64	3.68	3.64	3.70
15	ES*	1.89	2.30	2.28	2.38	2.70
16	SI	1.71	1.92	1.53	2.31	2.68
17	IT	2.90	2.05	2.07	2.62	2.43
18	GB	2.68	2.05	2.29	2.14	2.08
19	HU	2.85	2.16	1.70	1.68	1.80
20	CY	1.20	1.17	1.16	1.14	1.76
21	CZ	0.59	0.82	1.44	1.61	1.49
22	LV	1.22	1.34	1.59	2.63	1.35
23	MK	0.44	1.05	0.00	1.30	1.03
24	HR	0.99	0.99	0.99	1.10	1.00
25	PT	0.88	1.04	0.83	2.35	0.89
26	PL	0.10	0.50	0.67	1.21	0.85
27	SK	0.44	0.87	0.65	0.81	0.79
28	BG	0.38	0.36	0.44	0.73	0.79
29	LT	0.38	0.55	0.79	0.83	0.78
30	GR	0.31	0.49	1.01	0.36	0.65
31	RU**	0.46	0.53	0.58	0.58	0.53
32	AL	0.22	0.17	0.34	0.34	0.39
33	BA	0.19	0.25	0.45	0.64	0.33
34	TR	0.08	0.16	0.20	0.21	0.16
35	RO	0.21	0.32	0.37	0.37	0.04
EU 27 countries		3.02	2.95	3.27	3.46	3.46
MEDIA countries		3.08	3.02	3.34	3.53	3.54
Europe		2.24	2.22	2.47	2.61	2.60

Notes

* Not all sub-national funds analysed

** Federal level (Ministry of Culture) only - does not analyse all activities

Data in italics are estimated or include partial estimations. Data covers funding body activity spend but does not cover tax incentive measures.

Population data as at 1 January – source EUROSTAT.

Source: European Audiovisual Observatory

Though 46 different funds at regional and local level have been tracked in France, the share of sub-national funding in the total remains relatively low (14.3% in 2009), due to the sheer volume of spending at the national level. Nonetheless, in absolute terms, France was the country with the second highest level of sub-national spending, with a total of just under EUR 83 million flowing to the sector from regional and local funds in 2009.² The highest sub-national spend in Europe was to be found in Germany with a total of over EUR 150 million in activity spend in 2009. Regional funding got off to a slightly later start in Italy than in other larger European markets, but estimated data from ANICA shows that after a dip in 2006, regional spend grew steadily, com-

pensating to some extent for a reduction in production funding at the national level.³

As a first step towards providing a tentative benchmarking measure for funding activity, Table 3.5 shows the activity spend per capita for each European country covered in this report. Such indicators should be treated with caution; in particular it should be noted that these calculations do not take into account the impact of tax incentive measures which also form part of public policy towards the sector and which, in countries such as Belgium, Hungary, Ireland, Luxembourg and the United Kingdom, represent significant flows towards the film and television production sectors. Within these limits, however, this data provides at least a comparative guideline.

2) Of this EUR 83 million, approximately EUR 16.9 was financed by delegation of funds from the national level, though the system of framework agreements signed between the CNC and regional authorities.

3) Research project on Italian regional funds conducted by industry umbrella organisation ANICA and financed by the *Ministero per i Beni e le Attività culturali*. Results are published at <http://www.anica.it/online/index.php/fondi-regionali.html>

The country with the highest per capita spend in 2009 was Iceland, followed by Norway: the other Nordic countries all figured among the top ten by spend per capita. France was placed in fourth position followed by a group of smaller Western European countries. The highest ranked non-Western European country was Estonia, which figured in 13th place, followed by Slovenia at 16th place and Hungary in 19th position. Three large European markets - Germany, Italy and the United Kingdom - occupied places in the middle

of the ranking. Lower positions tended to be occupied by countries which are either very populous and where regional funding structures either do not exist (Turkey) or have not been taken into account (Russian Federation) or countries where support systems remain as yet relatively modest in volume terms (Albania, Bosnia-Herzegovina). Romania's position was affected by the temporary curtailment of funding spend in 2009 and is thus not strictly representative.

FOCUS 4 Tax incentive schemes in Europe – an overview

Strictly speaking tax incentive schemes fall outside the scope of this report. However given their importance in the overall European funding landscape, this study would not be complete without a brief overview of the schemes and a presentation of existing data on the functioning of some of them. In particular, it appears that the impact of these schemes in terms of attracting inward investment will be a topic to be considered during the review of the 2001 Cinema Communication, due to be completed for the end of 2012.⁴

Table 3.6 presents a list of the various schemes which have been encountered during the course of the preparation of this report. The schemes are divided into two groups. The first includes tax credits and tax shelters, that is tax mechanisms in the strict sense. The second group covers cash rebate schemes, which are listed here as they are related to tax schemes and are often perceived as tax mechanisms. In reality a number of these cash rebate schemes function as film funds with an annually defined budget (for example the *Deutscher Filmförderfonds*) and have thus been included in the main corpus of this report.

Table 3.6 Tax incentive and cash rebate schemes in Europe

Tax Incentives				
Country	Type	Run by	Initial contact point	Comments
BE	Belgian Federal Government Tax Shelter	Ministry of Finance	Service Public Fédéral Finances	
ES	Tax relief	Tax authorities	ICAA / Autonomous Communities	Tax relief for Spanish production companies constituted as Economic Interest Groups (AIE)
FR	Film / Television Tax Credit	CNC	CNC	
FR	Tax Rebate for International Productions (TRIP)	CNC	Film France	
FR	SOFICAs	Various	CNC / Individual SOFICAs	List of SOFICA's on CNC website at http://www.cnc.fr/web/fr/sofica
GB	Film Tax Relief	HM Revenue and Customs	British Film Institute	
HR	Croatian Tax Rebate	Hrvatski audiovizualni centar	Hrvatski audiovizualni centar	Launches December 2011
HU	Hungarian Film Production Rebate	National Film Office	National Film Office	
IE	Section 481	Revenue Commissioners / Department of Arts, Heritage and the Gaeltacht	Irish Film Board - Irish Film Commissioner	
IT	Tax Credit / Tax Shelter	DG Cinema - Ministero per i Beni e le Attività culturali	DG Cinema - Ministero per i Beni e le Attività culturali	Tax Credits available for production, distribution and conversion of cinemas to digital exhibition
LU	Audiovisual Investment Certificates Programme	Film Fund Luxembourg	Film Fund Luxembourg	
MT	Tax credit	Malta Film Commission	Malta Film Commission	

4) See, for example, the Issues Paper provided as background to the public consultation opened in June 2011 by the Competition Directorate of the European Commission. http://ec.europa.eu/competition/consultations/2011_state_aid_films/index_en.html

Production incentives - cash rebates				
Country	Type	Run by	Initial contact point	Comments
AT	Film Location Austria	AWS and Location Austria	Location Austria	
CZ	Film Industry Support Programme	Ministry of Culture	Czech Film Commission/ Ministry of Culture	Dedicated website at: http://www.ppfpen.cz/
DE	Deutscher Filmförderfonds	FFA	DFFF	
IS	Film In Iceland	Ministry of Industry	Film in Iceland	In principle ends Dec 2011
LV	Riga Film Fund	Nacionālais Kino centrs	Nacionālais Kino centrs	New cash rebate for projects filming in Riga area.
MT	Cash Rebate	Malta Film Commission	Malta Film Commission	

Note

The above is a non-exhaustive list of tax and production incentives in Europe. Status is as of June 2011.

Source: European Audiovisual Observatory

The bodies administering tax schemes or other interested parties generally provide a certain amount of information concerning the annual activity of national tax incentive measures. The amount of information provided varies widely from country to country, ranging from the sophisticated to the succinct. Where information is succinct, it is often difficult to establish whether data is directly comparable with data from other countries. The tables and figures shown here present some of the data available on the take-up, cost and delivery of a **selection** of tax credits and cash rebate schemes and covers both older (Belgium, Ireland, Luxembourg) and newer (Czech Republic, Italy, United Kingdom) examples.⁵

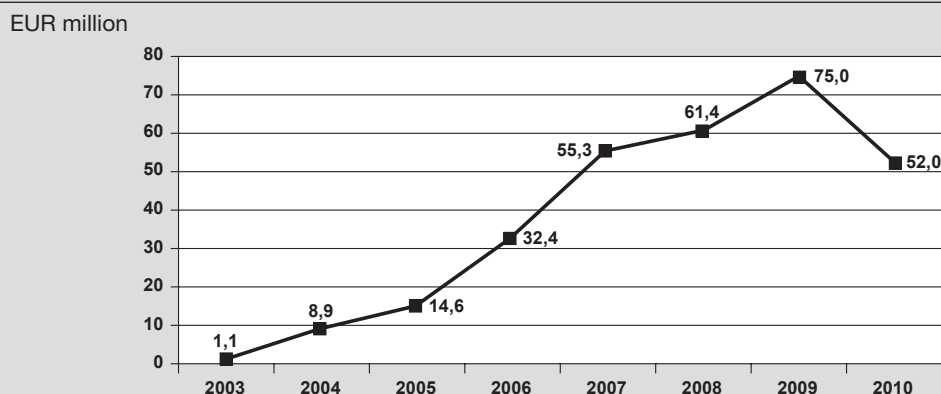
Belgium

The Belgian Federal Tax Shelter is a tax incentive scheme for both film and television works and was established in 2003. It is one of the very few audiovisual systems that applies to the whole of Belgium rather than to a particular language community. The mechanism allows a company providing financial backing for audiovisual productions to benefit from exemption of any retained taxable profits worth up to 150% of the sums actually paid. The upper limit on investment is 50% of a company's retained profits, up to a ceiling of EUR 500 000. A producer may attract several companies to invest in a specific project, provided that the total amount of Tax Shelter money does not exceed 50% of the production budget. Part of this investment, with a maximum of 40%, is usually in the form of a repayable loan. The remaining 60% (the equity part) buys rights in the commercial exploitation of the film. To ensure more rapid return, investors may arrange a "put option" to sell back their rights after a certain period. The production and operating costs for the audiovisual work incurred in Belgium must amount to at least 150% of the equity element of the investment and the project must be approved by the competent departments of the Flemish, French or German-speaking Community as a European work.

The *Service Général de l'Audiovisuel et des Multimédias* acts as the certifying authority for the French-speaking Community of Belgium and provides an annual activity report which is published by the *Centre du Cinéma et de l'Audiovisuel*.

5) A detailed comparative study of fiscal incentives in seven European countries and in Canada was published by the French CNC in September 2011. See <http://www.cnc.fr> under 'Publications'.

Figure 3.4 **French-speaking Community of Belgium**
– amounts invested via the tax shelter / 2003 - 2010



Note

2010 data may not be complete

Source: Centre du Cinéma et de l'Audiovisuel – Bilan 2010

Ireland

The tax incentive scheme in operation in Ireland is known as Section 481, after the section of the Taxes Consolidation Act on which it is based. Introduced in 1997, the scheme was initially known as Section 35, and allows individuals and companies to write off a portion of their tax liability by investing in a production up to specified limits. Recent amendments to the Finance Act regulating the scheme include the confirmation of the scheme until end 2015, increases in the ceiling for qualifying expenditure and in the individual investor cap, as well as an increase in the relief on investment to 100%, as compared to 80% in previous years. The Irish Revenue Commissioners is responsible for the certification process of projects, which includes an authorisation from the Department of Arts, Culture and the Gaeltacht (Ministry of Culture) concerning the cultural nature of the project (application of a series of cultural test criteria).

Table 3.7 Ireland – economic analysis of film and television production / 2005 – 2009

Production Details	EUR million				
	2005	2006	2007	2008	2009
Total production funding	152.3	279.9	195.7	246.8	243.3
Irish funding (public & private)	111.8	184.0	162.7	188.8	115.6
Non-Irish funding (public & private)	40.5	95.9	33.0	58.0	127.7
Total expenditure	152.3	279.9	195.7	246.8	243.3
Irish expenditure	96.9	161.2	143.2	167.8	157.2
Non-Irish expenditure	55.4	118.7	52.5	79.0	86.1
Total Irish labour costs	39.8	87.0	76.2	85.6	77.2
Irish labour costs - subject to employee income tax	13.4	24.5	24.2	33.5	33.3
Irish labours costs - other income taxes	26.4	62.5	52.0	52.1	43.9
Tax return to the State*	31.9	55.7	49.1	58.5	55.5
Tax foregone by the State under Section 481	15.1	36.2	31.1	32.8	43.7
Net benefit to the State	16.8	19.5	18.0	25.7	11.8

*See IBEC Audiovisual Federation Review 2010, Appendix IV for a detailed explanation of the calculation of tax returns.

Note

Non-Irish funding 2007 and 2008 excludes non-Irish funding in Section 481 raised.

Source: Source: IBEC Audiovisual Federation Review 2010, Appendix II

Luxembourg

The Audiovisual Investment Certificate Programme (CIAV) was introduced in 1988 and is managed by the Film Fund Luxembourg, which was created in 1990. The CIAV system provides assistance to offset a proportion of production costs incurred in the European Union and in particular in the territory of Luxembourg and covers both film and television production. National companies and approved production companies based in the country may apply and access is based on a cultural test. Certificates are issued after completion of the film and following an analysis of the production costs. There is a EUR 2.5 million cap per project.

Table 3.8 Luxembourg – summary of CIAV activity / 2005 - 2009

	EUR million				prov.
	2005	2006	2007	2008	2009
Government participation	8.8	7.5	12.5	12.7	11.2
Total spend by productions granted CIAV*	29.3	24.9	41.7	42.2	37.5
Number of projects granted CIAV	25	14	28	3	17

Note

*Amounts as of July 2010 – final amounts for end of period could be higher.

Source: Film Fund Luxembourg

Czech Republic

The Czech production incentive is called the Film Industry Support Programme (FISP) and received EU approval in June 2010. Its benefits were however deemed retroactive to January 2010 for projects making application in 2010. The scheme offers cash rebates on 20% of qualifying expenses for production in the Czech Republic and is therefore not strictly speaking a fiscal measure. The programme is run by the Media and Audiovisual Department of the Czech Ministry of Culture and has its own dedicated website at <http://www.pfpen.cz/>. The basis for payment of the grant is approval by the Programme Council, an advisory body to the Minister of Culture. All films must comply with European Commission (EC) state aid regulations and pass a cultural test. Grants are paid out on completion of the project and audit of costs incurred. The programme offers a 20% rebate on qualifying Czech spend and a 10% rebate on qualifying international spend. Costs which qualify as Czech spend are goods and services provided in the Czech Republic and paid to companies or individuals registered to pay income tax in the Czech Republic. Costs paid to individuals who pay withholding tax in the Czech Republic but are not registered to pay income tax may also qualify as international spend. A fixed amount has been set aside annually for the functioning of the programme and awards are made on the basis of the date of arrival of applications until exhaustion of the annual budget. The scheme is currently planned to run until end 2015.

Table 3.9 Czech Republic – FISP activity summary

Activity summary	
Total amount approved by EC for entire duration programme	CZK 5 400 million / EUR 208.5 million
Maximum annual amount approved by EC 2011 to 2015	CZK 1 000 million / EUR 38.6 million
Amount announced as available for distribution 2011	CZK 400 million / EUR 15.4 million
Value of claims awarded in 2010	CZK 178 million / EUR 7 million
Number of projects approved in 2010	21

Source: *Ministerstvo kultury*

Italy

A tax incentive system was introduced in Italy in 2009 and operates for production, distribution and exhibition (for the conversion of screens to digital projection) as well as for investment in production by companies and individuals external to the sector. The **tax credit** allows the possibility of offsetting tax liabilities (including social security and insurance contributions) with credit matured following investment in film. A **tax shelter** is also available for film production and provides the opportunity to benefit from a tax shield for the portion of profits invested in the production of films. The entire system is currently intended to remain in place until end 2013.

Production tax credits apply to films of all genres, including shorts, but not to television works. All films must pass a cultural test to ensure eligibility. For the production of Italian films, the tax credit percentage is 15% based on total production cost: producers' fees and distribution costs are excluded. The annual tax credit cap is EUR 3.5 million per company and per year for Italian productions and 80% of the credit must be spent in Italy. Foreign films are eligible via an Italian executive producer or production service provider. Here the tax credit percentage is 25%, calculated on the basis of Italian expenses, which shall not exceed 60% of the total cost of the film. The tax credit cap is EUR 5 million per project. Expenses incurred in other EU countries up to a maximum of 30% of the total cost of the film are also eligible. For official international co-productions, the film must qualify as an Italian film and the Italian co-producer may request the tax credit only for the percentage of rights that belongs to him or her. The tax credit percentage in this case is 15%, calculated on the basis of the percentage of total costs corresponding to the percentage of rights which the Italian producer holds.

Table 3.10 Italy – tax credit and tax shelter activity summary / 2009 - 2011

Total Tax Credits Authorised	EUR million			Total
	2009	2010	2011*	
For production	1.2	45.7	6.6	53.5
For distribution	0.0	1.0	1.9	2.9
For external investors	0.0	0.0	1.8	1.8
Total number of films applying				303

* Up to April 2011

Source: *DG Cinema - Ministero per i Beni e le Attività culturali*

United Kingdom

The current film tax relief measure was introduced in January 2007 and replaced an older, more broadly defined system. In particular the new tax credit is applied to UK spend and not to the entire budget of the film, as was the case in the previous system. Film productions may qualify for tax relief provided they are qualified as British using a cultural test or they are produced either under an official bilateral co-production treaty or under the European Convention on Cinematographic Co-production. Films, including those made under official co-production treaties, must reach a minimum UK spend requirement of 25% and tax relief is available on qualifying UK production expenditure on the lower of either:

- 80% of total core expenditure
or
- the actual UK core expenditure incurred.

There is no cap on the amount which can be claimed and the film production company responsible for the film must be within the UK corporation tax net.

Film tax relief accounted for 43% of total public funding for all film-related activities in the UK in 2008/09.⁶

Table 3.11 United Kingdom – film tax relief activity summary / 2007 - 2010

	GBP million		
	2007/08	2008/09	2009/10
Tax credit payments	105	115	95
	EUR million		
Tax credit payments	153	144	107

Activity Summary	January 2007 to end March 2010
Number of films eligible	720
Number of films making a claim	455
Total value of claims	GBP 340 million / EUR 430 million
Total production expenditure for films claiming	GBP 3.2 billion / EUR 4 billion
of which expenditure incurred in the UK	77%
Total payments to high budget films (GBP 20 M+)	GBP 175 million / EUR 221 million
Number of claims by high budget films	45
Total payments to 'limited-budget' films	GBP 135 million / EUR 171 million
Number of claims by 'limited budget' films	655

Notes

'Payment' refers to payments made by 31 March 2010.
Figures have been rounded to the nearest 5 or GBP 5 million.

Source: HM Revenue & Customs – Film Tax Relief Summary August 2010

6) UK Film Council Statistical Yearbook 2010, Chapter 17, Section 17.1.

Funding Body Spend by Activity

4.1 Key data

This chapter analyses the activity of funding bodies operating in Europe in 2009. It looks at how much was spent on each activity and at the relative importance of the various funding strands.¹

- Total spend by all funds for the **creation of works** was EUR 1.43 billion, representing 69.1% of overall activity spend:
 - The **production** phase accounted for 64.8% of the total spend
 - **Scriptwriting** accounted for 0.9% of total spend
 - **Project development** represented 3.4%.
- Among the other activities supported, **distribution** was that to which the most funding was directed. This phase received a total of EUR 173 million in support, 8.4% of total European spend.
- Funding body spend on **exhibition** represented 6.1% of overall spend, for a total of EUR 125 million.
- Sub-national funds devoted 75.5% of their resources to the **creation of works**, proportionately more than national funds (70.4%).
- Sub-national funds also spent proportionately more than national funds on **company development, education and media literacy** and activities promoting **film culture**.
- On a *per capita* basis:
 - Iceland spent most on production
 - Norway most on distribution support
 - France was the highest spender on exhibition and promotion
 - United Kingdom funds had the highest per capita spend on training, education, media literacy and film culture.
- 65% of the total spend on the creation of works was allocated to film, compared to 28% for works intended for television:
 - Feature films accounted for 62% of total spend
 - Short films accounted for 3%
 - Digital, multimedia and experimental works together with video games accounted for 1% of total spend.

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4.2 Introduction

This chapter examines the way in which funding bodies distributed available resources between activities in 2009. As has been explained in Chapter 3, total fund activity spend is comprised of amounts distributed as support (which may be repayable) and amounts spent directly by the fund on activities to enhance the sector. Section 4.3 of this chapter provides a general overview of the scope of intervention by funds in the countries covered. The following section provides a more detailed view of activity spend by showing how funds at the different administrative levels allocated their resources to the different activities. The activity spend breakdown by country is discussed in section 4.5 and this section also looks at the relative importance of the different activities between countries. Section 4.6 looks at how support for the creation of works is allocated between project types (film, television and digital media).

¹) The total activity spend analysed in this chapter is EUR 2.06 billion. This is less than the total activity spend of EUR 2.07 billion for 2009 as presented in Chapter 3, as activity breakdowns were not available for all funds.

FOCUS 5 Activity breakdowns – definitions and methodology

Activity spend for each funding body has been analysed using a pre-defined range of activities which correspond to those used in the KORDA database. Activities are split into two groups, the first of which covers activities supporting the creation of works and the second of which covers support for the distribution, exhibition and promotion of works as well as other more general activities intended to develop audiences and enhance the sector. The list of activities used for this report is as follows:

- 1. Creation of Works:** Screenwriting & Script Development
Project Development / Pre-production
Production
Post-production
Slate Funding

- 2. Other Activities:** Distribution
Exhibition
Promotion (Markets, Festivals & Sales)
Festivals
Training & Scholarships
Education & Media Literacy
Company Development
Prizes & Awards
Film Cultural Activities
Archives & Conservation
Research & Development
Video Games
Video on Demand
Other

Many funds run funding programmes that cover one or more of the different aspects of the 'creation of works' group. For example, a programme may support both screenwriting and project development or both project development and production or, occasionally, all three. In these cases the support amount has always been allocated to the later of the phases. Hence screenwriting and project development support is always allocated to 'Project Development' and project development and production support is always allocated to 'Production'. As a result, the breakdown between the three phrases does not reflect perfectly the real allocation between the different activities.

'Promotion' as used in this report refers to support provided to producers and/or directors to attend markets and film festivals to promote a finished work, for awards campaigns, for international sales as well as for promoting national films both nationally and internationally. 'Prizes & Awards' covers awards made to individuals for excellence but not prizes such as annual programming prizes awarded to exhibitors which have been considered as support for exhibition. 'Film Cultural Activities' cover a very wide range of miscellaneous initiatives intended to build audiences and create greater knowledge and appreciation of film. Film clubs, special film events, theme film weeks, retrospectives are all examples of the kinds of activities included in film culture. This activity can overlap to some extent with professional training (certain kinds of seminars, for example) or project development (pitching events). In addition this category has been used as a general category for such measures where it has not been possible to undertake finer analysis (for example, categorising part of this spend as education and media literacy, or support for festivals). In some cases spend on this type of activity is delegated by the funding body to another external specialised structure. This is also the case for spend on archives and conservation. The number of funds providing direct support for the preservation of film and video archive material is very small – most spend in this category is delegated to specialised bodies. Research and development refers to funding for or spend on specialised publications and reviews and for academic and professional research. In the analysis which follows Video Games, Video on Demand and multimedia support activities have been grouped under 'Digital Media'.

In order to provide a harmonised analysis across the different funds, every attempt has been made to use this analytical framework in a consistent manner, frequently by analysing lists of individual awards. As a result the profile of activities for some funds published here may not correspond exactly to that published by the fund itself. Finally, in some cases where it has not been possible to undertake a detailed analysis, spend has been allocated to what appears the most appropriate category.

4.3 The scope of intervention by funds

Table 4.1 provides an overview of the different activities supported by the funds covered by this report and established in each of the countries shown in the list.² As can be seen, production was the only activity that was supported in every country. However, not all countries had specific support for the earlier phases of screenwriting and project development – 24 countries

had scriptwriting support and 27 countries supported the development of projects while both of these phases were supported by supranational funds and by funds supporting projects from outside of Europe.

After production, promotion was the next most frequently undertaken activity, found in 34 countries as well as at the supranational and ‘other’ levels. Specific support for promotion was not provided in the Slovak

2) Similar overviews for individual funds can be found in Chapters 5 and 6.

Table 4.1 Fund activity overview / 2009

Country	Script Development	Project Development	Production	Distribution	Exhibition	Promotion	Festivals	Training	Archives & Conservation	Company Development	Education / Media Literacy	Film Culture	Digital Media	Prizes & Awards	Other
AL			•			•	•								
AT	•	•	•	•	•	•	•	•	•		•	•		•	•
BA			•			•	•								•
BE	•	•	•	•	•	•	•	•		•		•			•
BG	•	•	•	•		•	•								
CH	•	•	•	•	•	•	•	•	•		•	•		•	•
CY			•		•	•	•	•			•				
CZ	•		•	•	•	•	•	•	•		•	•		•	•
DE	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
DK	•	•	•	•	•	•	•	•		•	•		•		•
EE	•	•	•	•	•	•	•	•	•		•	•		•	•
ES	•	•	•	•	•	•	•	•	•	•		•	•		•
FI	•	•	•	•	•	•	•	•			•		•		
FR	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
GB	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
GR		•	•			•	•							•	
HR			•		•	•	•	•	•			•			
HU		•	•	•		•	•					•			•
IE	•	•	•	•	•	•	•	•				•	•		
IS	•		•			•	•	•							
IT	•	•	•	•	•	•	•	•	•			•		•	•
LT		•	•	•	•	•	•	•	•		•	•	•		•
LU		•	•	•		•	•	•							
LV	•		•	•		•	•	•							•
MK			•			•									
NL	•	•	•	•	•	•	•	•			•				•
NO	•	•	•	•	•	•	•	•			•	•	•		•
PL	•	•	•	•	•	•	•	•			•			•	
PT	•	•	•	•	•	•	•	•							
RO		•	•	•	•	•	•	•				•			
RU		•	•	•		•	•					•		•	•
SE	•	•	•	•	•	•	•	•	•	•	•	•			•
SI	•	•	•		•	•	•				•				•
SK	•	•	•	•			•	•			•				
TR	•	•	•		•	•	•					•			•
Supra	•	•	•	•	•	•	•	•	•	•		•	•	•	•
Other	•	•	•	•	•	•	•	•						•	•

Notes

This table covers the activities of the funds studied in this report.

When an activity is shown as not supported, this should not be interpreted as meaning that an activity is not supported at all within a country, simply that the funding bodies studied in this report were not responsible for that particular activity.

Source: European Audiovisual Observatory

Republic in 2009, but the situation has altered since the start of operation of the *Audiovizuálny fond* in 2010, which now has among its objectives to support promotion. Festivals were also widely supported – in 2009 only 4 countries did not support this kind of activity – as was distribution support, available in all but 9 of the countries listed here. Training for industry professionals was also evidently a priority, with 26 out of 35 countries allocating resources to this activity. Supranational and other funds also provided support in this domain. Only 12 out of 35 countries had funding bodies which provided support or directed resources to activities related to moving image archives and the conservation of audiovisual works. This is unsurprising given that in many cases film and audiovisual archives fall under the direct responsibility of ministries of culture, rather than being placed under a film fund. The number of countries providing support for digital media and VOD was also relatively limited in 2009 – just 9 countries out of a possible 35.

Support was available for the full range of activities in France, Germany and the United Kingdom. Thirteen out of a possible 15 activities were supported in Spain and 12 out of a possible 15 activities in Italy. Among the mid-sized and smaller countries, Austria, Belgium, Switzerland and the Czech Republic all had funding bodies supporting close to the entire range of activities (between 11 and 13 of a possible 15). The Nordic funds also had broad coverage, with Swedish funds intervening in 13 types of activity. Among the smaller countries Estonia stood out with three funds there supporting 13 different types of activity. Supranational funds between them also covered almost the full range of activities, with the activities apart from production generally covered by the European Union’s MEDIA 2007 programme.

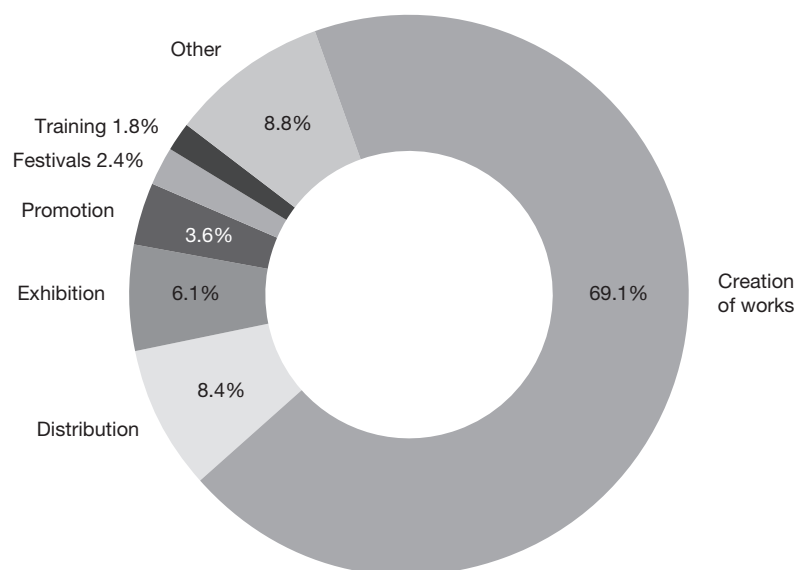
■ 4.4 Activity breakdown by level

This section looks at the total amounts spent per activity and at the differences in spending patterns between the different types of funds in 2009. Out of the total analysed activity spend of EUR 2.06 billion, 69.1% or EUR 1.43 billion was dedicated to the creation of works. This is entirely coherent with an important goal for the vast majority of funds – to nurture national and regional production sectors – but also reflects the larger size of the awards involved in the production phase, when compared to activities of other types, such as professional training.

The remaining activities accounted for 30.9% of total expenditure, with distribution and exhibition the leading activities in terms of importance, accounting for 8.4% and 6.1% of expenditure respectively. The ‘Other’ category covered 8.9% of total expenditure and further information is provided on this in Table 4.3.

As Table 4.2 shows, support for the creation of works has been broken down here into support for scriptwriting, support for the development of projects and support for the production phase properly speaking. The allocation between the categories needs to be treated with prudence, for the reasons outlined in the preceding Focus section. On the basis of the available information, total spend on screenwriting and script development amounted to EUR 17.8 million, 0.9% of overall spend and 1.2% of all expenditure on the creation of works. EUR 70.6 million was spent on project development in 2009, 3.4% of total expenditure and 5.0% of all expenditure on the creation of works. Production properly speaking accounted for 93.8% of total spend on the creation of works and 64.8% of overall expenditure.

Figure 4.1 Activity breakdown for all funds / 2009



Source: European Audiovisual Observatory

Table 4.2 Activity spend breakdown by fund level / 2009

EUR thousand										
Activity	National	%	Sub-national	%	Supranational	%	Other	%	Total	%
Scriptwriting	10 964	0.8%	6 423	1.3%	30	0.0%	333	3.5%	17 750	0.9%
Project Dev.	29 152	2.0%	19 070	4.0%	22 277	16.0%	109	1.2%	70 608	3.4%
Production	970 203	67.6%	337 433	70.2%	26 903	19.3%	3 383	35.8%	1 337 922	64.8%
<i>Sub-total Creation Works</i>	<i>1 010 319</i>	<i>70.4%</i>	<i>362 926</i>	<i>75.5%</i>	<i>49 210</i>	<i>35.4%</i>	<i>3 824</i>	<i>40.5%</i>	<i>1 426 279</i>	<i>69.1%</i>
Distribution	105 812	7.4%	16 865	3.5%	48 630	35.0%	1 313	13.9%	172 619	8.4%
Exhibition	107 055	7.5%	8 256	1.7%	8 975	6.5%	900	9.5%	125 185	6.1%
Promotion	51 487	3.6%	11 207	2.3%	9 202	6.6%	698	7.4%	72 593	3.5%
Festivals	37 762	2.6%	8 689	1.8%	3 508	2.5%	75	0.8%	50 033	2.4%
Training	19 429	1.4%	5 993	1.2%	8 554	6.2%	2 323	24.6%	36 299	1.8%
Other	103 646	7.2%	66 968	13.9%	10 993	7.9%	313	3.3%	181 921	8.8%
Total	1 435 508	100%	480 904	100%	139 072	100%	9 446	100%	2 064 930	100%

Source: European Audiovisual Observatory

30.9% of expenditure, a total of EUR 638 million, was devoted to the remaining 12 activities in this analysis. Distribution and exhibition support were the major areas, with promotion a distant third. The 'Other' category as shown above was also very important – 8.8% of total expenditure – and a breakdown of the types of activity that are here grouped as 'Other' is shown in Table 4.3. The largest item in this group is the film culture and research activity, accounting for over 31% of the 'Other' total and 2.8% of overall expenditure. This category includes support awarded and direct spend by funding bodies on a wide variety of different events designed to promote awareness of film and to build audiences.³ Spend on this item at the national level is boosted by a large amount delegated by the UK Film Council to the British Film Institute for the pursuit of its activities in favour of film (which include a moving image archive). At the sub-national level, the action of French regions contributes largely to the category, and in this case the amount includes regional authority support for festivals.

The second most important activity in terms of relative spend in this group was archives and conserva-

tion, accounting for 17.6% of the 'other' category and 1.6% of overall expenditure. Though there are numerous regional moving image archives, funding for their activities does not often fall within the remit of regional film funds.⁴ As a result there was a wide disparity between the amount spent on archives at the national level and at the regional level.

There were a number of variations in spend pattern between the national and the sub-national funding levels, illustrated in Figure 4.2. Production spend overall was of greater importance at the sub-national level, accounting for 75.5% of the total. Spend on the next phases – distribution and promotion – was however a much less significant component of sub-national fund activity than for national funds. 3.5% and 2.3% of sub-national fund income were consecrated to distribution and promotion respectively compared to 7.4% and 3.6% of income at the national level. Likewise, exhibition received about 2% of funds at the sub-national level but 7.5% at the national level. At just over 1% of the total in both cases, training support was the only category which was of similar importance at both levels.

3) As pointed out in the Focus 5 section, this category can overlap with others, particularly with festivals and professional training.

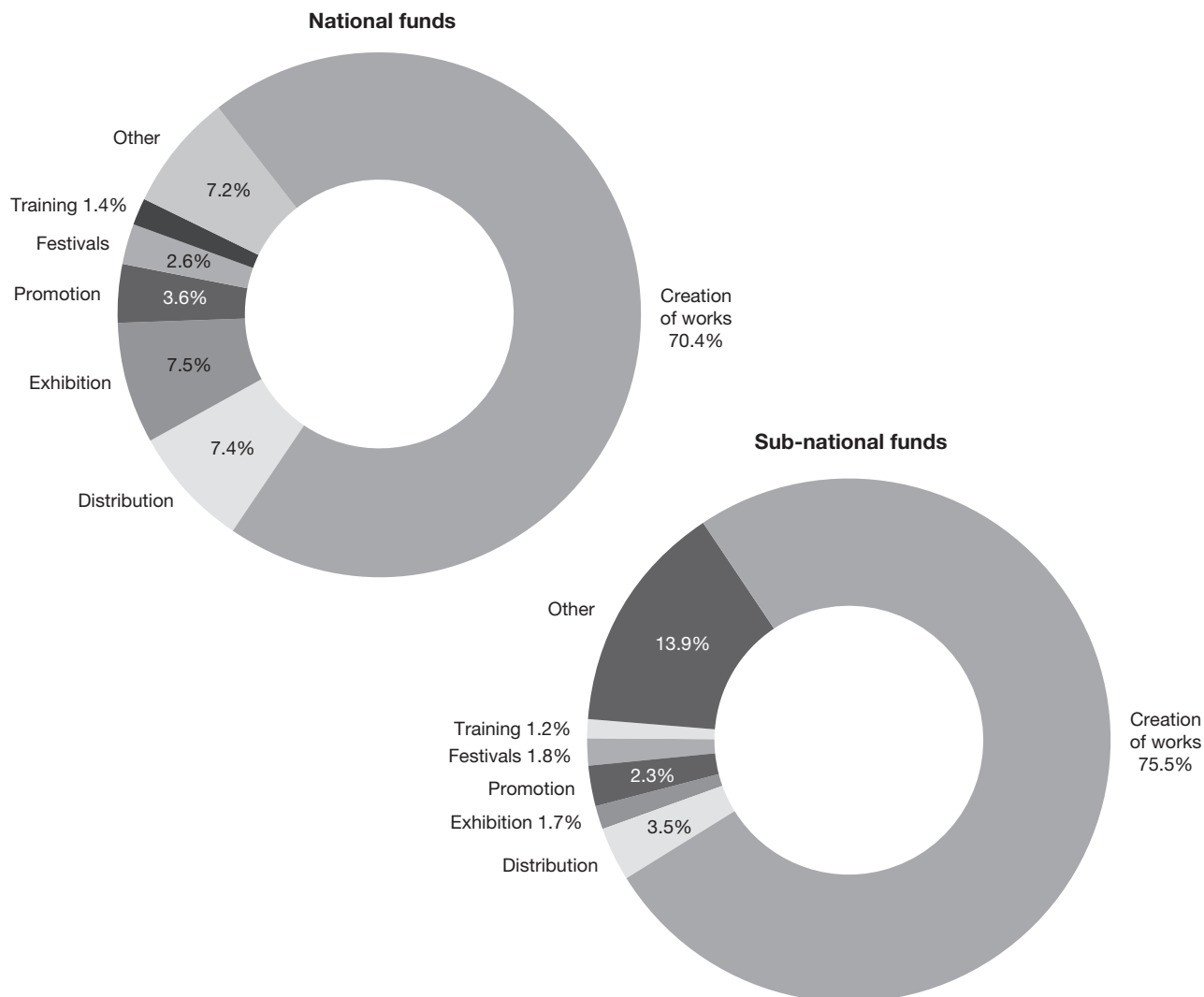
4) With the notable exception of the United Kingdom, where agencies in both the Nations and Regions supported this activity, in the case of the regions using earmarked funds delegated by the UK Film Council (Digital Film Archive and Screen Heritage projects).

Table 4.3 Breakdown of 'Other' spend by fund level / 2009

EUR thousand										
Activity	National	%	Sub-national	%	Supra-national	%	Other	%	Total	%
Archives & Conservation	24 461	1.8%	5 562	1.2%					32 023	1.6%
Company Development	5 176	0.4%	4 188	0.9%	3 050	2.2%			12 414	0.6%
Education & Media Literacy	14 651	1.0%	11 618	2.4%					26 269	1.3%
Film Culture / Research	27 361	1.9%	28 904	6.0%	809	0.6%			57 074	2.8%
Games/ Digital Media / VoD	7 898	0.6%	2 606	0.5%	6 418	4.6%			16 922	0.8%
Prizes & Awards	3 440	0.2%	813	0.2%	42	0.0%	15	0.2%	4 309	0.2%
Other / No Breakdown	18 659	1.3%	13 277	2.8%	675	0.5%	298	3.2%	32 909	1.6%
Total	103 646	7.2%	66 968	13.9%	10 993	7.9%	313	3.3%	181 921	8.8%

Source: European Audiovisual Observatory

Figure 4.2 Activity breakdowns for national and sub-national funds / 2009



Source: European Audiovisual Observatory

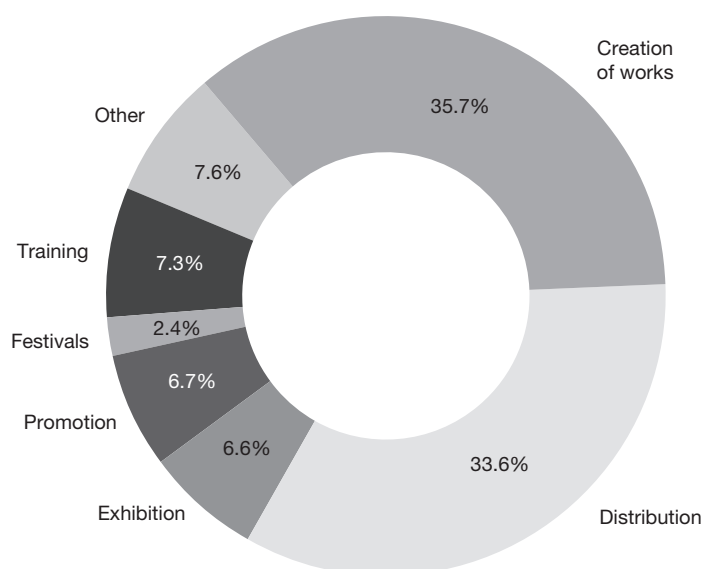
A significant difference can be seen in the proportion of spend consecrated to the various activities grouped together in the 'Other' category. Around 14% of sub-national fund expenditure fell into this category, whereas 'Other' activities represented 7.2% of the national total. Table 4.3 shows the breakdown of this category for national and sub-national funds. Three of the activities in this group – company development, education and media literacy and film culture and research – represented in each case a larger proportion of overall spend at the sub-national level than at the national level. The difference was particularly marked for the film culture and research category, which represented 6.0% of total spend at sub-national level, but only 1.9% of national fund spend in 2009. The situation was inverted for spend on archives and conservation and on games, digital media and VOD: a slightly higher proportion of fund income was spent on these categories by national funds than by sub-national funds.

Supranational funds and funds principally aimed at projects from outside Europe showed a quite different overall spend breakdown. This group is heavily influenced by the spend patterns of the MEDIA 2007 programme and the Eurimages co-production fund, as these two funds between them represent around 87% of the 2009 total.⁵

The creation of works, of which only project development is supported by MEDIA, accounted for 35.7% of the total, less than half the proportion for this activity at the national level. On the contrary, distribution, which is a central support activity for MEDIA 2007 as well as being supported by Eurimages, is of an importance almost equivalent to production, at 33.6% of the total. Training was also of greater weight, at 7.3% of the supranational total, again because this is a central activity for the MEDIA Programme.

5) Including MEDIA funding for Europa Cinemas.

Figure 4.3 Activity breakdown for supranational and other funds / 2009



Source: European Audiovisual Observatory

FOCUS 6 Evolution in activity spend since 2002

In 'Public Funding for Film and Audiovisual Works – A Comparative Analysis' published by the Observatory in 2004, activity spend by European funds was examined for the year 2002.⁶ This Focus section looks at the evolution in fund activity spend by comparing data from 2002 with that for 2009. A number of adjustments have been necessary to render comparable the two data sets. These were:

1. The geographical scope of the 2002 data was narrower than that for 2009. The 2009 data has therefore been adjusted to remove countries not covered in the earlier edition;
2. A smaller number of activities was tracked in 2002. For example, spend on education and media literacy was excluded from the coverage of the earlier report. 2009 data has therefore been adjusted to remove activities not covered in 2002.

Table 4.4 presents the 2002 data and the adjusted 2009 data set for activity spend and Figure 4.4 provides a graphic comparison of activity spend amounts.

Table 4.4 Evolution in funding body activity spend since 2002 - all funds

All funds Activity	2002		2009		2009/2002
	EUR thousand	%	EUR thousand	%	%
Scriptwriting	6 647	0.6%	17 489	1.0%	163%
Project Development	31 757	3.0%	58 232	3.2%	83%
Production	775 091	73.5%	1 263 915	69.8%	63%
<i>Sub-total Creation Works</i>	<i>813 495</i>	<i>77.1%</i>	<i>1 339 636</i>	<i>73.9%</i>	<i>65%</i>
Distribution	109 688	10.4%	169 949	9.4%	55%
Exhibition	104 313	9.9%	125 096	6.9%	20%
Promotion	14 949	1.4%	71 560	4.0%	379%
Training	8 539	0.8%	36 074	2.0%	322%
Company Development	2 416	0.2%	12 414	0.7%	414%
Film Culture/R & D	1 195	0.1%	56 839	3.1%	4 657%
Total	1 054 595	100%	1 811 567	100%	72%

Note

Figures for 2009 are adjusted to ensure coherence with data from 2002.

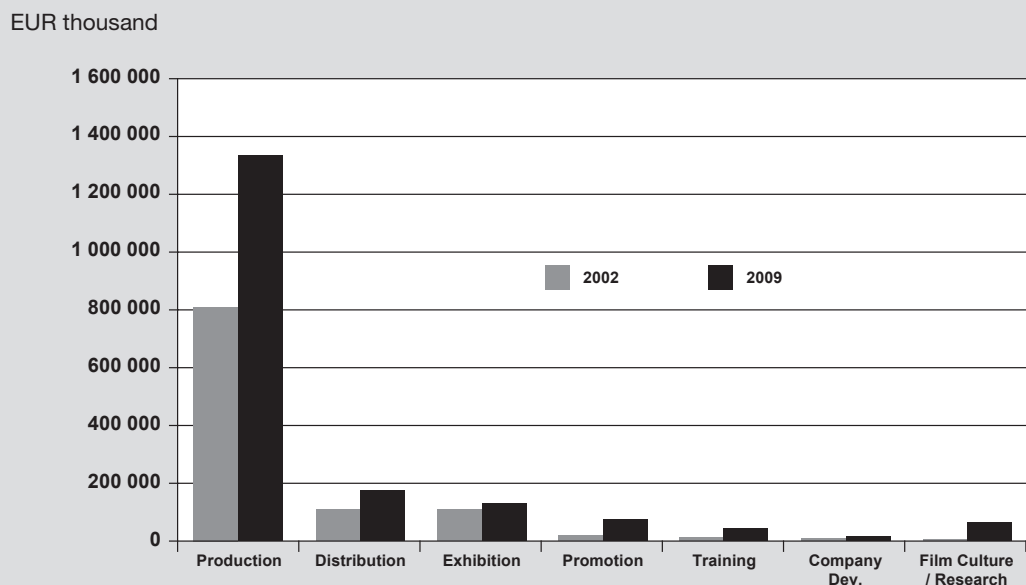
As a result they do not correspond to the data series shown elsewhere in this chapter.

Source: European Audiovisual Observatory

6) LANGE & WESTCOTT (2004), Chapter 9

The principal observation is the reduction in the overall importance of support for the creation of works over the period 2002 to 2009. Production support in all forms represented 77.1% of the activity total measured in 2002, but 73.9% of total activity spend in 2009. Within the creation of works category there was also a certain redistribution of resources – proportionately slightly more was spent on scriptwriting and project development in 2009, with a corresponding drop in the resources allocated to the production phase proper. In absolute terms the growth in spend between 2002 and 2009 was therefore higher for scriptwriting (+163%) and project development (+83%) than it was for production (+63%).

Figure 4.4 **Comparison of activity spend – all funds / 2002 and 2009**



Source: European Audiovisual Observatory

Distribution and exhibition were proportionately less important in the overall breakdown in 2009 than they were in 2002. Distribution went from 10.4% of the total in 2002 to 9.4% in 2009 and exhibition went from 9.9% in 2002 to 6.9% in 2009. In contrast promotion, training, company development and film culture all became more important elements in the overall mix, with particularly large boosts for promotion (1.4% in 2002, but 4.0% in 2009) and film culture (from 0.1% in 2002 to 3.1% in 2009). Film culture also showed the largest growth in the amount spent, going from EUR 1.2 million in 2002 to EUR 56.8 million in 2009, a leap of over 4600%. It should be noted however, that the large increases in the amounts spent on promotion and film culture categories may be influenced by the more inclusive nature of data collection in 2009. In 2002 funds reported on their support spend only, whereas in 2009 they were invited to provide information on both support spend and direct spend (that is activities organised directly by the fund, or funds delegated to a third party for support for the activity in question). Nonetheless, the gains are such that a clear move towards increased importance for these activities can be presumed.

■ 4.5 Activity breakdown by country

Whereas the previous section looked at total spend for different activities from the point of view of the various administrative levels at which funds can be established, this section looks at the breakdown between

activities in different countries. Table 4.5 shows on a country-by-country basis the allocation of support between the major activities in 2009 and the following Table 4.6 shows how the 'Other' category spend was allocated for each fund.

Table 4.5 Activity breakdown by country / 2009

EUR thousand									
Country	Creation of Works			Other					
	Script Development	Project Development	Production	Distribution	Exhibition	Promotion	Festivals	Training	Other
AL			1 094				137		
AT*	708	1 676	48 809	3 035	951	472	966	423	8 451
BA			818			97	177		179
BE	638	1 217	41 629	1 559	887	1 016	547	545	2 534
BG	98	345	5 064	160		164	196		
CH*	568	1 179	21 423	2 275	1 207	1 072	1 695	960	3 937
CY			1 200			200			
CZ	144		6 266	929	1 933	1 544	2 357	117	2 341
DE*	3 321	2 790	211 720	39 160	11 148	4 308	9 614	1 538	19 457
DK	123	2 403	28 781	4 015	564	1 450	82	765	2 511
EE	21	141	3 641	181	64	56	206	23	761
ES*	1 943	2 446	97 010	4 866	224	9 131	1 348	885	5 814
FI	896	1 818	17 015	1 544	2 632	674	639	130	501
FR	4 481	12 362	370 514	42 270	78 720	27 900	2 389		42 572
GB*	81	3 074	51 585	3 737	3 051	988	3 800	9 840	49 935
GR		350	5 426			1 376	122		41
HR			2 522		61	355	593	55	446
HU		274	12 395	3 262			156		2 013
IE	264	1 727	24 940	407	1 495	186	97	581	244
IS	150		3 733			21	7	1	
IT	25	6 772	94 101	979	8 358	7 500	6 957	6 176	14 784
LT		30	1 965	14	28	130	123	170	149
LU		420	4 943	23		90	2	25	
LV	108		2 637	39		228		15	14
MK			2 015			88			
NL	2 152	1 152	56 712	1 188	99	138	948	510	1 116
NO	708	4 984	39 934	5 402	297	260	2 145	427	722
PL	136	788	21 972	1 134	933	2 062		1 537	3 716
PT	50	100	8 293	361	246		203	220	
RU			67 090	2 497			2 744		2 195
SE*	378	1 495	41 147	3 619	2 196	839	738	477	5 564
SI	112	394	3 939		217	348	157		281
SK	118	272	3 072	21			792		23
TR	163	11	4 227				6 514		312
Total EU27	15 797	42 047	1 164 780	112 503	113 744	60 801	32 437	23 979	162 823
Total MEDIA	17 224	48 210	1 232 393	120 179	115 310	62 509	36 877	25 422	167 928
Total Europe	17 387	48 222	1 307 637	122 676	115 310	62 694	46 450	25 422	170 614
Supra	30	22 277	26 903	48 630	8 975	9 202	3 508	8 554	10 993
Other	333	109	3 383	1 313	900	698	75	2 323	313
Grand total	17 750	70 608	1 337 922	172 619	125 185	72 593	50 033	36 299	181 921

Notes

Data in italics are estimated or include partial estimates.

Cyprus: covers only the Cinema Advisory Committee and not other Ministry of Education & Culture activities.

France: 'Other' includes part of the support for festivals at regional level.

Romania: no activity breakdown available.

Russian Federation: activity of the Ministry of Culture only partially analysed. Support for festivals includes film culture and promotion.

Slovakia: festivals includes education and events.

Turkey: festival expenditure covers festivals, events, film culture and promotion

Totals are for the countries shown – hence the total 'EU 27' is for the 25 EU member states shown.

* Not all sub-national funds analysed

Source: European Audiovisual Observatory

Table 4.6 Breakdown of 'Other' spend by country / 2009

EUR thousand

Country	Archives & Conservation	Company Development	Education & Media Literacy	Film Culture & Research	Digital Media	Prizes & Awards	Other / No Breakdown
AL							
AT*	2 306		38	4 196		57	1 852
BA							179
BE		1 029		50			1 455
BG							
CH*	1 888		896	569		405	179
CY							
CZ	1 398		36				907
DE*	8 473	1 050	1 231	61	1 918	808	5 917
DK		13	295		671		1 531
EE	68		19	41		19	613
ES*	2 483	1 181		957	429		764
FI					501		
FR		4 545	7 093	19 004	6 720		5 210
GB*	6 340	1 470	10 681	23 883	167	173	7 221
GR						41	
HR	292			154			
HU				368			1 645
IE	104					140	
IS							
IT	5 270			6 514			3 000
LT	3		45	82	6		13
LU							
LV							14
MK							
NL			384				733
NO			41	357	91		233
PL			3 301			415	
PT							
RU						2 195	
SE*	3 397	75	2 055	30			8
SI			132				149
SK			23				
TR							312
Total EU 27	29 842	9 364	25 333	55 186	10 413	1 653	31 033
Total MEDIA	32 023	9 364	26 269	56 265	10 504	2 058	31 445
Total Europe	32 023	9 364	26 269	56 265	10 504	4 253	31 936
Supra		3 050		809	6 418	42	675
Other						15	298
Grand total	32 023	12 414	26 269	57 074	16 922	4 309	32 909

Note

Data in italics are estimated or include partial estimates.

Romania: no activity breakdown available.

France: company development includes support for video games. Digital media includes VOD (estimation) and works for web & mobile.

Film culture includes festivals.

Russian Federation: activity of the Ministry of Culture only partially analysed. Support for festivals includes film culture and promotion.

Totals are for the countries shown – hence the total 'Total EU 27' is for the 25 EU member states shown.

* Not all sub-national funds analysed

Source: European Audiovisual Observatory

Table 4.7 analyses the data shown in Tables 4.5 and 4.6 on a per capita basis, and ranks the per capita spend per country. As has been mentioned in Chapter 3 such data should be treated with prudence as it provides an insight into the activities of the funds covered in this study, but does not take into account the activities of funds not covered nor of complementary mechanisms such as fiscal incentives. Within these limits it has however the merit of providing a simple benchmarking tool.

Two very small countries, Iceland and Luxembourg, had the highest 2009 per capita spend on production by the funding bodies covered in this report. The remaining countries on the list were all medium-sized with the exception of France, at 6th position with a spend of EUR 6.02 per head. The production top ten list includes all five Nordic countries and four of these can be found once more in the list showing spend per head on distribution. This list was led by Norway at EUR 1.13 per head, well ahead of Denmark at EUR 0.73. Two of the large European markets can be found in this ranking: France is placed in 3rd position with a per capita spend of EUR 0.66 ahead of Germany with a spend of EUR 0.48.

Spend per capita on exhibition was highest in France, significantly ahead of the next highest spends, in Finland and in Ireland. France was also the country spending most per head on promotion in 2009, ahead of Denmark and tiny Cyprus. Spain figured at 4th place in this list, one of only three large European markets included. On the basis of estimates, spend per head on professional training was highest in the United Kingdom, ahead of Denmark and Ireland. Education and media literacy was clearly an important priority in the United Kingdom, with the highest per capita spend in Europe in 2009, ahead of Austria and France.

Table 4.7 Top 10 countries by per capita spend on selected activities / 2009

#	Production		Distribution		Exhibition	
	Country	EUR per capita	Country	EUR per capita	Country	EUR per capita
1	IS	12.16	NO	1.13	FR	1.22
2	LU	10.87	DK	0.73	FI	0.49
3	NO	9.51	FR	0.66	IE	0.34
4	AT	6.13	DE	0.48	SE	0.24
5	IE	6.05	SE	0.39	CZ	0.18
6	FR	6.02	AT	0.36	CH	0.16
7	DK	5.68	HU	0.33	IT	0.14
8	SE	4.65	CH	0.30	DE	0.14
9	BE	4.04	FI	0.29	AT	0.11
10	FI	3.70	BE	0.14	SI	0.11

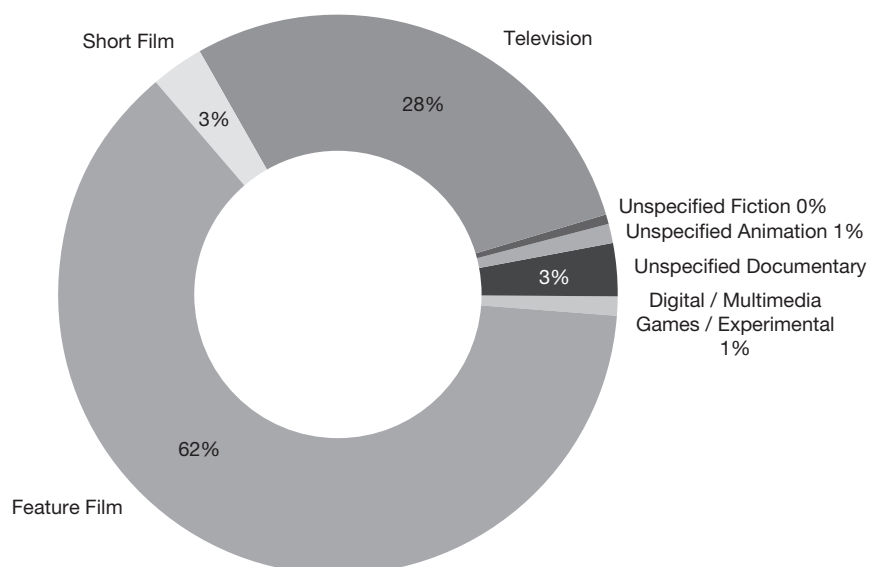
#	Promotion		Training		Education /Media Literacy /Film Culture	
	Country	EUR per capita	Country	EUR per capita	Country	EUR per capita
1	FR	0.43	GB	0.16	GB	0.56
2	DK	0.26	DK	0.14	AT	0.51
3	CY	0.25	IE	0.13	FR	0.41
4	ES	0.20	CH	0.12	SE	0.23
5	LU	0.18	IT	0.10	CH	0.19
6	SI	0.17	NO	0.09	IT	0.11
7	CZ	0.15	SE	0.05	PL	0.09
8	CH	0.14	LT	0.05	NO	0.08
9	FI	0.13	AT	0.05	SI	0.06
10	IT	0.12	BE	0.05	DK	0.05

Notes

Data in italics are estimated or include partial estimates.

Source: European Audiovisual Observatory

Figure 4.5 Spend on creation of works by project type / 2009



Notes

Estimated.

Analysis covers principally production support, with some information on project development.

Spend on digital media (from the 'Other' activity category) has also been included.

Information on screenwriting and script development support is limited.

Data covers 198 funds in 32 different European countries plus 12 funds at the supranational and other levels.

MEDIA 2007 Programme project development support for multi-genre project slates has been excluded.

Source: European Audiovisual Observatory

4.6 Types of projects supported

As has been outlined in the Focus 5 section, activity types have been broken down into two main groups: creation of works and other activities. Support awarded for the creation of works has been further analysed in order to establish what types of projects were supported in 2009. The aim here was to establish a first distinction between film and television projects and then to further analyse, where possible, film and television projects by genre (fiction, animation and documentary). Digital media projects from the 'Other' category have also been included.⁷

However fund reporting on the types of projects supported varies very widely and for many funds it was not feasible to re-analyse project support awards using an analytical grid different to that used in-house. Though project type information was generally available for production support awards, it was only partially available for project development awards and rarely for screenwriting and script development support. Particular problems also arose with the animation and documentary genres, which many funds consider as specific project types, independent of any information on eventual use (theatrical film, television, digital media, etc) or on duration (feature, medium-length or short work). Finally for a small number of funds no breakdown at all by project type was available. As a result, the analyses presented here are less detailed than initially intended.

Figure 4.5 illustrates the breakdown between the various types of project supported for all the funds for which data was available. Film accounted for just under two-thirds of total analysed support for the creation of works (65%), with feature films accounting for 62% of the total and short films accounting for 3%. Television works received 28% of total support and digital / multimedia / games and experimental works received just 1% of the total awarded to the creation of works. Just over 4% of support was awarded to projects in the fiction, animation and documentary genres which could not be allocated to one of the other project types.

Table 4.8 shows the breakdown by project type at the various fund levels. The total volume of support analysed was EUR 1.37 billion, representing 95% of the total spend by funds on the creation of works in 2009. Total spend on the creation of film works at all fund levels was EUR 902 million in 2009, of which EUR 857 million was awarded to feature films and EUR 45 million to short films. Of total film support, 96% (EUR 868 million) was spent by national and sub-national funds, with national funds accounting for 72% of the overall total and sub-national funds for 24%. Total spend on television was EUR 388 million, with national and sub-national funds accounting for 99% of spend. Sub-national funds accounted for a slightly higher proportion of the total television support - 29% of the total for television, compared to 24% of the total for film - whereas spend by national funds on television remained similar to that on film at 71%.

⁷) Digital media projects are here defined to include video games, multimedia and interactive works, works specifically made for web and mobile platforms and artists' and experimental works.

Table 4.8 Spend on creation of works by project type and level / 2009

EUR thousand

Level	Film	Television	Unspecified Fiction	Unspecified Animation	Unspecified Documentary	Digital / Multimedia / Games / Experimental
National	651 452	274 370	0	13 703	32 707	12 517
Community	149 751	75 457	0	33	4 008	3 287
Regional & Local	67 539	36 255	0	1 233	3 480	1 149
<i>Sub-total Sub-national</i>	<i>217 291</i>	<i>111 712</i>	<i>0</i>	<i>1 266</i>	<i>7 489</i>	<i>4 436</i>
Total National & Sub-national	868 743	386 081	0	14 969	40 196	16 953
Supranational	29 530	1 975	4 629	1 125	2 088	993
Other	3 824	0	0	0	0	0
Total Supra & Other	33 354	1 975	4 629	1 125	2 088	993
Grand Total	902 097	388 057	4 629	16 094	42 283	17 945

Notes

Estimated.

Not all spend analysed - analysis covers principally production support, with some information on project development.

Spend on digital media (from the 'Other' activity category) has also been included.

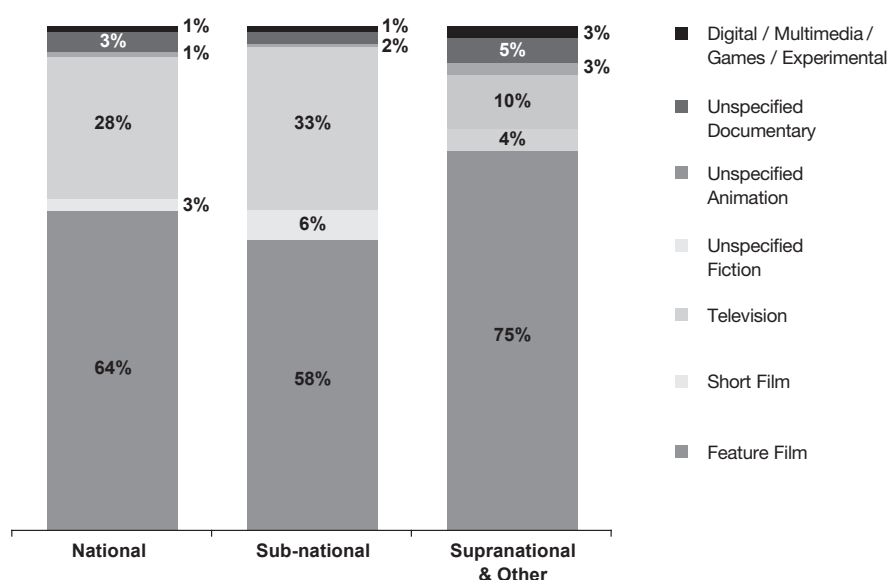
MEDIA 2007 Programme project development support for multi-genre project slates has been excluded.

Source: European Audiovisual Observatory

The relative importance of the different types of project at national, sub-national and supranational/other levels is illustrated in Figure 4.6. As can be seen, feature film was by far the predominant genre at all levels, with 64% of national support, 58% of sub-national support and 75% of support for the creation of works from supranational and other funds going towards this type of project. Insignificant at the supranational level, short films were most important at the sub-national level, with

these funds making awards worth 6% of their total to this type of project in 2009. Television projects were proportionally more important at the sub-national level than at the national level, and represented just 4% of the total at the supranational level. At this level, however, analysis of support by project type was somewhat problematic, given that unspecified works of various genres represented 18% of the overall total and that these amounts could have been either film or television works.

Figure 4.6 Spend on creation of works by project type and level / 2009



Notes

Estimated.

Not all spend analysed.

MEDIA 2007 programme project development support for multi-genre project slates has been excluded.

Source: European Audiovisual Observatory

Finally, Table 4.9 shows the breakdown by country of the various types of project supported in 2009 while table 4.10 shows the percentage split by project type for each country.

Smaller or medium-sized countries with a limited number of films funds tended to concentrate a higher proportion of their resources on feature film in 2009. This was the case in Slovenia, Lithuania and Greece, the three countries with the highest proportion of resources dedicated to features. Larger countries that

also showed a marked concentration on full-length films included Italy, where 85% of funding was awarded to this type of project, Spain with 83% and Poland and Germany with 82%. Croatia, Finland and Latvia were the countries devoting the highest proportion of funding specifically to short films in 2009. Larger countries tended to dedicate a lower proportion of resources to this type of work, with Spain the leading country of the 5 large Western markets with 5% of funding going to short films.

Table 4.9 Spend on creation of works by country and project type / 2009

EUR thousand

Country	Feature Film	Short Film	Television	Unspecified Documentary	Unspecified Animation	Other	Total
AL	535	118		34	38	369	1 094
AT*	31 913	1 372	16 541			462	50 288
BA	685	82	51				818
BE	24 258	2 819	7 086	1 842		213	36 218
BG	4 085		424	998	424	0	5 507
CH*	13 672	783	4 334	1 946	33		20 768
DE*	174 251	3 342	32 834	220		1 853	212 500
DK	18 442	274	3 867	9 267		678	32 528
EE	1 783	152		939	896		3 771
ES*	84 700	4 881	11 523			470	101 573
FI	8 884	2 462	835	1 359		951	14 491
FR	131 471	13 343	242 372			6 046	393 231
GB*	34 405	1 630	18 764			900	55 699
GR	4 950	416		410			5 776
HR	1 972	456				94	2 522
HU	7 609	126	3 027	1 161	525	221	12 669
IE	13 905	378	4 876			1 160	20 319
IS	2 574	188	1 121				3 883
IT	82 056	1 292	9 857	2 467	1 233	10	96 914
LT	1 884	63	35		14		1 996
LU	2 905	788	610	1 060			5 363
LV	1 689	426		522			2 637
MK	1 696	10		296	13		2 015
NL	34 709	1 660	17 721	2 679	25	2 151	58 945
NO*	31 640	4 103	5 697	684		1 335	43 459
PL	17 716		12	1 695	2 088		21 511
PT	6 870	1 000	574				8 443
RU	46 357			11 341	9 393		67 090
SE*	25 603	2 466	2 707	546			31 322
SI	3 806	120					3 926
SK**	3 136	152	1 638	171	264	40	5 428
TR	3 398	259		558	23		4 239
Total EU 27 e	721 055	39 161	374 877	25 336	5 470	15 155	1 181 054
Total MEDIA e	770 913	44 691	386 030	27 966	5 503	16 583	1 251 687
Total Europe e	823 583	45 160	386 081	40 196	14 969	16 953	1 326 942

Notes

198 funds in 32 countries analysed.

Data in italics are estimated or include partial estimates. For totals: e = estimated.

'Unspecified Documentary' and 'Unspecified Animation' can include feature, medium-length and short films, television and other works.

'Other' includes artists and experimental works, video games, multimedia and interactive works, works specifically for web and mobile platforms.

Totals are superior to the total for the creation of works due to the inclusion of the digital media category.

Differing bases for analysis (paid out versus awarded) also cause deviations in a small number of cases.

No project type breakdowns were available for Cyprus, the Czech Republic and Romania.

France: CNC data is based on spend forecast for 2009 with adjustments for spend on short films. Data for regional funds is based on awards made.

Totals are for the countries shown – hence the total 'Total EU 27' is for the 23 EU member states shown.

* Not all sub-national funds analysed

** Analysis of 2010 support data.

Source: European Audiovisual Observatory

France was the leading country in terms of the proportion of funding going to television works, with 62% of total support directed at this type of production, with another large market, the United Kingdom, in second position (34%). Austria and the Netherlands, two mid-sized countries with dedicated television production funds came next with 33% and 30% respectively.

Though the feature, short and television categories all include documentary works, many countries provide specific support for documentaries, without differentiation between formats. Among these countries, Denmark stood out, devoting an estimated 28% of resources to documentary works of all kinds in 2009, while Estonia, Latvia and Luxembourg all allocated 20% or more of their total resources to the genre in the same year.

Table 4.10 **Spend on creation of works by country and project type - % breakdown / 2009**

Country	Feature film	Short Film	Television	Unspecified Documentary	Unspecified Animation	Other
AL	49%	11%	0%	3%	3%	34%
AT*	63%	3%	33%	0%	0%	1%
BA	84%	10%	6%	0%	0%	0%
BE	67%	8%	20%	5%	0%	1%
BG	74%	0%	0%	18%	8%	0%
CH*	66%	4%	21%	9%	0%	0%
DE*	82%	2%	15%	0%	0%	1%
DK	57%	1%	12%	28%	0%	2%
EE	47%	4%	0%	25%	24%	0%
ES	83%	5%	11%	0%	0%	0%
FI	61%	17%	6%	9%	0%	7%
FR	33%	3%	62%	0%	0%	2%
GB*	62%	3%	34%	0%	0%	2%
GR	86%	7%	0%	7%	0%	0%
HR	78%	18%	0%	0%	0%	4%
HU	60%	1%	24%	9%	4%	2%
IE	68%	2%	24%	0%	0%	6%
IS	66%	5%	29%	0%	0%	0%
IT	85%	1%	10%	3%	1%	0%
LT	94%	3%	2%	0%	1%	0%
LU	54%	15%	11%	20%	0%	0%
LV	64%	16%	0%	20%	0%	0%
MK	84%	0%	0%	15%	1%	0%
NL	59%	3%	30%	5%	0%	4%
NO*	73%	9%	13%	2%	0%	3%
PL	82%	0%	0%	8%	10%	0%
PT	81%	12%	7%	0%	0%	0%
RU	69%	0%	0%	17%	14%	0%
SE*	82%	8%	9%	2%	0%	0%
SI	97%	3%	0%	0%	0%	0%
SK**	58%	3%	30%	3%	5%	1%
TR	80%	6%	0%	13%	1%	0%
Total EU 27 e	61%	3%	32%	2%	0%	1%
Total MEDIA e	62%	4%	31%	2%	0%	1%
Total Europe e	62%	3%	29%	3%	1%	1%

Notes

198 funds in 32 countries analysed. For totals: e = estimated

Data in italics are estimated or include partial estimates.

'Unspecified Documentary' and 'Unspecified Animation' can include feature, medium-length and short films, television and other works.

'Other' includes artists and experimental works, video games, multimedia and interactive works, works specifically for web and mobile platforms.

No project type breakdowns were available for Cyprus, the Czech Republic and Romania.

France: CNC data is based on spend forecast for 2009 with adjustments for spend on short films. Data for regional funds is based on awards.

Totals are for the countries shown – hence the total 'Total EU 27' is for the 23 EU member states shown.

* Not all sub-national funds analysed

** Analysis of 2010 support awards.

Source: European Audiovisual Observatory

Why fund the transition to digital projection?

Various options exist for exhibitors wishing to finance the conversion of their screens to digital projection. Commercial models for transition include using own financial resources, conversion using a Virtual Print Fee (VPF) scheme, usually implemented by a third party, or participation in a private buying group. However there are widespread fears in the industry that these commercial models will not be suitable for all cinemas, due not only to limited own resources but also because, for reasons linked to their programming and location, certain cinemas may not be eligible for VPF.

The long-term consequences of non-conversion to digital projection would probably be the closure of certain kinds of cinemas, and a corresponding loss of cultural and community resources coupled with a reduction in the diversity of the film offer available to audiences. To address this possibility, public authorities at the European, national and regional level intervene in two principle ways:

1. By providing selective support for specific types of cinemas and/or cinemas in geographical areas at risk;
2. By leading, co-ordinating or regulating a collective conversion project.

Not all European countries have, at the time of writing, support programmes in place. Table 4.11 summarises the different programmes that have been identified in the preparation of this report and the following section provides overview information on the initiatives which have been launched in various European countries and at the pan-European level.

Table 4.11 Overview of support for conversion to digital projection in Europe

Country	Support for Digital Conversion of Cinemas	Type	Comments
AL	None identified	...	
AT	None identified	...	
BA	None identified	...	
BE	None identified	...	
BG	None identified	...	
CH	Yes	National	BAK/OFC/UFC
CY	None identified	...	
CZ	Yes	National	Státní fond pro podporu a rozvoj české kinematografie
DE	Yes	National & Community	FFA / BKM & 10 Länder funds identified
DK	Yes	National	DFI
EE	No specific programme	National	Ministry of Culture support for technical improvement could be used for digital conversion
ES	Yes	National & Community	Ministry of Culture / ICAA / ICIC in Catalonia
FI	Yes	National	Suomen elokuväsäätiö
FR	Yes	National & Regional	CNC & 16 French regions identified
GB	Yes	National	UK Film Council - scheme completed
GR	None identified	...	
HR	None identified	...	
HU	None identified	...	
IE	Yes	National	Arts Council of Ireland / Irish Film Board
IS	None identified	...	
IT	Yes	National	MiBAC - DG Cinema tax credit
LT	None identified	...	
LU	None identified	...	
LV	None identified	...	
MK	None identified	...	
MT	None identified	...	
NL	Yes	National	Collective conversion: Cinema Digitaal (NVB/NVF/NVS/NFF/Min. OCW)
NO	Yes	National	Collective conversion: Film og Kino
PL	Yes	National & Regional	PISF / KIPA and Malopolska Region

Country	Support for Digital Conversion of Cinemas	Type	Comments
PT	Yes	Regional	Projected multi-regional scheme using ERDF
RO	None identified	...	
RU	None identified	...	
SE	Yes	National	SFI
SI	None identified	...	
SK	Yes	National	AVF
TR	None identified	...	
Supra	Yes	Supra	EIB/Europa Cinemas / MEDIA 2007 / Eurimages
Other	None identified	...	

Note
Status as of July 2011

Source: European Audiovisual Observatory

A review of digital cinema conversion funding schemes – past, present and future

Supranational programmes

The European Commission

European Regional Development Funds can be used in the designated regions for digital conversion for certain kinds of cinemas. These funds have been used in German and Polish regions and in principle can also be used in certain regions of Portugal. The European Investment Bank has also provided access to finance for integrators and may play a further role in financing digital roll-out.⁸

The MEDIA 2007 Programme initially funded a number of Pilot Projects which prepared the ground for digital roll-out by addressing issues of digital distribution and the availability of digital material. In addition, Europa Cinemas, the MEDIA-supported exhibition network, has since 2009 provided a funding bonus for network cinemas screening a minimum number of European films in digital format. However the establishment of a targeted support for digital conversion by MEDIA was preceded by a public consultation and the preparation of a Commission Communication on 'Opportunities and Challenges for European Cinema in the Digital Era'.⁹ This Communication was forwarded to the European Parliament and the Council in September 2010 and concluded that the EC did have a role to play in the transition to digital, especially in the areas of standardisation, collection and preservation of film in a digital format, regional support to digitisation, compatibility with Treaty rules, support to exhibitors of European films (MEDIA) and access to finance (EIB and MEDIA).

A specific MEDIA support scheme for digital conversion was subsequently unveiled and the first call opened in July 2011 with a deadline in September 2011.¹⁰ The scheme is dedicated to European independent cinema operators who screen a majority of European films (of which at least 30% are European non-national) and who will acquire and install a DCI-compliant digital projector. For 2011 the scheme has a budget of EUR 2 million. One hundred screens will be supported with a lump sum of EUR 20 000 per screen which can be used to co-finance the costs related to the digital transition of European theatres, to the exclusion of the cost of the digital projector and server. Cinemas which have or will acquire a projector through the signature of a VPF deal will not be eligible.

Eurimages

Between 2007 and 2010, Eurimages offered digitisation support for the production of DCI-compliant digital masters (minimum 2K) intended for digital cinema projections, VOD, satellite distribution and high resolution internet distribution. This support was destined for producers of films supported by Eurimages through the co-production support programme. Over the three-year period the digitisation of more than 60 films was supported for an amount in excess of EUR 800 000. This support programme ended in 2011 and was replaced by a new scheme to support the digitisation of cinemas part of the Eurimages exhibition support programme (in Albania, Bosnia-Herzegovina, "The former Yugoslav Republic of Macedonia", Russia, Serbia and Turkey). A lump-sum grant of EUR 20 000 per screen is awarded to finance the purchase and installation of DCI-compliant digital projectors, servers and other related equipment.

8) The EIB participated in a EUR 50 million structured loan facility to XDC with BNP Paribas Fortis and KBC Bank. The first tranche was drawn down in May 2010. See <http://www.eib.org/projects/press/2010/2010-076>

9) COM/2010/0487 final

10) Call for Proposals EACEA/19/2011: "Support for the digitisation of cinemas"

National and sub-national programmes

CH – Switzerland

The *Bundesamt für Kultur / Office fédéral de la culture / Ufficio federale della cultura* established in 2011 a funding programme for the promotion of diversity of offer and digital cinema. The scheme runs from 2011 to 2015 and has a total of CHF 9 million (EUR 6.5 million) available, with CHF 1 million available in the first year of functioning and CHF 2 million available for the remaining years. The programme is intended for cinemas with a diversified programming offer, in particular for smaller exhibitors.

CZ – Czech Republic

A national plan for digitisation has been drawn up by the Czech Ministry of Culture. The plan included preparatory measures such as the creation of a database of all screens and an evaluation of screens which would be at risk. Support is provided through the cinema modernisation scheme run by the *Státní fond pro podporu a rozvoj české kinematografie*. There have been four application rounds up to July 2011 with 33 awards for a total of CZK 20.8 million (EUR 820 000) made in 2011.

DE – Germany

A first collective conversion initiative, spearheaded by the *Filmförderungsanstalt* (FFA) and named the '100 Model', was abandoned when it fell foul of a long-running dispute over the nature of contributions to FFA funding income. This was replaced by a selective scheme for smaller exhibitors, funded by the *Beauftragter der Bundesregierung für Kultur und Medien* (BKM), which is currently in operation. This is complemented by funding programmes at the level of the *Länder*. Almost all of the major *Länder* funds (*FFF Bayern*, *FFHSH*, *Medienboard Berlin-Brandenburg*, *MFG Filmförderung*, *Nordmedia* and *NRW*) run specific schemes. Thuringia, Rhineland-Palatinate and Saxony-Anhalt have support programmes run directly by regional authorities and the Land of Hesse has an investment programme administered by the *Wirtschafts- und Infrastrukturbank Hessen*. The Hessen programme is one of two schemes which use finance available through ERDF funds available in the region – the second is the scheme run by *Nordmedia*. Finally, representatives of the Saarland region recently announced their intention to set up a funding programme to aid conversion for the region's smaller cinemas.

DK – Denmark

One of the key points in the new *Filmaftalen* agreed upon in October 2010 was the necessity of finding a solution for the conversion of the majority of Danish cinemas to digital. With this in mind, the DFI launched two complementary support programmes which will go into operation in August 2011. The first initiative supports investment in digital equipment for cinemas outside urban areas and cinemas with a repertoire of predominantly European films. Each cinema may receive a single grant of DKK 200 000 (EUR 26 800). The second programme provides support for other cinemas based on the number of digital screenings of Danish films: each Danish film equals DKK 2 500 (EUR 335) in support, and each cinema can receive a maximum of DKK 200 000 (EUR 26 800).

ES – Spain

The Spanish national film agency, the ICAA, together with public credit institution, the ICO, runs a general programme of support for exhibition, which facilitates access to finance for exhibitors by subsidising part of the cost of loans. This programme can be used by exhibitors wishing to convert to digital projection. The Ministry of Culture also provides support for digital conversion of cinemas through a general programme for the modernisation of cultural industries.¹¹ A working group has been hosted by the ICAA to consider support possibilities, which would involve the Autonomous Communities. In March 2011 the Minister for Culture announced that EUR 3 million would be dedicated to supporting the transition and that the Autonomous Communities would be involved in the scheme.¹² In the interim the Catalan agency ICIC provided some support for conversion through a general cinema modernisation programme in 2010. Appearing before the Spanish Senate in April 2011, the director of the ICAA indicated that agreements with Autonomous Community agencies in Andalusia, Asturias, Castilla y León, Galicia, Catalonia, the Basque Country and Valencia worth EUR 2.9 million were in preparation, principally to benefit small and medium-sized exhibitors.¹³

FI – Finland

Thanks to a special additional appropriation from the Finnish Ministry for Education and Culture, the national film agency *Suomen elokuväsäätiö* (SES) has been providing support for digital conversion since 2009. This support is accessed through a pre-existing cinema modernisation programme and EUR 950 000

11) *Ayudas a la inversión en capital para incrementar la oferta legal de contenidos digitales culturales en Internet y para promover la modernización, innovación y adaptación tecnológica de las industrias culturales y creativas – BOE del 4 de abril de 2011*

12) 'Cultura pondrá tres millones para actualizar las salas de cine', *El Mundo*, 21 March 2011.

13) 'El ICAA destinará 2,9 millones de euros a la digitalización de las salas españolas', *Cine y Tele Online*, web edition of 13 April 2011.

was earmarked for digital conversion through the programme in 2010. During 2008 and 2009 the SES also ran a digital print support scheme.

FR – France

After consultation with the industry, the CNC proposed in 2009 a range of measures designed to ensure transition for all cinemas. One of these measures was a '*fonds de mutualisation*' (mutual fund), open to membership by all exhibitors and distributors. The fund was intended to finance 75% of exhibitors' investment in digital equipment and was to be financed by a VPF model. The scheme was notified to national and European competition authorities but in February 2010 the national competition authority issued a negative opinion. Preferring to abandon the idea of a mutual fund, the CNC then proposed a different system, including the passage of a law on digital transition for cinemas which provides for a regulated, transparent and obligatory VPF.¹⁴ In parallel a selective scheme for specific types of cinema was established and is currently in operation at the CNC. At the same time a number of initiatives were launched in the French regions, with pioneering pilot schemes launched in the Aquitaine, Auvergne and Limousin regions as early as 2009. A further wave of schemes were announced in late 2010 and 2011, including a 5-year, EUR 2.5 million scheme in the City of Paris/Île-de-France region. Other regions currently running schemes include Alsace, Burgundy, Brittany, Centre, Corsica, Haute Normandie, Midi-Pyrénées, Pays de la Loire, Picardy, Poitou-Charentes, Provence-Alpes-Côte d'Azur, Rhône-Alpes and at the level of a *département*, Essonne. Further schemes are planned in Basse-Normandie, Languedoc-Roussillon and Lorraine.

GB – United Kingdom

The Digital Screen Network, launched by the UK Film Council in 2004 was the first public digital cinema conversion funding programme in Europe and was intended as an audience development initiative – applicants had to show they would increase the number and range of specialised films shown if they had access to digital equipment. A total of GBP 12 million from Lottery funds was used for this purpose and from May 2005 238 screens in 209 cinemas were converted. The project was intended to run four years and is now closed. A second programme, the Rural Cinema Pilot scheme, aiming to improve access to new films and alternative content for rural audiences, was launched in 2009 and pilots schemes are currently running in three areas under the overall responsibility of the British Film Institute.

No nationwide public support scheme exists in the United Kingdom, though the Digital Funding Partnership, a collective buying group aiming to include the largest possible number of exhibitors, has received public support.

HR – Croatia

No support programme has been identified as being operation in July 2011 but the National Strategy for the Promotion of the Audiovisual Industry approved by the Minister of Culture in October 2010 does include public support for the digital conversion of cinemas as a strategic priority.

IE – Ireland

A scheme called the Cultural Cinema Consortium, the result of a strategic co-operation between the Arts Council of Ireland and the Irish Film Board, has had two open rounds of funding in 2008 and 2010. The scheme specifically targets art house cinemas.

IT – Italy

As part of a series of tax measures for film investment and distribution, the Italian government proposed in 2008 a 30% tax credit to exhibitors installing digital equipment, with unconditional access for cinemas with 1 to 4 screens or for multiplexes in towns with less than 50 000 inhabitants. Larger cinemas needed to respect requirements concerning programming and the number of screens converted. When the overall scheme received approval from European competition authorities in 2009, the digital conversion credit was not included in this approval and an investigation was launched into this aspect of the package. This tax credit does currently function, however, with tax benefits available for costs incurred in 2008 and 2009 limited in their amount to totals qualifying as *de minimis* aid.

NL – The Netherlands

The model adopted in the Netherlands is that of a collective transition using a public-private partnership. At the end of 2009, the Ministry for Education, Culture and Science, in consultation with the Eye Institute, recently formed out of the merger of the Filmmuseum, Holland Film, Filmbank and the Nederlands Instituut voor Filmeducatie, established an initial project for digitisation for submission to the Ministry of Economic Affairs. Following further elaboration, funding was agreed in principle under a national ICT agenda support programme

14) Loi n° 2010-1149 du 30 septembre 2010 relative à l'équipement numérique des établissements de spectacles cinématographiques.

called PRIMA. A co-ordination group involving producer, distributor, exhibitor, government and film fund representatives as well as industry experts was created to develop a business plan aiming at a collective transition over a period of two years using a single integrator and with a VPF agreement with almost all Dutch distributors. The majority of the investment necessary to finance the transition, estimated at EUR 38 million, will be raised by the industry itself but the governmental PRIMA programme will inject EUR 3 million and the *Nederlands fonds voor de film* EUR 2.4 million. The public funding component will be aimed primarily at cinemas unable to benefit from VPF arrangements.

NO – Norway

The Norwegian model was also one of a collective conversion for all cinemas, rendered possible by the specificities of the Norwegian exhibition sector. Spear-headed and co-ordinated by industry umbrella group, *Film og Kino*, representing both the chiefly municipally-owned cinemas and film and video distributors, the scheme is partially financed and guaranteed by a pre-existing mutual fund held by *Film og Kino*. In an initial phase VPF agreements were reached with US major and local distributors. Following a tender, announced in October 2009, installation of projectors started in April 2010 and completed almost a year ahead of schedule. In June 2011, 410 screens had been converted, 70% of which had 3D facilities.

PL – Poland

In Poland an initial plan for digitisation was developed by KIPA, the Polish audiovisual producers Chamber of Commerce and subsequently obtained the support of the *Polski Instytut Sztuki Filmowej* (PISF) and the Ministry of Culture. The National Programme for Cinema Digitisation is run by the PISF and the support is distributed under an operating programme for exhibition development, starting from 2010. Approximately PLN 15 million (EUR 3.7 million) has been set aside for conversion support in 2011 and a call was launched in May of the same year. It is estimated that more than 60 cinemas will be able to benefit. A regional scheme is also in existence in the Malopolska region (the area around Cracow) for the conversion of smaller cultural centre cinemas, which will function as a network of modern cultural institutions. The scheme is administered by the *Fundacja Rozwoju Kina* and funded by European Regional Development Funds available in the region and the PISF.

SE – Sweden

The *Svenska Filminstitutet* (SFI) launched an initial pilot scheme in October 2009, providing funding for the digitisation of 28 cinemas of all types together with funding for digital copies of Swedish films and quality non-Swedish titles. The aim was to use the pilot screens to establish whether digital projection facilities had an impact on the range of films shown in cinemas and could increase the audience appeal of cinema. The assessment period for the new digital screens ran from April 2010 to April 2011. In parallel to this a pre-existing cinema support scheme for technical equipment has been broadened to include support for the acquisition of DCI-compliant digital projection equipment. This support is available since Autumn 2010.

SK – Slovakia

The recently created *Audiovizuálny fond* (AVF) ran in 2010, its first year of operation, a modernisation scheme that can be used to support the acquisition of digital projection equipment. Five awards for a total of EUR 170 000 were made for conversion.

Supranational and Other International Funds

5.1 Key data

This chapter examines in more detail the income, activity and profiles of supranational funds and other funds based in Europe but providing support principally for projects from outside Europe.

- Seven supranational funds were in operation in Europe in 2009, 2 more than were identified in 2004.
- Eleven funds for projects from outside Europe were identified in 2009, 3 more than in 2004.
- In 2009 the total income available to these funds was EUR 173 million, 93% of which was income at the disposal of supranational funds.
- Total activity spend by supranational and other international funds in the same year was EUR 155 million, 7% of total fund activity spend in Europe.
- Activity spend by these funds grew by 22% between 2005 and 2009.
- The European Union's MEDIA 2007 programme accounted for almost two-thirds of total activity spend for these funds in 2009.
- The creation of works and distribution were the principle activities supported, at 35.7% and 33.6% respectively of total activity spend.

5.2 Introduction

The first support programmes for the film and television industry at a European level were set up in the 1980s. These funds fall into two categories. The first category is comprised of funds created by two major supranational organisations, the Council of Europe and the European Union, and funds established by agreement between countries with shared cultural or linguistic aims (*Nordisk Film & TV Fond*, *Ibermedia* and others). These funds are grouped together here under the title 'supranational' funds. A second category of fund is established in Europe but provides support principally for works from outside the continent. Examples of this type of fund include the *Fonds sud cinéma*, the Hubert Bals Fund and the World Cinema Fund. These funds have been grouped together in this report as 'other international' funds for projects from outside Europe.

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These two types of funds are the focus of this chapter. The first section provides a summary of the data concerning these funds and gives an overview of the scope of intervention of these organisations. Sections 5.4 and 5.5 provide more detailed on the Council of Europe's Eurimages fund and on European Union initiatives, in particular the MEDIA 2007 programme. Other supranational funds, such as the *Nordisk Film & TV Fond*, are profiled in section 5.6 and section 5.7 covers international funds based in Europe but principally proposing support for projects from outside the continent.

5.3 Data overview for supranational and other international funds

As has been shown in Chapter 1 of this report, a total of 18 supranational and other international funds were identified as being operation in Europe in 2009. This represented a small increase over the total identified in 2004, when 13 such funds were identified. These figures take into account the principle funds operating on a regular basis. A number of smaller bursaries for the development of non-European projects operating at film festivals have not been included in these totals.

Total income for these funds was EUR 173 million in 2009, a 12% increase on the total income at the disposal of this type of fund in 2005 (EUR 154 million). Income available to supranational funds accounted for 93% of the total. As can be seen from Figure 5.2, income for these funds was subject to quite marked fluctuations over the period 2005 to 2009. This is due to the defined lifespan of some of the more important funds, in particular the MEDIA Programme, with higher levels of budget available during the mid-years of the cycle.

Table 5.1 shows the amounts spent on **activity** by individual funds operating at this level. The European Union's MEDIA Programme and the Council of Europe's Eurimages fund are clearly the dominant forces in terms of support spend, followed by the *Nordisk Film & TV Fond*. Europa Cinemas is shown separately, though strictly speaking this body forms part of the MEDIA Programme. Activity spend tended to be much lower for funds supporting projects from outside Europe, with the exception of the EU's Euromed Audiovisual and ACP Films schemes. The *Fonds Sud Cinéma* and the *Fonds francophone de production audiovisuelle du Sud* (estimated data) were the two international funds with the highest regular level of spend over the entire period.

Figure 5.1 Change in the number of supranational and other funds / 2004 and 2009

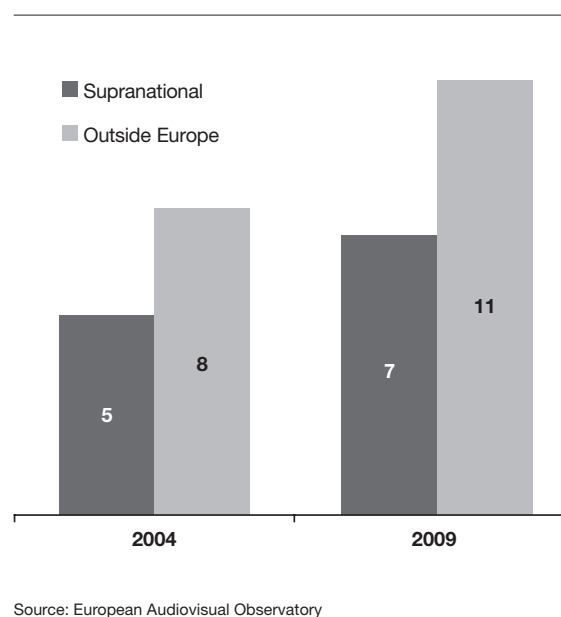


Figure 5.2 Trend in supranational and other fund income / 2005 - 2009

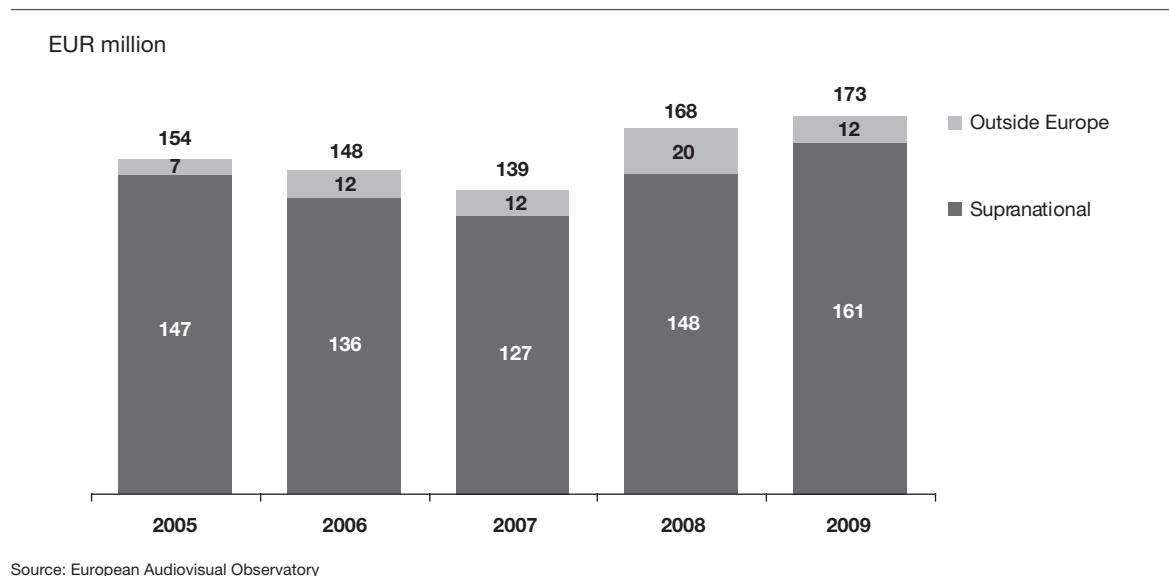


Table 5.1 Activity spend by supranational and other funds / 2005 - 2009

Based in	Fund	Level	EUR thousand					% 2009 /2008
			2005	2006	2007	2008	2009	
GR	Balkan Fund	Supra.	40	40	40	40	30	-25%
FR	Eurimages	Supra.	21 028	20 693	23 035	21 628	20 977	-3%
FR	Europa Cinemas	Supra.	6 394	7 012	6 717	8 236	8 957	9%
ES	Ibermedia	Supra.	5 000	5 000	4 700	4 300	4 600	7%
BE	MEDIA Programme	Supra.	79 221	69 220	77 546	93 334	99 643	7%
NO	Nordisk Film & TV Fond	Supra.	8 561	8 565	8 902	8 862	9 359	6%
GR	SEE Cinema Network	Supra.	120	120	111	90	106	18%

Table 5.1 (cont.) Activity spend by supranational and other funds / 2005 - 2009

Based in	Fund	Level	EUR thousand					% 2009 /2008
			2005	2006	2007	2008	2009	
BE	ACP Films	Other	-	-	-	6 500	-	-
BE/IT	EUROMED Audiovisual II*	Other	-	5 000	5 000	5 000	-	-
FR	Festival d'Amiens: Fonds d'aide	Other	30	30	38	38	48	25%
FR	Fonds francophone (OIF)	Other	2 000	2 000	2 000	2 000	2 000	0%
FR	Fonds Sud Cinéma	Other	2 500	2 500	2 500	2 400	2 220	-8%
SE	Göteborg IFF Fund	Other	200	337	345	439	482	10%
NL	Hubert Bals Fonds	Other	1 174	778	883	765	874	14%
NL	Jan Vrijman Fund	Other	374	361	363	452	455	1%
BE	MEDIA International	Other	-	-	-	1 980	4 960	151%
DE	World Cinema Fund	Other	715	616	463	400	408	2%
Total Supra & Other Funds e			127 357	122 274	132 642	156 463	155 118	-1%

Legend

- : fund not in operation e: estimated

Notes

Data in italics are estimated or include partial estimations.

* For the purposes of this study the total budget of EUR 15 million for Euromed Audiovisual II has been evenly distributed over the three years of the programme (2006 to 2008). This is not an accurate reflection of the real spend pattern.

The following funds have not been included due to insufficient data: *Fonds Images Afrique* (suspended in 2009), *Visions Sud-Est*.

Source: European Audiovisual Observatory

An overview of the scope of intervention of selected supranational and other international funds is provided in Table 5.2. No fund intervened in all of the areas in 2009, though the MEDIA Programme supported a total of 8 different types of activities out of a possible 15. Other funds supporting a wide range of activities were *Ibermedia* and the *Nordisk Film & TV Fond* (7 out of 15 in each case). Twelve out of 18 funds supported production and

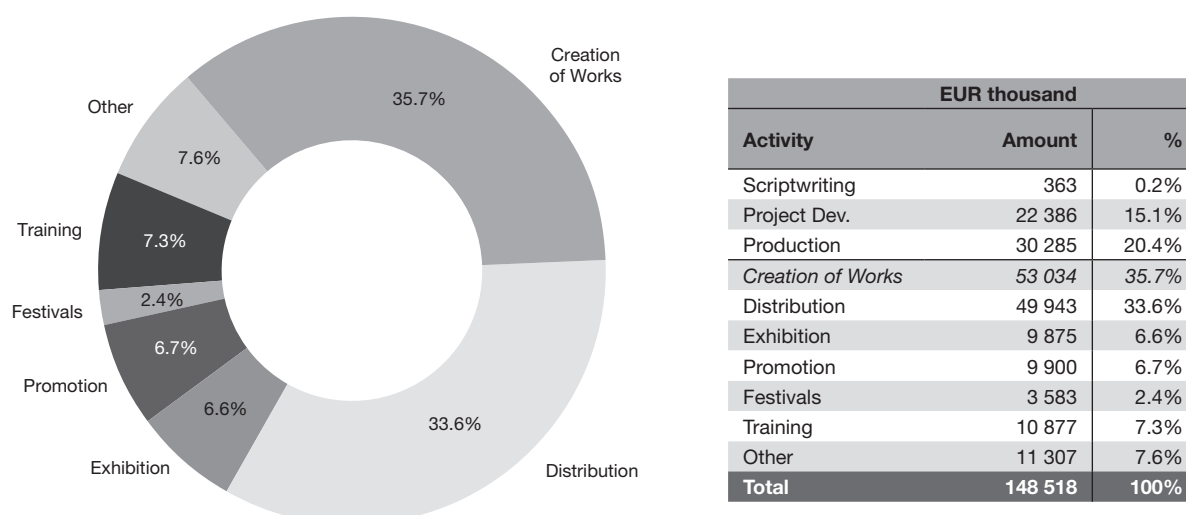
post-production, whereas only 5 funds supported script development and a similar number supported the development of projects. Distribution, promotion and training were all well covered, with 10 funds out of 18 supporting each of these activities. None of the funds listed here supported either archives and conservation nor education and media literacy, though both these activities are supported at the European level by other structures.

Table 5.2 Supranational and other fund activity overview / 2009

	Script Development	Project Development	Production	Distribution	Exhibition	Promotion	Festival	Training	Archives & Conservation	Company Development	Education / Media Literacy	Film Culture	Digital Media	Prizes & Awards	Other
Balkan Fund	•						•								
Eurimages			•	•	•	•								•	
Europa Cinemas				•	•			•						•	•
Ibermedia		•	•	•	•	•		•							•
MEDIA Programme		•		•		•	•	•	•				•		•
Nordisk Film & TV Fond		•	•	•		•					•			•	•
SEE Cinema Network			•												
Festival d'Amiens	•														
ACPFilms			•	•		•		•							
EUROMED Audiovisual II		•		•	•	•		•							
Fonds francophone (OIF)			•		•	•		•							
Fonds Sud Cinéma	•		•												
Göteborg IFF Fund		•	•					•							
Hubert Bals Fonds	•		•	•				•						•	
Jan Vrijman Fund	•		•			•	•	•							
MEDIA International				•	•	•	•	•							•
Visions Sud-Est			•												
World Cinema Fund			•	•											

Source: European Audiovisual Observatory

Figure 5.3 / Table 5.3 **Activity breakdown for supranational and other funds / 2009**



Note

Activity breakdowns are not available for all funds, hence the total analysed here is inferior to that shown in Table 5.1.

Source: European Audiovisual Observatory

The breakdown of spend between the different activities in 2009 is shown in Figure 5.3 and Table 5.3. Activity spend breakdowns were not available for all funds, hence the overall total analysed (EUR 149 million) is slightly lower than the total 2009 activity spend (EUR 155 million) for this group of funds. As has been pointed out in Chapter 4, the 2009 spend profile of this group of funds was very different to that of funds at the national and sub-national level, where funding for the creation of works was the dominant activity. At the supranational and other fund level, funding for the creation of works and distribution support were of approximately equal value, reflecting the fact the MEDIA Programme does not support production but devotes a significant proportion of its activity spend to automatic and selective distribution support programmes.

Table 5.4 provides activity spend information for individual funds, showing the relative allocation of resources between the different activities supported. Production was evidently the key area of expenditure for the Eurimages fund as well as for the *Nordisk Film & TV Fond*. Distribution and project development support were the major areas of activity for MEDIA 2007, well ahead of areas such as promotion, training and exhibition (supported through Europa Cinemas). MEDIA International concentrated its resources in 2009 on training and distribution, whereas the smaller funds supporting projects from outside Europe tended to concentrate their resources on the creation of works.

Table 5.4 **Activity spend breakdown for selected supranational and other funds / 2009**

Fund	Creation of Works			Other					
	Script Dev.	Project Dev	Prod.	Dist.	Exhib.	Promo.	Festivals	Training	Other
Balkan Fund	30								
Eurimages			19 460	866	578	74			
Europa Cinemas				560	8 397				
MEDIA 2007		21 894		46 638		8 906	3 508	8 554	10 143
Nordisk Film & TV Fond		383	7 337	566		223			850
SEE Cinema Network			106						
Festival d'Amiens: Fonds d'aide	48								
Fonds Sud Cinéma			2 220						
Göteborg IFF Fund		109	190					183	
Hubert Bals Fonds	246		364	195				25	45
Jan Vrijman Fund	39		255			10	75	76	
MEDIA International				1 066	900	688		2 039	268
World Cinema Fund			355	53					

Source: European Audiovisual Observatory

5.4 The Council of Europe: Eurimages

Eurimages is the Council of Europe's fund for the co-production, distribution and exhibition of European cinematographic works. The fund was established in 1988 and is structured as a Partial Agreement – that is an agreement which does not extend to all 47 member states of the Council of Europe. Countries may apply for membership of Eurimages under certain conditions¹ and subject to payment of an annual contribution to the fund. The twelve founding member states of the fund in 1998 were Belgium, Cyprus, Denmark, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Portugal, Spain and Sweden. During 1989, the first year of operation, Iceland, Norway and Switzerland became members. Numerous Eastern and Central European countries joined the fund during the 1990's and the early part of the next decade.² As of July 2011 Eurimages had 35 member states, including the Russian Federation which became a member on 1 March 2011.³ Membership requests for Armenia and Georgia are currently under consideration.

The overarching aim of the fund is to promote the European film industry by encouraging the production and distribution of films and fostering co-operation between professionals. As such Eurimages' first objective is cultural, in that it endeavours to support works which reflect the multiple facets of a European society whose common roots are evidence of a single culture. The second aim is economic, in that the fund invests in an industry with commercial constraints which operate alongside cultural concerns.

These aims are translated concretely into four different support programmes:

1. **Support for co-production;**
2. **Support for distribution;**
3. **Support to cinemas;**
4. **Support to digitisation of cinema theatres which are members of the Eurimages network.**

The fund is financed principally by member states' contributions, but also from loan repayments and by other voluntary contributions. The executive body of the fund is the Board of Management, to which each member state appoints a representative. The Board of Management determines the Fund's policy and the conditions on which it awards financial assistance as well as selecting the projects to be supported at four annual meetings. The Board elects its President from amongst the personalities proposed by the member states. The President represents the fund on audiovisual policy matters, chairs meetings and engages in dialogue with industry professionals. The day-to-day running of the fund is the responsibility of a secretariat based in Strasbourg, France.

1. Support for co-production

Over 90% of the fund's resources are dedicated annually to supporting co-production. By mid-2011 Eurimages had supported the co-production of just under 1 400 full-length fiction, animation and documentary films for a total EUR 413 million.

- 1) European non-member states of the Council of Europe may accede to the fund as full or associate members, as can the European Union, on condition of a unanimous vote of approval by all member states.
 2) The only formal instance to date of a withdrawal from the fund is that of the United Kingdom, which joined the fund in 1993 but withdrew in 1997. Montenegro became a member with Serbia in 2005 but its membership lapsed upon formal separation of the two countries in 2007.
 3) See the inside back cover of this report for a list of current Eurimage member states.

Table 5.5 Eurimages activity summary / 2005 - 2009

Support type	Amounts awarded in EUR thousand					No of awards	% of eligible projects supported
	2005	2006	2007	2008	2009		
Production	19 536	19 266	21 508	20 200	19 460	55	50.46%
Distribution	838	819	936	854	866	169	87.11%
Exhibition	655	608	552	465	265	37	-
Digitisation	-	-	39	68	313	16	-
Promotion (Prizes & Awards)	n.c.	n.c.	n.c.	41	74	8	-
Total	21 028	20 693	23 035	21 628	20 977	285	-

Note

The decline in the amounts awarded in exhibition support is due to the entry of a number of countries into the MEDIA Programme, followed by a modification of programming requirements in 2008.

Project type	Amounts awarded in EUR thousand				
	2005	2006	2007	2008	2009
Feature Fiction	17 834	18 190	19 440	17 555	17 000
Feature Animation	1 370	600	1 450	1 970	1 430
Feature Documentaries	332	475	618	675	1 030
Total	19 536	19 266	21 508	20 200	19 460

Note: Only co-production support analysed.

Source: Eurimages

The basic criterion for eligibility is that projects supported must be either bilateral or multilateral co-productions involving at least two co-producers from different member states of the fund. Thresholds are set for the participation levels by co-producers: for multilateral co-productions the participation of the majority co-producer must not exceed 70% of the total co-production budget and the participation of the minority co-producers must not be lower than 10%. For bilateral co-productions the participation of the majority co-producer must not exceed 80% of the total co-production budget and the participation of the minority co-producer must not be lower than 20%. For bilateral co-productions with a budget above €EUR 5 million, a majority participation of 90% of the total co-production budget is allowed. Non-member state co-producers may participate, but their share may not be greater than 30% of the total production finance, and control of the project must remain in the hands of the member state producers. Projects must be full-length features (70 minutes and over) for cinema release in the fiction, animation or documentary genres and for which principal photography (or principal animation) has not begun before examination of the project by the Board of Management.⁴

Support is awarded in the form of an advance on receipts repayable from the first euro and use of collection accounts is compulsory since 2009 for projects with budgets equal to or in excess of EUR 3 million.

2. Support for distribution

Eurimages' support for distribution is intended to be complementary to that provided by the MEDIA Programme of the European Union. The support is available to distributors in Eurimages' member states non-members of MEDIA, that is in Albania, Bosnia-Herzegovina, Serbia, "the former Yugoslav Republic of Macedonia", the Russian Federation, and Turkey. Distributors from these countries may apply for distribution support for films originating in any of the fund's member states. In addition distributors from any member state may apply for distribution support for films originating in the above non-MEDIA countries. Distributors may not, however, apply for a film originating in their country. The support is a contribution towards distribution costs and may not exceed 50% of costs or a maximum award of EUR 8 000.

3. Support to cinemas

The exhibition support scheme has two different strands. The principle programme is run in conjunction with Europa Cinemas and aims to increase the programming of European films in theatres in Eurimages' member states that do not have access to the MEDIA

Programme.⁵ The programme also aims to support initiatives by cinemas which programme and promote European films on their screens and to develop a network of theatres at European level.

The support takes the form of a subsidy and eligibility is based on an assessment of the level of cinema programming of European, European non-national and Eurimages'- supported films in the year prior to the payment of support. Applications are made through Europa Cinemas to ensure complementarity of the two programmes, but support decisions are taken and reviewed annually by the Board of Management of Eurimages.

4. Support for cinema digitisation

The second strand of support for theatres is support for conversion to digital projection. This scheme replaces a scheme subsidising the creation of digital masters of Eurimages-supported films which ran from 2007 to 2010. The new programme intends to support exhibitors who operate theatres assisted by the principle Eurimages exhibition support programme. Under this programme, a lump-sum grant of EUR 20 000 per screen is awarded by Eurimages. This sum can be used to finance the purchase and installation of digital projectors, servers and other related equipment. To complete the overall financing, exhibitors must seek any additional funding from their national or local authorities or secure investments from their own equity or private sources. Following a tender procedure by the Council of Europe, the Belgian company XDC International was selected to be the exclusive provider for the implementation of this programme. Special conditions concerning various brands and types of equipment have been negotiated with this company and the programme was opened to applications from January 2011.

Eurimages also undertakes the promotion of European cinema via agreements with festivals and the presentation of prizes and awards. In particular an agreement with the Seville Film Festival provides for a special section devoted to films supported by the fund and for a prize to a European film distributed in Spain. Eurimages is also associated with a number of other prizes and in 2010 a new award for co-production development was created. This award, and the sum of EUR 30 000, is granted to the best potential co-production selected within the framework of each of three European co-production platforms (CineLink, Sarajevo; New Cinema Network, Rome; CineMart, Rotterdam). The fund also has a partnership with the European Film Awards, sponsoring a co-production prize at the annual ceremony.

4) Modifications to the co-production regulations which will come into force in 2011 allow for shooting during the examination period under certain conditions and at the discretion of the Executive Director.

5) Albania, Bosnia-Herzegovina, «The former Yugoslav Republic of Macedonia», Serbia, the Russian Federation and Turkey.

■ 5.5 The European Union: the MEDIA Programme and other initiatives

5.5.1 MEDIA 2007

The MEDIA Programme is a European-level support scheme put into place by the European Union to complement national support schemes, based on the principle of subsidiarity.

The first generation of the MEDIA Programme commenced operation in 1991. The current programme, MEDIA 2007, is the fourth multi-annual programme of the series, following on from MEDIA Plus, which ran from 2001 to 2006. With the creation of MEDIA 2007, MEDIA Training and the i2i Audiovisual scheme, two initiatives which had functioned in parallel to MEDIA Plus, were brought into the main programme. In addition a new initiative related to MEDIA 2007 but with a separate budget was launched in 2008 as a preparatory action – this was MEDIA International, which ran from 2008 to 2010 and was approved as the MEDIA Mundus programme in 2010 to run for the period 2011 to 2013.

MEDIA 2007, the follow-up to the MEDIA Plus programme, was adopted at the end of 2006.⁶ The programme runs from 2007 to 2013 and has a total budget of EUR 755 million. Though MEDIA 2007 was intended to build on the results of MEDIA Plus, in preparing the new programme a review of priorities and structures was considered necessary in order to reflect the consequences for the European audiovisual market of both the digital revolution and the enlargement of the EU.

A public consultation carried out in 2003 by the Commission in preparation for MEDIA 2007 identified areas where changes were required. Firstly, action under

the MEDIA programme needed to be **adapted to developments in technology and the market**, to reflect the consequences of digitisation. Secondly, MEDIA 2007 needed to **address the problems of audiovisual professionals in the new EU countries**, and, thirdly, the programme needed to include **innovative, targeted action in the field of digitisation** as well as measures to facilitate **access to credit** for small and medium-sized businesses.

The overall objectives of MEDIA 2007 were decided on the basis of these requirements:

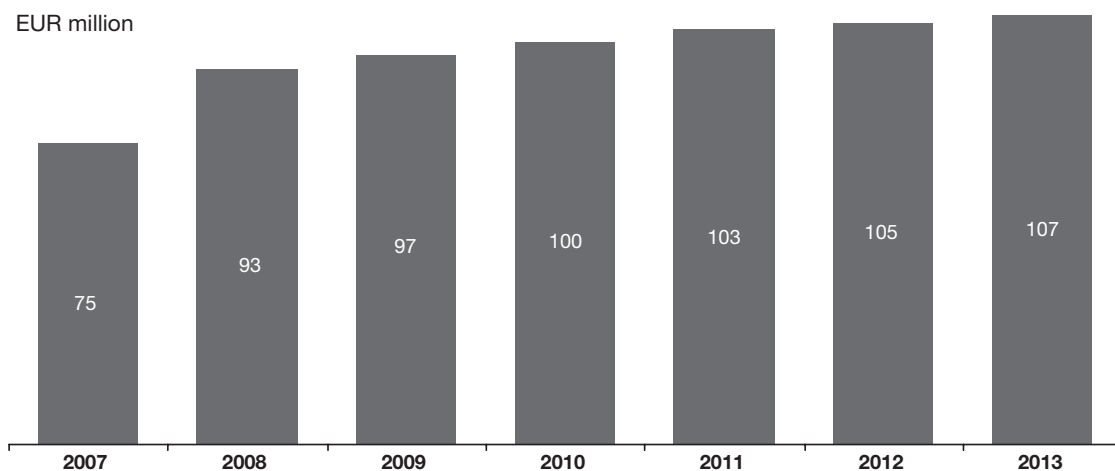
- to preserve and enhance European cultural diversity and its cinematographic and audiovisual heritage, to guarantee accessibility to this for Europeans and promote intercultural dialogue;
- to increase the circulation of European audiovisual works inside and outside the European Union;
- to strengthen the competitiveness of the European audiovisual sector in the framework of an open and competitive market.

Concretely, MEDIA 2007 is divided into five action lines:

1. Training of professionals;
2. Development of production projects and companies;
3. Distribution of cinematographic works and audiovisual programmes;
4. Promotion of cinematographic works and audiovisual programmes, including support for film festivals;
5. Horizontal actions/pilot projects.

6) Decision No 1718/2006/EC of the European Parliament and of the Council of 15 November 2006 concerning the implementation of a programme of support for the European audiovisual sector (MEDIA 2007)

Figure 5.4 **Budget of MEDIA 2007 / 2007 - 2013**



Note
Shows projected spend - does not ventilate entire budget.

Source: MEDIA

Table 5.6 Activity summary for MEDIA 2007 / 2007 - 2009

MEDIA 2007 Commitments by action line	Amounts in EUR thousand			No of projects/ contracts
	2007	2008	2009 e	2009 e
Training	6 153	6 827	8 554	62
Continuous Training	4 952	5 649	6 748	49
Initial Training	1 201	1 178	1 806	13
Development	27 236	35 936	36 971	470
Support for projects	5 910	7 712	7 406	188
Support for slates	8 455	11 235	11 989	79
Support for new talents	800	-	-	-
Support for interactive works	-	2 025	2 500	31
i2i-initiative support for projects	2 571	2 697	3 050	89
TV broadcasting	9 500	12 267	12 027	83
Distribution	35 547	43 146	43 961	901
Selective distribution support	11 820	13 068	13 051	387
Automatic distribution support	16 201	18 914	20 603	488
Cinema network (Europa Cinemas)	7 110	9 900	9 350	1
Sales Agents	417	1 263	957	25
Promotion and Festivals	9 704	10 365	12 413	143
Access to markets	4 405	4 861	5 282	43
Festivals	1 933	2 520	3 508	94
Promotion non-MEDIA countries	1 124	1 150	1 481	2
Stands	2 241	1 833	2 143	4
Pilot Projects	1 083	702	675	2
Online Distribution (Video on Demand)	4 932	6 259	6 418	16
Grand total	84 656	103 234	108 993	1 594 (contracts) 2 014 (projects)

Note

Not shown: spend on MEDIA Desks and on preparation of new initiatives.

Source: MEDIA 2007 Mid-Term Evaluation – Final Report

Like its forerunners, MEDIA 2007 focuses on the pre-production and post-production (distribution and promotion) phases of the value chain. However the revised priorities for the programme have led to the introduction of a number of new initiatives since 2007.

Initial training

In 2007 the MEDIA programme launched a new support programme in the field of initial training. The aim of the programme is to encourage exchanges and co-operation between higher education institutions, training organisations and the audiovisual industry through financial support for projects implemented by pan-European consortia. The long term objective is to help higher education institutions in the audiovisual field to adopt a more European or international outlook by facilitating the mobility of students and/or trainers and by adapting curricula to the needs of an increasingly internationalised audiovisual industry. Since 2007, 18 different projects put in place by consortia of 46 different schools and universities based in 19 different European countries have been supported, for a total amount of EUR 5.79 million over four years.⁷

7) As of March 2011.

Interactive works

Existing development support was opened in 2008 to interactive works with a specific line for supporting their development.

Video-on-Demand and Digital Cinema Distribution

The Video-on-Demand and Digital Cinema Distribution scheme was a response to the need for innovative, targeted action in the field of digitisation. The main objective of this scheme is to support the creation and exploitation of catalogues of European works to be distributed digitally across borders to a wider audience and/or to cinema exhibitors through advanced distribution services, integrating where necessary digital security systems in order to protect online content. The scheme is aimed at rights holders of European audiovisual works (i.e. independent European production and distribution companies), cinema networks and European operators making European content available. An annual call for proposals has been held each year since 2007 and two types of services are eligible:

1. Video-on-Demand (VoD): services enabling individuals to select audiovisual works from a central server for viewing on a remote screen by streaming and/or downloading;
2. Digital Cinema Distribution (DCD): digital delivery (to an acceptable commercial standard) of content to cinemas for theatrical exploitation (via hard disc, satellite, online...).

A wide variety of types of projects have been supported, some of which were initially supported through the related pilot project scheme. Projects includes art-house film VoD services, specialised music and/or documentary services, digital distribution of classic European film works, professional platforms for exchange of digital material and projects allowing access to archive material from multiple European moving image archives.

Digital cinema

MEDIA support for exhibition has been traditionally via support for cinema networks, specifically the Europa Cinemas network. However over the period covered by the MEDIA 2007 programme the conversion of Europe's cinemas to digital projection has become a reality, accompanied by concerns that some cinemas will not be able to convert and will risk ultimate closure.

Though MEDIA already provided support for associated digital technologies (support for training in digital technologies, support for digital distribution, pilot projects) and for digital exhibition through Europa Cinemas, a further response was widely called for both by professionals and by institutions on the national level.⁷ In October 2009, a public consultation on digital cinema was opened. The results of this consultation gave rise to a Communication from the Commission entitled "Opportunities and Challenges for European Cinema in the Digital Era"⁸ which opened the way to the creation of a dedicated scheme.

Opened for application in July 2011, the new cinema digitisation scheme aims to encourage cinemas to exploit the possibilities offered by digital by supporting the side costs linked to the purchase of a digital projector. The scheme is dedicated to European independent cinema operators who screen a majority of European films (of which at least 30% are European non-national) and who will acquire and install a DCI-compliant (or ISO standard equivalent) digital projector. The support, which takes the form of a lump sum of EUR 20 000 per screen, will be awarded to co-finance the costs related to the digital transition of European theatres, **to the exclusion of the cost of the digital projector and server**. The 2011 budget of the scheme is EUR 2 million, which will support the digitisation of 100 screens across Europe.

7) See for example the common statements made by the European Film Agency Directors (EFAD) group in October 2006 and in San Sebastian in September 2009.

8) Communication COM (2010) 487 Final, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on opportunities and challenges for European cinema in the Digital era.

Access to finance (the MEDIA Production Guarantee Fund)

This new initiative designed to improve access to finance for European production companies was launched in January 2011 following a period of preparation spanning the year 2010. The EUR 8 million MEDIA Production Guarantee Fund (MPGF) will be run by the Commission in tandem with two operators with a long-standing expertise in this area, the *Institut pour le Financement du Cinéma et des Industries Culturelles* (IFCIC) in France and Spain's *Sociedad de Garantía Reciproca para el Sector Audiovisual* (Audiovisual SGR). The guarantee fund aims to:

- Support and facilitate access to bank credit facilities for producers;
- Help strengthen the industry and foster co-production;
- Make the audiovisual sector a more attractive proposition for banks by sharing the financial risk related to the loans granted;
- Encourage support schemes and co-investment with public institutions.

The scheme will run actively during the period 2011 to 2013. During 2014-2015 no new loans will be guaranteed though older guarantees will continue to be serviced and evaluation will take place. 50% of the fund's resources are allocated to each of the operators and any funds remaining at the end of the period will be returned to the EU budget. The scheme is open to independent production companies registered in any MEDIA member country. The mechanism works by guaranteeing loans made against discounted contracts by banks and used to cash-flow film productions. Gap financing is not provided. The maximum guarantee amount is up to 50% of the related loan in the case of *Audiovisual SGR* and 55% in the case of the IFCIC. Loans must be provided by a financial institution registered in a MEDIA member country and the works to be produced must qualify as European.

5.5.2 MEDIA International and MEDIA Mundus

The MEDIA 2007 programme concentrates its action on the European industry. In order to strengthen the international dimension of European audiovisual policy, the European Parliament voted in December 2007 a EUR 2 million budget for the implementation of a preparatory action entitled MEDIA International. This action aimed over a three-year period (2008 to 2010) to explore ways of reinforcing co-operation between European and third country professionals from the audiovisual industry and was also designed to pave the way for a broader MEDIA Mundus programme.

Table 5.7 Activity summary for MEDIA International / Work Programme for MEDIA Mundus / 2008 - 2011

MEDIA International / MEDIA Mundus	MEDIA International			MEDIA Mundus	
	Amounts in EUR thousand			No of projects/ contracts	
Commitments by action line*	2008	2009	2010	2011	2011
Training	778	2 039	374	1 186	17
Continuous Training	778	2 039	374	1 019	10
Initial Training	-	-	-	168	7
Market Access	-	688	616	290	6
Distribution / Circulation	502	1 066	-	2 899	7
Cinema Network	700	900	-	-	-
Cross-over Activities	-	268	-	404	6
Procurement	-	-	-	160	2
Grand total	1 980	4 960	990	4 940	38

Note

* Data for MEDIA International is commitments per action line based upon the results of the calls launched. Data for MEDIA Mundus is the foreseen resource allocation as provided in the annual work programme.

Source: MEDIA International – results of calls / MEDIA Mundus – Work Programme 2011

Table 5.7 provides a summary of the activity of the MEDIA International preparatory action over the three annual calls for proposals. The first call for project proposals, launched in 2008, resulted in 18 selected projects; 11 projects for continuous training through partnerships with Brazil, Argentina, India, Indonesia, Canada, the Lebanon, Turkey, Ukraine, Moldova and Georgia, 6 projects for promotion and distribution of audiovisual works focusing on boosting co-production and new markets with partners come from Chile, South Korea, Bosnia, Mexico, China and 1 project to support the first international cinema network, co-ordinated by Europa Cinemas, including 230 cinemas (632 screens) in Europe and 148 screens from 19 countries of the rest of the world.

Various initiatives during 2008 paved the way for a follow-up to the MEDIA International preparatory action. An informal ministerial conference in the context of Europe Day at the Cannes Film Festival 2008 adopted a declaration welcoming the European Parliament's MEDIA International initiative and encouraging the Commission to pursue this direction. Also on Europe Day a conference of professionals from all over the world met in Cannes to discuss possible co-operation. Simultaneously, a public consultation to collect information and positions on a possible new programme was underway at the Commission, culminating in a public hearing in June 2008. In July of the same year the French Presidency of the EU organised a colloquium which included a discussion on the film co-operation policy to be adopted by the European Union. Finally, an impact assessment study for the proposed new programme delivered its findings in the same month.¹⁰

In October 2009 the European Parliament and the Council decided the creation of the new programme¹¹, which runs for three years with a total budget of EUR 15 million. The basic principles of the programme are to strengthen cooperation between professionals from Europe and from third countries, providing mutual benefits, creating partnerships and fostering international networking. Action is concentrated on three areas: training, market access and circulation, which includes support for cinema networks. The results of the first call for proposals were announced in February 2011 and the second call is open at the time of writing.

5.5.3 Europa Cinemas

Founded in 1992 with funding from the MEDIA Programme and from the French *Centre national du cinéma et de l'image animée*, Europa Cinemas was the first film theatre network focusing on European films. Its objective is to provide operational and financial support to cinemas that commit themselves to:

- screen a significant number of European non-national films;
- offer events and initiatives as well as promotional activities targeted at young audiences;
- screen digital European films.

The overarching aims of Europa Cinemas are:

- to increase European programming in film theatres and to raise attendance, particularly with regard to European non-national films;
- to encourage exhibitors to develop European initiatives aimed at young audiences;

10) European Policy Evaluation Consortium (EPEC), "Assessment of the impacts of MEDIA MUNDUS", Final Report presented to the European Commission in July 2008.

11) Decision No 1041/2009/EC of the European Parliament and of the Council of 21 October 2009 establishing an audiovisual cooperation programme with professionals from third countries (MEDIA Mundus 2011-2013)

Table 5.8 Activity summary for Europa Cinemas / 2005 – 2010

Activity	EUR thousand					
	2005	2006	2007	2008	2009	2010
Exhibition MEDIA	6 053	6 709	6 325	7 765	7 778	8 327
Exhibition MEDIA International	-	-	-	-	495	535
Exhibition non-MEDIA countries (MEDIA)	23	12	57	57	14	-
Exhibition non-MEDIA countries (MAEE)	151	85	157	140	110	108
Distribution non-MEDIA countries	168	206	178	275	560	630
Total	6 394	7 012	6 717	8 236	8 957	9 599

Note: does not include Eurimages spend. All 2010 data is provisional.

Source: Europa Cinemas

- to promote diversity within European programming;
- to develop a network of theatres to enable joint initiatives at a national and European level;
- to support the transition to digital projection in cinemas.

Europa Cinemas is present in more than half of all European cities with more than 150 000 inhabitants. Within Europe, the fund's action extends beyond the borders of the MEDIA member states thanks to the support of the Eurimages fund and to that of the French *Ministère des affaires étrangères et européennes* (MAEE).

Programmes run by Europa Cinemas

1. MEDIA Programme

The core activity of Europa Cinemas is the running of a support programme for cinema exhibitors in MEDIA countries fulfilling certain programming requirements. Support from the French *Centre national du cinéma et de l'image animée* reinforces this activity, which includes support based on European programming, a digital bonus for the programming of European films in digital format and special support for the organisation of events and initiatives aimed at young audiences. An important element of this action is the networking fostered by Europa Cinemas via its annual conference and other means.

The Europa Cinema MEDIA network intervenes in 31 countries, 475 cities, 827 cinemas and 2 055 screens.

2. Eurimages

Within the framework of the Eurimages programme, Europa Cinemas supports cinema exhibition in the member states of the Council of Europe. This support programme which has been running since 1993, aims at encouraging exchanges, improving the circulation of European films outside their country of origins and increasing their visibility on the screens. Only the cinemas located in Eurimages' member states which do not have access to MEDIA Programme support are eligible for this aid. In 2010, 4 countries benefited from this support to cinemas: Bosnia and Herzegovina, "The

former Yugoslav Republic of Macedonia", Serbia and Turkey. From 2011 cinemas in the Russian Federation are also potential beneficiaries.

The Europa Cinemas / Eurimages network intervenes in 24 European cities and supports 35 cinemas totalling 148 screens.

3. MAEE

Since 1994 the French MAEE, through Europa Cinemas, supports network member cinemas programming of European films, in particular films which have been officially recognised by the French CNC. This programme aims to improve access to screens for European films and to increase the duration of their exhibition in the member cinemas. At the time of writing, 16 countries which are neither members of the MEDIA Programme nor of Eurimages are eligible. These are the CIS countries, some Central and Eastern European countries and Latin America. European member are located in Armenia, Belarus, Kazakhstan, Kosovo, Moldova and the Ukraine.

The MAEE support network includes 11 cinemas in 10 cities and 7 countries, for a total of 18 screens.

4. Euromed Audiovisual

Between 2006 and 2008 Europa Cinemas participated in 2 support programmes within the framework of the European Union's Euromed Audiovisual II Programme. The first contract dealt with support for the distribution and exhibition of Mediterranean and European films in MEDA¹² countries and of Mediterranean films in the 25 countries of the European Union. A consortium managed by the Moroccan Cinema Centre and Europa Cinemas implemented this first activity which was called Euromed Cinemas. The second action, Med Screen, aimed to promote films from the Arab countries of the MEDA region in the MEDA countries and the European Union. This programme was implemented by a consortium comprising four organisations: Beirut DC (leader), Europa Cinemas, *Ankara Sinema Derneği* and *Associazione Italiana Amici Cinema d'Essai*.

Europa Cinemas is not directly involved in the current version of the programme, Euromed Audiovisual III.

12) The MEDA programme countries are Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, the Palestinian Territory, Syria, Tunisia and Turkey.

5. MEDIA International / MEDIA Mundus

Within the framework of the MEDIA International programme and subsequently the MEDIA Mundus programme, Europa Cinemas International has been offering, since 2009, a support mechanism for theatrical programming based on the circulation and exchange of films between non-EU member states and EU countries, with the following goals:

- In non-EU member state cinemas, develop the market and audience for European films by providing technical and financial support to the exhibitors for their programming efforts;
- In European cinemas, develop the market and audience for films from eligible countries outside MEDIA by providing technical and financial support to the exhibitors for their programming efforts;
- Bringing together cinema professionals in an international network in order to improve visibility and increase the circulation of European productions and productions from eligible countries outside MEDIA;
- Fostering a policy of trade and partnership between the exhibitors in all these countries thanks to professional meetings and joint operations, targeting young audiences in particular.

The countries involved in this action are in Asia, Latin America and in the Mediterranean region and the action currently covers 49 countries and 174 cinemas situated in non-EU member states and 386 cinemas situated in countries belonging to the European Union.

6. Distribution support outside MEDIA countries

Since 2004 Europa Cinemas has provided support for the distribution of European films in third countries. The third countries concerned are countries which are not members of the MEDIA Programme; in particular this includes countries in Latin America, Asia, the Balkans, the Middle East and Africa. In 2010 distributors in thirteen countries in Latin America, Asia and around the Mediterranean received support for a total of around 60 releases. The support is a contribution towards distributor's P&A costs for these films and this action is financed by MEDIA 2007.

5.5.4 The future of MEDIA

The current MEDIA programme will end in 2013. Preparations are currently underway to prepare a new programme in a difficult economic climate and a challenging context for European audiovisual industries. As an initial move, a public consultation on the future of the MEDIA programme was opened in September 2010 and elicited a high level of response – around 2 600 online contributions to the discussion. This was followed by a public hearing to discuss the results of the consultation in March 2011.¹³ Further meetings followed in March

(on training) and in May (a meeting of film funds at the Cannes Film Festival).

In his opening remarks at the first Brussels hearing, Jan Truszczyński, Director-General of the Commission's Directorate-General for Education and Culture, said that the Commission planned to present the legal proposals for a new MEDIA Programme to the European Parliament and the Council of Ministers by the end of 2011. According to press reports, it appears that the EU's Culture Programme together with MEDIA, MEDIA Mundus and a new financial instrument providing debt and equity finance for cultural and creative industries, will be brought together in a new Creative Europe programme.¹⁴ In June 2011 the Multiannual Financial Framework proposed by the Commission for 2014-2020 showed an allocation of EUR 1.6 billion to Creative Europe,¹⁵ but there is currently no indication of how resources might be divided up within that envelope, with the draft proposal for the structure currently under preparation at the Commission.

5.5.5 Other European Union initiatives

5.5.5.1 Euromed Audiovisual

Euromed Audiovisual is one of two EU-funded programmes aimed at developing audiovisual industries in countries outside the European Union. These programmes come under the responsibility of the Directorate for Development and Co-operation – EuropeAid of the European Commission, responsible for designing EU development policies and delivering aid through programmes and projects across the world.

The first Euromed Audiovisual programme ran from 2000 to 2005 with a total budget of EUR 18 million and supported 6 projects. The second Euromed Programme launched in 2006 with a budget of EUR 15 million and supported 12 projects in project development, training, promotion, exhibition and distribution. The Programme's objectives to be pursued over its 3-year life-span were as follows:

- To provide training and professional development for film and audiovisual professionals from the MEDA countries and territories;
- To enhance and upskill those involved in film development, promotion, distribution and exhibition in the MEDA region.

Though Euromed Audiovisual II officially finished in 2008, a number of projects continued on into 2009. In July 2009 the Commission approved a contribution of EUR 11 million for a new Euromed Audiovisual programme, under its 2009 action plan for the Mediterranean region. In February 2010 a call for proposals was issued in order to select the projects to be run during the period 2011 to 2013.¹⁶

13) Results of the public consultation can be found here : http://ec.europa.eu/culture/media/programme/overview/2007/consultation/index_en.htm

14) See *Screen International*, 'Aviva Silver speaks about the future MEDIA programme from 2014', web edition of 8 August 2011.

15) Published in the Communication "A Budget for Europe 2020". The proposal of the Commission and the associated documents can be found here: http://ec.europa.eu/budget/biblio/documents/fin_fw1420/fin_fw1420_en.cfm

16) The call was funded through the European Neighbourhood and Partnership Instrument (ENPI).

Seven projects were selected:

1. **ACCESS** Access to Markets in the Digital Era a training project, implemented by the *Fundación Cultural Media*, Spain.
2. **DOCmed** is a training project in the documentary field implemented by Beirut DC, Lebanon.
3. **Terramed Plus** is a project that aims at the promotion of Mediterranean audiovisual works among the general public of the Euro-Mediterranean region. Implemented by *R.A.I. RadioTelevisione Italiana S.p.A.*
4. **Med Film Factory** is a training project aimed at teams of Arab film directors and producers. Implemented by the Royal Film Commission, Jordan.
5. **Greenhouse** is a training project for documentary films aimed at Mediterranean cinema school graduates & emerging filmmakers. Implemented by Greenhouse, Israel.
6. **DIA SUD MED** is a project based on the partnership of 3 Mediterranean schools in Tunisia, Morocco and Lebanon specialised in the areas of the audiovisual, arts and multimedia. Implemented by the *Ecole Supérieure des Arts Visuels de Marrakech*, Morocco.
7. **Regional Capacity Development** is a project that will contribute to develop and reinforce the audiovisual institutional and legislative framework, encourage cooperation between public and private operators and to explore possibilities of implementing funding mechanisms in the ENPI South countries. Implemented by a consortium led by the *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH*, Germany.

5.5.5.2 ACP Films

ACP Films is a programme of the Group of African Caribbean and Pacific States (ACP), implemented by the ACP Secretariat and financed under the 9th European Development Fund (EDF). It is implemented within the framework of the EU-ACP Partnership Agreement signed in Cotonou on 23 June 2000. Article 27 of the agreement states that cooperation shall aim at “recognising, preserving and promoting cultural values and identities to enable inter-cultural dialogue”. It must also be aimed at “developing cultural industries and enhancing market access opportunities for cultural goods and services”.

This provision of the Cotonou Agreement was strengthened by the Dakar Declaration on the promotion of ACP cultures and cultural industries, adopted at the first meeting of the ACP Culture Ministers on 20 June 2003. As part of implementation of the Dakar Action Plan, the ACP Secretariat worked with the European Commission to define a programme of support for the ACP cinema and audiovisual sector. ACP Films is the second programme of support for the ACP cinema and audiovisual sector under ACP-EU co-operation and covers the 79 countries of the ACP Group and the 15 European Union Member States that contributed to the 9th EDF under the Cotonou Agreement.

A single call for proposals with a total funding pool of EUR 6.5 million was opened from 5 June to 5 September 2008. At its conclusion, 24 projects (12 in production and post-production, 6 in distribution, promotion and networking and 6 in training) were selected, for total funding of just under EUR 6.5 million. The individual grant amounts ranged between EUR 68 000 and EUR 485 000.

A new call for proposals for the ACP-EU Support Programme to ACP Cultural Sectors, which includes the second generation of ACP Films (ACP Films II) was opened in February 2011 and closed in June 2011. Awards will be notified in November 2011.

5.5.5.3 The European Regional Development Fund

The European Regional Development Fund (ERDF) is one of three EU funds underpinning the European Commission’s regional policy. It aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. The ERDF intervenes in three objectives of regional policy:

1. Convergence;
2. Regional competitiveness and employment;
3. European territorial co-operation

Within these objectives the fund can finance:

- Direct aid to investments in companies (in particular SMEs) to create sustainable jobs;
- Infrastructures linked notably to research and innovation, telecommunications, environment, energy and transport;
- Financial instruments (capital risk funds, local development funds, etc.) to support regional and local development and to foster co-operation between towns and regions;
- Technical assistance measures.

Funding bodies can receive funding through the ERDF if they are established in an eligible region and if the actions to be funded are eligible under the criteria established by the regional management authority for the fund. Funding bodies which showed income from ERDF sources in 2009 or which served as gateways to ERDF funds included *Nordmedia* in Germany, Film London, Northern Ireland Screen, Northern Film & Media and Screen West Midlands in the United Kingdom, the Sicilian regional authorities and the Apulia Film Fund in Italy, *Filmcamp* in Norway, *Film i Skåne*, *Film i Väst*, *Film pool Jämtland* and *Film pool Nord* in Sweden. A project using ERDF funding led by the *Filmförderung Hamburg Schleswig-Holstein* went into operation in 2010. Similarly, the Animation Media Cluster Region Stuttgart, established by *MFG Filmförderung*, also draws upon ERDF funding.

Some of the funding received by the regional funding bodies mentioned here goes towards inter-regional projects which are receiving ERDF funding under the INTERREG funding line. Further information on these projects can be found in Chapter 7.

ERDF funding has also been used in a further group of regions to aid conversion to digital cinemas. Regional funds have been or can be used in this way in the Malo-

polska region of Poland, in three Portuguese regions and in the Hesse and Lower Saxony regions of Germany.

5.5.5.4 Audiovisual Heritage

Though no direct funding programme exists, the European Commission is also tasked with encouraging its member countries to cooperate in conserving and safeguarding cultural heritage of European significance – including cinema. As a result the Commission:

- assists directly in efforts to protect film heritage, by periodically organizing meetings of the Cinema Experts Group, where experts from all film archives in Europe exchange best practices and look for common solutions to their problems;
- promotes European standardisation to achieve interoperability among film databases and catalogues in Europe;
- supported the negotiations between film producers worldwide, represented by FIAPF, and European film archives, represented by ACE, of a framework agreement setting out arrangements for voluntary deposit of film and film materials in European archives.

At the time of writing the Commission is carrying out a study on a digital agenda for European film heritage with an on-line consultation on the preliminary findings of the study open for contributions until end September 2011.¹⁷ The final report will be available before end 2011.

■ 5.6 Other supranational funds

5.6.1 The Balkan Fund

The Balkan Fund is a script development fund instituted by the Thessaloniki International Film Festival in 2003. Principally financed by the festival the fund has also received support from the French CNC and the local branch of the *Goethe-Institut*. Applications are accepted from scriptwriters in Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, “The former Yugoslav Republic of Macedonia”, Greece, Montenegro, Romania, Serbia, Slovenia and Turkey. In the 8th and most recent edition, 10 projects from 7 different countries were selected to compete for three development grants during a workshop held during the festival in November 2010.

5.6.2 Ibermedia

The *Programa Ibermedia* was established in November 1997 on the basis of decisions taken by the VII Summit of the Ibero-American Heads of State and Governments on the creation of a programme to encourage the co-production of films in Spanish and Portuguese-speaking countries. The programme forms part of the audiovisual policy of the *Conferencia de Autoridades Audiovisuales y Cinematográficas de Iberoamérica* (CAACI).

The *Ibermedia* executive body is an Intergovernmental Committee. Each member state designates a film institute to represent it on the Committee, which defines the policy and procedures for obtaining assistance and takes all necessary decisions in accordance

with the operating regulations. The Committee generally meets once a year to make support decisions and a technical unit based in Madrid acts as secretariat to the fund.

The fund is financed by contributions from its member states and by repayment of loans. Member countries are Argentina, Bolivia, Brazil, Colombia, Costa Rica, Cuba, Chile, the Dominican Republic, Ecuador, Guatemala, Spain, Mexico, Panama, Peru, Portugal, Puerto Rico, Uruguay and Venezuela. The overall budget of the fund was approximately USD 7.8 million / EUR 5.6 million in 2009 and approximately 75% of funding goes towards co-production.

The fund provides support to independent companies based in its member states under four different lines:

1. Development of film and television fiction and creative documentaries, as well as long-form animation works and creative productions using new technologies;
2. Co-production of feature film and documentary (at least 45 minutes) works for commercial exploitation, co-produced by at least 3 co-producers from different *Ibermedia* states. Projects with 2 co-producers are also eligible;
3. Delivery and distribution / promotion / international sales: support can be granted to feature films and documentaries (at least 45 minutes) produced for at least 70% by a producer from an *Ibermedia* country, directed by a citizen of a member country and qualifying as an Ibero-American film;
4. Training activities aimed at professionals from *Ibermedia* countries with the general exception of scriptwriting training.

From 2012 the fund will have only one call for applications per year and the delivery programme will be remodeled to concentrate on distribution only.

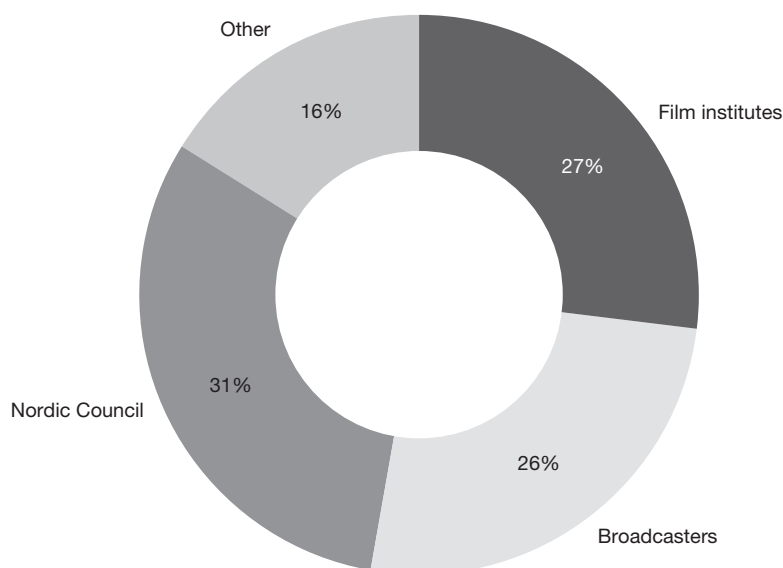
5.6.3 The Nordisk Film & TV Fond

Established in 1990, the fund's primary purpose is to promote film and TV productions of high quality in the five Nordic countries (Denmark, Finland, Iceland, Norway and Sweden), by providing support for top-up financing of feature films, TV fiction, series and creative documentaries. The fund also supports other initiatives designed to improve the circulation of supported productions in the Nordic region as well providing professional training through a series of master classes and workshops. Finally the fund supports a range of film events of Nordic importance such as festivals, seminars or forums, arranges the annual Nordic Talents event and administers the Nordic Council Film Prize.

The fund is financed through a tri-partite agreement signed between the Nordic Council of (culture) Ministers, Nordic film agencies and Nordic broadcasters – a total of seventeen partners to the latest version of the agreement, signed in May 2009 and valid until 2014. Total income in 2009 was NOK 89.9 million / EUR 10.3 million.

17) See http://ec.europa.eu/avpolicy/reg/cinema/news/index_en.htm

Figures 5.5 Income breakdown for the Nordisk Film & TV Fond / 2009



Source: Nordisk Film & TV Fond

The fund is based in Oslo, Norway, and the majority of its resources (78% in 2009) are consecrated to production support with a further 4% of resources used for project development. Support for distribution, dubbing and promotion represents 8% of resources, with the remaining budget spent on film events and festivals.

Production support is aimed at feature films, television series and documentaries considered to have audience potential within the Nordic countries and presented by a Nordic production company or television company partner to the fund. Projects must demonstrate the involvement of at least two of the broadcasters' partners of the funds, or a cinema distribution guarantee for two member countries and have obtained funding from their national agencies.

5.6.4 SEE Cinema Network

Founded on the initiative of the Greek Film Centre, the South-Eastern European Cinema Network (SEE Network) met for the first time in May 2000. The network aims to promote and support the national film industry of twelve South-Eastern European states (Albania, Bosnia and Herzegovina, Bulgaria, Greece, Croatia, "the former Yugoslav Republic of Macedonia", Romania, Serbia, Montenegro, Slovenia, Turkey, Cyprus). In 2003 the Network agreed to fund jointly a development support scheme for feature film co-productions and from 2006 a production scheme for short films, with one annual funding round. The annual support budget is approximately EUR 100 000 but the amount available in 2010 has been reduced to just over EUR 50 000. The network is co-ordinated and the funding scheme implemented by the Greek Film Centre – 13 awards were made in 2009 for a total value of EUR 105 800.

5.7 Other international funds

5.7.1 Festival international du film d'Amiens : fonds d'aide au développement du scénario

The Amiens film festival in France has hosted a fund for script development since 1996. The fund is financed by contributions from multiple partners among whom are the French CNC, the *Organisation internationale de la Francophonie*, the MAEE, the *Fondation Groupama-GAN pour le cinéma*, the Picardy regional government and national films agencies in Morocco and Venezuela. Eligible countries include all African, Latin American, Caribbean and Indian Ocean states, as well as Asian countries with the exception of Japan, South Korea, Singapore and Taiwan. Middle-Eastern countries are also eligible with the exception of the UAE, Bahrain, Saudi Arabia and Israel. In Europe, Albania, Bosnia and Herzegovina, Croatia, "The former Yugoslav Republic of Macedonia" and the CIS countries are eligible. French projects may be accepted provided they have specific relevance to problems of integration and insertion into French society. The annual budget for the awards is EUR 47 600, from which 5 awards were made in 2009.

5.7.2 Fonds sud cinéma

One of the oldest, most active and well-known of the international funds is the French *Fonds sud cinéma*. Established in 1984 and jointly run by the French *Ministère de la culture et de la communication* (through the CNC) and the MAEE, the fund has supported over 500 projects from more than 70 countries to a value of EUR 55 million in the twenty-five years of its operation.

Countries eligible for the fund are: Africa, Caribbean and Indian Ocean countries, Latin America, Asia (except Korea, Japan, Singapore and Taiwan), the Near-East and Middle-East (except Israel, Saudi Arabia, the United Arab Emirates, Bahrain, Brunei, and Qatar) and the following Eastern European countries: Albania, Bosnia-Herzegovina, Croatia, Slovenia, Serbia, Montenegro, 'The former Yugoslav Republic of Macedonia', Armenia, Georgia, Azerbaijan, Kazakhstan, Kirghizstan, Uzbekistan, Tajikistan and Turkmenistan. Support is awarded exclusively for the production of feature film projects, directed by nationals of the eligible countries and filmed in these countries. Part of the support award must be earmarked for production spend in these countries. The annual budget of the fund is EUR 2.2 million.

At the Cannes Film Festival in 2011 the French Minister of Culture announced a change concerning both the *Fonds sud cinéma* and a related fund administered by the CNC called the *Aide aux films en langue étrangère*. As from January 2012 both these funds are to be discontinued in favour of a new and better resourced fund provisionally entitled *Aide aux cinémas du monde* which will continue to be administered by the French CNC with the aid of the MAEE. Press reports indicate that the budget for the new funds will be of around EUR 6.3 million, almost twice the combined annual budgets of the two existing funds.

5.7.3 Göteborg International Film Festival Fund

Established in 1998, the Göteborg International Film Festival Fund (GIFFF) is dedicated to supporting filmmakers who live and work in emerging economies. The primary objective of the fund is to provide assistance in filmmaking within the three following areas:

1. Film development assistance - by reaching filmmakers who are in the developing stages of a project and need support to continue and complete their films and by supporting workshops and training;
2. Post-production assistance - by helping locally initiated and produced films, encompassing technical and distribution assistance, or both;
3. Technical assistance - by contributing to the creation of small, self-sufficient technical centres where filmmakers and producers can work on projects and train others in technical aspects of filmmaking.

The main target group for the fund are locally based, young filmmakers. GIFFF also concentrates on providing opportunities for discussion on gender and promotes female directors.

Entirely financed by the Swedish International Development Co-operation Agency, the fund had a total budget of just over EUR 480 000 in 2009 and supported 34 projects, 13 for project development and 21 for post-production, in the same year.

5.7.4 Hubert Bals Fund

The oldest and largest of the festival-based international funds, the Hubert Bals Fund has been in operation at the International Film Festival Rotterdam since

1988. The Fund is supported by the Dutch Ministry of Foreign Affairs, Dutch non-governmental development organisations Hivos-NCDO Culture Foundation, the DOEN Foundation, the Dioraphte Foundation and Dutch public service broadcaster NTR.

Annually, the Hubert Bals Fund has close to EUR 1.2 million at its disposal and is able to make individual grants of up to EUR 10 000 for script and project development, EUR 20 000 for ultra low-budget digital productions, EUR 30 000 for post-production, EUR 10 000 for workshops or EUR 15 000 towards distribution costs in the country of origin. Selection rounds take place twice a year and the fund supports feature films and creative documentaries. A related fund, the Hubert Bals Fund Plus has been established in partnership with the *Nederlands Fonds voor de Film*. This fund supports the production of Hubert Bals-funded projects where a Dutch company has become involved as a co-producer.

Eligible countries are those figuring on the OECD's Development Assistance Committee (DAC) list.

5.7.5 The Jan Vrijman Fund

Based at the International Documentary Festival of Amsterdam (IDFA), the Jan Vrijman Fund started operation in 1998. The fund supports documentary filmmakers and festivals in developing countries. Its goal is to stimulate local film cultures and to turn the creative documentary into a truly global film art. Practically the fund provides grants to independent documentary makers from developing countries. In addition to individual film projects, the fund also supports projects that promote local documentary production and distribution in general, such as workshops, documentary film festivals and educational programs. The fund also plays an advisory role.

The fund provides individual grants of up to EUR 5 000 for script and project development, EUR 17 500 for production and post-production, or EUR 15 000 for other activities (distribution initiatives, documentary film festivals and documentary workshops). Selection rounds take place twice a year and 45 projects were supported for a total of EUR 508 300 in 2010.

The fund is financed by the Dutch Ministry of Foreign Affairs, Dutch non-governmental development organisations, Hivos-NCDO Culture Foundation and the DOEN Foundation, and has obtained funds from MEDIA International for certain of its activities. Eligible countries are those on the DAC list, with special emphasis on the groups of countries in the Least Developed Countries and Other Low Income Countries categories.

5.7.6 World Cinema Fund

The World Cinema Fund (WCF) was founded in October 2004 as an initiative of the Berlin International Film Festival and the German *Kulturstiftung des Bundes* (the federal cultural foundation) with support from the Federal Foreign Office. The *Goethe-Institut* became a partner of the fund just two months later. From 2004 to 2007 the geographical focus of the fund was on Latin America, Africa, the Middle East and Central Asia.

However in February 2007 the WCF expanded its focus to include film projects from South East Asia and the Caucasus. The fund provides support to feature films and creative documentaries for production and for the distribution of these films in German cinemas. The overall budget of the fund was just over EUR 400 000 in 2009, but in general the annual budget is slightly higher.

Production companies with directors from the focus regions as well as German production companies working with a director from these regions are eligible for funding. The maximum amount which can be granted to a film for production is EUR 100 000. In order to receive these funds, a German partner is required and the monies must be spent in the country in which the film is to be produced. However, the film does not necessarily have to be a co-production. German distributors can apply for distribution support for a maximum amount of EUR 15 000 for the distribution of films from the WCF countries.

New partnerships with broadcaster *Deutsche Welle* and the Federal Ministry for Economic Co-operation and Development have been put in place in 2011, making possible a new WCF programme which will be run in certain African countries from August 2011 onwards.

5.7.7 Other international funds

A number of other funds for projects from the emerging countries are based in Europe.

Fonds francophone de la production audiovisuelle du sud, which is under the responsibility of the *Organisation internationale de la francophone* (OIF) and the *Conseil international des radios et des télévisions d'expression française* (CIRTEF). The fund is administered by the OIF and supports film and television production from French-speaking countries in the developing world. The fund had a budget of EUR 1 million available for support in 2010, with half of that amount available to each of the film and television support programmes.

The **Fonds Images Afrique** fund of the French *Ministère des affaires étrangères et européennes* (MAEE) was suspended in 2009.

The **Festival international du cinéma Méditerranéen de Montpellier** in France proposes, with the support of a number of partners, including the CNC, the OIF, the MAEE and the Languedoc-Roussillon regional authorities, a series of bursaries for the development of feature film projects from Mediterranean countries.

The Swiss fund **Visions Sud-Est** was initiated by the Foundation Trigon-Film and the Fribourg Film Festival, with the collaboration of Nyon's *Visions du Réel* and the support of the Swiss Agency for Development and Cooperation. It supports film productions from Asia, Africa, Latin America and Eastern Europe, aims at making them visible worldwide and guarantees their distribution in Switzerland.

A new international fund goes into operation in Norway in 2011. **Sørfond** – the Norwegian South Film Fund, is attached to the *Film fra Sør* festival which takes place each October in Oslo. The fund is open to projects from DAC countries and about NOK 4 million / EUR 510 000 will be granted for support in 2012, financed by the Norwegian Ministry of Foreign Affairs and the Norwegian Ministry of Culture. The *Norsk filminstitutt* (NFI) and the *Film fra Sør Festival* (FFS) will jointly be in charge of the administration of the fund.

Sørfond grants production support as top financing, meaning a substantial part of the financing must be confirmed before first payment. Maximum support for one production is NOK 1 million / EUR 130 000. A Norwegian co-producer is required, and must present the application. Preference will be given to projects demonstrating strong artistic content and cultural integrity as well as projects dealing with freedom of expression.

2011-2

An Insight into Selected Film Funding Systems



Despite the economic crisis, the effects of which can also be seen in the audiovisual sector, film production in the EU states reached a record high in 2009, with almost 1,200 cinematographic works

produced. The fact that this record was set in 2009 suggests that it was the public film aid systems in Europe which prevented production levels from collapsing.

This edition of IRIS *plus* looks at the theme of direct film aid and, in particular, examines a group of states which have previously attracted little attention in this regard: the states of South-East Europe.

IRIS *plus* 2011-2, An Insight into Selected Film Funding Systems

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LEAD ARTICLE

Governance of Film Aid in South-East Europe Legal basis, structural elements, aid criteria

Film aid in Europe is governed by both European Union and Council of Europe provisions that are legally binding on member states. However, these rules also represent important standards for non-member states.

This IRIS *plus* is therefore divided into two parts:

- The first part examines these binding European provisions and shows how they are implemented through national film aid programmes.
- The second section describes the current situation of film aid programmes in nine selected countries.

It reveals some remarkable differences and similarities between national approaches to film aid, and shows that the elements that they have in common are influenced by the selection criteria and structures of the European film aid mechanisms and other European standards.

Lead article chapter headings:

I. Film aid rules and trends in Europe

1. European Union
 - 1.1. General
 - 1.2. EU law and national film aid
 - a) Fundamental freedoms
 - b) State aid control
 - 1.3. EU film aid programmes
2. Council of Europe
 - 2.1. General
 - 2.2. Political and legal framework
 - 2.3. Film aid programme: Eurimages

- Legal basis
- Structural elements
- Criteria for the granting of aid
- Practical application

The following South-East European states were examined:

- Albania
- Bosnia-Herzegovina
- Bulgaria
- Croatia
- the « former Yugoslav Republic of Macedonia »
- Moldova
- Romania
- Serbia
- Slovenia

II. Film aid in individual states

Each of the nine chapters dedicated to these states treats the following four main aspects of the film aid:

III. Conclusions

RELATED REPORTING

Latest developments in other countries

This section reflects a whole range of developments affecting national film aid in recent months. The articles concern subjects such as compliance with EU law, the practical implementation of the legal obligation for the television industry to finance film aid, brand new film aid models and the legislative basis created for them, and aid distribution. The national articles concern the following countries: Germany, Slovakia, France, Spain, Greece, Czech Republic, Austria, Hungary.

ZOOM

Film Aid in South-East Europe

The ZOOM section comprises two complementary overviews.

- **Useful information**
The first overview summarises basic information on the organisation of film aid and, for each of the nine states covered, lists:
 - the law(s) on film policy/aid
 - the authority responsible for film policy
 - the film aid fund (title/programme)
 - the implementing body.
- **Overview of available film aid**
The second overview describes the film aid systems available in the selected South East European countries, detailing the main characteristics of film aid and the relevant distribution criteria.

National Funds

6.1 Key data

This chapter examines in more detail the income, activity spend and characteristics of funds operating at the national level in the European countries covered by this study.

- 67 national funds were in operation in Europe in 2009, ten more than were identified in 2004.
- Total income for these funds was EUR 1 621 million, a 1% drop in relation to 2008.
- Fund income grew at an annual average rate of 8% between 2005 and 2008, but the upward trend was reversed in 2009, when income fell back by 1%.
- The principal sources of income for national funds were public sources at EU, state and federal level (46%) and broadcasters, who provided 32% of the total in 2009.
- Total activity spend by funds in 2009 was EUR 1 436 million, a 3% drop on 2008.
- The most commonly supported activity at national level was production, followed by promotion and support for festivals.
- Total activity spend on the creation of works (script-writing, project development and all phases of production) by national funds was EUR 1 010 million, representing 70.4% of the total spend.
- Exhibition (7.5%) and distribution (7.4%) were the other activities to which high proportions of resources were dedicated.
- Almost two-thirds (64%) of support for the creation of works was allocated to feature films of all genres, while short films received 3% of total support. 28% of total support for the creation of works was allocated to production for television.

6.2 Introduction

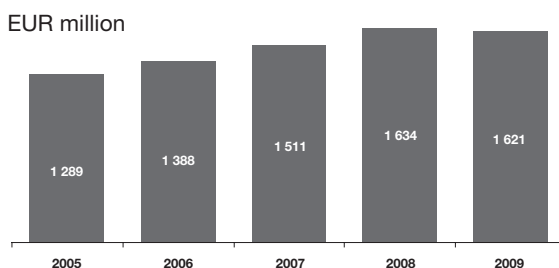
This chapter provides detailed information on funds operating at the national level in the European countries covered by this study. Section 6.3 provides a data overview for these funds, bringing together data already presented in the preceding chapters. This is followed by a special Focus section on the informal network of European Film Agency Directors and the public statements made by this group. National funds are profiled, country-by-country in Section 6.4, with a special focus on the national film agency of each country. A further Focus section on co-development funds is included in this section. Finally Focus 10 looks at some of the bank and credit institutions working closely with the film industry in Europe.

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6.3 Data overview for national funds

As has been shown in Chapter 1 of this report, a total of 67 national funds have been identified as being in operation in Europe in 2009. This was 10 funds more than were in operation in 2004, when 57 funds were identified. Of the 67 funds in operation in 2009, 53 were established in EU 27 member states, 62 in countries members of MEDIA 2007 and 64 in European countries members of the Eurimages fund.

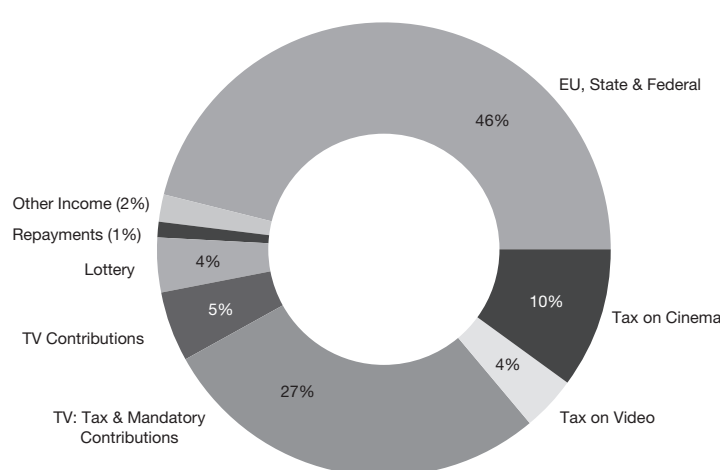
Figure 6.1 Trend in income for national funds / 2005 – 2009



Source: European Audiovisual Observatory

Total income for these funds in 2009 was EUR 1 621 million, a 1% drop over the total in 2008 (EUR 1 634 million). Fund income had grown steadily between 2005 and 2008, at an annual average of 8.2%, but this positive trend was halted in 2009, with fund income shrinking by just under EUR 13 million in absolute terms.

Figure 6.2 / Table 6.1 Sources of income for national funds / 2009



	EUR thousand		%
	Source	Amount	
Public	EU, State & Federal	745 836	46%
	Community, Regional & Local	803	0%
Taxes & Contributions	Taxes on Cinema	163 891	10%
	Taxes on Video	56 685	4%
	Other Taxes	1 603	0%
	TV Taxes & Mandatory Contributions	439 861	27%
	TV Contributions	83 471	5%
Other	Lottery	67 676	4%
	Repayments	18 335	1%
	Other Income	35 576	2%
Total	1 613 738	100%	
<i>of which income to be delegated to sub-national funds</i>		37 936	2%

Note

'Repayments' includes cancellations and unallocated funds.

No breakdowns are available for a number of funds, so the total analysed here is inferior to the total income shown in Figure 6.1

Source: European Audiovisual Observatory

Almost half of income for national funds came from public sources at EU, state and federal level. Television constituted the second most important source of revenue, at 32% of the total. Taxes on cinema (either on admissions or cinema advertising) together with taxes on home video represented 14% of the 2009 total, and income from national lotteries provided a further 4%. The importance of the taxation and mandatory contribution component means that national fund income is highly sensitive to the performance of economic players in related industries (television, cinema exhibition, home video and to a lesser extent, telecommunications), a factor which remains outside the control of public authorities.

Table 6.2 provides a detailed look at the amounts spent by individual national funds on their activities over the period 2005 to 2009. Activity spend in this context is the amount provided in support plus the

amount spent directly by the fund itself on activities intended to enhance and support the national industry. Transfers to other funds included in this report are excluded. Total national fund activity spend was EUR 1 436 million in 2009, a 3% drop on the total for 2008 (EUR 1 473 million). Thus fund activity was curtailed more vigorously than fund income, possibly as an initial adjustment preparing a prolonged period of austerity in public finances. Total activity spend for these funds had also fallen back between 2005 and 2006, principally due to a reduction in spend at the national agency in four out of the five large Western European markets. In 2009, however, the situation was inverted: the leading fund in four out of the five large markets actually showed either growth or stability, while funding bodies in other markets showed a much more generalised shrinkage. In total 33 out of 65 funds showed a drop in spend in 2009.

Table 6.2 Activity spend by national funds / 2005 - 2009

Country	Fund	EUR thousand					%
		2005	2006	2007	2008	2009	
AL	QKK	700	528	1 060	1 078	1 231	14%
AT	Österreichisches Filminstitut	9 689	9 251	12 554	15 847	15 762	-1%
AT	bmu:kk	4 669	4 762	5 713	6 978	5 801	-17%
AT	Fernsehfonds Austria (RTR)	7 447	7 214	6 954	7 190	11 495	60%
AT	ORF Film / Fernsehfonds Abkommen	6 203	6 093	6 856	6 657	6 478	-3%
BG	National Film Centre	2 960	2 806	3 365	5 565	6 027	8%
CH	BAK / OFC / UFC	20 311	20 398	21 982	20 166	21 213	5%
CH	Swiss Films	450	450	470	605	479	-21%
CH	Suissimage	883	843	1 547	1 573	694	-56%
CH	Teleproduktions-Fonds	1 170	995	913	1 055	1 248	18%
CY	Cinema Advisory Committee	900	900	900	900	1 400	56%
CZ	Ministry of Culture	3 661	4 461	5 647	5 408	5 058	-6%
CZ	Státní fond	2 339	3 950	9 145	11 287	10 573	-6%

Table 6.2 (cont.) Total activity spend by national funds / 2005 - 2009

Country	Fund	EUR thousand					% 2009/ 2008
		2005	2006	2007	2008	2009	
DE	FFA	83 059	66 418	66 369	63 098	63 294	0%
DE	Deutscher Filmförderfonds (DFFF)	-	-	59 400	59 400	57 605	-3%
DE	BKM	25 690	27 736	27 336	27 949	27 929	0%
DE	German Films	3 659	4 361	3 835	3 993	3 481	-13%
DE	Kuratorium junger deutscher Film	674	704	886	650	624	-4%
DK	DFI	35 000	35 806	33 149	39 482	38 566	-2%
EE	Eesti Kultuurkapitali**	1 065	1 118	1 390	1 563	1 202	-23%
EE	Eesti Filmi Sihtasutus	2 413	2 177	2 954	3 795	3 424	-10%
EE	Ministry of Culture	546	601	834	908	466	-49%
ES	ICAA*	56 553	62 437	61 218	67 794	75 793	12%
FI	Suomen elokuvasaatiö	13 254	14 255	13 868	15 854	23 017	45%
FI	AVEK	1 793	2 194	2 093	2 658	2 832	7%
FR	CNC	466 210	456 840	465 800	481 510	496 010	3%
FR	ADRC**	2 440	2 520	2 310	2 290	2 310	1%
GB	UK Film Council	104 972	54 996	56 177	58 705	60 711	3%
GB	First Light / Mediabox	1 331	1 537	5 947	4 012	3 550	-12%
GB	Skillset**	6 228	13 453	10 995	11 664	8 023	-31%
GR	Greek Film Centre	3 428	5 436	11 312	4 086	7 315	79%
HR	Hrvatski audiovizualni centar	-	-	-	4 495	4 033	-10%
HR	Ministry of Culture	4 000	4 000	4 000	-	-	-
HU	MMKA	26 510	21 759	16 711	16 544	17 942	8%
HU	MTFA	2 294	0	385	378	0	-
IE	The Irish Film Board	13 478	17 937	18 938	24 570	17 872	-27%
IE	Arts Council of Ireland**	2 477	4 448	3 758	3 671	3 555	-3%
IE	Broadcasting Authority of Ireland	-	20 141	17 687	7 923	8 514	7%
IS	Kvikmyndamiðstöðvar Íslands	2 541	4 508	5 687	3 893	3 912	1%
IT	MiBAC - DG Cinema	155 547	115 344	105 673	129 036	116 053	-10%
LT	Ministry of Culture	1 061	1 606	2 267	2 294	1 980	-14%
LT	Kultūros rėmimo fondas**	232	261	394	509	629	24%
LU	Film Fund Luxembourg	3 432	4 080	3 766	6 331	5 503	-13%
LV	Nacionālais Kino centrs	1 878	2 002	2 117	4 470	2 392	-46%
LV	Valsts Kultūrkapitāla fonds**	947	1 074	1 509	1 513	650	-57%
MK	Macedonian Film Fund	-	-	-	2 668	2 103	-21%
MK	National Broadcasting Council	902	2 133	-	-	-	-
NL	Nederlands Fonds voor de Film	15 256	19 936	34 623	34 891	37 173	7%
NL	CoBO-fonds	10 000	10 000	10 000	12 028	10 557	-12%
NL	Mediafonds	13 400	13 447	12 637	13 047	13 757	5%
NO	Norsk filminstitutt (NFI)	-	-	-	42 185	42 506	1%
NO	Norsk filmfond (NFF)	37 845	35 088	39 693	-	-	-
NO	Film og Kino	2 749	3 103	3 606	5 144	5 206	1%
NO	Fond for Lyd og Bilde	733	775	976	947	1 022	8%
PL	Polski Instytut Sztuki Filmowej (PISF)	-	19 135	25 102	44 847	30 039	-33%
PL	Ag. Produkcji Filmowej / Inst. Filmowa Ag. Scenariuszowa	3 720	-	-	-	-	-
PT	ICA	9 299	11 019	8 821	9 144	8 690	-5%
PT	FICA	-	-	-	15 762	784	-95%
RO	Centrul National al Cinematografiei	4 500	7 000	8 000	8 000	755	-91%
RU	Ministry of Culture***	66 361	76 115	82 217	81 787	74 526	-9%
SE	SFI	38 034	39 905	40 502	39 392	41 526	5%
SI	Slovenski filmski center	3 408	3 844	3 084	4 646	5 448	17%
SK	Ministry of Culture	2 280	4 610	3 393	4 272	4 179	-2%
SK	Literárny fond**	69	96	108	112	118	5%
TR	Ministry of Culture	5 632	11 372	13 717	15 081	11 228	-26%
	Total EU 27 e	1 154 003	1 109 670	1 196 485	1 292 619	1 266 863	-2%
	Total MEDIA e	1 224 684	1 179 829	1 275 359	1 372 682	1 347 174	-2%
	Total national funds e	1 298 279	1 269 977	1 372 353	1 473 295	1 436 263	-3%

Legend

- : fund not in operation e: estimated

Notes

Data in italics are estimated or include partial estimations. There are no national funds in Belgium and Bosnia & Herzegovina.

Figures are net of transfers to other funding bodies covered in this report.

*Support programmes only, does not include other expenditure. ** Relevant activities only. *** Does not cover all relevant activities.

FR: CNC is forecast spend.

IT: DG Cinema is amounts awarded not paid - includes loans for production.

Source: European Audiovisual Observatory

An overview of the scope of intervention of the leading film agency in each country covered by this report is provided in Table 6.3. The funds which displayed the widest range of interventions were the Swiss BAK / OFC / UFC, the combined activity of the Czech Ministry of Culture and the *Státní fond*, the French CNC and the Irish Film Board (13 out of a possible 15 activities supported or undertaken in all cases). Other funds supporting or intervening in a wide range of different activities included the UK Film Council and the Polish PISF (12 out of 15 activities in each case) and the Danish, Dutch, Estonian and German agencies were also active across multiple domains (11 activities in each case).

All of the 37 agencies listed in Table 6.3 supported production. The second most prevalent activity was promotion, supported or undertaken by 34 out of 37 agencies. Support for festivals was also a common activity – 29 out of 37 agencies were involved in some way in supporting national, and occasionally international, festivals. Twenty-four out of 37 agencies either provided support for or organised training and a similar number of funds supported screenwriting and script development. 23 funds supported project development. Specialised areas, such as archives and conservation or media literacy were less commonly intervened in, as these activities do not fall within the remit of the national film agency in many countries.

Table 6.3 Selected national fund activity overview / 2009 – early 2010

Country	Fund	Script Development	Project Development	Production	Distribution	Exhibition	Promotion	Festivals	Training	Archives & Conservation	Company Development	Education & Media Literacy	Film Culture	Digital Media	Prizes & Awards	Other
AL	QKK			•				•								
AT	ÖFI	•	•	•	•		•	•	•				•			•
BA	FKS			•			•	•								•
BA	Min. Cult Rep. Srpska			•			•	•								
BE	CCA	•	•	•	•	•	•	•								•
BE	VAF	•	•	•			•		•							
BG	NFC	•	•	•	•	•	•	•								
CH	BAK / OFC / UFC	•	•	•	•	•	•	•	•			•	•		•	•
CY	Min. Ed. / CAC			•		•	•	•				•				
CZ	Min. Cult / State Fund	•		•	•	•	•	•	•	•	•	•	•			•
DE	FFA	•		•	•	•	•		•		•			•	•	•
DK	DFI	•	•	•	•	•	•	•	•		•			•		•
EE	Eesti Filmi Sihtasutus	•	•	•	•	•	•	•	•		•					•
ES	ICAA	•		•	•	•	•	•	•			•	•		•	•
FI	SES	•	•	•	•	•	•	•				•				
FR	CNC	•	•	•	•	•	•	•		•	•	•	•			•
GB	UK Film Council		•	•	•	•	•	•	•			•	•		•	•
GR	GFC	•	•	•	•		•	•		•						
HR	HAVC			•	•	•	•	•	•				•			
HU	MMKA	•	•	•	•	•	•	•	•			•				•
IE	IFB	•	•	•	•	•	•	•	•			•	•	•	•	•
IS	KI	•		•			•	•	•							
IT	DG Cinema	•		•	•	•	•	•	•				•		•	•
LT	Min. Cult			•			•		•							
LU	Film Fund LU		•	•	•		•	•	•						•	
LV	NFC	•		•			•									•
MK	Macedonian Film Fund			•			•									
NL	NFF	•	•	•	•	•	•	•	•				•	•		•
NO	NFI	•	•	•	•		•		•				•			
PL	PISF	•	•	•	•	•	•	•	•			•	•		•	
PT	ICA	•	•	•	•	•	•	•	•							
RO	CNC		•	•	•	•	•	•					•			
RU	Min. Cult.			•	•			•					•		•	
SE	SFI		•	•	•	•	•	•	•			•	•			
SI	Slovenski filmski center	•	•	•			•	•	•			•				•
SK	AVF	•	•	•	•	•	•	•	•			•	•			•
TR	Min. Cult.	•	•	•		•	•	•					•			

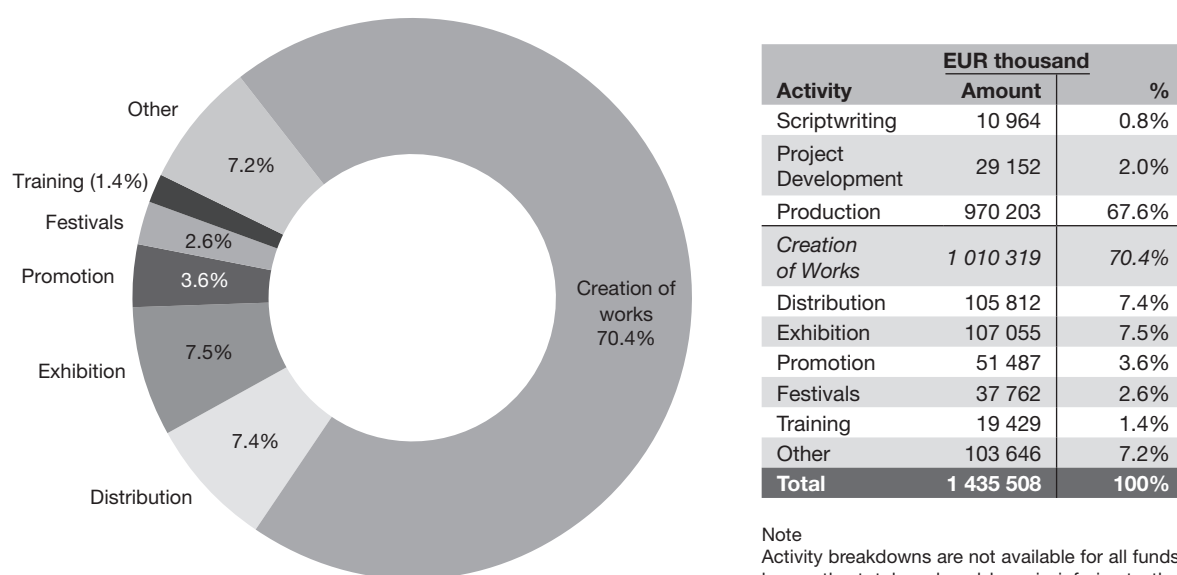
Note

Funding bodies shown for Belgium and for Bosnia and Herzegovina are not strictly speaking national funds.

They have been included in this table in order to provide a complete overview of the countries covered in this report.

Source: European Audiovisual Observatory

Figure 6.3 / Table 6.4 Activity breakdown for national funds / 2009



Note
Activity breakdowns are not available for all funds, hence the total analysed here is inferior to that shown in Table 6.2.

Source: European Audiovisual Observatory

Figure 6.3 and the accompanying Table 6.4 provide an overview of the allocation of resources to the different activities by funds operating at the national level. More than two-thirds of resources (70.4%) were consecrated to the creation of works, principally to the production phase (67.6%), with scriptwriting and project development representing only a small proportion of the overall activity total (0.8% and 2% respectively). This was partly due to the fact that many support programmes combine elements of the various phases, and the amounts spent on these programmes have been systematically allocated here to the later of the phases

represented. In addition, the importance of production reflected the significantly larger awards made at this phase of intervention. Distribution and exhibition were of equal importance, while promotion, though either supported or undertaken directly by 30 out of the 59 national funds shown in Table 6.5, received a relatively small proportion of resources. Other activities, which amounted to 7.2% of the total spend, included support and expenditure on film cultural activities (1.9% of the overall total), archives and conservation (1.8% of the total) and education and media literacy (1.0% of the total).

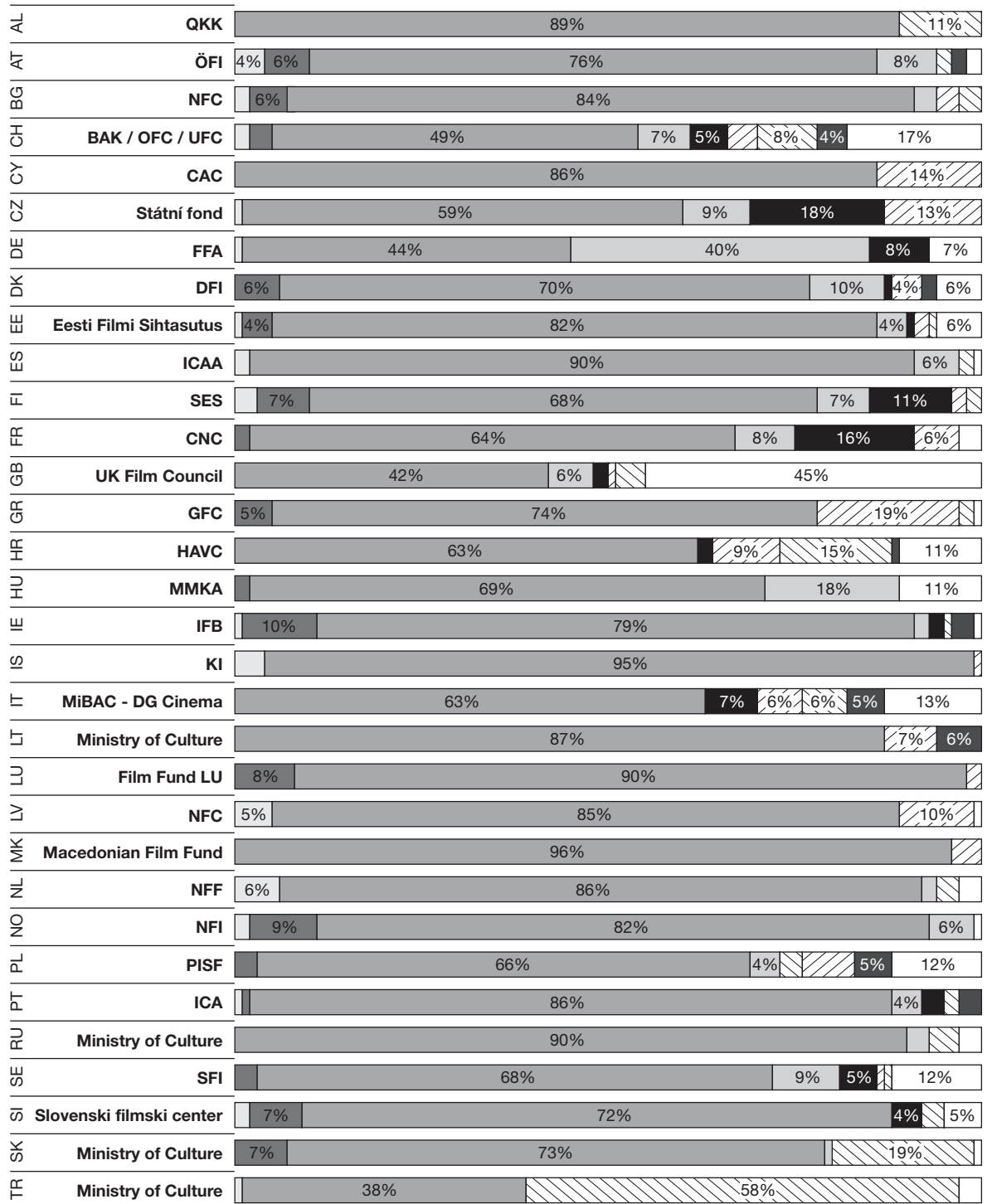
Table 6.5 Activity spend - breakdown for national funds / 2009

Country	Fund	EUR thousand								
		Creation of Works			Other					
		Script Dev.	Project Dev.	Prod.	Dist.	Exhib.	Promo.	Festivals	Training	Other
AL	QKK			1 094				137		
AT	ÖFI	616	995	12 011	1 241	0	30	348	321	200
AT	bmu:kk	39	216	1 321	812	425	75	543	33	2 337
AT	Fernsehfonds Austria			11 495						
AT	Film /Fernseh. Abk.			6 478						
BG	National Film Centre	98	345	5 064	160		164	196		
CH	BAK / OFC / UFC	397	680	10 477	1 460	1 165	881	1 695	927	3 531
CH	Swiss Films				318		161			
CH	Suissimage	119		537						37
CH	Teleprod. Fonds			1 248						
CY	CAC ⁽¹⁾			1 200			200			
CZ	Ministry of Culture					71	172	2 357	117	2 341
CZ	Státní fond	144		6 266	929	1 862	1 371			
DE	FFA	800		27 541	25 420	5 058			300	4 175
DE	DFFF			57 605						

Notes

1. Covers only the Cinema Advisory Committee and not other Ministry of Education & Culture activities.

Figure 6.4 Activity spend for selected national funds - % breakdown / 2009



Script Dev.
 Project Dev.
 Prod.
 Dist.
 Exhib.
 Promo.
 Festivals
 Training
 Other

Notes

CY: Covers only the Cinema Advisory Committee and not other Ministry of Education & Culture activities.

ES: Only support awards analysed, not other activities.

NL: 'Other' includes training.

RU: Activity of the Ministry of Culture only partly analysed. Support for festivals includes film cultural activities and promotion.

SE: Production includes training.

SK: Festivals includes events, training and education

TR: Festival expenditure covers festivals, events, film culture and promotion.

Source: European Audiovisual Observatory

Table 6.5 (cont.) Activity spend - breakdown for national funds / 2009

		EUR thousand									
Country	Fund	Creation of Works			Other						
		Script Dev.	Project Dev.	Prod.	Dist.	Exhib.	Promo.	Festivals	Training	Other	
DE	BKM	580		8 120	880	1 500	1 059	7 020	130	8 640	
DE	German Films				703		2 039	739			
DE	Kuratorium	96	38	395	19			2	60	15	
DK	DFI		2 269	27 045	4 015	564	1 450		752	2 471	
EE	Eesti Kultuurkapitali			827				139	23	214	
EE	Eesti Filmi Sihtasutus	21	141	2 815	120	35	56	48		189	
EE	Ministry of Culture				60	29		19		358	
ES	ICAA ⁽²⁾	1 200		68 239	4 250	74	1 511			519	
FI	Suomen elokuvasäätiö	709	1 579	15 571	1 544	2 632	482	500			
FI	AVEK	186	238	1 444			193	139	130	501	
FR	CNC	2 000	11 990	319 210	39 960	78 720	27 900			16 230	
FR	ADRC				2 310						
GB	UK Film Council		11	25 410	3 729	1 155	613	2 274	158	27 362	
GB	First Light / Mediabox									3 550	
GB	Skillset								8 023		
GR	Greek Film Centre		350	5 426			1 376	122		41	
HR	HAVC			2 522		61	355	593	55	446	
HU	MMKA		274	12 395	3 262					2 010	
IE	The Irish Film Board	264	1 727	14 032	407	335	186	97	581	244	
IE	Arts Council ⁽³⁾			2 395		1 160					
IE	BAI			8 514							
IS	KI	150		3 733			21	7	1		
IT	MiBAC - DG Cinema ⁽⁴⁾			73 481		8 258	7 500	6 800	5 250	14 764	
LT	Ministry of Culture			1 729		0	130		121		
LT	Kultūros rėmimo fondas		30	236	14	28		123	49	149	
LU	Film Fund		420	4 943	23		90	2	25		
LV	Nacionālais Kino centrs	108		2 042			228			14	
LV	Valsts Kultūrkapitāla fonds			595	39				15		
MK	Macedonian Film Fund			2 015			88				
NL	NFF ⁽⁵⁾	2 152		31 865	855	99	138	948		1 116	
NL	CoBO-fonds			10 541					16		
NL	Mediafonds		938	12 075	333				411		
NO	NFI	703	3 952	34 691	2 708				175	278	
NO	Film og Kino				2 570	297		2 105		233	
NO	Fond for Lyd og Bilde			898	96			29			
PL	PISF	136	788	19 733	1 134	933	2 062		1 537	3 716	
PT	ICA	50	100	7 510	361	246		203	220		
PT	FICA			784							
RU	Ministry of Culture ⁽⁶⁾			67 090	2 497			2 744		2 195	
SE	SFI ⁽⁷⁾		1 393	28 309	3 562	2 130	609	372		5 152	
SI	Slovenski filmski center	112	394	3 939		217	348	157		281	
SK	Ministry of Culture ⁽⁸⁾		272	3 072	21			792		23	
SK	Literárny fond	118									
TR	Ministry Culture ⁽⁹⁾	163	11	4 227				6 514		312	
Total EU 27 e		9 431	24 509	843 687	96 163	105 531	50 070	23 937	18 271	96 612	
Total MEDIA e		10 800	29 141	895 777	103 315	107 055	51 399	28 366	19 429	101 138	
Total Europe e		10 964	29 152	970 203	105 812	107 055	51 487	37 762	19 429	103 646	

Notes

2. Analyses support awards only, not other expenditure.

3. Exhibition may include festivals and events.

4. Production includes the value of indirect support (loans) awarded, not amounts paid out.

5. 'Other' includes training

6. Activities of the Ministry of Culture only partly analysed. Support for festivals includes film cultural activities and promotion.

7. Production support includes training awards.

8. Festivals includes events, education and training

9. Festival expenditure covers festivals, events, film culture and promotion.

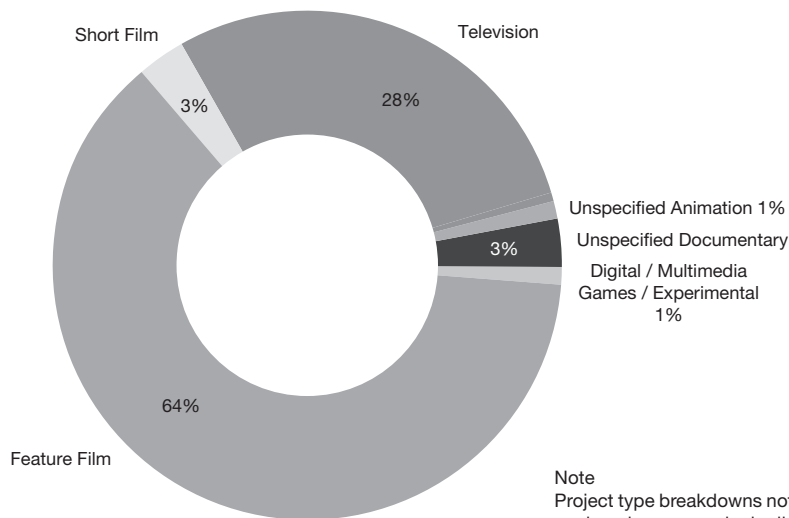
Source: European Audiovisual Observatory

Table 6.5 shows the breakdown, fund by fund, of activity spend and figure 6.4 shows spend for selected funds as a percentage breakdown of total activity spend. This figure makes apparent some of the specificities of agencies in terms of allocation of resources. For example, some of the smaller agencies had a very high concentration of resources on production in 2009 – the QKK in Albania, the *Kvikmyndamiðstöðvar Íslands* in Iceland, the Luxembourg and Macedonian Film Funds. Funds which allocated proportionately more than others to project development included the Irish Film Board, the Film Fund Luxembourg and the *Norsk Filminstitutt*. Distribution was a particularly important support area for the German FFA, as it was for the Hungarian MMKA and the Danish national agency. The Czech *Státní fond pro podporu a rozvoj české kinematografie*, the Finnish SES and the French CNC all paid particular attention to support for exhibition. Support for training was an important area of spend for the Lithuanian Ministry of Culture as well as in Italy and Poland. A small number of agencies showed a very high level of spend in the ‘Other’ category. These include the Swiss BAK / OFC /

UFC and the UK Film Council. In the former case, this is because the Swiss agency finances the national film archive, categorised here as ‘archives and conservation’ and thus included in the ‘Other’ total. In the latter case, the UK Film Council made a large delegation out of its income to the British Film Institute, categorised here as ‘film cultural activities’ and again, included in the ‘Other’ total. The very high level of expenditure on festivals in Turkey should also be interpreted with caution – the amount includes festivals, events, film cultural activities and promotion, but no detailed breakdown is available.

The final figure in this section shows the breakdown by project type of spend by national funds on the creation of works in 2009. Almost two-thirds of the amount spent was awarded to the production of feature film projects, with television projects accounting for 28% of the total. Short films accounted for 3% of spend while digital, multimedia, games and experimental works received approximately 1% of the total amount spent on the creation of works.

Figure 6.5 National funds – spend on creation of works by project type / 2009 e



Note
Project type breakdowns not available for all funds. Data analysed covers principally production, but includes some project development support.

Source: European Audiovisual Observatory

FOCUS 8 The European Film Agency Directors group

The European Film Agency Directors group (EFAD) was established in May 2002 at the instigation of the UK Film Council and the French *Centre national du cinéma et de l’image animée*. It is an informal network of the directors of the national film agencies of the 27 member states of the European Union plus Iceland, Norway and Switzerland. EFAD is a framework for collaboration, co-ordination and exchanges of ideas on issues of common interest with regard to European audiovisual policy. One of its main tasks is the co-ordination and representation of common interests vis-à-vis the European Union, especially in relation to the Directorate General of Competition. Regular meetings take place at the Berlin (hosted by the FFA), Cannes (hosted by the CNC) and San Sebastian (hosted by the ICAA) festivals and occasionally in other venues.

In order to achieve its aims, EFAD has established several working groups on specific topics such as digitisation and state aids and their legal admissibility in the context of European law. The group takes public positions on relevant topics by making statements, by contributing to public consultations and by making common declarations with other representative groups, specifically Cine-Regio (which represents regional funds) and Capital Regions for Cinema (which represents funds and film commissions based in European capitals).

Issues addressed in statements or declarations by the EFAD group have included:

The future of MEDIA

In two declarations made after meetings in Berlin and Cannes in 2011, the EFADs expressed their position on the future of the MEDIA Programme and the proposal made to combine the next generation of the MEDIA programme with the EU's cultural programmes within a framework to be entitled 'Creative Europe'. The EFADs are opposed to this merger, as it could put at risk the "inextricable link between cultural and industrial targets which has characterised the MEDIA Programme and which has led to its success"¹ and lead to reduced financial resources. The objective for the new MEDIA Programme should be, the EFADs believe, to add a European dimension to specific parts of the value chain for audiovisual works, with the following short and mid-term priorities:

- Helping the sector to realise and benefit from the digital transition;
- Developing new audiences through new strategies for the promotion and distribution of European works to cinema audiences;
- Expand access to finance.

Digitisation of European cinemas

In declarations made in October 2006 and in San Sebastian in September 2009, the EFADs highlighted their concern regarding the transition to digital for European cinema. The 2009 declaration addressed specifically the question of support for the conversion of cinemas to digital projection and highlighted the need for every country and region in Europe to be free to establish a support scheme adapted to local market conditions. Though the European Commission had not yet at that time published its Communication on the digitisation of cinemas, the EFADs were concerned that "the criteria by which the Commission assesses the public support for the digitisation of cinemas are being established by a series of decisions in relation to schemes submitted by member states for approval under state aid rules".² The EFADs called for national and European authorities to work towards a rapid and effective digital transition and to avoid situations where national and EU support was restricted to certain kinds of cinemas in certain localities with specific types of programming. Public support should also address the availability of digital material and the provision of films online.

State aids

State aid and its treatment by the European Commission has been either a principle or an underlying theme in almost all of the declarations made by the EFAD group. Early interventions were in reaction to trends in the way in which the principles laid down in the 2001 Cinema Communication were being interpreted by the Competition Directorate of the Commission when approving national state aid schemes for film. A parallel concern was the future of the 2001 Communication, due initially to be replaced in 2004, and the first proposals for its replacement, which were firmly rejected by the EFADs in December 2003.³ In a series of declarations, the EFADs outlined their position in relation to the examination of state aid by the Commission, expressed their opposition to restrictive interpretations of the criteria laid down in the 2001 Communication and stated their views in relation to territoriality clauses, a specific element targeted in the new proposal. Following the extension of the 2001 Communication to 2007, the EFADs contributed actively to reflection on this theme, making a statement on the questionnaire circulated to funds as a preliminary to a study on the impact of territoriality clauses commissioned by the European Commission, and contributing to an online consultation on a draft version of the study. The EFADs welcomed the extension of the 2001 Communication until 2012 and have continued to intervene on this topic through their positions on state aid for digitisation.

The EFAD group has also given rise to a related initiative, the **European Film Agency Research Network (EFARN)**. The EFARN was created in 2003 on the initiative of the UK Film Council and, like the EFAD, is an informal network. EFARN brings together researchers actively involved in the collection, analysis and publication of data on the European film industry. The purpose in establishing this group was to provide a forum for the exchange of information and best practice, to work towards improving the availability of data on a pan-European level and to explore the possibility of common projects. The group meets once a year and the European Audiovisual Observatory acts as its secretariat.

1) European Film Agency Directors, 'A statement in support of the continuation of the MEDIA Programme 2014 – 2020', Cannes, May 2011.

2) European Film Agency Directors, 'Urgent and comprehensive public support needed for the digitisation of cinemas', San Sebastian, September 2009.

3) Further information about the 2001 Cinema Communication and proposals for its replacement can be found in Appendix 1.

■ 6.4 National funds by country

This section provides a brief outline of the funds operating at national level in each country covered by this report, with an emphasis on recent developments.

AL – Albania

The sole funding body for film operating in Albania is the *Qendra Kombëtare e Kinematografisë* (QKK). The QKK is an independent national institution, with legal and financial autonomy, under the Minister for Tourism, Culture, Youth and Sport. Founded in 1996, it is a successor to the national film studio, *Kinostudio Shqipëria e Re* (1957-1995) and as such derives a small amount of revenue from the exploitation of works produced by the studio to which it holds copyright. Though a small amount of revenue is also derived from a tax on cinema tickets and the exploitation of supported works, the vast majority of resources come from the state budget (98% in 2009), leaving the QKK exposed to government cutbacks. As a result, income has fallen each year since 2007, though activity spend had not yet shown a parallel fall in the period covered by this report. In fact the amount of support awarded actually rose in 2009, with 19 projects awarded a total of EUR 1 million for production during the year.

AT – Austria

At the national level four different bodies provided funding for film and television in Austria in 2009. These were the Film Division of the *Bundesministerium für Unterricht, Kunst und Kultur* (bmu:kk) which provided support for feature film on the basis of cultural and artistic criteria, the *Österreichisches Filminstitut* (ÖFI), the national film agency, whose support based on both economic and cultural criteria covers a wide range of activities, and the *Fernsehfonds Austria* based at the Austrian converged regulatory authority, the *Rundfunk und Telekom Regulierungs-GmbH* (RTR), which provides support for television production since 2004 funded by a part of the annual licence fee. The fourth national funding mechanism operating in Austria in 2009 was through an agreement between the ÖFI and the national public service broadcaster, the ORF. Under this agreement, called the *ORF Film/Fernseh-Abkommen*, the ORF provides funding for theatrical features.

A new national support fund was created in 2010 – *Filmstandort Austria* (FISA) comes under the responsibility of the *Bundesministerium für Wirtschaft, Familie und Jugend* and is modelled on the German DFFF fund. The fund provides non-repayable grants for feature productions shooting in Austria and is administered jointly by *Wirtschaftsservice GmbH* and *Location Austria*, the national film commission which is part of the Austrian Business Agency (ABA). Projects must pass a cultural test and the fund has a total budget of EUR 20 million to be used over the period 2010 to 2012.

BG – Bulgaria

The sole national film agency in Bulgaria is the Bulgarian National Film Centre (NFC), an executive agency under the Ministry of Culture, charged with implementing the 2004 Film Industry Act. The Centre is funded entirely from the state budget, voted on an annual basis as part of the Finance Act, and income rose steadily during the period 2005 to 2009. Nonetheless, in 2009 the initially allocated income of BGL 14.4 million / EUR 7.4 million was trimmed back by BGL 2 million / EUR 1.1 million under a subsequent Government decree. Similarly in 2010, the initial allocation of BGL 9 million / EUR 4.6 million was trimmed back substantially in a mid-year revised state budget. Proposed amendments to the Film Industry Act providing for a film industry tax credit were also withdrawn. Further problems arose at the end of the year in relation to funding the NFC. Under the Act the amount of the state's contribution to the NFC may not be less than the total of the average budgets for the previous year of 7 feature films, 14 full-length documentaries and 160 minutes of animation. However an amendment to the Act passed through Parliament at the end of 2010 modified the wording of the relevant clause to include the phrases “if possible” and “up to”, thus rendering possible the provision of a lower amount than originally stipulated. In March 2011, this amendment was declared unconstitutional and the initial wording of the Act reinstated.⁴ Nonetheless, industry commentators fear other threats to the NFC budget may be forthcoming.⁵ During 2009 the NFC spent BGL 11.8 million / EUR 6 million, principally on the creation of works (91%) with smaller amounts going to distribution, promotion and the organisation of festivals. However financial restrictions meant that the Centre was obliged to temporarily suspend production funding during 2010, with new sessions currently announced for autumn 2011. Support for short film production is also available from the National Culture Fund.⁶

CH – Switzerland

The central body for the film industry in Switzerland is the *Bundesamt für Kultur/Office fédéral de la culture/ Ufficio federale della cultura* (BAK/OFC/UFC). Part of the Ministry of the Interior, the BAK/OFC/UFC is mandated to support and encourage all cultural domains, including film. The range of its actions in this domain are large and include the management of both selective and automatic production funding schemes, support for distribution, festivals and events, prizes and awards and film archives. A particular focus of its work in the area of film since 2005 has been the active promotion of filmmakers and their work, notably through the creation of prizes.⁷ An existing programme of support for diversity of offer in exhibition was expanded in 2011 to include support for the transition to digital of certain types of cinemas.

4) 'Bulgaria: A Provision of the Film Industry Act Declared Unconstitutional', *IRIS Newsletter* 2011-5:1/8.

5) 'Bulgaria's Constitutional Court Declares Controversial Film Law Amendment Illegal', *Film New Europe*, web edition of 12 April 2011.

6) Since 2008. Not covered in this report.

7) The Quartz Swiss Cinema Prize.

Other sources of funding at the level of the Confederation include the film promotion agency Swiss Films, established as a foundation in 2007 is a result of a merger between the Swiss Film Center, the Film Department of the *Pro Helvetia* Foundation and the Swiss Short Film Agency. As well as organising the promotion of national films abroad, Swiss Films offers support for distribution and promotion of locally-produced titles. Suissimage, a collecting society for film authors also makes support available for scriptwriting, film production, film cultural activities and prizes, as well as making contributions to the budgets of a number of other film funds. These include the *Teleproduktions-Fonds*, which is financed by a group of collecting societies and supports exclusively television production. The final initiative at national level is the *Pacte audiovisuel*, the most recent of which was signed in 2009 for a 3-year period, between SRG SSR (Swiss public television) and industry representative associations. The *Pacte* regulates investment in independent production by the channel and includes an automatic funding mechanism called *Succès passage antenne*.

CY – Cyprus

The unique source of public support for film in Cyprus is the Ministry of Education and Culture. Production support is channelled through the Cinema Advisory Committee (CAC), which meets once a year and supports features, shorts, documentaries and experimental works as well as attendance at festivals and markets. The Cultural Services division of the Ministry acts as secretariat and chairs the CAC. In parallel the Ministry also provides support for distribution, exhibition (rural cinemas) and training, well as organising media literacy initiatives.

CZ – Czech Republic

At the national level there are two principle sources of funding for film in the Czech Republic. The main support fund is the *Státní fond pro podporu a rozvoj české kinematografie* – the State Fund for the Support and Development of Czech Cinematography, one of a group of state funds under the Czech Ministry of Culture. The State Fund supports scriptwriting, production of all types of cinematographic works, distribution, promotion and cinema modernisation (including digitisation of cinemas). In parallel, the Media and Audiovisual Department of the Ministry provides extensive support for festivals, film cultural events and activities as well as financing the national film archive. The Ministry is also responsible for the administration of the Czech Republic's tax incentive programme, the Film Industry Support Programme, which started operation in 2010. Financed principally by a cinema ticket

tax and copyright revenues from older works, the State Fund has suffered from chronic under-financing, requiring periodic injections of public funds.⁸ In December 2010 the Czech government adopted a new concept for the support and development of the Czech film industry for the period 2011-2016, which includes the aim of finding a perennial solution to the financing of the film industry. A new Cinematography Act is to be drafted during 2011 which will address the problem and will include, it is hoped, a tax on television advertising revenues.⁹

DE – Germany

Five funds operate at the federal level in Germany. The leading national agency for film and video is the *Filmförderungsanstalt* (FFA), an institution based in Berlin and incorporated under public law. Prior to 2010 the FFA was financed by a levy on exhibitors and video distributors whose amount was fixed by law, together with a negotiated contribution from broadcasters. This arrangement has been the subject of a series of legal challenges by exhibitors, pleading discriminatory treatment compared to broadcasters, and the latest of these resulted in a challenge to the constitutionality of the levies.¹⁰ As a result of this, the film law on which the FFA's action is based, the *Filmförderungsgesetz*, was amended in July 2010, fixing the amount of broadcasters' contributions on the basis of the share of films programmed. The second body providing funding is the *Beauftragte der Bundesregierung für Kultur und Medien* (The Federal Government Commissioner for Culture and Media – BKM), whose action is complementary to that of the FFA. The BKM provides selective funding on cultural grounds for scriptwriting and production, distribution, exhibition in specific types of cinemas (including digitisation funding), promotion, festivals and training as well as financing the federal film archive. In addition the BKM provides EUR 66 million annually as the budget for the third national film fund, the *Deutscher Filmförderfonds* (DFFF), established in 2007 and run by the FFA. German Films Marketing + Service, the national film promotional body, also receives a contribution from the BKM, alongside income from the FFA and each of the 7 major *Länder* funds. This is completed by the proceeds of a levy on film export. German Films provides support for the distribution of German films outside of Germany, hence its inclusion here. The final national funder is the *Kuratorium junger deutscher Film*, funded by the Standing Conference of German Ministers of Education. The Kuratorium focuses on supporting young filmmakers and production for children¹¹ and works in close co-operation with the BKM.

8) Since 2008 the State Fund also receives via the State budget a share of revenue accruing to Czech Television, drawn on additional commercial revenues available to the public service broadcaster during the period of digital switchover. Once switchover is completed this source of revenue will be unavailable.

9) 'Support and Development of Czech Film Industry 2011-2016', *IRIS Newsletter* 2011-3:1/12

10) On 23 February 2011 the Bundesverwaltungsgericht (Federal Administrative Court) ruled that the contributions were in conformity with the constitution. See 'Federal Administrative Court Rules on Film Contributions', *IRIS Newsletter*, 2011-4:1/17

11) Education and media literacy action is the responsibility of *Vision Kino*, a public/private partnership funded by the BKM, the FFA and others.

DK – Denmark

The central national agency for film in Denmark is the *Danske Filminstitut* (DFI), a government agency under the Ministry of Culture. The DFI handles all aspects of Danish film – economic, cultural and educational – and has charge of the national film archive and cinemathèque. The DFI supports the production of feature and short films for all platforms, TV works (since 2008), computer games (since 2008), distribution, promotion, film culture and festivals. In addition the DFI has a special focus on education and media literacy, with 25% of funds earmarked for projects concerning young people. The DFI is entirely financed by the Ministry of Culture, but its financial framework and policy objectives are laid down in four-yearly periods in the *Filmaftalen*, an all-party agreement voted by Parliament. The most recent agreement covers the period 2011 to 2014 and its principle points are: 2.1 billion DKK (approximately EUR 282 million) to Danish cinema over the next four years, enhanced flexibility within the support system, greater accessibility of documentary films, support for digitisation of Danish cinemas and extended support to computer games.

EE – Estonia

Three bodies provide support to the film industry at the national level in Estonia. The central agency for film is the *Eesti Filmi Sihtasutus* (EFS), a foundation operating under the Ministry of Culture, responsible for funding production, international networking and contacts, promotion of Estonian film and training, as well as information management for the industry. Entirely financed by the state budget, EFS income peaked in 2008 and has fallen back each year since then. The second important source of funds for the film and audiovisual sector in Estonia is the *Eesti Kultuurkapitali*, a cultural endowment fund under the Ministry of Culture which provides grants for a range of social and cultural purposes. *Eesti Kultuurkapitali* is financed principally by the proceeds of excise duties on alcohol and tobacco and a tax on gambling which are channelled to the fund by the Ministry of Culture. EEK 18.8 million / EUR 1.2 million was allocated in 2009 for production (for shorts, feature, documentary and animation films) and support for distribution, festivals, training and scholarships, research and other activities was also provided. The third public source of finance is the Ministry of Culture, which provides support for distribution, festivals and film cultural events.

ES – Spain

The *Instituto de la Cinematografía y de las Artes Audiovisuales* (ICAA) is the national film and audiovisual agency for Spain, and is an autonomous body overseen by the Ministry of Culture and based in Madrid. Entirely financed from the state budget, the ICAA is responsible for regulation, policy making, promotion and support of

the Spanish film industry and the audiovisual production branch. Its wide brief expands beyond the support of the creation of works to include safeguarding and facilitating access to Spanish film heritage¹², professional training, international affairs and co-operation with the Spanish Autonomous Communities in the domains of film and media. The ICAA has also put in place measures to ease access to credit for Spanish production companies, notably by means of a convention with the state credit institution, the ICO, and participation in the mutual guarantee fund, Audiovisual SGR. The full 2011 budget for the ICAA is approximately EUR 106.6 million, of which around EUR 76.7 million is earmarked for the *Fondo de Protección a la Cinematografía*, the ICAA's support fund. An amount of EUR 9.2 million is to be delegated in the same year to the Autonomous Communities for the support of cinematography and cultural diversity in the co-official languages.¹³ The action of the ICAA is complemented by legal requirements upon television broadcasters to invest in production, though this principle is currently the object of a constitutional challenge¹⁴, and by fiscal incentives available for production.¹⁵

FI – Finland

Two principle funds operate at the national level in Finland. The central film agency is the *Suomen elokuvaseuratiö* (SES), which is an independent foundation supervised by the Ministry of Education and Culture. The SES is currently entirely financed by the Ministry using lottery and pools funds, though a contribution from national broadcaster YLE was provided up to 2007. Its action is based on the 2000 Act on the Promotion of Film Art and includes support for production, distribution, exhibition and film culture. Through a special contract with the Ministry, support is provided for international film festivals taking place in Finland and the SES is also responsible for promoting Finnish films abroad. In common with other Nordic film agencies, the SES pays special attention to films for children and young people, receiving an earmarked annual allocation from the Ministry for this purpose (EUR 692 000 in 2009). A series of additional appropriations from the Ministry have also allowed the SES to intervene in a number of other areas, most notably in digital cinema, initially in digital distribution and preparatory actions for cinema conversion, and in conversion to digital cinema since 2009. The second fund operating in Finland is the *Audiovisuaalisen kulttuurin edistämiskeskus* (AVEK), a fund for the promotion of audiovisual culture which was established in 1987 by the Finnish copyright organization *Kopiosto*. The majority of the funds that AVEK distributes originate from a private copying levy, that is from blank video cassettes and blank DVDs. Script-writing, project development and production for film, television and multimedia as well as promotion, training and festivals are supported. A specific AVEK project, DigiDemo, funded by the Ministry of Culture, supports

12) The ICAA is responsible for the *Filmoteca española*.

13) According to information provided to the Culture Committee of the Spanish Senate by the Director of the ICAA in April 2011.

See *Diario de sesiones del Senado – Comisión de Cultura*, RA Núm. 506 12 de abril de 2011.

14) See 'Supreme Court Declares Law Obliging TV Stations to Earmark Revenue for Cinema Industry Unconstitutional', *IRIS Newsletter*, 2010-2:1/15

15) See Focus 4 in Chapter 3 for further information on this.

the development of culturally creative digital content for internet, mobile and other platforms, focusing on development and pre-production.

FR – France

The central agency for film and the moving image in France is the *Centre national du cinéma et de l'image animée* (CNC)¹⁶, one of the oldest and certainly the largest funding agency in this domain in Europe. Founded by law in 1946, the CNC is a government agency (*'établissement public administratif'*), under the supervision of the Ministry of Culture and Communications, charged with regulation, support for the film, television, video, multimedia and technical industries, promotion of film and television for distribution to all audiences and preservation and development of the national film heritage. The activities of the CNC are financed by a redistributive system of taxes on the users of audiovisual content (taxes on cinema tickets, on the turnover of editors and distributors of television services, taxes on sales and rental of DVDs and on video-on-demand services), plus occasional contributions from the budget of the Ministry of Culture and repayments made to the fund.

Many of the activities of the film industry in France are regulated by the *Code du cinéma*, a legal framework dating back to 1956. This framework was substantially modernised and a new *Code* promulgated in July 2009. Among other dispositions, the new *Code* recognised the wider involvement of the CNC in the sector, going beyond film to audiovisual production, video and multimedia, including video games. Another important modification intervening in 2009 was the suppression of the special account through which the tax receipts accruing to the CNC previously transited. These are now allocated directly to the *Centre*, allowing for increased flexibility in the management of the support fund, known as the *Fonds de soutien*. The CNC supports and/or intervenes in almost all aspects of the moving image industries in France and co-operates actively with regional and local authorities to support and encourage production, media education, film culture and exhibition. Co-operation with other public or semi-public institutions on a national level is also regular, for example with the *Institut pour le financement du cinéma et des industries culturelles* (IFCIC) for a series of credit guarantee funds or with *Oséo*, a public-sector institution supporting SMEs, for the funding of the *Recherche et Innovation en Audiovisuel et Multimédia* (RIAM) programme for innovative SMEs in the sector. Other jointly run funds include the *Images de la diversité*, managed with the *Agence nationale pour la cohésion sociale et l'égalité des chances* (support for projects portraying diversity and promoting equal opportunities) and the *Fonds Sud Cinéma*, managed by the CNC and funded up to end 2011 by the *Ministère des affaires étrangères et européennes* (Ministry for Foreign Affairs – MAEE). During part of the period covered by this report, the MAEE also funded a number of other initiatives intended to support

film and television production (*Fonds Images Afrique*), training, festivals and the digitisation of film material in sub-Saharan Africa.

GB – United Kingdom

During the reference period for this report (2005 to 2009) the principle national agency for film in the United Kingdom was the UK Film Council. Established in 2000, the UK Film Council took over the distribution of lottery funding for film and related activities previously organised through the Arts Council of England. Further funding for the agency's activities was provided through grants made from the state budget via the Department for Culture, Media and Sport (DCMS). As well as funding development, production, distribution, exhibition, festivals and the export of feature films, the UK Film Council also worked with and provided funding to a number of different partners across the UK. These included the regional and national screen agencies, the British Film Institute (BFI), training organisation Skillset and education and media literacy initiatives First Light and FilmClub. In July 2010 the Culture Secretary announced the closure of the UK Film Council as part of a governmental cost-cutting drive and the institution closed its doors in March 2011. From 1 April 2011 the British Film Institute became the lead agency for film in the UK and took over most of the core functions of the UK Film Council, including the distribution of Lottery funding. One important function, the promotion of the UK as a location for major shoots (inward investment), was taken over by regional agency Film London. Most of the priorities for funding laid down in the strategy document developed at the UK Film Council¹⁷ before its closure will continue to be implemented by the BFI up until 2013, and during 2011 a consultation process about future policy priorities and about how lottery and grant-in-aid funding should be spent will be undertaken by the DCMS and the BFI. Though the BFI has actually increased the amount of Lottery funding available for film from GBP 15 million / EUR 17 million to GBP 18 million / EUR 20.4 million in 2011/2012, the amount of grant-in-aid funding available to the UK Film Council was cut by 50% before its transfer to the BFI. Among the funding lines which have not survived the transfer to the BFI are support for film export (International Festivals Fund: Sales Support) and support for special projects linked to diversity, as well as the GBP 5 million / EUR 5.7 million Innovation Fund announced in the three-year strategy document. The BFI will continue to provide lottery and grant-in-aid funding to the English regions and will develop a new strategy for film with regional partners including Creative England, a new body that unites the English regional screen agencies outside London. Funding has also been agreed with the agencies in the devolved Nations (Northern Ireland, Scotland and Wales). The changes have no impact on the film tax relief system, which continues to operate, though the certification unit for films (as qualifying for relief) is now based at the BFI.

16) In 2009 the *Centre national de la cinématographie* became the *Centre national du cinéma et de l'image animée*.

17) 'UK Film: Digital innovation and creative excellence, April 2010-March 2013', UK Film Council three-year strategic plan, available here: <http://www.ukfilmcouncil.org.uk/operationalpriorities>.

GR – Greece

The sole national agency for film in Greece is the Greek Film Centre (GFC), whose statute was modified in a new law on cinematography which was passed in Parliament in December 2010. Previously a public company, the GFC is now a not-for-profit entity under private law under the supervision of the Minister for Culture and Tourism and has a nominated rather than an elected Board of Directors. The principle activity of the GFC is support for production with special emphasis on new directors and a dedicated documentary support scheme in collaboration with public broadcaster ERT. The Centre also supports festivals and prizes and awards, as well as distribution, promotion and film culture through an associated structure, *Hellas Film*. The Centre is financed by appropriations from the Ministry of Culture as well as by part of the proceeds of a cinema ticket tax.

HR – Croatia

One of Europe's more recent film agencies, the *Hrvatski audiovizualni centar* (HAVC) was established in 2008 following the passage of a new Law on Audiovisual Activities in July 2007. The HAVC replaced the former funding programmes run directly by the Ministry of Culture and has overall responsibility for the film industry in Croatia, hence its wide remit, ranging from film and television production to exhibition, from promotion to support for the national film archives. The agency is funded both by the State budget and through mandatory contributions from all users of audiovisual content, though in practice this has proved difficult to implement, with only the public service broadcaster fulfilling its obligations in 2009. Finally, the HAVC will administer a new tax incentive scheme for productions shooting in Croatia, which will go into operation in January 2012.

HU – Hungary

During the period covered by this report, 2005 to 2009, the central public funding body in Hungary was the *Magyar Mozgóképek Közalapítvány* (The Hungarian Motion Picture Public Foundation - MMKA), funded by the State through the Ministry of Education and Culture (subsequently the Ministry of National Resources) and supporting production in all genres, distribution, promotion, training and film culture with activity commitments of over HUF 5 billion / EUR 18 million in 2009.¹⁸ In 2010, national budgetary restrictions led to dramatic cutbacks in the budget of the MMKA and the fund was unable to meet its funding commitments for the year. Following a further cut in income for the year 2011 and refusal by the Minister to sign the annual contract with the fund, the MMKA was officially closed in May 2011.¹⁹ A new fund, the Hungarian National Film Fund, was established in June 2011 to provide

support for production and to take up at least part of the MMKA's debts. The future of support for distribution, exhibition, promotion and other film cultural activities is currently uncertain, though it is hoped that the Ministry of National Resources might undertake these responsibilities directly. Other national bodies which provided funding during the period covered by this report included the *Magyar Történelmi Film Alapítvány* (Hungarian Historical Motion Picture Foundation - MTFA), the *Nemzeti Kulturális Alap* (NKA) which is the national cultural fund, and a fund run by the national TV regulatory authority, the NMHH (previously the ORTT). Neither the MTFA nor the regulatory authority fund appears to have provided any support for film production from 2009 onwards. A distinct body, the *Kulturális Örökségvédelmi Hivatal Filmiroda* (previously the *Nemzeti Filmiroda* or National Film Office) administers the film production tax incentive system.

IE – Ireland

Three organisations provide public funding for the film industry in Ireland, each with a different remit. The central agency for film is *Bord Scannán na hÉireann* / The Irish Film Board (BSE/IFB) which operates under the aegis of the Department of Arts, Heritage and the *Gaeltacht*. The BSE/IFB is financed principally by a grant from the state budget, supplemented by contributions from other parties and recoupment of investments made in production. In a prevailing climate of austerity, government funding to the agency shrank in both 2009 and 2010, but showed a much smaller drop in 2011. The BSE/IFB currently focuses on supporting project development and production of features, documentaries, animation and short films and support for distribution. Other activity spend includes festivals, exhibition, training (a delegation to Screen Training Ireland), promotion of Irish film abroad and a contribution to the Irish Film Archive in 2009. The BSE/IFB also acts as a national film commission, attracting foreign production to Ireland. A second source of public funding in Ireland is *An Chomhairle Ealaíon* / the Arts Council of Ireland. Funding here is specifically culturally-oriented and includes support for festivals, scholarships, film cultural activities and research. A joint activity with the BSE/IFB is the Cultural Cinemas Consortium, which provides funding for art house cinemas, including for their conversion to digital projection. Finally the national regulatory authority, the Broadcasting Authority of Ireland (BAI), used during the period covered by this report a 5% levy on license fee proceeds to fund production through its Sound & Vision scheme.²⁰

IS – Iceland

The unique national agency in Iceland is the *Kvikmyndamiðstöðvar Íslands* or Icelandic Film Centre, which administers the Icelandic Film Fund. Established

18) The MMKA was also the owner of the following three companies: Magyar Filmunió (international promotion of Hungarian films); MAFILM Company (studio facility); Hungarian Filmlaboratories Ltd.

19) 'Government Decision Closes MMK', *Film New Europe*, web edition of 23 June 2011.

20) Following the passage of the Broadcasting Act 2009, a new version of the scheme, Sound & Vision II, went into operation in 2010. During the reference period for this report, the BAI was called the Broadcasting Commission of Ireland.

in 2003, the Centre comes under the responsibility of the Minister for Culture and both the Centre and Film Fund are entirely financed by appropriations from the Ministry. The role of the Icelandic Film Centre is to fund Icelandic films and promote them abroad, as well as to nurture local film culture by supporting festivals, seminars and workshops. Feature film, TV fiction, documentaries and short films are supported for development and production. Film Centre income rose each year between 2005 and 2009 but was cut back in 2010 by 22%. A second source of funding for productions shooting in Iceland is the 20% cash rebate provided by the Ministry of Industry for Icelandic-registered production companies.

IT – Italy

Film industry support at the national level is provided in Italy through the *Ministero per i Beni e le Attività Culturali - Direzione Generale per il Cinema* (DG Cinema). The support activities of the DG Cinema are financed by a share of the *Fondo Unico per lo Spettacolo (FUS)*, a state-financed fund for the performing arts. EUR 69.7 million or 18.5% of the total fund was allocated to film industry support in 2009. The budget for the FUS and its attribution are voted yearly and can

thus show significant fluctuations. After four years of growth between 2005 and 2008, the amount allocated to cinema from the FUS fell back by 23% in 2009, only to grow once more in 2010. A further steep decline was initially announced for 2011, but this decision was finally reversed and the FUS returned to 2010 levels. Revenue from the FUS is complemented by income from other sources, including lottery funds which are generally earmarked for allocation to specific organisations or events, such as the *Biennale di Venezia*. DG Cinema intervention covers a wide range of activities, from direct and indirect support for production of features and shorts, with specific support for first and second features, exhibition (including a specific line for art house cinemas), promotion both within and without Italy and film cultural measures. The DG Cinema also provides funding to *Cinecittà Holding Spa*, the *Centro Sperimentale di Cinematografia* and, as mentioned, the Venice film festival. The recent decline in resources available to the DG Cinema have been partially compensated by the system of tax incentives for production, distribution and exhibition introduced in 2008 and recently prolonged until December 2013. These tax measures are financed by the proceeds of an increase in the excise duties on petrol.²¹

21) During a brief period in 2011 the tax measures were to be financed by a EUR 1 tax on cinema tickets. This was suppressed and replaced with the current measure by *Decreto legge 34 del 2011*.

FOCUS 9 Co-development funds and other related initiatives

In addition to the web of bilateral co-production treaties signed between European countries and the European Convention on Cinematographic Co-production, to which 38 European countries are currently party, recent years have seen the creation of a new generation of international and inter-regional agreements related to project development. These agreements operate alongside the many international co-production forums which have been established at film festivals and markets across Europe. This Focus section provides additional information on agreements of this type which include specific funding as well as on a number of related initiatives.

German - Polish Co-development Fund

The parties to this agreement, which held its first funding round in 2006, are:

- DE - *Medienboard Berlin-Brandenburg*
- DE - *Mitteldeutsche Medienförderung (MDM)*
- PL - *Polski Instytut Sztuki Filmowej (PISF)*

The objective of the fund is to increase co-operation between producers from Poland and from the two German regions involved by allowing producers to work together from the development stage. The fund provides selective development support for theatrical feature fiction and animation projects as well as for creative documentaries, where the projects are potentially of interest to audiences in both Germany and Poland, as well as in Europe more generally. The maximum amount of funding per project is EUR 60 000, not exceeding 70% of the total development costs and the total amount available annually in the fund is not more than EUR 150 000. Two projects were supported for a total of EUR 55 000 in 2011.

German -Turkish Co-production Development Fund

Announced in Berlin in February 2011, the parties to the agreement are:

- DE - *Medienboard Berlin-Brandenburg*
- DE - *Filmförderung Hamburg Schleswig-Holstein*
- TR - *Ministry of Culture and Tourism*
- TR - *Istanbul International Film Festival: "Meetings on the Bridge" co-production market*

Under the terms of this agreement, co-productions involving Turkish producers and German producers based in the relevant regions can apply for interest-free loans of up to 80% of total development costs. A total of EUR 150 000 will be available annually for fiction and documentary theatrical features and, exceptionally, transmedia and television productions. The first round was held in March 2011 and the results announced in the context of the “Meetings on the Bridge” in April 2011. The next round will be in November 2011.

German-Russian Co-development Fund

Signed at the Moscow Co-production Forum in June 2011, the parties to this agreement are:

DE - Filmförderungsanstalt (FFA)

DE - Medienboard Berlin-Brandenburg

DE - Mitteldeutsche Medienförderung (MDM)

RU - Federal Cinema Fund

This fund aims to foster co-production between the countries by allowing producers to collaborate from the development stage and projects should have potential on German, Russian and international markets. The total annual amount available is EUR 150 000, funded by the FFA and the Russian Federal Cinema Fund with EUR 50 000 each and by the two German *Länder* funds with EUR 25 000 each. This is the first co-development initiative with which the FFA has been involved. The first round will take place in November 2011. The fund derives in part from the work of an association entitled the “Friends of the German-Russian Film Academy” founded in 2009 to work on closer co-operation between the two film industries, in particular a long-gestating German-Russian co-production treaty, and modeled on the French-German Film Academy.²²

Austria-Latvia and Austria-Luxembourg Co-financing Agreements

In the absence of a bilateral co-production treaty between the two countries, the *Österreichisches Filminstitut* (ÖFI) and the Latvian *Nacionālais Kino centrs* signed a co-funding agreement in 2006. This agreement allows financial co-productions (that is, one of the producing partners provides a purely financial contribution to the co-production, with no or reduced artistic and technical input) between the two countries, under conditions of reciprocity, and a maximum of EUR 250 000 per project can be granted by the two institutions in these circumstances. An agreement on relations in the audiovisual sector has also been signed between the governments of Austria and the Grand Duchy of Luxembourg, which includes provisions concerning film co-production.

Austrian-German-Swiss Trilateral Agreement on Co-operation in the Film Sector

Signed in February 2011, this trilateral agreement between the representatives of the Austrian, German and Swiss governments replaces the previous bilateral agreements signed between the countries. Covering economic and cultural co-operation in the film industry, the agreement lays down the rules governing bi- and trilateral co-production of theatrical features and nominates the authorities responsible for the granting of national status for the films concerned.

Fonds francophone d'aide au développement at the Festival international du film francophone de Namur

Two examples of film festivals which have created funds for development with an international dimension are the *Festival international du film francophone de Namur* (Belgium) and the *Festival international du film d'Amiens* (France). The Amiens fund for scriptwriting, principally for films from outside Europe, is discussed in Chapter 5 of this report. The *Fonds francophone d'aide au développement* at the Namur festival is co-financed by the *Société de Développement des Entreprises Culturelles du Québec* (SODEC), *Téléfilm Canada*, the *Centre du Cinéma et de l'Audiovisuel* of the French-speaking Community of Belgium, the *Film Fund Luxembourg* and the French CNC, and is organised in collaboration with the Swiss BAK/OFC/UFC. The fund supports the development of French-language feature film projects which involve a Canadian producer and a producer from one or more of Belgium, France, Luxembourg or Switzerland. The project must be intended to be an international co-production and preferably must already have received support for scriptwriting from one of the partner funds. Up to 50% of eligible development costs can be covered, up to a maximum of EUR 40 000 per project, in the form of a non-repayable subsidy.

²² According to press reports an agreement on co-operation in the audiovisual field was signed at intergovernmental consultation meetings in July 2011: ‘Boost for Closer Collaboration in Cinema Between Germany and Russia’, *Kino – German Film & International Reports*, web article of 25 July 2011 at <http://www.kino-germanfilm.de/?p=1186>

Other initiatives of interest

In June 2008 *Bord Scannán na hÉireann* / The Irish Film Board (BSE/IFB) and the German *Filmstiftung NRW* signed a two-year agreement intended to foster co-productions between producers from the respective territories. A similar agreement intended to foster co-production of fiction features was signed between the Dutch *Nederlands Filmfonds* and the Belgian *Vlaams Audiovisueel Fonds* (VAF) in June 2011. Such an agreement also exists between the VAF and its French-speaking Community counterpart, the *Centre du cinéma et de l'audiovisuel*, concerning feature films and documentaries for television. The *Academie franco-allemande du cinéma* is probably the oldest initiative of this type, dating from 2000, and with a triple action: funding of co-production using a joint fund commonly called the mini-treaty, a joint training initiative entitled *l'Atelier-Masterclass Ludwigsburg/Paris* and an annual forum for discussion and dialogue, *les Rendez-vous franco-allemands du cinéma*.

LT – Lithuania

There is no dedicated film agency in Lithuania, but two different funds operate at the national level, both based at the Ministry of Culture. The main support strand is principally funded by the Ministry of Culture from the state budget with a smaller contribution from the *Nacionalinio kino rėmimo programa* - the national cinema support programme (itself financed by collecting society income). This support strand covers production and promotion, with support for training coming from another Ministry budget line. Income for the main strand fell back 12% between 2008 and 2009, and a new film law, which was in preparation, was indefinitely postponed. The second fund is the *Kultūros rėmimo fondas*, a fund supporting culture and sport, also administered by the Ministry of Culture, and financed from the proceeds of taxes on lotteries, gambling, alcohol and tobacco. Apart from production, the fund supports training, festivals, film cultural activities and education and media literacy. Specific types of media-related cultural and educational activities can also be supported through the *Spaudos, radijo ir televizijos rėmimo fondas*, a media support foundation established in 1996.²³

LU – Luxembourg

Two institutions exist in Luxembourg. The first, the *Centre national de l'audiovisuel* (CNA), was established in 1989 and has for mission the preservation, conservation, presentation and promotion of the national audiovisual heritage. To that end the CNA is involved in production, distribution, conservation and education and runs a mediatheque and a specialised library. Though the CNA does not provide direct funding, with the exception of scholarships for graduation films, it does become involved in the production of documentary films relevant to the national heritage. The specialised funding institution is the *Fonds national de soutien à la production audiovisuelle*, generally known as the Film Fund Luxembourg. The fund comes under the joint supervision of Ministers responsible for culture and the audiovisual sector and implements the governmental support policy for the sector. Apart from offering two different support mechanisms for audio-

visual productions (the Audiovisual Investment Certificate Program and the National Audiovisual Production Support), the Fund is also responsible for promoting the Luxembourg sector, developing international co-production agreements and delivering certificates on the nationality of works.

LV – Latvia

Two funding institutions provide support for film in Latvia. The central agency is the *Nacionālais Kino centrs* (NFC), which is a state institution under the supervision of the Ministry of Culture, responsible for implementing national policy as regards the film industry. The aims and scope of activity of the NFC were clarified in a Film Law adopted in 2010, the first comprehensive legal act to govern the film industry, production and regulation in Latvia.²⁴ The NFC's main tasks are to grant and supervise public financing for film projects, to promote Latvian films, to maintain the registry of film producers and to supervise compliance with film classification. Entirely financed from the state budget, NFC income rose sharply in 2008, but was cut by almost 50% in 2009 and suffered a further 42% reduction in 2010. The second funding institution is the *Valsts Kultūrkapitāla fonds* (KKF), the national cultural fund, which is financed by the Ministry of Culture and in the audiovisual domain supports production, distribution, film cultural activities and training. The KKF has also seen its budget shrink sharply in 2009 and 2010.

MK – “The former Yugoslav Republic of Macedonia”

The principle funding institution in “The former Yugoslav Republic of Macedonia” is the Macedonian Film Fund, established by a specific law in 2006 and operational in 2008, replacing a funding line formerly run by the regulatory authority, the National Broadcasting Council. The Film Fund is financed by the Ministry of Culture and saw its budget increase by 5% in 2010. The fund supports development, production, distribution and film cultural activities and particularly encourages international co-productions.

23) Fund is not covered in this report.

24) See ‘LV – New Film Law’, *IRIS Newsletter*, IRIS 2010-7:Extra, available at <http://merlin.obs.coe.int/iris/2010/7/article101.en.html>

NL – The Netherlands

Three principle public funds operate at the national level in the Netherlands. The lead agency for film is the *Nederlands fonds voor de film*, known since June 2011 as the *Nederlands Filmfonds* (NFF). The NFF's remit covers participation in development, production, distribution and marketing and, more generally, the promotion of a good climate for the national film industry. It operates under the aegis of the Ministry of Education, Culture and Science and receives most of its funds from the Ministry on the basis of four-year policy plans, called *Cultuurnota*. The organisation of the NFF's funding programmes was streamlined in 2011: support is now organised around three poles – development, production and distribution – plus a further support line for film activities covering festivals, exhibition and others. Responsibility for the promotion of Dutch film abroad lies with the EYE Institute, established in 2010 and which has absorbed previous promotional body, Holland Film. The EYE Institute has also piloted the national strategy for digital conversion of cinemas. The second funding body is the *Stichting Coproductiefonds Binnenlandse Omroep* (CoBO-fonds), which is a fund established by national broadcasters to support co-production of film and television works. The fund is financed principally by broadcasting fees for performance rights paid by Belgian and German cable operators for the simultaneous retransmission of Dutch channels in their own regions but also receives a grant from the Ministry of Culture for the CoBO-Extra support line.

The third body is the *Mediafonds*, previously known as the STIFO fund, which is a cultural broadcasting fund providing support for the production of high-quality works by national and regional public broadcasters. The fund also supports new media production and games. It is financed annually by the Ministry of Culture with an amount that is equal to one-sixteenth of the total revenues of the STER, the central advertising sales agency for public service broadcasters. Finally, the Dutch Ministry of Culture also provides support for some film-related activities and organisations. In addition, the Tuschinski Fund, established in 2009, is jointly financed by the national associations of film exhibitors and distributors, and provides automatic support based on cinema box office for the producers of Dutch films.

NO – Norway

Three national level funding bodies exist in Norway. The lead agency is the *Norsk filminstitutt* (NFI), which took its current shape in 2008 following the merger of a number of existing bodies, including the *Norsk filmfonds*. The NFI is a state agency under the supervision of the Ministry of Culture and is responsible for implementing governmental policy for the film sector, including support for development and production, distribution, promotion, preservation and communication of the national film heritage and promotion of Norway as a filming location. Principally financed from state funds by the Ministry of Culture, the NFI also generates revenue

through its operation of the national cinematheque and repayments of support, together with a grant income from broadcaster TV2 (not provided in 2010).

The second national body is the industry umbrella organisation *Film og Kino*, which is both an association of Norwegian municipalities (most cinemas in Norway are owned by local authorities) and a trade association for the film and video branch. *Film og Kino* manages the *Norsk kino og filmfond* (NKFF), which is financed by taxes on both cinema tickets and DVD sales. The NKFF supports distribution (with special emphasis on quality children's films) for film and video, festivals and exhibition. This fund has also been drawn upon to finance the complete conversion of all Norway's cinemas to digital projection, a project which was completed in summer 2011. The third national funding body is the *Fond for Lyd og Bilde* which supports the production of shorts, documentaries and artists films, as well as distribution. The fund is financed annually by the Ministry of Culture with an amount that is an estimated collective compensation for legal copying.

PL – Poland

The central film agency in Poland is the *Polski Instytut Sztuki Filmowej* (PISF), established in 2005 on the foot of a new law on cinematography and which took over the tasks of three existing public film institutions – *Agencja Scenariuszowa*, *Agencja Produkcji Filmowej* and promotional body *Film Polski - Agencja Promocji*. The PISF is a state legal person, under the supervision of the Ministry of Culture and National Heritage, and is financed by taxes on cinema exhibition, distributors, broadcasters, digital platform operators and cable television operators as well as state subsidies and own revenue. In common with the French CNC, the PISF perceives its tax revenues directly. It intervenes in all phases of production and supports distribution, exhibition, promotion, training and media literacy as well as being charged with supporting the upkeep of film archives. The PISF attaches particular importance to international co-production²⁵ and has actively encouraged the creation of regional funds and film commissions in Poland.

PT – Portugal

The Instituto do Cinema e do Audiovisual (ICA) is the Portuguese national film agency, and took its present form in 2007, following the restructuring of an older agency. The agency is principally financed from the proceeds of an exhibition tax on advertising, covering broadcast and cinema advertising, as well as advertising carried on electronic programming guides, teletext and other supports. A further source of income was a protocol covering the years 2006 to 2009 signed with public broadcaster RTP. These revenues are occasionally bolstered by transfers from the state budget, as was the case in 2009, when proceeds from the tax shrank back by 14% compared to 2008. This difficult financial situation persisted into 2010, when further shrinkage in

25) See for example the German-Polish Co-development Fund described in Focus 9.

tax revenues and state transfers reduced the income available once more. The majority of the ICA's support budget is consecrated to production, but festivals, distribution, promotion, training and commercial and alternative exhibition circuits are also supported.

The second fund in Portugal is an innovative investment fund called the *Fundo de Investimento para o Cinema e Audiovisual (FICA)*, which was established in 2007. FICA invests in the production of film, audiovisual and multiplatform works either directly or indirectly by investing in companies. The fund is financed by capital subscriptions from its participants, currently five: the Portuguese state via ERDF-supported investment fund FINOVA, ZON Multimédia and broadcasters SIC, TVI and RTP. During 2009 and 2010 the activity of the fund was somewhat perturbed by a change in participants followed by the arrival of a new management company, but activity is expected to return to normal in 2011.

RO – Romania

The central agency for the support and promotion of film in Romania is the *Centrul National al Cinematografiei (CNC)*, an autonomous administrative body supervised by the Ministry of Culture, Religious Affairs and National Heritage. The CNC devotes most of its resources to supporting production but also has smaller support lines for promotion and distribution, as well as working to promote Romanian film outside the country. In recent years the CNC has had EUR 7 to 8 million available annually to support production. In 2009 however, no production support was awarded, as EU approval on the current funding scheme had expired and the new scheme had not yet been notified. Funding resumed in 2010. The newly approved scheme runs from 2010 to 2014 and has a total budget of RON 347 million / EUR 80.7 million with RON 62 million / EUR 14.3 million available in the first year. Support takes the form of interest-free reimbursable loans and non-reimbursable grants for production, and access to support is via a cultural test similar to the UK model.²⁶

RU – Russian Federation

The Russian Ministry of Culture plays a pivotal role in regulating, financing and structuring the film industry in the Russian Federation. The relevant operational unit is the Cinema Department, which is responsible for national feature film production and distribution, non-feature and animation national film production and distribution, domestic film events and festival support, the State Registry and research. Between 2004 and 2008 a Federal Agency for Culture and Cinema existed, but this was merged into the Ministry of Culture in 2008. State financing of cinema from the federal budget is of two principle types: from the Federal Target Programme entitled 'Culture of Russia 2006 to 2011' or from the budget line for state support of culture, cinema and mass media. During the period 2006 to 2009 resources were focused on financing specific genres of films, often up to 100% of their budget. In 2009 the system

of state support in the field of production and distribution of national films underwent significant changes, in particular through the recreation of a Federal Fund for Social and Economic Support to National Cinematography (the Cinema Fund). From 2010 onwards the Ministry of Culture has provided subsidies to companies producing and distributing works for children and young people, for debut, independent and experimental national films and for the production of newsreels, documentary, educational and animated national films. The Cinema Fund concentrates on financing slates of films produced by a selected group of 8 major film companies, on support for socially significant features and feature animation, again in the form of subsidies, as well as on supporting co-production.²⁷ In parallel the Federal Target Programme and the State support system continue to finance production in all genres using a tender mechanism with lots on predetermined subjects.

SE – Sweden

The pivotal agency for film in Sweden is the *Svenska Filminstitutet (SFI)*, a foundation established in 1963 with across-the-board responsibility for all aspects of film in Sweden. The SFI has three primary tasks: to support the production of new film, to support the distribution and screening of valuable film and of Swedish film around the world, and to preserve and render accessible Sweden's film heritage. Its activities are financed in two ways. Production and screening of new Swedish films are supported with funds made available through the *Filmavtal*, a film agreement that is renegotiated every five years. The primary source of finance for the film agreement is the state (around 50%) and a cinema ticket tax, plus contributions from broadcasters. Other activities, such as the cinematheque, the exceptionally rich film archive, the import of quality films and film education for schools, are supported using funds provided by the Ministry of Culture. In 2010 an existing cinema modernisation programme was opened to support for digitisation of cinemas and an exceptional appropriation of SEK 60 million / EUR 6.6 million has been made available by the government for use over a four-year period. In parallel negotiations are currently underway for the preparation of a new film agreement, which should be put in place in 2013. In common with other Nordic institutes, the SFI has a special line of funding for films for children and young people and pays particular attention to gender balance in all aspects of its work.

SI – Slovenia

The sole national agency for film in Slovenia is the *Slovenski filmski center (SFC)*, which went into operation in January 2011 and is the successor of the *Filmski Sklad Republike Slovenije*, originally established in 1994. The SFC is a public agency whose remit, financing and missions were laid down in a specific law passed in 2010.²⁸ Financed principally by the Ministry

²⁶ See decision - State Aid N 303/10

²⁷ Also supported by the Ministry of Culture. The Russian Federation became a member of the Eurimages co-production fund in March 2011.

of Culture, the agency also has a small amount of own revenues. The act established the SFC as a modern and transparent agency, whose principle task is to support the development and production of Slovenian films. In particular the rules for support were modified to conform with EU requirements, notably by reducing the permissible support intensity to 50%.²⁸ The total income of the SFC in 2010 was EUR 4.7 million, up from EUR 4.4 million in 2009. A more substantial boost was given to income for 2011, which is announced as EUR 7.2 million.

SK – Slovak Republic

Up to the end of 2009, the main source of support for the film industry in the Slovak Republic was the Ministry of Culture's *AudioVízia* programme. In the last year of its operation, the programme allocated support worth EUR 4.2 million for development, production, distribution, festivals, events, education and publishing. Alongside the *AudioVízia* programme the Ministry of Culture also manages and funds the Slovak Film Institute, responsible for the national audiovisual archive, and the Audiovisual Information Centre. At the end of 2009, the *AudioVízia* programme ceased functioning and its activities were taken over by a new film agency, the *Audiovizuálny fond* (AVF), created by a new Act on the Audiovisual Fund passed in 2008.³⁰ The creation of the AVF as a self-governing agency distinct from the Ministry of Culture represented a new departure in policy towards the film and audiovisual sector. The fund is financed by a combination of state subsidies and

obligatory contributions by users of audiovisual content (broadcasters, exhibitors, distributors and retransmission providers) and is intended to support all phases of the value chain. The majority of the fund's resources are consecrated to development and production, but distribution, promotion, festivals, film events, education, training and cinema digitisation are also supported. More than EUR 6.9 million was distributed in funding in 2010, a 65% increase on the amount distributed by the *AudioVízia* programme in 2009. A second smaller national fund, the *Literárny fond*, provides support for scriptwriting through its Cinema and Audiovisual Section.

TR – Turkey

Support and encouragement of the Turkish film industry are the responsibility of the Turkish Ministry for Culture and Tourism and specifically of its General Directorate of Copyright and Film. Since 1990 the Ministry provides support for script development (a subsidy), for production (direct or indirect support) and for post-production (here meaning distribution, promotion and exhibition of films). Feature films, short films, documentaries and animation are supported. The Ministry also provides a separate line of discretionary support for film events and film culture, notably festivals, as well as support for the creation of cinemas in rural areas which have no access to film since 2008.

28) *Zakon o Slovenskem Filmskem centru, javni agenciji Republike Slovenije, 77/2010*

29) In the past the SFC had supported up to 100% of production costs, notably by the provision of in-kind support.

30) *Zákon č. 516/2008 Z. z. o Audiovizuálnom fonde a o zmene a doplnení niektorých zákonov*

FOCUS 10 Bank and credit institutions working with the film industry in Europe

This Focus section is based on the final version of a report prepared by the Peacefulfish consultancy for the European Commission, entitled "Study on the Role of Banks in the European Film Industry".³¹

The majority of film banking and credit institutions in Europe providing dedicated services to the film and television production sectors are based in France, Germany, Italy, Spain or the United Kingdom. The Peacefulfish study identifies five main types of film banking service provided by financial institutions in Europe:

1. **Interim Finance**, or contract discounting, is the process whereby a financial institution cashflows a production, normally after 100% of the financing agreements are signed. Typically, lenders tend to cashflow contracts issued by companies or government agencies of whom they have prior experience, or that have an excellent reputation in the industry. This is one of the most common financial products for the film industry, offered by more than half of the institutions included in the study.
2. **Tax-Incentive Financing** – whether of tax shelters, credits, rebates, or other schemes – is perhaps the most common financial service provided by film banking institutions. Over 25% of the financial institutions included in the study report their main activity to be tax-incentive financing, while over 75% provide some form of tax-incentive lending. Depending on its structure, a tax incentive can provide immediate profit as well as function as a type of guaranteed finance. The evaluation process on the part of the lender is similar to that of the interim financing evaluation process, with the tax credit or rebate being treated as a type of financing agreement secured against the tax law of the nation or state that offers the incentive.

31) The entire study can be consulted here: http://ec.europa.eu/culture/media/programme/overview/evaluation/studies/index_en.htm

3. **Gap Financing** is a loan secured against the unsold foreign territories of a production, and is one of the more risky and therefore more expensive financial services provided by lenders. The evaluation process involves a considerable administrative and legal cost and in addition requires multiple guarantees, which in some cases must amount to at least 200% of the gap portion of the production finance. As with interim finance, a previous working relationship with the producers or sales agent is preferred when accepting a gap loan.
4. **Working Capital**, or corporate finance is difficult to secure for many European production companies, due to lack of assets on the part of the company. Most European companies produce only one film every two years, and when they do the film is often lodged in a single-purpose company. Corporate finance is therefore typically available to sales agents, distributors and TV production companies – companies that often have a steady flow of deals over a period of time recorded on their balance sheets and, for TV producers, have a working relationship with a broadcaster.
5. **Bank Guarantees** are a common service offered by financial institutions to mitigate the risk involved in a transaction. This system provides a guarantee on a bank loan made to a production company in order to cashflow production and is common in international production when a foreign production company requires the services of a local bank to cashflow production in that country. The local bank may ask the foreign production company's main bank to guarantee all or part of the loan.

Of specific interest in the context of this report on public funding are a number of public and public / private institutions which offer financial services to the sector in the large Western European markets.

DE – Germany

Apart from private sector film banking, Germany benefits from a system of public guarantee banks providing default guarantees for small and medium-sized enterprises (SMEs). Each *Land* has such a bank and any SME based in the *Land* may avail of a guarantee on a loan contracted with a retail bank. Risk on such guarantees is split between the national and *Land* authorities and the bank itself. These guarantees – *Landesbürgschaften* – are not widely used by film industry companies, except in the *Länder* of Brandenburg, North Rhine-Westfalia and Saxony-Anhalt, according to the Peacefulfish report.

In Berlin-Brandenburg these guarantees are complemented by a bridge financing scheme run jointly by the public investment banks of each state – *InvestitionsBank des Landes Brandenburg* (ILB) and the *Investitionsbank Berlin*, in close collaboration with the *Medienboard Berlin-Brandenburg*. A further instrument was added by the ILB in 2011, with the creation of a EUR 5 million gap financing programme for films produced in the Berlin-Brandenburg region.³² In the Land of Saxony-Anhalt a similar film financing instrument, called IB ProMi, is run through the *Investitionsbank Sachsen-Anhalt* since the end of December 2009 and provides loans for film and TV production up to a maximum of EUR 3 million.

The funding action of the *Film- und Medienstiftung NRW* is also complemented by a state guarantee system and by a bridge financing scheme run by the *NRW.Bank*. In Bavaria, the *Bayerische Bankenfonds* is a special financial instrument co-funded by four Bavarian banks: *Bayerische Landesbank*, *LfA Förderbank Bayern*, *HypoVereinsbank* and *Bankhaus Reuschel & Co*. It provides additional production and distribution support in the form of conditionally repayable loans to projects already funded by the *FilmFernsehFonds Bayern*. Finally the Hesse state scheme for support for commercial film and television projects is managed directly by the *Wirtschafts- und Infrastrukturbank Hessen* (WIBank).

Finally, in December 2010, a new package of financial instruments developed under the impetus of the State Secretary for Culture and Media, in collaboration with the FFA and producer representative groups, was announced by the development bank *KfW Bankengruppe*. The package covers development funding as well as intermediate and gap financing.³³

FR – France

French production finance benefits from a range of banks active in the sector and particularly from the existence of two dedicated private sector structures, *Natixis Coficiné* and *Cofiloisirs*.

Within the public sphere, the *Institut pour le Financement du Cinéma et des Industries Culturelles* (IFCIC) is of particular interest. IFCIC is a private-sector limited company partly owned by the French State and public investment and credit institutions *Oséo* and the *Caisse des Dépôts* (49%) and partly by around 20 different French commercial banks and lending institutions (51%). Founded by the Ministry of Culture in 1983, its sole purpose is to support the development of the cultural industries in France, by making it easier for sector com-

³² See Screen International, 'Brandenburg launches EUR 5m gap financing programme', web edition of 10 August 2011.

³³ Further information can be found at <http://www.kfw.de/kfw/de/Inlandsfoerderung/Foerderberater/Filmfinanzierung/index.jsp>

panies to obtain bank financing. Banks that work with the IFCIC are given both financial guarantees, typically 50% of the loans obtained, and risk analyses that are specific to the cultural industries, particularly in regard to short-term loans for film and audiovisual projects. IFCIC has guarantee lines covering film and television production, the facilities industry, and exhibition, all of which are funded by the CNC. The exhibition fund for independent operators was bolstered in 2010, partly in order to accommodate loans made for conversion to digital cinema. Under certain circumstances IFCIC guarantees can also be applied for to cover loans accorded to companies active in these sectors and registered in the EU outside of France. In addition IFCIC is one of the two companies retained to administer the European Commission's MEDIA Production Guarantee Fund.

ES – Spain

Three public financial institutions should be mentioned for Spain. The first is the *Instituto de Crédito Oficial* (ICO) which has, since 1999, signed at regular intervals a series of agreements with the national film agency, the ICAA, for the provision of a special line of soft loans for the production of feature films, valued at EUR 50 million in 2011. Interest on these loans is partially subsidised by the ICAA and EUR 3 million was set aside in 2011 for that purpose.

The second is the *Sociedad de Garantía recíproca para el Sector Audiovisual* (Audiovisual SGR). Founded in 2005 by the Ministry of Culture acting through the ICAA, and in collaboration with EGEDA, a producers' rights management association, Audiovisual SGR is a 'mutual guarantee society' that underwrites low-interest bank loans for film and TV companies. The company has established pre-negotiated loan agreements with a range of Spanish banks, as well as some foreign banks involved in the Spanish film industry, including Portugal's *Banco Espírito Santo* and Germany's *Deutsche Bank*. These agreements contain terms and conditions mutually beneficial both for producers and the banks and Audiovisual SGR guarantees the loan, thus reducing the risk for the lending institution. Audiovisual SGR one of the two companies retained to administer the European Commission's MEDIA Production Guarantee Fund.

Another noteworthy financial institution operating in Spain is the *Institut Català de Finances* (ICF), a public credit organisation founded by the government of the Autonomous Community of Catalonia. The principle activity of the ICF is the provision of loans to companies active in Catalonia or wishing to establish themselves there as well as loans to government departments. The ICF has a specific credit line for audiovisual production and operates this in collaboration with the *Institut Català de les Indústries Culturals*. Loan guarantees in Catalonia are channelled through the mutual guarantee structure *Avalis de Catalunya*.

IT – Italy

The national film agency, the *Direzione Generale per il Cinema* of the *Ministero per i Beni e le Attività Culturali* works in co-operation with the *RTI Artigiancassa-BNL* bank, which administers part of the funding which is provided by the DG Cinema in the form of loans. A state guarantee fund, the *Fondo di Garanzia*, which comes under the Ministry of Economic Development, also exists, and could in principle be used by companies in the film and television production sector.

A regional guarantee fund linked to the national tax incentive was established in Piedmont in April 2011, as a joint project between the Region, *Finpiemonte*, the regional development agency, the *Istituto per il Credito Sportivo* and regional funder *Film Investimenti Piemonte* (FIP). An agreement has also been signed between the Lazio regional government and *Unionfidi Lazio*, creating a guarantee fund for companies in the cultural and performing arts sectors.

Supranational

In January 2011 the European Commission launched the MEDIA Production Guarantee Fund (MPGF) which is worth EUR 8 million. The MPGF will be run by the Commission in tandem with the IFCIC and Audiovisual SGR. The two guarantee funds will receive a total of EUR 4 million each, accessible to the 32 countries which currently participate in the MEDIA programme. Further information about the MPGF can be found in Chapter 5.

Sub-national Funds

7.1 Key data

This chapter examines in more detail the income, activity spend and characteristics of funds operating at the sub-national level in the European countries covered by this study.

- 195 sub-national funds were in operation in Europe in 2009, 57 more funds than were identified in 2004.
- Total income for these funds, including income received from national funding bodies, was EUR 522 million, 7% up on the preceding year.
- Average annual growth in income for the period 2005 to 2009 was 9%, reflecting in part the rapid rate of creation of funds.
- The principal sources of income for these funds were regional governments (67%) and broadcasters, who provided approximately 16% of the total in 2009. Transfers from national funds represented around 7% of the total income for sub-national funds.
- Total activity spend by sub-national funds in 2009 was EUR 483 million, of which EUR 315 million was spent by funds operating at the level of the community and EUR 168 million by regional and local funds.
- The most commonly supported activity was production, followed by project development, festivals and training.
- The amount spent on the creation of works (script-writing, project development and all phases of production) by sub-national funds in 2009 was EUR 363 million, representing 75.5% of the total spend.
- Film culture (6.0%), distribution (3.5%) and media literacy (2.4%) were the other activities to which high proportions of resources were dedicated.
- Compared to national funds, sub-national funds devoted higher proportions of their support for production to short films and works for television.

7.2 Introduction

This chapter provides detailed information on funds operating at the sub-national level in the European countries covered by this report. Within this group of funds, three separate levels have been defined. The first level comprises funds operating at the level of the community – this level exists in countries with a federal or devolved structure, such as Austria, Belgium, Germany, Spain, Switzerland and the United Kingdom. The second group includes funds operating at the regional administrative level and the third local funds operating in smaller administrative units. Section 7.3 provides a data overview for these funds, bringing together

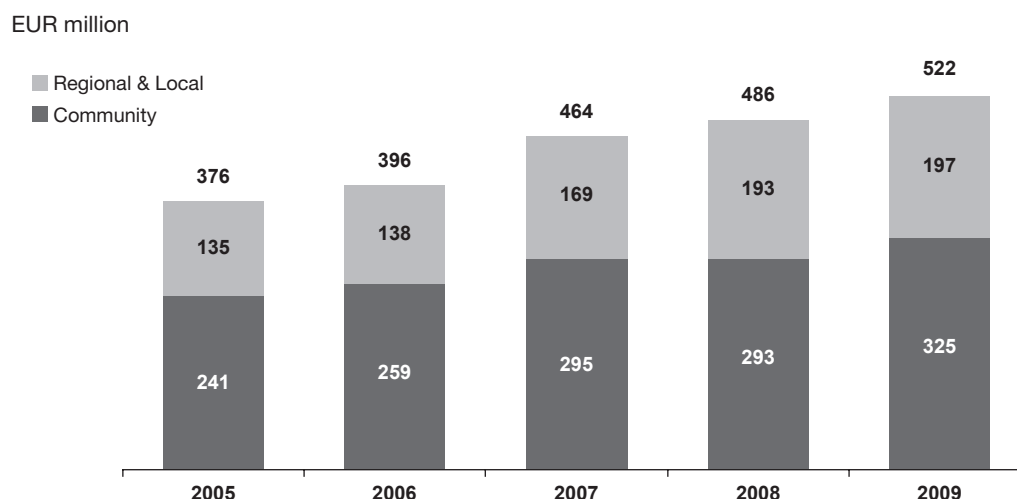
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data already presented in the preceding chapters and providing additional information in some cases. Sub-national funds are profiled, country-by-country, in Section 7.4 and this section includes a special extended Focus on Cine-Regio, the network of European regional funds, and on Capital Regions for Cinema, a network of funds and film commissions operating in capital cities. This chapter concludes with Focus 12, which looks at inter-regional initiatives, in particular those run using European Regional Development Funds.

7.3 Data overview for sub-national funds

Chapter 1 of this report showed how the number of sub-national funds has expanded rapidly since 2004. 138 sub-national funds were identified as being in operation in 2004, whereas by 2009 that total had risen to 195, a net gain of 57 funds. Ten additional funds were operating at the community level in 2009 compared to 2004, whereas at the regional and local levels there were 47 more funds operating in 2009. A factor underlying this dynamism in creation has been the existence in a number of countries of a distinct policy fostering the creation of regional funds. This has been, for example, the case in Poland, where among the objectives of the *Polski Instytut Sztuki Filmowej* (PISF) from its foundation in 2005 was encouragement and facilitation of the creation of funds in the Polish regions. Prior to 2005, Sweden and the United Kingdom had also taken a partially centrally structured approach to regional coverage in terms of funding bodies, whereas in other countries, such as Spain, the growth in the number of funds is rather an expression of political will at the level of the Autonomous Communities, with links to policies concerning the co-official languages. In other countries, administrative changes at the national level have opened the way to the creation of regional funds,

Figure 7.1 Trend in total income for sub-national funds / 2005 - 2009



Note

This figure shows the total effective income available to sub-national funds; that is, including the transfers to these funds made by funds at the national level. As a result the totals for sub-national fund income are higher here than those shown in Figure 2.1 in Chapter 2.

Source: European Audiovisual Observatory

as was the case in Italy after a constitutional law reform in 2001.¹

Paralleling the growth in numbers, fund resources also rose steadily over the period covered by this report. A total of EUR 522 million in income was available to these funds in 2009, of which EUR 325 million was available to funds operating at the level of communities and EUR 197 million to funds operating at regional and local level. This total represents a 39% increase in relation to the totals for 2005, and an average annual rate of growth of 9%. Income available grew strongly between 2006 and 2007 (+17%) but growth in the following year was more moderate (+5%) and accelerated slightly again between 2008 and 2009 (+7%). The more rapid creation of funds at the regional and local levels is reflected in the increase of their income over the whole

period – +46% between 2005 and 2009 – whereas community level funds showed an increase of 35%. It should be noted that Figure 7.1 and the data quoted here take into account the income which was transferred to sub-national funds by funds at the national level. This is in order to portray accurately the amount effectively available for use by funds at this level. In the income overviews provided in Chapter 2, however, income is tracked at the place where it is initially received in order to avoid double-counting, so this income is shown as part of the income of national funds.

The principle source of income for these funds was community, regional and local authorities at 67%. Income from EU (generally ERDF / INTERREG), state and federal level sources accounted for 7% of the total. Of EU, state and federal income, approximately 35%

1) Legge costituzionale 18 ottobre 2001, n. 3

"Modifiche al titolo V della parte seconda della Costituzione", Gazzetta Ufficiale n. 248 del 24 ottobre 2001.

Table 7.1 Total and net fund income / 2005 to 2009

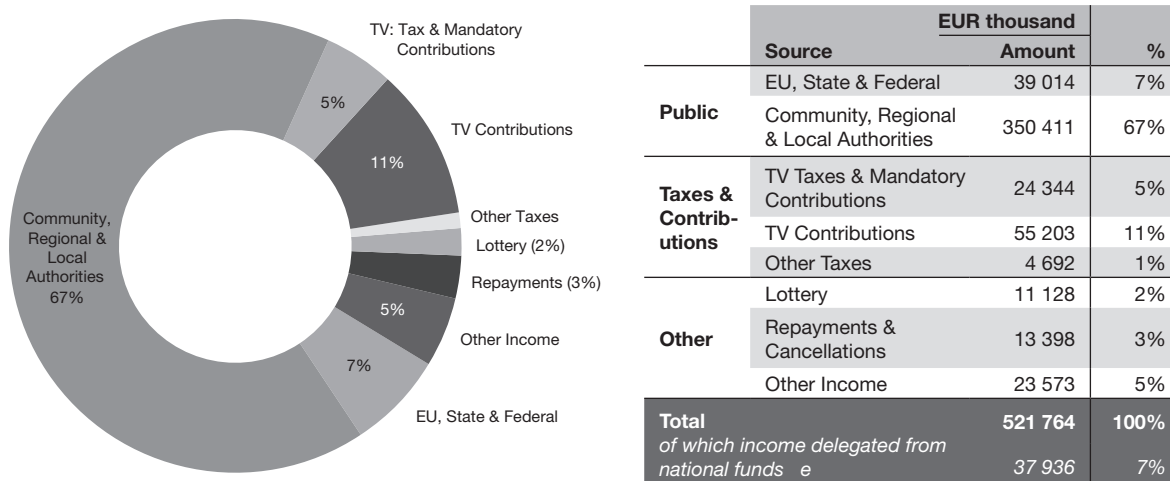
Level	EUR million				
	2005	2006	2007	2008	2009
National funds total income	1 289	1 388	1 511	1 634	1 621
<i>of which delegation to sub-national level e</i>	26	28	30	30	38
Community funds net income	240	258	293	292	320
Community funds total income	241	259	295	293	325
Regional & Local funds net income	109	110	141	165	164
Regional & Local funds total income	135	138	169	193	197
Sub-total sub-national net income	349	368	434	457	484
Sub-total sub-national total income	376	396	464	486	522
<i>of which delegated from the national level e</i>	26	28	30	30	38

Legend

e: estimated

Source: European Audiovisual Observatory

Figure 7.2 / Table 7.2 Sources of income for sub-national funds / 2009



Notes
e: estimate

No income breakdowns were available for a number of funds, so the total income analysed here is slightly inferior to that shown in Figure 7.1. Income delegated to sub-national funds by national funds has been re-allocated to its original source (state budget, lottery, TV taxes etc).

Source: European Audiovisual Observatory

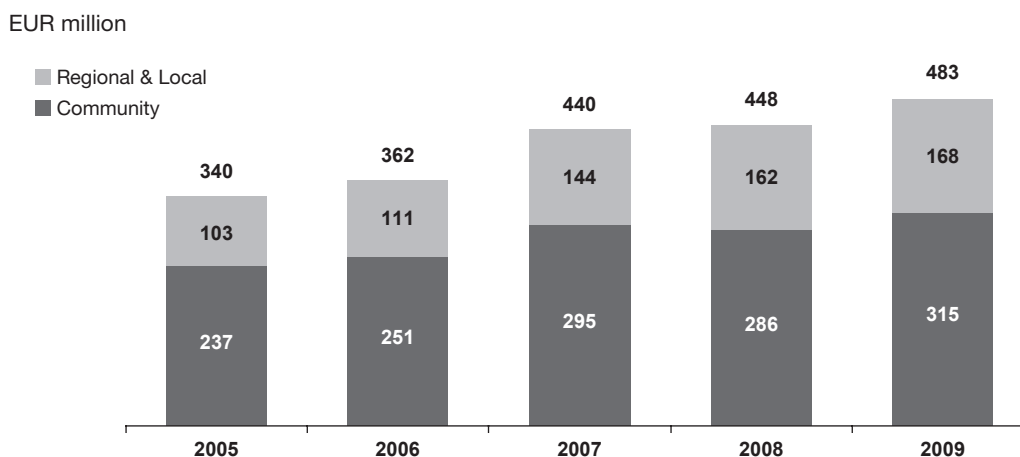
(or around 3% of total income) was state funding transferred by national funding bodies to sub-national ones. The other critical elements of the income mix were contributions from television services (broadcasters / editors and distributors of audiovisual services), at 16% of the total. This source of funding concerned principally the French-speaking Community of Belgium and the German *Länder* funds. It also indirectly involved the French regional and local funds, whose funding is partly financed by the national agency.² Lottery funding at 2% of the total was composed of lottery funds directly attributed to sub-national funds together with lottery revenues delegated by a national body to regional ones.

The evolution in spend on activities (support awarded and spend by funding bodies on activities to support the sector) is shown in Figure 7.3. Sub-national funds spent a total of EUR 483 million in 2009, up 8% on 2008. Funds operating at the level of the communities accounted for EUR 315 million or 65% of the total sub-national spend, while regional and local funds accounted for EUR 168 million (35% of the total). Spend by sub-national funds grew at an annual average of 9%, with community funds growing by 7% annually on average, and regional and local funds by an annual average of 13%.

Regional and local fund spend showed growth over all five years of the period, whereas community level

2) To finance these measures, the CNC draws upon its support fund, which is financed by taxes on cinema tickets, television services and video/VOD. Income received by French regional and local funds from the CNC has therefore been reallocated to the original income sources on a pro rata basis.

Figure 7.3 Evolution of total activity spend by sub-national funds / 2005 - 2009



Source: European Audiovisual Observatory

Table 7.3 Sub-national fund activity spend by country / 2005 - 2009

Country	EUR thousand					% 2009/2008	No of funds analysed in 2009
	2005	2006	2007	2008	2009		
AT*	18 319	18 522	20 828	20 003	25 956	30%	14
BA	731	961	1 724	2 448	1 271	-48%	2
BE	39 841	35 431	46 317	41 122	50 571	23%	3
CH*	7 994	9 714	9 486	9 354	10 684	14%	4
DE*	115 503	118 366	144 975	143 835	150 125	4%	15
DK	1 342	1 139	1 007	2 883	2 128	-26%	2
ES*	24 756	38 155	40 109	39 974	47 874	20%	11
FI	n. c.	42	108	n. c.	n. c.	-	1
FR	56 510	62 895	72 885	82 220	82 887	1%	44
GB	48 640	54 055	65 802	56 639	55 544	-2%	13
HR	400	400	400	400	400	0%	1
HU	-	-	-	-	160	-	1
IT	14 000	5 000	17 000	27 000	29 600	10%	16
NL	1 994	3 192	3 534	2 794	2 527	-10%	1
NO	1 419	3 209	3 807	4 950	6 146	24%	10
PL	-	-	264	1 227	2 239	83%	8
SE**	8 588	10 632	11 287	13 633	14 928	9%	19
Total e	340 036	361 713	439 533	448 483	483 040	8%	165

Legend

-: fund not in operation e: estimated n.c.: not communicated

Notes

Data in italics are estimated or include partial estimations.

* Not all sub-national funds analysed.

** Data incomplete for some sub-national funds 2005 to 2007, 2008 data for these funds includes some overheads.

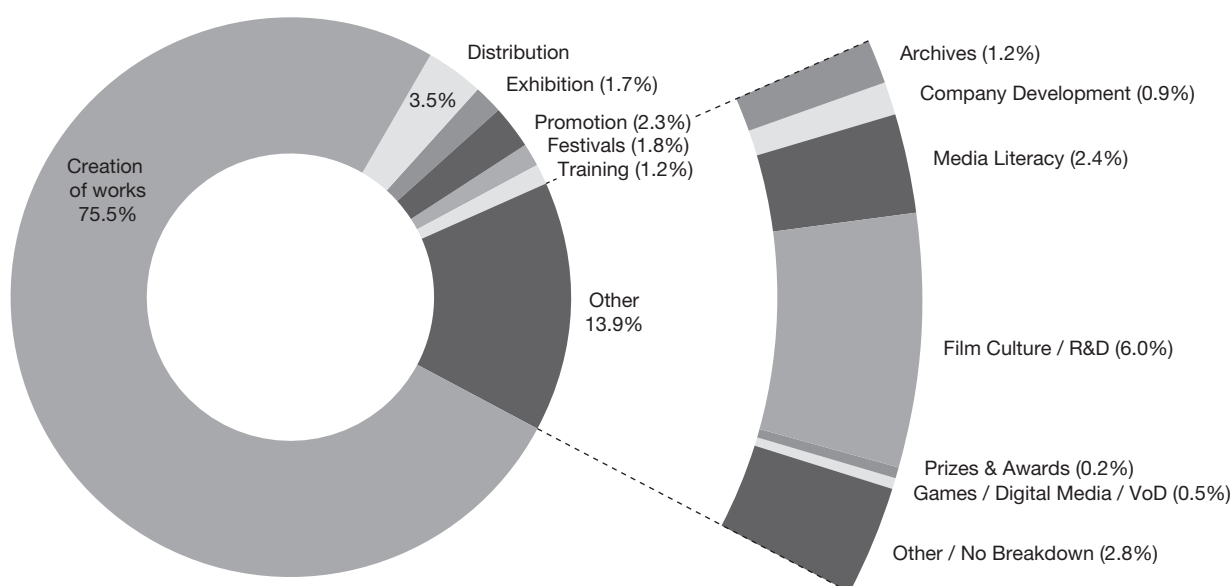
Source: European Audiovisual Observatory

funding bodies showed a slightly different pattern. For these funds activity spend fell back in 2008, falling by EUR 9 million (-3%) mainly due to contractions in Belgium, Germany and the United Kingdom. The slippage for community level funds in 2008 was followed by a clear recovery in 2009. For all the types of funds shown in Figure 7.3, a net boost in activity was registered in 2007, with an additional EUR 78 million in spend com-

pared to 2006. This was partly the result of a significant increase in spend by the large German *Länder* funds, which devoted an additional EUR 27 million to their activities in 2007. The effect was amplified by further significant increases in Belgian, French, Italian and British sub-national fund spend in the same year.

Germany was the leading country in Europe in terms of the total volume of sub-national fund spend, with

Figure 7.4 Activity breakdown for sub-national funds / 2009



Source: European Audiovisual Observatory

over EUR 150 million spent in 2009. France followed with just under EUR 83 million spent by its 44 regional and local funds, and then came the United Kingdom, with funds in the Nations and Regions disbursing an estimated EUR 56 million in 2009. Spain also had a substantial volume of spend at the level of the Autonomous Communities, somewhat understated here as it was not possible to obtain activity spend information on all the funds in operation in 2009. At more than EUR 50 million in 2009, Belgium here had a higher activity spend than Spain, due to the fact that all the Belgian funds operate at the sub-national level. Finally, spend is also somewhat underestimated for Switzerland, where it was not possible to track a number of smaller cantonal funds and one larger fund in the city of Geneva for the purposes of this report.

Figure 7.4 and Table 7.4 illustrate how spend was allocated between the different types of activities by sub-national funds in 2009. More than three-quarters of available resources were dedicated to the creation of works (scriptwriting, project development and production), for a total of EUR 363 million. Within this category, sub-

Table 7.4 Activity spend amounts for sub-national funds / 2009

Activity	EUR thousand	
	Amount	%
Scriptwriting	6 423	1.3%
Project Development	19 070	4.0%
Production	337 433	70.2%
<i>Creation of Works</i>	362 926	75.5%
Distribution	16 865	3.5%
Exhibition	8 256	1.7%
Promotion	11 207	2.3%
Festivals	8 689	1.8%
Training	5 993	1.2%
Other	66 968	13.9%
Total	480 904	100%

Note

Activity breakdowns are not available for all funds, so the total analysed here is inferior to that shown in Figure 7.3.

Source: European Audiovisual Observatory

Table 7.5 Activity spend – breakdown by country for sub-national funds / 2009

Number of funds analysed	Country	EUR thousand Creation of Works			Other Activities					
		Script Dev.	Project Dev.	Prod.	Dist.	Exhib.	Promo.	Festivals	Training	Other
14	AT	53	465	17 504	982	526	368	75	70	5 913
2	BA			818			97	177		179
3	BE	638	1 217	41 629	1 559	887	1 016	547	545	2 534
4	CH	52	499	9 161	497	43	30		33	369
15	DE	1 845	2 753	118 060	12 139	4 589	1 210	1 853	1 048	6 627
2	DK	123	133	1 736				82	13	40
11	ES	743	2 446	28 772	615	150	7 619	1 348	885	5 295
44	FR	2 481	372	51 304				2 389		26 342
12	GB	81	3 063	26 176	8	1 896	375	1 526	1 660	19 024
1	HU							156		4
15	IT	25	6 772	20 620	979	100		157	926	20
1	NL		214	2 230					83	
10	NO	6	1 032	4 346	29		260	11	252	210
8	PL			2 239						
19	SE	378	102	12 838	57	65	231	366	477	412
161	Total	6 423	19 070	337 433	16 865	8 256	11 207	8 689	5 993	66 968

Note

Data in italics are estimated or include partial estimations.

Not all sub-national funds are analysed in AT, BA, CH, DE and ES. One fund is not analysed in NO. IT is an estimation after ANICA.

AT: 'Other' includes festivals and certain kinds of exhibition support.

FR: Support for exhibition by the French regions is not included in this analysis. Data after *Centre Images*.

GB: 'Other' includes festivals and certain types of educational, training and media literacy events.

Source: European Audiovisual Observatory

national funds tended to devote slightly more resources to the earlier phases of the process than their national counterparts, with project development in particular representing 2% of total spend at national level, but 4% of spend by sub-national funds. The next most important category of spend for sub-national funds was the 'Other' group, in this case comprised principally of spend on film

cultural activities and on educational and media literacy initiatives. The large size of the film culture category here is partly a result of its heterogeneous nature, including not only activities clearly identified as film cultural but also many others which overlap with other categories (principally certain kinds of festivals, media literacy and training initiatives but also exhibition in the film club and

Table 7.5 (cont.) Activity spend – breakdown by country for sub-national funds / 2009

EUR thousand								
Breakdown of the 'Other' category								
Number of funds analysed	Country	Archives & Conservation	Company Development	Media Literacy	Film Culture	Digital Media	Prizes & Awards	Other / No Breakdown
14	AT	881		20	3 350		4	1 657
2	BA							179
3	BE		1 029		50			1 455
4	CH				357			11
15	DE	173	174	1 216	40	1 918	808	2 299
2	DK		13	27				
11	ES	1 964	1 181		957	429		764
44	FR		245	7 093	19 004			
12	GB	2 524	1 470	2 923	5 034	167	1	6 905
1	HU				4			
15	IT	20						
1	NL							
10	NO			41	78	91		
8	PL							
19	SE		75	299	30			8
161	Total	5 562	4 188	11 618	28 904	2 606	813	13 277

Note

Data in italics are estimated or include partial estimations.

Not all sub-national funds are analysed in AT, BA, CH, DE and ES. One fund is not analysed in NO.

AT: Film culture includes festivals and certain kinds of exhibition support.

FR: Film culture includes festivals.

GB: Film culture includes festivals and certain types of educational, training and media literacy events.

Source: European Audiovisual Observatory

associative cinemas category) but for which a finer analysis has not been possible.

Table 7.5 breaks down the data shown in Table 7.4 on a country-by-country basis. Hungary is the only country where production was not supported, principally because only one regional fund was providing financial support with a specific mission to support a festival, during 2009. Germany had the highest levels of spend on production, distribution and exhibition, whereas French regional funds spent most on scriptwriting and Italian regional funds spent most on project development (estimated). French regions were also the top spenders on festivals³, but German spend in this area was also significant.

Figure 7.5 shows a percentage breakdown of total activity spend by country. This figure makes apparent some of the specificities of national patterns in terms of the allocation of resources at the sub-national level. As a general rule, funds in the early stages of their development concentrate on supporting the various phases of the creation of works. Thus Poland, where regional funds are recent creations, concentrated entirely on production. Many funds in Italy are also relatively recent,

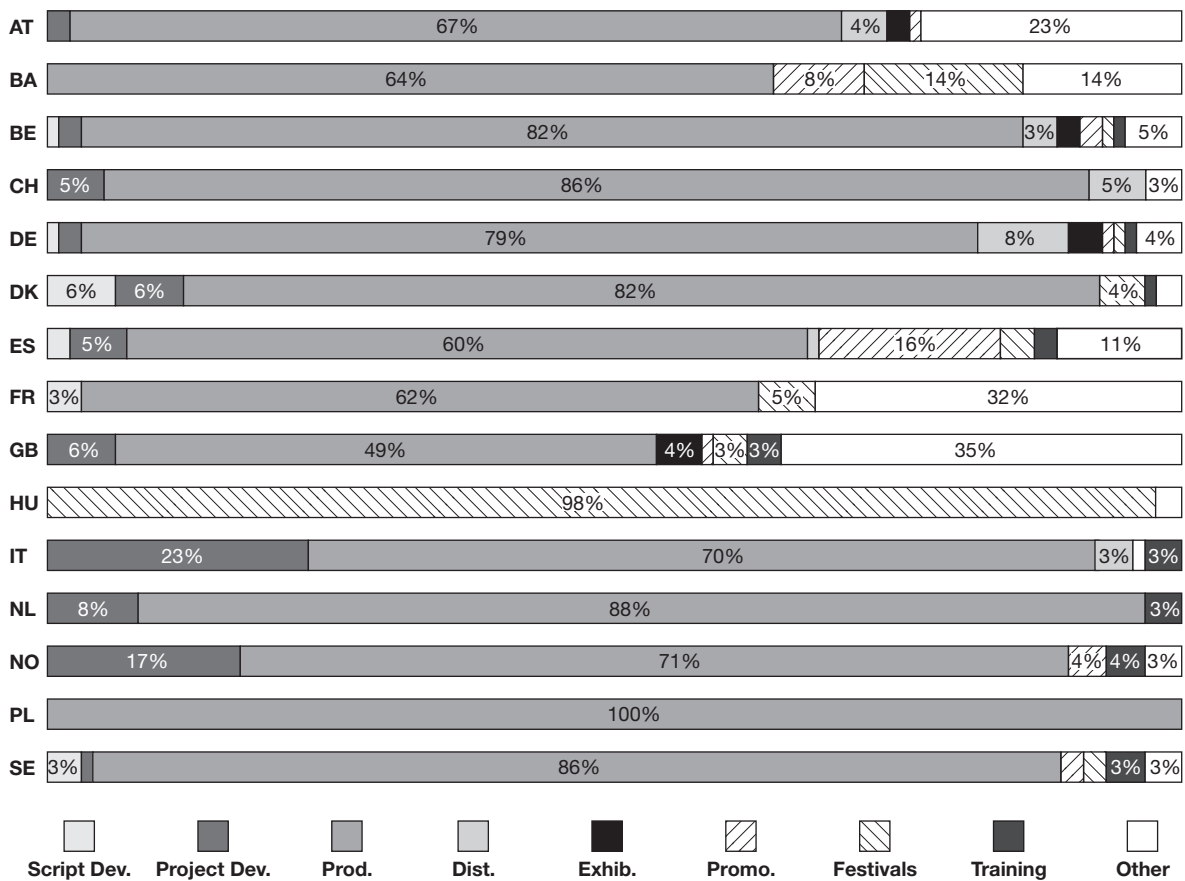
hence 93% of resources were concentrated on the creation of works in 2009, with a particularly high proportion of support for development.⁴ For funds operating at the community level (Bosnia & Herzegovina, Belgium, Germany, Spain and the United Kingdom), their often wider responsibilities were reflected in higher percentages of spend on activities apart from the production phase. For French and UK regions, the high percentage of other spend reflects their commitment to education and media literacy as well as to film cultural activities which include certain kinds of festivals.

Figure 7.6, the last in this section, illustrates the types of works supported for production by the regional funds. 58% of spend is consecrated to feature film, 6% to short film and 33% to television works. This split differs from that found at national level, where feature production accounts for 64% of spend, short films 3% and television works 28%. Sub-national funds' relatively higher concentration on short films probably corresponds not only to the lesser means available to some funds in this group but also to an emphasis on local talent development common to many funds.

3) This spend is partly financed by the national agency, the CNC and devolved into the regions.

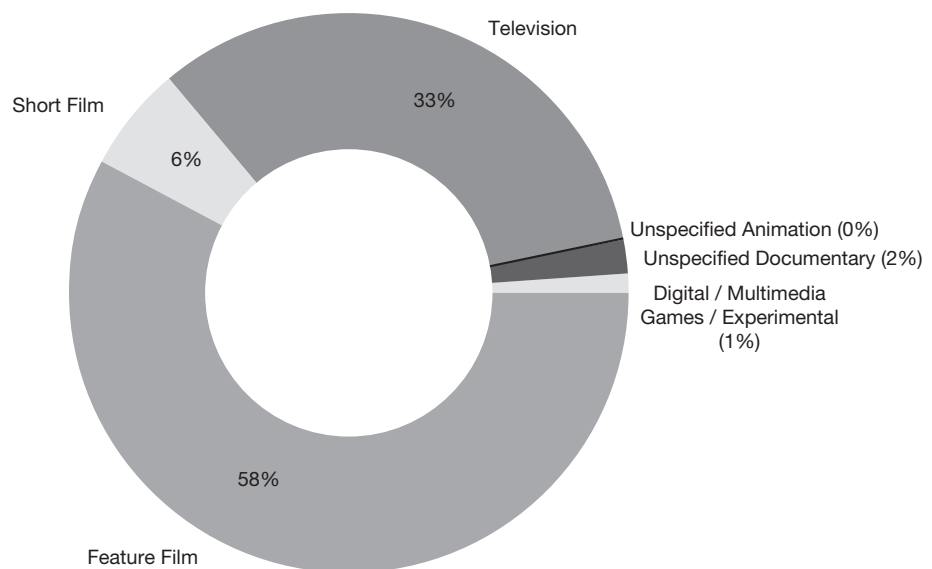
4) Which will also include some funding for script development, as funding which covered both script and project development is assigned to the project development category. The activity breakdown for Italian regional funds used here is partially based on an estimation used in a study by the research unit of Italian trade association, ANICA, on Italian regional funds. See the section on Italian sub-national funds for further information.

Figure 7.5 Activity spend for sub-national funds - % breakdown by country / 2009



Note
 Not all sub-national funds are analysed in AT, BA, CH, DE and ES. IT is estimated after ANICA.
 Source: European Audiovisual Observatory

Figure 7.6 Sub-national funds – spend on creation of works by project type / 2009



Source: European Audiovisual Observatory

■ 7.4 Sub-national funds by country

AT – Austria

A well-developed network of sub-national funds exists in Austria at the levels of the *Länder* and in five Austrian cities. Eighteen different sub-national lines of support for audiovisual-related activities were identified as being in operation in Austria in 2009, of which 5 were operating at the level of a city (Graz, Klagenfurt, Linz, Salzburg and Vienna). Funding is generally put in place and administered by a department of local government (generally culture) – this is the case in the *Länder* of Burgenland, Kärnten, Niederösterreich, Oberösterreich, Salzburg, Steiermark, Tirol, Vorarlberg and Vienna. In a number of instances support is partially devolved into a specialized institution. This is the case for the largest of the sub-national funds in Austria, the *Filmfonds Wien*, funded by the City of Vienna (which is both a *Land* and a city), through its *Kulturabteilung*. The *Filmfonds* had an income of EUR 10 million in 2009, increasing to EUR 11.5 million for 2010 and 2011, and concentrates on supporting film and television production, distribution and promotion plus some structural activities. In parallel the city *Kulturabteilung* provides more culturally-oriented support, focusing on supporting festivals, art-house theatres, archives, new media and low-budget productions as well as the Vienna Film Commission, which started operation in 2009. A similar arrangement exists in Tirol since 2009, where culturally-oriented funding is channeled through the *Abteilung Kultur* and the Cine Tirol Film Commission provides production incentive funding based on economic criteria, as well as in Steiermark (*Cinestyria Filmcommission & Fond* and *Cinestyria Filmkunst*, part of the *Kulturabteilung*).

BA – Bosnia and Herzegovina

Bosnia and Herzegovina has no single film fund spanning the two different Entities at the state level. As a result, support is organized at the level of each of the two Entities (the Federation of Bosnia and Herzegovina and the Republic of Srpska), with the Ministry of Culture and Sport of the Federation supporting film related activities through the *Fondacija za kinematografiju Sarajevo*, generally known as the Film Fund Sarajevo, and the Ministry of Culture and Education of the Republic Srpska also providing support for production. At the level of the cantons, the Ministry of Culture of the Canton of Sarajevo provides production support. Production of feature and short films is the main area of activity⁵, together with support for festivals and markets.

BE – Belgium

Similarly to Bosnia and Herzegovina, support for film and audiovisual works is organised in Belgium at the level of the different Communities. Thus the *Centre du cinema et de l'audiovisuel* (CCA) implements the support policy of the French-speaking Community of Belgium, while the *Vlaams Audiovisueel Fonds* (VAF) provides support to the industry in Flanders. In addition

an active economically-oriented regional fund, *Wallimage*, operates in the Walloon region. The CCA is financed both by the French-speaking Community as well as by a system of contributions from editors and distributors of television services who may choose to meet their obligations either by investing in co-production or by making a direct contribution to the production funds managed by the CCA. Public service broadcaster RTBF is a particularly important partner in this context. The CCA supports film (feature, short and experimental) and television production, as well as distribution, promotion and a network of specialised production workshops and training facilities. The CCA also collaborates with its Flemish counterpart, the VAF, through a feature co-production fund and reciprocal support for television documentaries.

The VAF is financed by the Ministry of Culture of the Flemish-speaking Community of Belgium and has seen a generally positive trend in income since 2005. Income for the traditional areas of activity (film and television production, promotion, research and development and training) fell back slightly in 2010 with the creation of a new *Mediafonds* for television series production, to be managed by the VAF. The fund was created to address a particularly difficult environment for local production companies, faced with declining investment in independent production by broadcasters and has a total of EUR 6.5 million available in 2011, funded jointly by the Ministers for Media and for Culture.

Wallimage is the unique Belgian regional fund and operates in Wallonia as an economically-oriented investment fund with two subsidiaries, *Wallimage Coproductions*, which invests in co-productions beneficial to the region, and *Wallimage Entreprises*, which invests in innovative locally-based AV companies. Since 2009 a specific line, called *Wallimage/Bruxellimage*, funded for 50% by the Walloon Region and for 50% by the Brussels Capital Region, has been put in place to invest in productions with qualifying levels of spend in both regions. Finally an active tax shelter system, transversal to all Communities, functions for productions shooting in Belgium.

CH – Switzerland

Switzerland benefits from a dense network of sub-national funds operating at the inter-cantonal, cantonal and municipal levels. Sixteen different regional funds were identified in 2009, ranging from the large funds operating in the city of Zürich and the *Fonds Regio* in the French-speaking cantons, to very small funding awards made in the cantons of Uri and Nidwalden. Three of the largest funds have been studied in detail for this report; the *Zürcher Filmstiftung*, the *Fonds Regio*, the *Berner Filmförderung/ Pro Cinéma Berne* and one smaller fund, the *Aargauer Kuratorium*. By far the largest regional fund in Switzerland is the *Zürcher Filmstiftung*, with an activity spend in excess of CHF 9 million / EUR 6.3 million in 2009. An investment fund, the *Zürcher Filmstiftung* is financed from public sources (both the canton and city of Zürich) and from financial income.

5) The Ministry of Culture of the Republic Srpska also supports television production.

Table 7.6 Major German *Länder* funds – activity spend and breakdown / 2009

Fund	EUR thousand									
	Total	Script Dev.	Project Dev.	Prod.	Dist.	Exhib.	Promo.	Festivals	Training	Other
MFG Filmförderung	11 099	236	105	6 980	541	1 455				1 782
FFF Bayern	27 512	320	650	21 816	3 036	1 251				440
Medienboard Berlin-Brandenburg	28 769	321	147	20 748	2 726	265	383	884	506	2 789
Filmförderung Hamburg S-H	11 729	147	625	9 291	1 245	56	57	44		264
Nordmedia	11 577	118	187	9 968	109	718			32	445
Filmstiftung NRW	34 706	504	499	29 429	3 096	582	183	253	111	49
MDM	13 972	78	339	10 602	1 264	55	587		324	724

Source: European Audiovisual Observatory

Its principal focus is on production support, but it also provides funding for promotion, distribution and some film cultural activities. The *Fonds Regio* covers the French-speaking cantons in Western Switzerland and is managed by film professionals. The principal financier is the *Lotterie Romande*, but there are numerous other sources of income, including the city and canton of Geneva, other Romandy cantons, a broadcaster (*Télévision Suisse Romande*) and funds from the *Office fédéral de la culture* at Confederation level, which are earmarked principally for distribution support. Total activity spend in 2009 was CHF 4.2 / EUR 2.8 million, principally concentrated on support for film and television production. Inspired by the success of the *Fonds Regio*, and after a long gestation period, a new fund will go into an early phase of operation in 2011. This is the *Fondation romande pour le cinéma*, which regroups existing funding in 6 cantons and two cities, including Geneva and Lausanne, and which will, in 2012, englobe part of the *Fonds Regio*. A total budget of CHF 10 / EUR 9 million will be available to the new fund. With an annual spend of CHF 1.7 / EUR 1.2 million, the *Berner Filmförderung / Pro Cinéma Berne* supports a wide range of activities, from project development to promotion, from training to film cultural activities, including production, particularly for documentaries. The fund will see its means boosted during a pilot period running from 2010 to 2013, both by a gradually increasing contribution from the canton of Berne using lottery funds, and by the maintenance of public funding by the city of Berne and surrounding municipalities. The aim is to reach a total budget of CHF 3.15 / EUR 2.8 million from 2012 onwards.

DE – Germany

Germany is one of two European countries where spend at the sub-national level is almost equivalent to that at national level.⁶ In fact, prior to the establishment of the DFFF in 2007, spend at the level of the *Länder* in Germany was actually higher than that by national funds. Seven large funds dominate the *Länder* funding

landscape. All are constituted as companies whose shareholders include regional government, national and regional public service broadcasters as well as, in a number of cases, private television and *Länder* media authorities. The core activity for these funds is investment in production for film and television, with an economic focus – all condition support on a certain level of spend in the *Land*, generally requiring an ‘*Effekt*’ of 100% or more of the support accorded. Alongside this activity, distribution and exhibition (both as support for art house theatres and as annual programming prizes) are supported by all. Around this core, the funds have developed varying strategic axes for the development of the media sector in their *Land*.

The largest of the funds, *Filmstiftung NRW*, moved in 2011 towards becoming an integrated fund for film and media, absorbing the *Mediencluster NRW* and starting a funding line for innovative digital content. The *Filmfernsehfonds Bayern* hosts the *Cluster Audiovisuelle Medien*. *MFG Filmförderung* in Baden-Württemberg has moved in a similar direction, initiating a digital animation cluster in Stuttgart and starting a Digital Content Funding programme in January 2011. *Medienboard Berlin Brandenburg* traditionally operated with two wings – one devoted to film funding and the other devoted to developing the audiovisual sector and marketing the location. The *Medienboard* has now also integrated funding for innovative audiovisual content, alongside the more traditional lines for production, exhibition and film culture. *Nordmedia* and *Filmförderung Hamburg Schleswig-Holstein* have both chosen to involve themselves in innovative inter-regional projects⁷, while *Nordmedia* is associated with a regional digital media cluster. Finally the *Mitteldeutsche Medienförderung* is integrated in a local pole of competence for production and media education for children and young people, as well as maintaining special links with the Polish production industry.⁸

Alongside the activity of these major funds, two smaller economically-oriented funds exist in Hessen

6) The other is the United Kingdom.

7) See Focus 12 at the end of the chapter.

8) See Focus 9 in Chapter 6.

and in Saarland and most of the other *Länder* run culturally-oriented support programmes, using funding lines administered directly by the state government.

DK – Denmark

Denmark has two regional film funds – the *Vestdanske Filmpulje*, based in Western Denmark, and *FilmFyn*, based in the South Funen region. *FilmFyn* is a public/private fund, investing in productions which shoot or use the film studio in the region. In addition it acts as a regional film commission and undertakes educational and training initiatives and well as supporting regional company development. The fund is part of the North Sea Screen Partners initiative.⁹ The *Vestdanske Filmpulje* is a slightly smaller fund, financed by five different local authorities, and supporting film, TV and multimedia production as well as other initiatives in support of the local industry. It is part of *Filmby Århus*, a centre for audiovisual companies and film and media production.

ES – Spain

Spain's administrative organisation into a central government and seventeen Autonomous Communities with devolved responsibilities for education, health, social services, culture and urban and rural development means that sub-national funding for film and audiovisual works is well developed, with quasi-total coverage of the various communities. Eighteen different funding lines were identified as being in operation in 2009, with some Autonomous Communities having more than one body providing funds. As elsewhere, funding is either provided directly by the Autonomous Community government, generally through the division responsible for culture, but increasingly specific units or bodies are created to house these functions, sometimes in the context of wider cultural support. Examples of funding which is provided directly can be found in Aragón where the *Dirección General de Cultura* provides funding or in the Basque Country where in 2009 the *Dirección de Promoción de la Cultura* was responsible for support. Governments in Andalusia, Catalonia, the Canary Islands, Galicia, Navarre and Valencia have created specific structures to house their funding activity, either for all cultural domains (Andalusia, Canaries, Catalonia, Galicia) or more specifically related to the audiovisual sector (Navarre, Valencia and a second agency in Galicia).

The largest Autonomous Community funding body is the *Institut Català de les Indústries Culturals* (ICIC), whose audiovisual division spent almost EUR 19 million on its activities in 2009. Its interventions cover production, distribution, exhibition, company development and film cultural activities as well as a structure dedicated to promoting Catalan films and television programmes abroad. It is also responsible for research and statistics on the Catalan industry and recognition of works as Catalan. A separate unit of the ICIC manages

the Catalan film archive and cinematheque. A EUR 12 million support scheme for dubbing and subtitling films in Catalan, which has recently been approved by the European Commission¹⁰, will be managed by another division of the Catalan administration, the *Direcció General de Política Lingüística*.

Other large funds functioning at the level of the autonomous communities include the support lines of the Basque Country government, managed for the most part by the *Dirección de Promoción de la Cultura*, which provides support for many film-related activities, including the Basque Cinematheque, the San Sebastian festival and a regional media cluster, as well for the creation of works (including for web and mobile) and for promotion. The Autonomous Community of Galicia provided support of a volume similar to that of the Basque Country in 2009. The years between 2005 and 2009 saw a number of re-organisations of the funding arrangements there, but at the time of writing two agencies exist. The first is the *Consortio Audiovisual de Galicia* which provides certain kinds of support, principally for training and promotion, as well as managing the two international funds, the *Fondo Raíces* and the Brazilian – Galician co-production fund, and the *Axencia Galega das Industrias Culturais* (AGADIC), which provides support for production for film, television and interactive works.

One fund which showed an increase in activity spend in 2009 was the *Institut Valencià de l'Audiovisual i de la Cinematografia 'Ricardo Muñoz Suay'* (IVAC) which is an integrated structure with the Cinematheque of Valencia. Since 2009, the IVAC centralises all actions for the promotion and development of the audiovisual sector, which were previously scattered among various agencies and regional government. Its funding budget for the creation of works grew strongly in 2009, going from just over EUR 1 million in 2008 to in excess of EUR 5 million in 2009. Press reports indicate, however, that the IVAC's budget for support has been cut back in 2010 and 2011.¹¹ Two other Autonomous Communities with sizeable funding commitments are the *Consejería de Cultura* of the Andalusia regional government, whose programmes are managed through a unit which was absorbed into the *Instituto Andaluz de las Artes y Letras* in 2010¹², and the *Canarias Cultura en Red* in the Canary Islands.

FI – Finland

Just one regional fund operates in Finland, based in Oulu in Northern Finland. The POEM Foundation functions as an audiovisual production resource centre aiming to develop and support the industry in the region. POEM initially functioned as an EU-funded pilot project, managed by the City of Oulu, but took its present form in 2006. Three EU-funded projects function under the POEM umbrella. These are the regional North Finland Film Commission, the national Film Location Finland

9) See Focus 12 for further information.

10) State Aid N33/10.

11) See 'Co-producing with Spain', Screen Daily, web edition of 10 February 2011.

12) Which in turn became the *Agencia Andaluza de Instituciones Culturales* in April 2011.

Table 7.7 Top 10 French regional funds by spend on the creation of works / 2009

Fund	EUR thousand					
	Film			Television		
	Total	Feature	Shorts	Docs.	Drama	Animation Multimedia
Île-de-France (Région)	14 130	11 224	54	772	1 930	150
Rhône-Alpes Cinéma	3 102	3 102	-	-	-	-
CRRAV (Région Nord-Pas de Calais)	2 977	905	245	406	1 217	205
Provence - Alpes - Côte d'Azur	2 705	1 131	210	425	779	40
Corsica	2 560	492	274	1 378	319	58
Centre Images (Région Centre)	2 336	953	455	396	347	-
Poitou-Charentes	2 141	660	202	163	843	273
Aquitaine	2 054	688	309	399	618	40
Bretagne	2 030	570	469	659	103	229
Rhône-Alpes (Région)	1 859	-	367	563	430	499

Not all spend is analysed under film and television categories for a number of funds

Source: European Audiovisual Observatory after Centre Images

project (a network of regional film commissions) and the Scandinavian FilmArc project.¹³ POEM does not currently provide support for production but did so during part of the reference period for this report.

FR – France

France is the European country with the highest number of regional funds – 44 in 2011 according to the 'Guide : Soutiens à la production cinématographique et audiovisuelle. Régions, départements, villes' published annually by Centre Images, the agency for the Centre region. This dense network owes its existence in large part to a policy of decentralisation implemented in France since the late 1980s and the political will, both at the national and the regional level, to see the film and audiovisual sectors become vectors for local cultural and economic development. Since 2004, the national agency, the CNC, the *Directions régionales des affaires culturelles* (DRACs - decentralised state cultural management units) and regional authorities have co-operated in the areas of support for production, the creation of local film commissions, education and media literacy, film culture and exhibition. This co-operation takes the concrete form of a series of 'conventions' or framework agreements, signed between the CNC and a region, which define and co-ordinate actions in the various areas over a period of three years.¹⁴ These are associated with annual financial agreements, defining the financial commitments of each of the partners. Administrative units below the regions (*départements* and cities/conurbations) can be associated with these agreements. The agreements currently in force cover the period 2011 to 2013 and all but one of the French

regions. Seven *départements* and two cities (Paris and Strasbourg) are also associated with these. The agreements include three sections. The first is dedicated to selective support for the creation of works (film and television) and regional film commissions and is jointly funded by the regions and the CNC, with the CNC providing EUR 1 for every EUR 2 provided by the regional authorities up to a limit of EUR 2 million. The second is dedicated to education and media literacy, including support for regional educational institutions. These activities are financed by the regions, the DRACs and, for around 30 national and international festivals, by the CNC using funds from the central support fund. The third area covered by the agreements is exhibition, and allows regions, DRACs and the CNC to co-ordinate their actions (particularly in relation to digitisation) and to specify how they will support exhibition.

Funding is organised either directly by the regional authorities through the cultural services of the regional administration or by creating a specific arms-length structure. Examples of the first option are the large funds run by Île-de-France and Provence-Alpes-Côte d'Azur regions. Examples of specific agencies are the *Centre régional de ressources audiovisuelles* (CRRAV) in the Nord-Pas de Calais region, or *Centre Images* in the Centre region. Some regions use both structures, as is the case in Rhône-Alpes where agency *Rhône-Alpes Cinéma* invests in feature production, while the region takes charge of other types of support.

Information collated by Centre Images¹⁵ shows that the total volume of awards by the regions for the creation of works in 2009 was EUR 54.4 million. This marked a small decline on 2008 (-1.2%), notable as this

¹³ See Focus 12 for more information on this.

¹⁴ The first framework agreements were signed in 1995 and covered education, film culture and film commissions. From 1998 scriptwriting, development and production support was included. 2004 marks the start of the 'EUR 1 for EUR 2' mechanism for production.

¹⁵ See the 'Guide : Soutiens à la production cinématographique et audiovisuelle' published by French regional film and audiovisual agency Centre Images (<http://www.centreimages.fr/>) for complete information on the French regional funds. The guide also be consulted at http://www.centreimages.fr/production_guide.php

is the first time in the twelve years during which regional activity has been tracked that spend has dropped. This trend continued on into 2010, when spending fell by a further 1% for a total of EUR 53.8 million. Nonetheless total funding has been multiplied by 5 over the last ten years and the number of support awards has doubled.

GB – United Kingdom

At the time of writing, the sub-national funding landscape in the United Kingdom is undergoing profound change. During the reference period for this report (2005 to 2009), the UK had a complete network of sub-national funds operating at two levels. One fund operated at the level of each of the Nations (*Sgrîn*, and subsequently *Asiantaeth Ffilm Cymru* / the Film Agency for Wales in Wales, Scottish Screen in Scotland and the Northern Ireland Film & Television Commission, subsequently the Northern Ireland Screen Commission in Northern Ireland). In the remaining Nation, England, nine regional agencies were established. These were set-up in the wake of the creation of the UK Film Council and were part of a concerted strategy to develop the audiovisual sector outside of London. Specific activities of the regional agencies were part-funded centrally, as the UK Film Council delegated part of its lottery funding and some Grant-in-Aid to the regional level. Other regional agency income sources included regional governments and development agencies, some television contributions and in a number of cases, European Union ERDF and INTERREG funding.¹⁶ During the period covered by this report a number of the English regional agencies saw their remits widened beyond the ‘traditional’ audiovisual sector to cover a larger spectrum of the creative media industries continuum. These included South West Screen and Vision + Media in the North West.

At the level of the Nations, the lead agencies are financed by devolved government, development agencies, ERDF funds in the case of Northern Ireland, and other sources. In addition they receive from each of the national Arts Councils a share of proceeds of the national lottery for redistribution as well as income delegations from the UK Film Council / British Film Institute, whose initial source was the state budget. Two out of the three national screen agencies underwent a certain amount of re-organisation during the period covered by this report. In 2006 the Film Agency for Wales (FAW) was established, taking over and enlarging upon the activities of previous agency *Sgrîn*. FAW supports development, education, exhibition and production, with a remit to build a sustainable film industry in Wales, and works alongside the Creative Industries sector of the Welsh Assembly Government. Established in 1997, Scottish Screen was the national development agency for the screen industries in Scotland and supported a wide range of different activities, including all phases of production, training, media literacy and education and exhibition. From mid-2010 Scottish Screen was folded into Creative Scotland, a body with a larger remit to support the arts, screen and creative industries. Only a

minor name change was implemented at Northern Ireland Screen Commission during the period. NI Screen focuses on promoting Northern Ireland as a location, professional training and skills development, education and media literacy, supporting archives, festivals and exhibition, as well as production. In particular, NI Screen runs the Irish Language Broadcasting Fund, which was worth GBP 3.6 / EUR 4 million in 2009/2010.

Following the abolition of the UK Film Council in July 2010, a new strategy for the English regional screen agencies became necessary. In November 2010 government announced the transformation of the agencies outside London into a new body, to be called Creative England, with a wide remit to support the creative industries, and work began on preparing the new structure. Among the early announcements was that the existing regional agencies were to be streamlined into three hubs - Creative North, Central and South, located in Manchester, Birmingham and Bristol. As Creative England receives from the BFI the regional lottery and grant-in-aid funding for film, an initial public consultation focused on the film-related priorities. Discussions were also launched as to how the wider creative industry remit was to be financed. The new structure is expected to be in operation in October 2011.

HR – Croatia

At the sub-national level support is available from three sources in Croatia. These are the City Office for Education, Culture and Sport of the City of Zagreb, which runs a support scheme for shorts, documentary and animation plus a recently established scheme run by the City Office for Culture of the City of Rijeka. Finally the City of Split was also due to create a funding line for documentaries and script development in 2010.

HU – Hungary

In July 2006, the Hungarian national fund, the MMKA, established a Regional Office, which operated within the framework of the national promotional organisation, the *Magyar Filmunió*.¹⁷ The role of the office was to co-ordinate the organisation of regional funds and to evaluate the role of the MMKA in financing them. Three funds were listed as existing in 2008-2009. These were the Debrecen *Fönix* fund, the *Győri Filmalap* and the Southern Transdanubian Film Fund based in Pécs. In the course of preparation of this report a further fund, the *Észak-magyarországi Regionális Filmalap - Miskolc Alapítvány* based in Miskolc was also identified. Of these, both the Győr and Miskolc funds currently operate principally as regional development hubs, co-ordinating and providing services for productions in the area, but do not provide financial support. No information was available on the Debrecen fund. Therefore only the Pécs fund can be considered as active in the sense of this report. Financed principally by the national cultural fund, the fund aims to develop the regional audiovisual industry, to build up a regional centre for film

¹⁶ For example the EMMI Investment Fund using ERDF funding which was run by EM Media between 2006 and 2008.

¹⁷ Given the abolition of the MMKA in 2011, its current status is not clear.

music and sound post-production, to develop, attract and support AV production in the region and to organise the *CinePécs* International Film Festival. As of 2009 production funding was not offered, and activity spend was focused on the film festival as well as on activities in relation to the creation of a centre for film music.

IT – Italy

Funding for film and television at the sub-national level has developed rapidly in Italy since the Observatory's last report in 2004, when only one regional fund was identified. That fund was the Friuli Venezia Giulia Film Fund (FVG Film Fund), operated by the Film Commission of the region, which had been established just one year earlier. From 2005 onwards there was a rapid acceleration in the creation of funds, due principally to administrative reforms at the national level, and subsequent legal clarification as to the shared competence of both state and regions for film. The funds created took a wide variety of forms, but many were established in the context of regional film commissions (Apulia, Campania, Emilia-Romagna, Bologna, Latina, Friuli Venezia Giulia, Turin Piedmont,...). Others were funding lines organised within culture, tourism and regional development departments of local government (Abruzzo,

Lombardy, Tuscany,..) while two at least are parts of regional economic development structures (Lazio – FILAS and Bolzano – *BLS Südtirol - Alto Adige*). By 2010, research by trade association ANICA¹⁸, identified 25 different funding lines in 14 different Italian regions, with the most recent creations (2010) in Liguria and the Val d'Aosta, and 60% of the total resources available managed directly by Film Commissions. Almost all schemes required regional spend, and the vast majority provided grants. Four bodies were structured as capital risk funds participating in co-productions (Tuscany, two funds in Sardinia and the Lazio FILAS fund). ANICA research showed an estimated total of EUR 23 million was available for spend by these funds in 2010, down from approximately EUR 29.6 million in 2009. Initially concentrated on the different phases of production of film and audiovisual works, as these funds have matured they have begun to support distribution, promotion and professional training. Finally, European Regional Development Funds were used together with national and regional public financing for the *Sensi Contemporanei Cinema* programme which ran between 2005 and 2010 in Sicily, and funded a number of measures designed to improve the infrastructure of the local production industry and to foster the use of new technologies.

18) 'Le politiche d'investimento nel settore audiovisivo delle regioni italiane all'interno del quadro europeo', and 'Evoluzione dei fondi regionali per il cinema e l'audiovisivo – vincoli e opportunità', research project funded by the MiBAC and undertaken by the Research Unit of the Associazione Nazionale delle Industrie Cinematografiche Audiovisive – Multimediali (ANICA). Research co-ordinated by Federica D'Urso and Bruno Zambardino. Information at <http://www.anica.it/online/index.php/fondi-regionali.html>

FOCUS 11 Cine-Regio and Capital Regions for Cinema

Cine-Regio – the network of regional film funds in Europe

Charlotte Appelgren
General Secretary

Introduction

Cine-Regio is a pan-European association of regional film funds, as of August 2011 representing 37 regional film funds from 12 EU member states, in addition to Norway, Serbia and Switzerland. The regional film agencies members of Cine-Regio deliver a range of support schemes and services to the film sector which aim to support film culture, encourage social cohesion and build regional infrastructure. Cine-Regio and its members believe that regional support is vital to foster and safeguard the development of the European audiovisual sector and that it promotes local cultural identity, cultural diversity and democratic empowerment.

Cine-Regio started life in 2003 as an EU INTERREG-funded project named ECRIF. Behind this initiative were five European regional film funds. In May 2005 Cine-Regio aisbl was established as a Belgian non-profit association. At Cine-Regio's 1st General Assembly in Cannes in May 2005, Cine-Regio numbered 15 regional film funds from 11 different European countries among its members and was operating from the office of its founding member, *Wallimage*, in Mons, Belgium. In November 2005 an agreement was reached between the Walloon Minister for the Economy and the President of the Swedish region of Västra Götaland that for the period 2006 to 2009 the Cine-Regio secretariat would be located in Göteborg, Sweden. For the period 2010 to 2012 the secretariat is based in Aarhus, Denmark.

Cine-Regio's main objectives are threefold and interlinked:

Knowledge-sharing - Film Policy - Co-production/Collaboration

Hence, Cine-Regio works as a knowledge-centre and platform for its members:

- assisting the integration of new regional film funds;
- acting as a lobby organization in raising awareness, representing and promoting regional audiovisual interests across Europe, including representing members' interests to European institutions and other organisations which play a role in determining the rules and conditions for regional film funds;
- and last, but not least, aiming to strengthen co-development, co-production and collaboration between the European regions, fusing talents and resources for a wider market – including stimulating artistic, technical and creative exchange and know-how throughout Europe.

Cine-Regio encourages inter-regional co-operation, and together with the European film industry and its members, is continuously involved in initiating and organising activities in the European regions.

Diversity of funding schemes

Regional public funding has acquired an increasing importance in the overall financing of film and audiovisual works in Europe. More and more funding for film and audiovisual production is channelled through the various regional levels. Overall there is a great diversity in terms of operating environment and methods among Cine-Regio members. As such there is no "best practice" example - each fund must define its own goals and objectives.

The budget sizes for members vary, with operating budgets ranging from EUR 1 million to EUR 19 million. The Cine-Regio network represents a total funding capital of approximately EUR 166 million per year, that is around 9% of total European funding spend in 2009, and approximately 34% of all sub-national funding spend.

All of the Cine-Regio member funds run selective schemes (as opposed to automatic schemes), with each project undergoing a selection process using various criteria. Though these differ from fund to fund, the most common model results from the combination of three criteria: I. artistic and cultural evaluation; II. audience or festival potential; III. an economic assessment. The types of funding offered differ from fund to fund and can take the form of an investment (straight equity money), pure grants or a soft-loan (a conditionally repayable loan to be repaid out of profits and therefore rarely fully repaid by European productions).

How are regional film funds financed?

Cine-Regio member funds are financed from a variety of sources, which often require them to balance the artistic, cultural and economic aspects of film making. The majority of income comes from local/regional governments (generally between 60-70% for individual funds). Other sources are regional or national public service broadcasters, for example in Germany and Spain, national film agencies (in France and in Sweden), the state (Norway) and return on investments. It is important to know how funds are financed as it helps support recipients better understand why regional film funds ask for both a cultural and an economic effect in their respective regions when supporting a film project. Although the regional film funds in Cine-Regio clearly support projects based on their unique cultural merits, the film sector has an economic impact in each member's region - ultimately the majority of the funding comes from the tax payers of that region.

Knowledge-sharing and sub-groups

Cine-Regio has three core meetings per year, which are important platforms for sharing know-how and for networking. The meetings take place during the Berlin and Cannes Film Festivals and an autumn meeting in a new region each year. The autumn meeting is a two-day platform for knowledge sharing and specific topics are discussed (for example co-productions, notification of schemes to the EU Competition Directorate, cross media). At the General Assembly in Cannes members appoint the board, approve the Annual Accounts & Report and discuss topics according to the agenda. The Cine-Regio Berlinale meeting tends to concentrate on important strategic subjects for the members, including presenting the yearly Cine-Regio focus report on a topic of relevance to members. These have included: Digital Distribution I (2008); Regional Film Funds Contribution to Economic Growth, Creativity and Culture (2009); Digital Revolution II – the Active Audience (2010); Building Stable Film Production Companies (2011) and Digital Revolution III – Engaging Audiences (2011). Given the interest and relevance of the Digital Revolution reports I, II and III not only to Cine-Regio members, but to many stakeholders in the European film industry, as well as researchers, it was decided to make the report available online as a free download on the Cine-Regio website.¹⁹

¹⁹ http://www.cine-regio.org/press_media/digital_revolution/

The Cine-Regio sub-groups are a focused and popular initiative. They support the objectives of co-operation/co-productions and knowledge sharing, and are also a platform for inspiring new policymaking. The current subgroups of Cine-Regio are:

- **Docu-Regio** - initiated by twelve European film funds in 2007. Its aim is not only to organize training (including a final pitching session) for European documentary producers in the regions, but also to create a network of European regions already funding documentary production and now ready to promote cross-border co-productions among themselves;
- **Animarco-Regio** is a platform for Cine-Regio members with a specific interest in supporting and co-producing animation (including promoting producers and talent from their region). The group also discusses the hot topics of cross media and audiovisual clusters.
- **Kids Regio** has the long-term goal is to initiate a platform which will help to improve the basis for valuable and promising European co-productions of children's and youth films, including distribution of these films across borders.
- **Asia-Regio** focuses on exchange of knowledge between Asian and European regional funds and aims to increase the co-production of films, TV works and games.

Film policy

Over the years Cine-Regio and its 37 members have build up a positive and constructive reputation and therefore are able to speak with a certain authority in different contexts. Cine-Regio is frequently asked for an opinion or position when the EU launches new initiatives in the audiovisual sector and is asked to participate in different international forums and expert groups in relation to its agenda. Since 2008, Cine-Regio is represented in the Advisory Committee of the European Audiovisual Observatory and the European Commissions' Cinema Expert Group. Cine-Regio is included in the European Commission's Register of Interest Representatives since 2009.

Overall, there is an increasing focus on the economic and social significance of culture and the cultural industries throughout Europe. Over the past decade governments at the regional level across Europe have come to recognise the economic benefits the audiovisual sector, and particularly the film sector, can bring, through employment, skills training, and local spend. The achievements of regional film funds show that films can contribute to economic, cultural, social and innovation objectives.

Regional and municipal authorities have responded to this by creating urban and regional regeneration and development policies which acknowledge the role of the audiovisual sector. The success of a region's audiovisual sector is often seen alongside the drive to create 'creative cities' and clusters of innovation and new media.

Co-production and collaboration

Cine-Regio activities fostering collaboration are two-fold: on the one hand matters relating specifically to co-production and lowering barriers to co-production, and on the other, collaboration in more general terms.

Experience has shown that co-production fosters opportunities, including funding opportunities, but also increased exchanges of talent, technical staff and wider distribution opportunities. At the same time one of the main difficulties for producers lies in trying to combine the different sources of finance and in matching and fulfilling the terms and conditions of all the various sources. The Cine-Regio network tries to foster greater collaboration and understanding, both between the film funds themselves and among producers from the Cine-Regio regions. Over the years Cine-Regio has observed an increasing number of co-produced films supported by two regional film funds members of Cine-Regio, generating increased artistic, technical and creative exchange across Europe.

One activity Cine-Regio has launched on its website is a listing of case-studies on completed co-productions. The focus is on international co-productions supported by at minimum two Cine-Regio members. By presenting these case-studies Cine-Regio hope to increase transparency on how film projects can be financed using regional film funding. Table 7.8 shows a number of examples of such co-productions.

Table 7.8 **Recent co-productions involving two or more Cine-Regio members.**

Title	Director	Year of Production	Regional Funds involved
<i>Ne te retourne pas</i> (Don't Look Back)	Marina de Van	2009	Wallimage (BE) Apulia Film Fund (IT)
<i>Un prophète</i>	Jacques Audiard	2009	Île-de-France (FR) Provence-Alpes-Côte d'Azur (FR)
<i>Das weiße Band</i> (The White Ribbon)	Michael Haneke	2009	Vienna Film Fund (AT) MDM (DE)

Table 7.8 (cont.) **Recent co-productions involving two or more Cine-Regio members.**

Title	Director	Year of Production	Regional Funds involved
<i>Une vie de chat</i> (A Cat in Paris)	Alain Gagnol & Jean-Loup Felicioli	2010	Rhône-Alpes (FR) Centre Images (FR)
All Good Children	Alicia Duffy	2010	Wallimage (BE) CRRAV (FR)
The Secret of Kells	Tomm More & Nora Twomey	2009	VAF, Wallimage (BE)
<i>Hævnen</i> (In a Better World)	Susanne Bier	2010	FilmFyn (DK) Film i Väst (SE)
Sound of Noise	Johannes Stjärne Nilsson & Ola Simonsson	2010	Film i Skåne, Film i Väst (SE)

Collaboration in more general terms is also on the increase. For instance Cine-Regio members increasingly join forces to apply for EU INTERREG projects. Examples include the Film Arc project²⁰ and – a popular initiative - producers' networking meetings where producers from one region meet producers from other regions. Examples are *Film i Väst* (SE) and *Filmförderung Hamburg Schleswig-Holstein* (DE), which are actively working to extend both regional and international co-operation by creating opportunities for the film industry to meet. Another example are the three regional film funds *Filmförderung MFG Baden-Württemberg* (DE), *Rhône-Alpes Cinéma* (FR) and *Institut Català de les Indústries Culturals* (ES) which have formed a framework to stimulate cross border co-production through producer networking between the regions. The focus is on establishing a sustainable, long-term relationship between the producers in the three regions.

Challenges and ambitions

Looking ahead the core function of Cine-Regio is to become the voice and ears of the members in EU matters. As EU and related institutions tend to constitute a higher proportion of members' everyday life, Cine-Regio needs to strengthen efforts in this domain. Being active in EU matters also includes influencing and shaping audiovisual policies at European level, not only by submitting position papers but also through discussions and briefings with the European Commission, the European Parliament, the Committee of the Regions, the Council of Europe and other stakeholders in the audiovisual sector.

Furthermore, Cine-Regio will maintain and launch further initiatives that foster and facilitate knowledge and knowledge-sharing and strengthen collaboration and co-productions. Establishing tools and initiatives that lower barriers to co-production is part of Cine-Regio's future strategy. In a fragile economic climate, the co-production approach represents a fertile ground for developing projects to their full potential on a European scale. It is of outmost importance that in future Cine-Regio and its members will continue to make bold investment decisions and to reinforce their commitment to encouraging the global reach of local talent.

More detailed info on the regional film funds members of Cine-Regio can be found here: www.cineregio.org/members.

²⁰ See Focus 12 for further information.

Capital Regions for Cinema - making regional borders more flexible...

Teresa Hoefert de Turégano
Medienboard Berlin-Brandenburg

Capital Regions for Cinema (CRC) is a network designed to bring together four major European film production centres. It was established by public partners in Berlin-Brandenburg, Paris, Rome and Madrid, who officially signed a Common Declaration in October 2006. The partners include the *Medienboard Berlin-Brandenburg*, Île-de-France Film Commission, Roma-Lazio Film Commission and the Madrid Film Commission. The aim of the network is to strengthen the conditions for co-operation and co-production among film professionals in these European capitals and their affiliated regions. Underlying this initiative is an effort to move beyond a competitive position between these important European film making centres.

In order to help develop co-operation among these regions the CRC partners organise co-production and networking meetings four times a year. These take place during the Berlin, Cannes, Rome and San Sebastian international film festivals. The network partners invite film professionals based in their region to attend the CRC meetings. There is no additional screening process, strictly speaking, and thus these meetings reflect the broad scope of the industry in each region.

In addition to its main activity of organising these networking meetings, the four CRC partners are in regular contact, enabling quick communication and information exchange about potential co-productions and other co-operative projects, in order to provide impetus and assistance whenever possible.

With the exception of Madrid, which is still developing its regional funding mechanisms, each of the CRC regions offers public financing possibilities, in one form or another, to its film professionals. Despite the different functions of the four CRC partners (one film fund and three film commissions) they all share the common objectives of supporting the film and audiovisual culture and industry in their region. Each of the film commissions works closely with the local public funds and is a strong support for the film professionals from their region.

Some examples of projects which have benefited from the CRC network are: *Le quattro volte* by Michelangelo Frammartino, Italy (Vivo Film/Invisible Film), Germany (Essential Filmproduktion) and Switzerland (Ventura Film) and *Et si on vivait tous ensemble* by Stéphane Robelin, France (Les Films de la Butte/Manny Films with Germany (Rommel Films); *Golakani Kirkuk* by Fariborz Kamkari, Italy (Far Out Film), Iraq (Visual K Prod), France (Lorival) and Switzerland (T&C).

The long term aim is develop a virtual fund wherein each region would reserve a percentage of its funding for co-productions among professionals developed within two or more of the four regions. The aim is to create more flexibility in terms of the regional conditions and requirements, which the funding mechanisms in each region stipulate. This would mean that a coproduction project funded, for example, by both the *Medienboard Berlin-Brandenburg* and the Ile-de-France could benefit from more flexibility in the requirements. On the one hand, the 100% regional spend in Berlin-Brandenburg or, on the other hand, the number of shooting days and/or technical services required by the Ile-de-France fund, could potentially be softened to enable more co-production and greater reciprocity.

Another important aspect of the CRC is its policy and openness to international co-operation. The co-production meetings organised during the Berlinale, Cannes and Rome always include international guests, where film professionals from a particular region are invited to participate in the networking sessions. Some examples from past meetings include: India, Egypt, Argentina and Turkey. In addition, the CRC has been invited to present its network and participate in networking meetings in various international locations, most recently at the Dubai International Film Festival (DIFF).

In sum, the CRC network is a co-operative effort among European regions to make those internal cinematographic borders more flexible and to encourage an international openness.

Further information about the network and its activities can be found at: <http://www.medienboard.de/> and at <http://www.idf-film.com/en/incentives/crc-coproduction-meetings/>

NL – The Netherlands

Just one regional fund operates in the Netherlands, the *Rotterdam Media Fonds* (RMF). Established in 1995, the fund originally operated under the name of the Rotterdam Film Fund, but saw its brief widened yet further to include all kinds of media with the adoption of new statutes in early 2010. It implements municipal policy aiming at developing and promoting a healthy economic climate for the film and audiovisual sector

in the region, and provides loans for project development and production, as well as developing training programmes. Financed principally by the *Ontwikkelings Bedrijf Rotterdam* (the Rotterdam business development authority), the fund acts in parallel with the Rotterdam Media (formerly Film) Commission. Fund income had been shrinking back during the period covered by this report and, despite a small recovery in income in 2010, the RMF has faced further income cuts and threats of a possible closure in 2011.

NO – Norway

Norway has a network of 10 regional funding bodies in operation. Five are film funds, while the others are regional resource hubs called 'film centres'. Although regional governments are the driving force behind these bodies, such initiatives also form part of central government's commitment to film. As result, the film centres are financed both by regional and local authorities and by income from the state. State income is earmarked for support for the development and production of short and documentary films, though some awards have in the past been made to cover operating costs. The film funds are, in general, financed by regional and local government, state funds, returns on investments, ERDF income (in one case) and transfers from the *Norsk filminstitutt* (two instances identified in 2009).

The *Nordnorsk filmsenter* is the oldest of these bodies, having started operation in 1981. It acts as a resource centre and hub for the industry in Northern Norway, providing training, distributing local films, running media literacy initiatives as well using state funds to finance shorts and documentaries. The other film centres which operate along similar lines are the *Midtnorsk* (2005), *Ostnorsk* (2006), *Vestnorsk* (1994) and the *Sørnorsk* (2008) film centres. Some of these are doubled by film funds. This is the case for the *Midtnorsk filmfond*, which works in parallel with the *Midtnorsk filmsenter*, and which invests in and co-produces features, shorts, documentaries and computer games. The *Ostnorsk filmsenter* is associated with the film fund *Film3* (which predated it) – *Film3* invests in film (feature and short) and television production, with a special emphasis on young filmmakers, digital technologies and international collaboration. Similarly *Film Fund FUZZ* (2006) is an offshoot of the *Vestnorsk filmsenter* and is owned by Bergen municipality. *FUZZ* operates a selective film investment fund, financed both by public sources and by private investors. Two other funds operate independently of film centres; *FilmCamp*, which is both a regional production fund and a production facility based in the Troms region, and *Filmkraft Rogaland*, which is active in local talent development, training and media literacy initiatives as well as promoting the region as a location. It also manages funds for the development and production of films, television works and games through its *Filmkraft Invest* wing.

PL – Poland

Poland has gone from having no regional film funds to a total of eleven funds in the space of 5 years. This is the result of an active policy to promote their creation by the national agency, the *Polski Instytut Sztuki Filmowej* (PISF) in close co-operation with the *Stowarzyszenie Filmowców Polskich* (SFP – Association of Polish Filmmakers) and the *Krajowa Izba Producentów Audio-wizualnych* (KIPA – Polish audiovisual producers Chamber of Commerce). The Polish regional funds concentrate on production support and a number of them operate as part of or in close association with the regional or local film commission. The first fund to be created was

that in the city of Lodz (2007) and three funds started operation in 2010. Total spend for these funds in 2010 was just over EUR 2 million, 72% of which was invested in 16 feature films.²¹

RU – Russian Federation

Though it has not been possible to identify precisely and track information on funding available for film-related activities at the regional and local levels in the Russian Federation, regional and municipal authorities are by law vested with powers that allow them to undertake certain kinds of activities in this domain. Since 2004, many Russian regions have implemented programmes to promote the local film industry, though these are generally targeted at supporting film distribution rather than production. One of the most active regions in terms of support for production is Moscow, which in 2007 adopted a City Target Programme for 2008-2010 to produce Russian TV films in the city.²² In addition a project is underway for the creation of regional film commissions which will provide both location services and support for production.²³

SE – Sweden

Sweden benefits from a dense network of 20 regional film bodies. As in Norway these are of two basic types – regional resource centres and regional production centres. The four regional production centres: *Film i Väst* (1992), *Filmpool Nord* (1992), *Film i Skåne* (1995) and the most recent, *Filmregion Stockholm-Mälardalen*, established in 2007, are all also regional resource centres. All the regional centres are financed by regional and local governments, by regional development authorities and by the *Svenska Filminstitut* (SFI), which transfers annually around SEK 20 million / EUR 2 million to the regions. Other sources of finance include EU funding, occasional awards from other state institutions and own revenue. Funding from the SFI is in two categories. Funding for the regional production centres comes from SFI resources under the *Filmavtal* (film agreement), whereas funding for activities of the regional resource centres is through the funds received by the SFI from the Ministry of Culture for cultural funding. To this end the resource centres are entrusted with a specific mission by the SFI to co-ordinate and develop film cultural activities with a special emphasis on media literacy and audience development aimed at children and young people, as well as on talent development. The interests of the regional resource centres are represented by the *Regionala filmresurscentrum samarbetsråd*, which brings together all the centres financed by the SFI.

All four regional production centres are members of the European network of regional funds, Cine-Regio, but *Film i Väst*, the largest of the regional production and resource centres, stands somewhat apart in terms of its particular international focus. At the heart of a regional production hub, including a studio and a full range of facilities companies, the fund is an active co-producer of both Swedish and international projects.

21) Data from a KIPA report on Polish regional fund activity in 2010. See <http://www.international.kipa.pl/>

22) See 'The Film Industry in the Russian Federation', a report by NevaFilm for the European Audiovisual Observatory, Strasbourg, 2010, pages 11-12.

23) See the 'Russia Production Guide 2011', for further information.

The following Focus section provides information on a selection of interesting inter-regional initiatives. The first group have in common the presence of EU funding in their income. The second group are a varied selection of initiatives involving various combinations of regional and national funds.

ERDF – INTERREG financed projects

Animation Media Cluster Region Stuttgart

Formerly known as Digital AV Initiative Baden-Württemberg, this project was initiated by *MFG Filmförderung*, the major fund for the *Land* of Baden-Württemberg. The partners are:

- *MFG Filmförderung (DE)*
- *Landesanstalt für Kommunikation Baden-Württemberg (DE - media authority)*
- *The State of Baden-Württemberg*

The cluster was established by *MFG Filmförderung* in order to help realize the strong potential of regional firms in the animation and visual effects fields. It is partly financed by income from the European Regional Development Fund, as part of the funding available in the region for the period 2007 – 2013 in the “Regional competitiveness and employment” budget line. The cluster consists of several strong VFX service providers and animation studios around which many very small enterprises and regionally-based freelancers are grouped. Unlike a rigid network, the companies represented are completely independent and in some cases even rivals in their day-to-day business but can become collaborators in the case of an attractive major commission. The intention is that cluster management will promote know-how and technology transfer, create synergies and strengthen interdisciplinary cooperation. The objective is to network and strengthen the region’s companies, to acquire attractive projects and to open up new perspectives for the highly trained talents graduating from the region’s film, media and art schools every year. In addition, technical and organisational structures common to the Stuttgart and Ludwigsburg regions are being developed, offering international film production companies the bundled capacity of the regions and making them attractive to large-scale projects.

Film Arc

This was a three-year project where the northern regions of Norway, Sweden and Finland worked together across borders to achieve a stronger global business for regional film and game companies. The regions covered were Norrbotten and Västerbotten in Sweden, Northern Norway and Northern Finland. The partners were

- *POEM-Foundation (FI – leader)*
- *Filmpool Nord (SE)*
- *Film i Västerbotten (SE)*
- *FilmCamp (NO)*

The overall budget for the project was EUR 3 million, 40% of which came from EU funds and 60% of which came from the regions. The project aimed to strengthen production companies through business development (such as Master Classes) and networking, so that filmmakers and film companies can be more mobile within the Film Arc region. To this end a media platform was created which hosts, among other items, a common register of filmmakers and film companies. The project formally ended with a summit held in Oulu in May 2011 but reflection is currently underway as to how the benefits can be prolonged for the industry.

First Motion

This project fosters innovation in small- and medium-sized enterprises in the Baltic Sea Region on the premise that digitisation has brought changes that can stimulate economic growth and create highly-skilled jobs. Multiple partners are involved, basically of three different types; universities, national and regional development organisations and film funds. The film funds involved are:

- *Den Westdanske Filmpulje / Filmby Århus (DK)*
- *Eesti Sihtasutus (EE)*
- *Filmförderung Hamburg Schleswig-Holstein (DE – leader)*
- *Nacionālais Kino centrs (LV)*

together with universities and specialised institutions in Denmark, Estonia, Norway, Poland and Sweden. The project has been subdivided into a number of work packages, the two of which were to establish a website and provide funding for new formats and ideas. The remaining work packages focus on capacity building. They are:

- 1. Industry capacity building / market development** - aims at building capacity in the creative cross-media industry for new cross-media formats, their efficient production and models for sustainable support/subsidies. Collect expertise about the emerging markets and uses it to build a pan-Baltic Online platform (Baltic Universe; BU);
- 2. Institutional capacity building / policy development** - aims at building capacity within the public institutions and at developing new policy guidelines for the creation of regional growth incentive schemes making use of the opportunities in changing and converging creative industries through cross-media content. It focuses on legal aspects, researches and develops business development services and institutional guidelines for content creation and innovative stimulants;
- 3. Industry cluster / regional development** - aims to improve regional development through research, development and implementation of cluster management and innovation management tools tailored to the Baltic Sea region.
- 4. Education & training** - will develop an up-to-date and trans-nationally attractive MA curriculum on media innovation and new media forms.

The project is part-financed by the European Regional Development Fund and the European Neighbourhood and Partnership Instrument and is underway at the time of writing.

North Sea Screen Partners

North Sea Screen Partners is an on-going project funded by the North Sea INTERREG IVB programme. The North Sea Region Programme 2007-2013 aims to expand the scope of territorial co-operation and to focus on high quality projects in innovation, the environment, accessibility, and sustainable and competitive communities.

Within this framework, North Sea Screen Partners is a new network for all kinds of media in the countries forming part of the North Sea region. The countries involved are Belgium, Denmark, Germany, the Netherlands, Norway, Sweden and the United Kingdom. The network helps members wishing to produce, shoot, post or learn - for film, TV, games, commercials, print and web. The film funds involved with the different strands of the network are as follows:

- 1. Produce** is about business and industry development.
 - *FilmFyn* (DK)
 - Screen South (GB)
- 2. Shoot** is to help find locations and production services.
 - *Filmby Århus - Den Westdanske Filmpulje* (DK)
 - *FilmFyn* (DK)
 - *Nordmedia Fonds* (DE)
 - Screen South (GB)
- 3. Post** involves the creation of a new VFX Lab and post-production network.
 - *FilmFyn* (DK)
 - Screen South (GB)
- 4. Learn** is to make it easier to find training and professional development.
 - *FilmFyn* (DK)
 - Screen South (GB)

Other initiatives

Moving Media Southern Sweden – Media Evolution

Media Evolution is a media cluster and member-based organisation that endeavours to strengthen innovation and growth in southern Sweden's media sectors through projects and events within five different areas: Business Development, Games & Learning, Venues, Business Intelligence, and Innovation & Development. Moving Media Southern Sweden (MMSS) was established and constituted as a non-profit-making association in December 2008. In 2009 a public limited company was established to manage the operational activities and in January 2010, MMSS became Media Evolution. Partners in the scheme include Malmö University, University MEDEA, BUFF:FF, Nordic Game and regional film centre *Reaktor Sydost*.

Media Evolution gathers southern Sweden's media ventures together under one roof, and drives their related developments forward. Its mission is to remove obstacles and to create conditions for growth by encouraging dialogue, providing inspiration, and highlighting new opportunities within media sectors. The aim is that southern Sweden will become Europe's leading innovation platform for media sectors.

Fondo de Coproducción Galicia-Brasil

This fund was established on 21 September 2007 by the signature of an agreement between the Brazilian national film agency, ANCINE, and the government of the Galician Autonomous Community. The fund supports co-productions between the two countries and is the only such agreement involving Brazil and Spain to have financial means in place. Previously supporting only feature production, from 2010 the fund will also support documentaries. For 2011 the fund had EUR 160 000 available; EUR 40 000 for documentaries and EUR 120 000 for fiction.

Fondo Raíces

The *Acordo Raíces* was signed in Argentina in 2003 and included an agreement to develop activities promoting co-operation between film industries in the Spanish Autonomous Communities and Argentina. This took concrete form in January 2005 when a fund for co-productions between independent producers in Argentina and the signatory Spanish Autonomous Communities was created. The *Raíces* Fund is administered by the *Consortio Audiovisual de Galicia* and provides subsidies to independent producers from Catalonia, Galicia, Andalusia and Argentina where these producers are intending to co-produce a cinematographic feature (a Spanish - Argentinian co-production). The fund is financed by contributions from the *Consortio Audiovisual de Galicia*, the *Institut Català de les Indústries Culturals* (ICIC - Catalonia), the *Consejería de Cultura Andalucía* (*Instituto Andaluz de las Artes y Letras*, formerly the E.P.G.P.C.) and the Argentinian national film agency, INCAA. For 2011 the budget is of EUR 150 000, which will go to support a maximum of 3 projects.

C.A.S.P.E.R.

C.A.S.P.E.R., or Creative Animated Series: Pilots in the Euro-Region, is a joint initiative by the *Vlaams Audiovisueel Fonds* (VAF) and *Wallimage* in Belgium and French regional fund, the *Centre régional de ressources audiovisuelles* (CRRAV). The aim is to fund pilots for animation series that are being co-produced between Flanders, Wallonia and the Nord-Pas de Calais region. This initiative is linked to the establishment of an inter-regional media cluster (*Le Pôle Image*) with three centres in the Nord-Pas de Calais region, uniting film, audiovisual, games, animation and digital media companies, schools and laboratories. One of the priorities for this new centre was the creation of a EUR 1.85 million fund to support innovation, jointly financed by the CRRAV, the *Chambre de commerce et de l'industrie* of Valenciennes, the *Direction de l'Action Economique* of the région, the VAF and *Wallimage*. This fund has three support strands, including strands for games and interactive projects, as well as the C.A.S.P.E.R. project which is funded by each of the three partners with EUR 250 000, for a total of EUR 750 000. C.A.S.P.E.R. kicked off in October 2009 and had a first funding round in April 2010. A second round was opened in October 2010.

Aid for Film and Audiovisual Works in Europe – the Public Policy Context

This appendix sketches a broad picture of the public policy context within which public funding for film and audiovisual works operates in Europe. It opens with a look at the historical background to the emergence of this type of state support and then identifies some notable trends in national policies since 2005. The background to policy at a pan-European level, including the actions of both the Council of Europe and the European Commission, are described and the appendix concludes with a brief look at the international public policy context, specifically in relation to developments at UNESCO.

■ 1.1 A brief history of public funding for film and audiovisual works

Sectoral aid to the film industry dates back to the 1930s, when the emergence of talking films strengthened America's domination of the European markets, a phenomenon which was firmly established by the end of the Second World War.

Following an initial wave of protectionist regulation in the form of screen quotas¹, public authority intervention quickly began to take the form of direct economic aid. Apart from the nationalisation of film companies by the Soviet authorities (1920), the earliest public authority economic interventions for the film industry were implemented by the Italian fascist regime (1931)², the national-socialist regime in Germany (1933)³ and the Franquist regime in Spain (1938, 1941).⁴ In France, the first proposals for state economic intervention in the film industry were made in various official reports in the 1930s. However, it was the creation of the *Comité d'organisation de l'industrie cinématographique* (committee for the organisation of the film industry -

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COIC) by the Vichy regime (framework law of 16 August 1940) which marked the launch of public involvement in France.⁵

This first wave of economic intervention by totalitarian regimes clearly had underlying propaganda-related objectives and included varying degrees of censorship, but it nonetheless benefited films produced by the private sector, not all of which were pure propaganda. After the Second World War democratic regimes did not question the economic justification for this type of intervention, though the censorship and propaganda aspects were eliminated.

1) For example, in Germany in 1921 and in the United Kingdom and Italy in 1927.

2) Legge n.918 18 giugno 1931. Support was in the form of an automatic bonus amounting to 10% of box office receipts and was thus justified for both economic and educational reasons. See G.P. BRUNETTA, *Storia del cinema italiano, 1895-1945*, Editori Riuniti, Roma, 1979, pp. 303 et seq. and B. CORSI, *Con qualche dollaro in meno. Storia economica del cinema italiano*, Editori Riuniti, Roma, 2001, p. 23.

3) Goebbels announced an interventionist policy on 14 March 1933. The *Filmkreditbank GmbH* (Film Credit Bank) was established at the end of May 1933. See K. KREIMEIER, *The Ufa Story: A History of Germany's Greatest Film Company, 1918-1945*, translated from German by R. and R. Kimber, University of California Press, 1999.

4) Creation of the Subcomisión Reguladora de la Cinematografía under the auspices of the Ministerio de Industria y Comercio (1939) and Orden del Ministerio de Industria y comercio, 11 November 1941, establishing a film credit system which could cover up to 40% of production costs plus annual awards for high-quality production. See J.E. MONTERDE, «El cine de la Autarquía (1939-1950)», in R. GUBERN et al. *Historia del cine español*, Catedra, Madrid, 1995 and A. CUEVAS, *Economía cinematográfica. La producción y el comercio de películas*, Imaginografo, Madrid, 1999, p. 85.

5) See P. BILLARD, *L'âge classique du cinéma français. Du cinéma parlant à la Nouvelle Vague*, Flammarion, Paris, 1995.

In France, for example, the creation of the *Centre national de la cinématographie* (national film centre - CNC) by the Act of 26 October 1946, ensured the continuation of many aspects of the system set up in 1940.⁶ From 1952 onwards, some *Länder* of the Federal Republic of Germany established bank credit guarantee schemes for the film industry. In Belgium, where the public authorities had supported the industry in the 1930s by commissioning documentaries⁷, the first automatic aid schemes were launched in 1952. In the United Kingdom, state intervention was first discussed in 1944, although economic aid funded by a tax on cinema tickets (the Eady Levy) was not introduced until 1951. This funding system, which was initially meant to operate until 1954, actually continued until 1985.⁸

These early support schemes generally functioned on an automatic basis. The first selective schemes came into being during the 1950s and by the early 1970s most Western European countries had established a support system at national level proposing either selective or automatic schemes, or in some cases, a combination of both.⁹

The first wave of creation of 'regional' funds took place during the 1980s, either as a logical outcome of the federal organisational structure of countries such as Austria, Belgium, Germany and Switzerland or in the wake of public policies towards decentralisation in Spain, France and the United Kingdom.

The 1980s also saw the emergence of the first support schemes intended for television production. In Germany and Spain this type of funding was a specificity of regional funders whereas in France, for example, the *Compte de soutien aux industries de programmes* (Support Account for Television Production - COSIP) automatic support scheme was established at a national level in 1986, though national selective funding for audiovisual works dates from the end of the 1970s.

In Central and Eastern Europe the early 1990s was a time of disruption of the national production industries in the wake of the political upheavals of 1989. State monopolies on production and distribution were dismantled, an independent production sector emerged and an initial wave of reforms gave rise to a number of central bodies in charge of fund management.¹⁰ A second wave of reforms took place from around 1994 onwards and continued on into the early years of the new decade, as the perspective of European Union membership signalled a new wave of legislative changes in many of the candidate countries. New framework laws on the film industry or acts or regulations intended to strengthen, clarify or modify existing funding arrangements were adopted in Romania (2000, 2002), Latvia (2001), Lithuania (2002), Bulgaria (2003), Albania (2004), Hungary (2004) and Poland (2005).

In Western Europe the principle innovations prior to 2005 included the passage of new laws entirely replacing existing legislation in Spain (2001), Switzerland (2001), Italy (2003) and Portugal (2004), filling a void in national legislation in Finland (2000), or substantially amending existing provisions in the French-speaking Community of Belgium (1998), France (1999 and 2003), Sweden (2000) and Germany (2003).

New agencies which were established during this period included the *Instituto do Cinema, Audiovisual e Multimédia* (ICAM - Portugal, 1998), the UK Film Council (United Kingdom, 2000), the *Norsk filmfondet* (Norway, 2001), the *Vlaams Audiovisueel Fonds* (Flanders Audiovisual Fund - VAF, Flemish-speaking Community of Belgium, 2002), the *Polski Instytut Sztuki Filmowej* (Polish Film Institute - PISF, 2005), while others were restructured or had their status clarified (Luxembourg, 1999; Estonia, 2000; Finland, 2000 and Romania, 2002).

■ 1.2 Trends in national policies on aid to the European film industry since 2005

Many of the numerous changes and innovations in support for national film industries since 2005 are described in the chapters of this report dedicated to the funding bodies themselves. This appendix therefore does not attempt to provide an exhaustive review of legislative changes but instead identifies a number of trends in public policy and support scheme design which have emerged over recent years.

1.2.1 The regional dimension of film policy

The growing importance of regional funds in terms of their number, the scope of their interventions and their presence in the public arena was a trend already identified in the 2004 edition of this report. Since 2005 the trend has continued and, if anything, intensified. New regional funds have been created in Hungary, Italy, Norway and Spain. In Poland, the encouragement of the creation of regional funds is a policy objective of the *Polski Instytut Sztuki Filmowej* and in co-operation with regional and local authorities, has given rise to creation of eight regional funds operating in 2009 and a further four funds starting operation in 2010 or 2011. Networking activities and co-operation among these funds have intensified under the auspices of the Cine-Regio and Capital Regions for Cinema groups. Regional funds have also sought to broaden the scope of their activities and a significant number of funds position themselves as a resource hub for their region, either in terms of production and creative facilities or in association with clusters for digital technologies and new media.¹¹

6) See, *inter alia*, G. VALTER, *Le régime de l'organisation professionnelle de la cinématographie, du corporatisme au régime administratif*, Librairie générale de droit et de jurisprudence, Paris, 1969; D. KESSLER, "Le CNC, au cœur du cinéma français", in *Quelle diversité face à Hollywood ?*, Cinémaction, Condé-sur-Noirau, 2002, pp. 174-177.

7) F. SOJCHER, *La kermesse héroïque du cinéma belge*, Vol. 1, *Des documentaires et des farces (1896-1965)*, L'Harmattan, Paris, 1999.

8) B. BAILLIEU and J. GOODCHILD, *The British Film Business*, John Wiley & Sons, London, 2002, p.61.

9) Greece (1980), Austria (1981) and Luxembourg (1990) were among the last Western European countries to introduce public funding.

10) The Romanian Film Centre was created in 1990 and the State Fund for the Support and Development of Czech Cinematography was established in 1992 and operational in 1993.

11) See for example the Animation Media Cluster Region Stuttgart, established in association with *MFG Filmförderung*.

1.2.2 New sources of finance for film funds

Since 2005 a number of countries have taken the opportunity of a new film or audiovisual law to broaden the sources of finance for their support mechanisms. Finance sourced from the state budget remains an element in all cases, but the trend has been to try to include dispositions requiring broadcasters and other users of audiovisual content to invest a percentage of their revenues in the fund.¹² In a smaller number of cases the scope of such arrangements has been broadened to include the operators of new platforms for audiovisual content, such as mobile telephony operators.¹³ Such measures can meet with significant opposition on the part of the industries concerned and their implementation in law can be a difficult process, resulting even in the calling into question of longer-established funding systems, as has been the case in Germany¹⁴ and Spain.¹⁵

1.2.3 The generalisation of points tests for evaluating cultural eligibility

In terms of the design of funding schemes, a noteworthy trend has emerged in the period since 2006. This is the inclusion in the scheme of a points test used to evaluate the cultural nature of the work to be supported and to decide its eligibility for support. Such points scales were initially used to determine the 'European' nature of works, for example under the European Convention on Cinematographic Co-production, but are now being adapted for use as a method of quantifying the cultural nature of a project. The system is applied both to schemes providing tax relief, for example tax incentive schemes in the UK and in Hungary but is also applied in other cases such as the *Deutscher Filmförderfonds* (German Film Fund - DFFF), the Northern Ireland Screen Fund, production funding in the Basque Autonomous Region of Spain, production funding in the Italian region of Sardinia and others. The inclusion of this type of eligibility criteria within schemes appears to respond to the requirement that 'verifiable national criteria' validate the cultural nature of the work to be supported in order for such schemes to be approved under the European Commission regulations on state aid.¹⁶

■ 1.3 Public policy on aid to the film industry at a European level

This section looks at the role of two of the principle actors of public policy in relation to aid for film and audiovisual works at the European level.

1.3.1 The Council of Europe

The Council of Europe began looking at the question of state aid for the film industry in 1978 (Report by its Committee on Culture and Education, Lisbon Symposium). Parliamentary Assembly Recommendation 862 (1979) on cinema and the state recommended that the Committee of Ministers instruct an appropriate committee to prepare recommendations to governments for the elaboration of new cinema policies, covering in particular, at national level, practical measures for the stimulation of film production. Acting upon this, the Council for Cultural Co-operation set up a committee of governmental film experts, which was active until early 1990.

The creation in October 1988 of a European support fund for the co-production and distribution of creative cinematographic and audiovisual works marked a new step in the Council's involvement with film industry. The Eurimages fund is structured as a partial agreement of the Council of Europe and has grown from an initial 13 members in 1988 to the current total of 35 member states.¹⁷

On 2 October 1992, the Council of Europe opened for signature the European Convention on Cinematographic Co-production, which entered into force on 1 April 1994. At the time of writing, the Convention has been ratified by 42 countries.

A second Council of Europe instrument relevant to the general field of film policy is the European Convention for the Protection of the Audiovisual Heritage and its Protocol on the Protection of Television Productions, which entered into force on 1 January 2008. This Convention introduces the principle of compulsory legal deposit of all moving-image material produced or co-produced and made available to the public in each signatory state and has been ratified by 7 member states of the Council of Europe.

The importance of public film aid policies was highlighted at the 8th Conference of European Ministers responsible for Cultural Affairs (Budapest, 28-29 October 1996). The conclusions of this conference particularly stressed that "the process of gradual enlargement from the Council of Europe to Greater Europe makes it even more necessary to take account of cultural and economic differences between member States with regard to assistance in the production, distribution and use of moving images. This state of affairs amply justifies the special treatment that public, national and international policies must give the cinema, which like books cannot be regarded as a mere consumer product entirely subject to market law".

12) For example, in Romania, Regulation No. 39 of 14 July 2005, Monitorul Oficial No. 704/7 of August 2005) and Poland (Act of 30 June 2005 on Cinematography, Official Journal of 205, No. 132, Item 1111), Slovakia (Audiovisual Fund Act No. 516/2008 Coll.)

13) For example in the French-speaking Community of Belgium where editors and distributors of television services must contribute, in France where VOD transactions are taxed.

14) See article in the IRIS Merlin database at: <http://merlin.obs.coe.int/iris/2010/4/article17.en.html>

15) See article in the IRIS Merlin database at: <http://merlin.obs.coe.int/iris/2010/2/article15.en.html>

16) See Section 1.3.2.3 and following for a discussion of this topic.

17) See Chapter 5

Over the years, the Council of Europe has published various comparative studies of public aid for the cultural industries, particularly the film and audiovisual industry.¹⁸ A related aspect of its work is the programme of national cultural policy reviews initiated in 1986 which gave rise in 1998 to a transnational project initiated by the Council's Steering Committee for Culture. The "Compendium of Cultural Policies and Trends in Europe" is run as a joint venture with the European Institute for Comparative Cultural Research (ERICarts) and now provides web-based and regularly updated reports on cultural policy currently covering 42 European countries.¹⁹

The Compendium provides general information about the place of film in national cultural policies, but in the summer of 2007 a targeted initiative in this domain was launched by the Council of Europe. This took the form of a film policy forum whose purpose was to review national film policies from the perspective of their impact on the diversity of cultural identities and expressions and to encourage debate about the underlying principles, effectiveness and efficiency of methods of public support for film. The Forum, entitled "Shaping Policies for the Cinema of Tomorrow", was hosted by the *Polski Instytut Sztuki Filmowej* in association with the Polish Ministry of Culture and the City of Cracow and took place in Cracow from 11 to 13 September 2009.²⁰ Topics discussed at the event included the meaning of cultural diversity in relation to film, the role of public intervention in securing diversity and pluralism and the achievements and challenges faced by existing national, regional and European support schemes. Based on the recommendations and conclusions of the Forum, an *ad hoc* group of experts on national film policies drafted a policy recommendation which was adopted by the Committee of Ministers of the Council of Europe on 23 September 2009.²¹

Though more limited in scope, another relevant activity is the Cross-Border Cinema Culture pilot project which helps countries update their cultural policies and legislation affecting the film industry and provides targeted professional training. The project is carried out in Armenia, Azerbaijan, Georgia, Moldova and Ukraine.

1.3.2 State aid to the film industry in the European Union context

Since the adoption of the Treaty of Rome the question of aid to the film industry has been frequently debated, particularly in relation to European state aid rules. This section summarises the evolution of the relationship between state aid rules at the European level and the national support systems for film and television works which fall within their scope.

The Treaties of Rome and Maastricht

In 1957 the Treaty establishing the European Economic Community²² dealt principally with economic issues, among which was the creation of a common internal market and the establishment of a set of rules for its functioning. The market being based on the principle of free competition, the Treaty prohibits restrictive agreements and state aids which can affect trade between member states and whose objective is to prevent, restrict or distort competition. However the Treaty also provided for a number of derogations to the prohibition of state aid and stated in particular that "aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest"²³ may be considered to be compatible with the common market, provided other conditions laid down in the Treaty were respected. This derogation is known as "the industrial state aid derogation".

Given that this early process of European construction focused principally on economic issues, considerations related to culture were officially excluded from the founding texts. However, the adoption of the Maastricht Treaty (Treaty on European Union – TEU) on 7 February 1992, marked a new stage in European construction by introducing a cultural dimension. One of the purposes of the European Community was now defined as being to contribute to "the flowering of the cultures of the Member States, while respecting their national and regional diversity".²⁴ Furthermore, the Treaty stated that the Community "shall take cultural aspects into account in its action under other provisions of this Treaty, in particular in order to respect and promote the diversity of its cultures".²⁵

18) The most significant reports based on the Council of Europe's activities on public film aid include:

- Proceedings of the Symposium "Cinema and the State", Culture and Education Committee (Lisbon, 14-16 June 1978)
- F. ROUET, *Des aides à la culture, Le soutien public aux industries de la culture en Europe et au Québec*, Pierre Mardaga, Bruxelles, s.d ; (1987)
- *Finance and taxation in the audio-visual sector in Europe*, Mass Media Files, Council of Europe, Strasbourg, 1991
- J.-N. DIBIE, *Aid for cinematographic and audio-visual production in Europe*, Dixit/Council of Europe, Paris, 1992
- C. JODLOWSKI and L. LE FLOCH ANDERSEN, *Financing cinematographic production in Europe*, based on the RAP – Resources for audiovisual Production Reference file, 8th Conference of European Ministers responsible for Cultural Affairs (Budapest, 28-29 October 1996), Council of Europe, Strasbourg, CM (96)4, 1998.

19) www.culturalpolicies.net/

20) Background papers were prepared for the forum by the European Think Tank on Film and Film Policy and the European Audiovisual Observatory. The final report summarising debates, recommendations and conclusions of the forum was drafted by the European Think Tank. Conference documents are available at http://www.coe.int/t/dg4/cultureheritage/culture/Film/forum_en.asp

21) Recommendation CM/Rec(2009)7 of the Committee of Ministers to member states on national film policies and the diversity of cultural expressions. Further information on this Recommendation is given in Focus 13 at the end of this appendix.

22) Known as the Treaty of Rome, the Treaty on the Establishment of the European Economic Community became the Treaty Establishing the European Community (TEC) after the entry into force in 1993 of the Treaty of Maastricht (Treaty on European Union – TEU) and since 2009 and the entry into force of the Lisbon treaty, is known as the Treaty on the Functioning of the European Union (TFEU). The article numbers mentioned here are those of the TFEU unless otherwise specified.

23) Article 107(3)c TFEU (Ex Article 151(1) TEC).

24) Article 167(1) TFEU (Ex Article 151(1) TEC).

25) Article 167(4) TFEU (Ex Article 151(4) TEC).

The Treaty also introduced a new derogation to the rules on state aid first laid down in the Treaty of Rome. This new provision specified that “aid to promote culture and heritage conservation where such aid does not affect trading conditions and competition in the Community to an extent that is contrary to the common interest” may be considered as compatible with the internal market.²⁶ This derogation is known as “the cultural state aid derogation”.

Early decisions on national support schemes

In practice, member states intending to establish state aid schemes were required to notify the Commission and seek approval for their schemes under the terms of the Treaty. During the late 1990s the European Commission examined the compatibility of national film support schemes in Ireland²⁷, Denmark²⁸, France²⁹, the Netherlands³⁰, Germany³¹ and Sweden³² with the rules on competition contained in the Treaty. In addition the European Free Trade Association (EFTA) Surveillance Authority also examined a support system in Iceland³³ under the terms of the European Economic Area (EEA) Agreement, which runs in parallel with EC law. In these decisions the Commission and the EFTA Surveillance Authority pointed out a number of criteria which would need to be respected in order for national support schemes to be considered legal.

These decisions were a source of some concern in professional circles and among those responsible for national aid mechanisms. At the meeting of the Council of the European Union on 26 September 2000, several member states expressed concern that the Commission had questioned the compatibility of their national aid systems with the provisions of the Treaty related to competition. In February 2001, the Council stated in a Resolution on *National aid to the film and audio-visual industries* that “the Member States are entitled to conduct national policies to support the creation of film and audiovisual products” and that “national aid to the film and audiovisual industries may contribute to the emergence of a European audiovisual market”³⁴. The Council raised the issue of legal certainty for national support schemes and invited the Commission, by the end of 2001, to clarify the principles used to evaluate support schemes under state aid rules.³⁵

The Commission Communication on the future of the film and audiovisual industry in Europe

In response to this invitation, the Commission published in September 2001 a *Communication on certain legal aspects relating to cinematographic and other audiovisual works*³⁶, known as the “Cinema Communication”. The Cinema Communication acknowledges that audiovisual works, and particularly the cinema, play a key role in the forging of European identities and that these works present unique characteristics associated with their dual economic and cultural nature. This is the reason for which the development of the audiovisual sector has not been left solely to market forces.

The Cinema Communication also explains the criteria according to which aid mechanisms for film and audiovisual production put in place by member states are to be evaluated. Firstly the eligibility conditions of the schemes are verified for their conformity to the EC Treaty, particularly in terms of respect for the rules of the internal market, such as avoidance of discrimination on the grounds of nationality (for example, aid being reserved exclusively for nationals) and conformity in terms of freedom of movement requirements. Secondly, the Commission ensures that aid mechanisms fulfil the specific criteria for film and television aid set out in its decision of June 1998 concerning the French production support scheme.³⁷

In doing so, the Commission applies the cultural state aid derogation, which gives special treatment to the cultural sector, and seeks a balance between the objectives of cultural creation, the development of audiovisual production in the EU and respect for Community law on state aid. The specific criteria are as follows:

- The member state must ensure that the content of the aided production is cultural according to verifiable national criteria. In accordance with the subsidiarity principle, the Commission should never pass judgement on what should be considered to be cultural.
- The member state cannot require the producer to spend more than 80% of the budget of the supported film or audiovisual work on national territory and the producer should be free to choose which items of the budget are spent abroad.

26) Article 107(d) TFEU (Ex Article 87(3)(d) TEC).

27) OJ 1198/c 11/08 and SG(99) D/6877.

28) OJ 1998/C 253/11.

29) OJ 1998/C 279/04, IP 98/515, 9 June 1998.

30) OJ 1999/C 120/02, IP/98/1028, 25 November 1998.

31) OJ 1999/C 272/04, IP/99/246, 21 April 1999.

32) OJ 2000/C 134/03 - Aid No: N 748/99.

33) OJ L 89/37, 29 March 2001.

34) Council Resolution of 12 February 2001 on national aid to the film and audiovisual industries (2001/C 73/02), OJ C 73, 6 March 2001, 11.

35) See S. NIKOLTCHEV and F.J. CABRERA BLAZQUEZ, “National Film Production Aid: Legislative Characteristics and Trends”, in *Key Questions for the Audiovisual Sector*, IRIS *plus* Collection, European Audiovisual Observatory/ Victoires Edition, Strasbourg/Paris, 2002, pp.118-127.

36) European Commission, Communication to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on certain legal aspects relating to cinematographic and other audiovisual works, COM (2001) 534, 26 September 2001.

37) State aid N 3/98 (FR), *Soutien à la production cinématographique*: OJ 1998/C 279/04.

- Although aid intensity must in principle be limited to 50% of the production budget, this limit does not apply to difficult and low budget films. Member states are to define what are considered to be difficult and low budget films in each aid mechanism. Films produced in a limited linguistic or cultural region shall be afforded extra flexibility.
- In order to prevent national aid schemes from attracting business from one member state to another, aid supplements for specific production activities (eg post-production) are not allowed.

These conditions were to remain valid until June 2004 and member state aid schemes for film and television production were therefore authorised by the Commission until the same deadline.

Reactions to the Cinema Communication

The European Parliament's Committee on Culture, Youth, Education, the Media and Sport noted the Cinema Communication and reacted in a 2002 report.³⁸ Though supporting the Commission's move to make the criteria applied in assessing state aid to the audiovisual sector more transparent, the Parliament regretted that certain parts of the Cinema Communication remained vague or incomplete and called on the Commission to amend, if necessary, legislative provisions dealing with state aid in order to take account of the audiovisual sector's dual cultural and industrial nature. Finally, the Parliament expressed the wish that future re-examinations of this issue should lead to increased flexibility rather than a stricter application of state aid rules and genuine consideration of the cultural and industrial needs of the sector.

In 2003, with the date for the expiration of the Cinema Communication approaching, the directors of the national film agencies of the 15 European Union member states took the unprecedented step of publishing a joint declaration. The group, acting as an informal network known as the European Film Agency Directors (EFAD)³⁹, expressed their fears that the rules of examination and approval of state aids to the film sector by the European Commission undermined the effectiveness of the aids because of their failure to take into account both the cultural, economic and social specificity of the sector and the objective differences in conditions encountered in different member states. In addition, they noted that the short duration of the approvals granted to schemes

by the Commission (up to 2004) created legal uncertainty and thus impeded the development of coherent and structurally effective policies capable of adjusting to evolving market conditions.

A first extension of the 2001 Cinema Communication

In autumn 2003 the Commission announced that a new Commission communication on support for the film and audiovisual industry would be drafted during the first half of 2004. The timetable was confirmed in a Commission Communication on *The future of European regulatory audiovisual policy*⁴⁰, with the adoption of the Communication announced for June 2004.

On 18 December 2003, the Commission submitted two working documents for discussion. The first of these concerned the adjustment of the compatibility criteria for state aid to film and television production and the second concerned the financing of state aid systems through parafiscal levies. The Commission noted that some national aid schemes impose "territorialisation clauses" (i.e. a percentage of the amount of aid or of the budget of a supported film which should be spent in the country concerned) and asked the member states for their views on this subject with a view to harmonising these provisions.

During consultations held during January 2004, member states and professionals expressed their opposition to the Commission's approach.⁴¹ On 11 February, in Berlin, the members of EFAD published a declaration underlining the unanimous support of the national film agencies for the maintenance of the rules as laid down in the 2001 Cinema Communication. The declaration emphasises that "no evidence has been presented that support measures for their industries and their filmmakers, put in place by member states, significantly impair the workings of the internal market".⁴²

On 16 March 2004, the European Commission published a *Communication on the follow-up to the Commission communication on certain legal aspects relating to cinematographic and other audiovisual works and a Proposal for a Recommendation of the European Parliament and of the Council on film heritage and the competitiveness of related industrial activities*.⁴³ In this communication, the Commission expressed its concern over the "territorialisation" requirements included in some support schemes, considering that these may

38) Report on the Commission communication on certain legal aspects relating to cinematographic and other audiovisual works (COM(2001)534 - C5-0078/2002 2002/2035(COS)) of 5 June 2002, Doc. No. A5-0222/2002, European Parliament Committee on Culture, Youth, Education, the Media and Sport, Rapporteur: Luckas Vander Taelen.

39) The European Film Agency Directors group (EFADs) was established in May 2002 at the instigation of the UK Film Council and the *Centre national de la cinématographie* (the national film agencies for the UK and for France). It is an informal network of the directors of the national film agencies of the member states of the European Union plus Iceland, Norway and Switzerland. The EFADs is a framework for collaboration, co-ordination and exchanges of ideas on issues of common interest with regard to European audiovisual policy. A complete collection of the declarations of the EFAD network can be found at: <http://www.ukfilmcouncil.org.uk/publications?page=1&step=10&viewby=category&value=16954>

40) COM (2003)784

41) «Aides nationales au cinéma et à l'audiovisuel», *CNC Info*, n°11, February 2004, p. 2.

42) «Déclaration des agences européennes du cinéma», *CNC Info*, n°12, March 2004.

43) COM(2004)171 final. Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on the follow-up to the Commission communication on certain legal aspects relating to cinematographic and other audiovisual works (Cinema communication) of 26.09.2001 (published in OJ C 43 on 16.2.2002), Proposal for a recommendation of the European Parliament and of the Council on film heritage and the competitiveness of related industrial activities, Brussels, 16.3.2004 (2004/0066 (COD)).

“constitute a barrier to the free circulation of workers, goods and services across the EC. They may, therefore, fragment the internal market and hinder its development”. However the Commission also declared that it had “carefully considered the arguments put forward by the national authorities and the professionals of the cinematographic sector. It accepts that the sector of film production is under pressure. It is therefore willing to consider, at the latest at the time of the next review of the Communication, higher aid amounts being made available provided that the aid schemes comply with the conditions of general legality under the Treaty and, in particular, that barriers to the free circulation of workers, goods and services across the EC in this sector are reduced”.

The Commission said it would carry out an extensive study on the effects of the existing state aid systems, which should examine in particular the economic and cultural impact of the territoriality requirements imposed by member states, taking into account in particular their impact on co-productions.

The Commission extended the validity of the specific compatibility criteria for aid to cinema and TV programme production, as set out in the Communication, until 30 June 2007. This announcement was welcomed by national authorities and professionals, in particular in France.⁴⁴

Further extensions of the 2001 Cinema Communication

Following-up on the announcement made in the 2004 Communication, a tender was announced for a study on the economic and cultural impact, notably on co-productions, of territorialisation clauses of state aid schemes for films and audio-visual productions. The contract was awarded to a consortium led by Cambridge Econometrics⁴⁵ and the study launched in August 2006.

With the June 2007 deadline for expiration of the first extension to the 2001 Communication approaching and in order to allow time for the completion of the study and the revision of the Communication, the Commission decided to further extend the validity of the 2001 Cinema Communication until at latest 31 December 2009.⁴⁶

The finalised version of the study was published in May 2008⁴⁷. In February 2009 the Commission noted in a further Communication⁴⁸ that the final report of the study was “not conclusive about the economic or

cultural impact of territorial spending obligations in film support schemes, one way or the other. Therefore, the results underline the need for further reflection before proposing a modification of the existing State aid assessment criterion in the 2001 Cinema Communication concerning territorial spending obligations, compatible with the fundamental principles of the Treaty”. In the Commission’s view the current state aid assessment criteria could, in consequence, continue to apply until 31 December 2012. The Communication went on to list a number of trends that would, in due course, require further refinement of the criteria. These were:

- Support for activities other than film and TV production (such as film distribution and digital projection);
- The growth in the number of regional film support schemes;
- Competition among some member states to use state aid to attract inward investment from large-scale, mainly US, film production companies.

The next steps to be undertaken were described by the Commission in a memo published on 28 January 2009.⁴⁹ A full consultation process which would both take account of the complexity of the issues involved and allow all interested parties to contribute would be launched to review the 2001 Cinema Communication. Such a process would include an impact assessment, multilateral meetings with member states and public consultations with professionals. Extending the validity of the current criteria until 31 December 2012 should, it is hoped, allow enough time for this process.

Trends in state aid decisions

Since 2001 the European Commission has been called upon to evaluate numerous national aid schemes for film and audiovisual production on the basis of the cultural criteria laid down in the Cinema Communication. Firstly, it should be noted that strictly speaking the Cinema Communication only refers to the production of films. However the Commission has applied the Communication by analogy in state aid Decisions concerning the development of film projects, including the writing of screenplays, based on the approach that principles developed in the Communication also apply to these activities because they are so closely linked to the production of films.⁵⁰ In the case of distribution and promotion support, the Cinema Communication is also considered relevant, but additional assessments concerning the necessity and proportionality of the measures are conducted.

44) See “Le ministre de la Culture et de la Communication, Jean-Jacques Aillagon, salue l’adoption par la Commission européenne, le mardi 16 mars 2004, d’une nouvelle Communication sur le cinéma et les œuvres audiovisuelles”, press release of 16 March 2004.

45) Consortium formed by Cambridge Econometrics Ltd, David Graham and Associates Ltd and Ramboll Management, represented by Cambridge Econometrics Ltd, acting as Lead contractor.

46) Commission communication concerning the prolongation of the application of the Communication on the follow-up to the Commission communication on certain legal aspects relating to cinematographic and other audiovisual works (cinema communication) of 26 September 2001, OJ C 134, 16 June 2007, 5.

47) Available at: http://ec.europa.eu/avpolicy/docs/library/studies/territ/final_rep.pdf

48) Communication from the Commission concerning the State aid assessment criteria of the Commission communication on certain legal aspects relating to cinematographic and other audiovisual works (Cinema Communication) of 26 September 2001, OJ C 31, 7 February 2009, 1.

49) MEMO/09/33

50) Stated in J. BROCHE et al., “State Aid for Films – A Policy in Motion?”, *Competition Policy Newsletter*, no. 1 (2007): 44

Commentators have, however, remarked upon an evolution in the application of the Cinema Communication criteria since 2006, particularly in the application of the requirement that member states “must ensure that the content of the aided production is cultural according to verifiable national criteria”. Prior to 2006 the Commission accepted a process of evaluating cultural content that was based on broadly defined national criteria defined by the member state and usually implemented by a decision-making committee within the national authority responsible for funding.⁵¹ From late 2006 onwards, the Commission placed accrued importance on ensuring that “the Member States have not committed a manifest error in defining the cultural purpose of their schemes, and that the criteria they have established ensure that this goal will be met”.⁵² This approach was illustrated in the examination by the Commission of the UK film tax incentive scheme.⁵³ As initially notified, this scheme included a points test determining whether films were culturally British and thus eligible for aid. At the request of the Commission, the points test was modified to increase the weight accorded to cultural content component of the test and making it impossible to pass the test by obtaining good scores in the other two components (UK technical hubs and EEA national or resident creative and technical staff). The new *Deutscher Filmförderfonds* (German Film Fund – DFFF) was also examined at the same time by the Commission and approved on the basis of a differently structured cultural points test.⁵⁴ To resume, out of twenty-four cases examined between November 2006 to January 2010 by the Commission, fifteen schemes used a point-based system to test whether works were eligible on the grounds of cultural criteria.⁵⁵

In a Common Declaration made in May 2007, directors of national and regional film agencies expressed their concern with this trend, stating that if the European Commission were to “move towards the automatic introduction of “cultural tests”, it could lead to the adoption of a restrictive and reductive approach towards culture and film”. The directors reconfirmed their satisfaction with the 2001 Cinema Communication which succeeded in reconciling Community competition principles with the right of each member state to implement cultural policies for film. Any

new Communication on cinema should therefore “be no more restrictive than the 2001 Communication”.⁵⁶

State aid outside the cultural derogation

Though the discussion here has principally centered on the application and validity of the cultural state aid derogation, it should be recalled that state aid can also be approved by the Commission on the basis of the industrial derogation.⁵⁷ This derogation has been used to approve schemes supporting activities other than the production of film and television works, notably schemes intended to support exhibitors of films⁵⁸.

Two further possibilities for the exemption of state aid from the general prohibition exist. Firstly, small amounts of state aid may be exempt on the basis of the Commission Regulation on so-called *de minimis* aid⁵⁹, provided they meet certain conditions.⁶⁰ Secondly, aid for general training measures, up to an aid intensity of 80% and not exceeding EUR 2 million per training project, is identified by the General Block Exemption Regulation⁶¹ as state aid that can be considered acceptable and therefore not requiring prior notification.

■ 1.4 The international public policy context

The treatment of culture in the context of free market competition and circulation is problematic, as has been seen in the preceding discussion concerning state aid in the European Union context. On the international stage, similar concerns on the treatment of cultural goods and services arise in the context of international trade negotiations and agreements. During the late 1990s it became clear that attempts to exempt culture, in the sense of cultural expression, from multilateral trade agreements were doomed to failure.⁶² The protests surrounding the Seattle WTO Ministerial Conference in December 1999 and the failure of the conference itself also served to highlight the difficulties caused by a rapid process of globalisation based on commercial considerations and the corresponding sentiment of loss of cultural references. In response to this impasse an alternative was proposed: the creation of an international instrument on cultural diversity.⁶³

51) For a discussion of this and an evaluation of the impact of the evolution in the application of the cultural derogation see E. PSYCHOGIOPOULOU, “The ‘cultural’ criterion in the European Commission’s assessment of state aids to the audio-visual sector”, *Legal Issues of Economic Integration* 37, no.4 (2010): 273-291.

52) J. BROCHE et al., *op cit*, 46.

53) State aid N 461/2005 (UK), UK film tax incentive.

54) State aid N 695/2006 (DE), German Film Fund

55) E. PSYCHOGIOPOULOU *op cit*: 281

56) European Film Agency Directors, Cine-Regio, Capital Regions of Cinema: Common Declaration on the New European Culture Agenda, 25 May 2007. Available at <http://www.ukfilmcouncil.org.uk/10314>

57) Article 107(3)(c) TFEU

58) For an example, see: State aid NN 70/2006, Aid scheme to cinema in Finland.

59) Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to *de minimis* aid, OJ L 379, 28.12.2006, p. 5–10.

60) In particular a ceiling of EUR 200,000 per undertaking over any three-year fiscal period. This ceiling was temporarily raised in early 2009 to EUR 500,000 (cash grant) per undertaking.

61) Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation) (Text with EEA relevance). OJ L 214, 9.8.2008, p. 3–47.

62) See E.H. CHIANG, “The UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expression: A Look at the Convention and its Potential Impact on the American Movie Industry”, *Washington University Global Studies Law Review*, Volume VI, No.2 (2007): 381 – 385 for an overview of the attempts to exclude culture from trade negotiations since World War II.

63) See I. BERNIER, “A UNESCO International Convention on Cultural Diversity”, in *Free Trade versus Cultural Diversity: WTO Negotiations in the Field of Audiovisual Services: 65 - 71* (Christoph Beat Graber, Michael Girsberger, Mira Nenova eds., Schulthess 2004) for a detailed account of the process leading to the drafting of the Convention.

1.4.1 The UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.

On 20 October 2005, the 33rd UNESCO General Conference adopted by a majority of 148 votes to two the Convention on the Protection and Promotion of the Diversity of Cultural Expressions. The Convention is a legally-binding international agreement that sets out a new international framework for the governance and management of culture. Its major objectives are the recognition of the dual nature of cultural expressions as objects of trade and artefacts of cultural value and the recognition of the sovereign right of governments to formulate and implement cultural policies and measures for the protection and promotion of cultural diversity.

Measures that Parties may adopt to protect and promote cultural diversity in their territories include:

- (a) regulatory measures aimed at protecting and promoting diversity of cultural expressions;
- (b) measures that, in an appropriate manner, provide opportunities for domestic cultural activities, goods and services among all those available within the national territory for the creation, production, dissemination, distribution and enjoyment of such domestic cultural activities, goods and services, including provisions relating to the language used for such activities, goods and services;

[...]

(d) measures aimed at providing public financial assistance;

(e) measures aimed at encouraging non-profit organizations, as well as public and private institutions and artists and other cultural professionals, to develop and promote the free exchange and circulation of ideas, cultural expressions and cultural activities, goods and services, and to stimulate both the creative and entrepreneurial spirit in their activities;

(f) measures aimed at establishing and supporting public institutions, as appropriate;

[...]

(h) measures aimed at enhancing diversity of the media, including through public service broadcasting.⁶⁴

The rapidity with which the Convention obtained the required number of ratifications and entered into force in 2007 tends to underline the demand for such a measure. As of December 2010, there were 115 ratifications, including the accession of the European Union as a regional economic integration organisation in December 2006. The success of the Convention in serving as a cultural counterbalance will be measured now and in the future at least in part by references to its provisions in decisions by international legal bodies.⁶⁵

FOCUS 13 The Council of Europe Forum “Shaping Policies for the Cinema of Tomorrow”

The Council of Europe forum on “Shaping Policies for the Cinema of Tomorrow”, was hosted by the *Polski Instytut Sztuki Filmowej* in association with the Polish Ministry of Culture and the City of Cracow and took place in Cracow from 11 to 13 September 2008. As a follow-up to the conclusions of the forum, a set of draft policy recommendations were proposed to the Committee of Ministers of the Council of Europe. The following recommendations were adopted by the Committee of Ministers on 23 September 2009:

Extract from Recommendation CM/Rec(2009)7 of the Committee of Ministers to member states on national film policies and the diversity of cultural expressions

The Committee of Ministers, under the terms of Article 15.b of the Statute of the Council of Europe,

[...]

Taking into account the results of the Council of Europe Forum “Shaping policies for the cinema of tomorrow” held in Cracow from 11 to 13 September 2008;

Asserting that national and regional policy makers and film bodies are responsible for putting in place policies that cover not only production but all aspects of the film value chain (development, production, distribution and marketing, screening, media literacy and training, access to audiences and film heritage) and that they encompass not only financial support but also regulation, research and data collection ;

Affirming that it is notably through its ability to reach distinct audiences that film fulfils its cultural goals, in particular in relation to cultural diversity, and that film policies should seek to facilitate film’s access to audiences;

Aware that globalisation and market developments, technological developments and changing audience behaviour require constant adaptation of film policies in order to ensure that they continue to fulfill their goals,

64) Convention on the Protection and Promotion of the Diversity of Cultural Expressions, Article 6(2).

65) For example, the recently adopted judgement of the European Court of Justice in Case C-222/07, *Union de Televisiões Comerciais Asociadas (UTECA) v. Administracion General del Estado*, http://curia.europa.eu/jcms/jcms/j_6/, 14 Jul. 2010.

Recommends that governments of member states:

- a. use every available means in accordance with their constitutions and their national, regional or local circumstances to take into account the principles and implement the measures set out in the appendix to this recommendation with respect to the development of their film policies;
- b. bring this recommendation to the attention of the relevant public and private bodies in their countries through the appropriate national channels;
- c. use the existing Council of Europe cultural policy information tools to follow up on this recommendation, including knowledge transfer and the exchange of good practice;
- d. reinforce the positive impact of the European Convention on Cinematographic Co-production, the goal of which is to foster transnational co-operation in the cinema sector by reviewing this instrument with the view of ensuring its long-term effectiveness;
- e. co-operate in the framework of the Council of Europe and, where appropriate, with other international organisations with common objectives and goals in the cultural field, in particular in the audiovisual field, in order to:
 - i. study the possibility of developing a set of common goals and indicators, as well as common evaluation and benchmarking tools and guidelines for film policies, that could be used by member states on a voluntary basis;
 - ii. consider future opportunities to continue the discussion, at European level, on key principles and issues for film policy in order to support the implementation of the measures and objectives set out in this recommendation and in other relevant legal texts of the Council of Europe and of the European Union in the field of film policy, creative industries and cultural diversity;

Asks the Secretary General of the Council of Europe to bring this recommendation to the attention of States Parties to the European Cultural Convention (ETS No. 18) which are not members of the Council of Europe.

Appendix to Recommendation CM/Rec(2009)7

Context

1. The conditions under which European films are financed, produced and accessed are undergoing massive change. While new opportunities are apparent, in particular as a function of technological progress and its potential impact on more diverse and improved access to film, most of the prevailing business models are obsolete and European films are struggling to obtain fair representation on screens worldwide.
2. While there is a longstanding consensus on the economic and cultural importance of having strong film production in Europe, it is clear that such production can be maintained and strengthened only if there is an increased emphasis on the effectiveness and efficiency of film policies and the optimisation of the use of resources at all levels.
3. Relevant European organisations and discussion allow the opportunity for the enhancement of synergies between national film policies and are a framework for continuous learning and the exchange of good practices.
4. A review of national film policies taking into account market and technology changes is needed to improve policy decisions that in turn will determine whether and to what extent the changes will be beneficial to the specificity and quality of European film.

[...]

Fund Population and Official Fund Names

1. National, Community, Regional and Local Funding Bodies

#	Country	Level	Short name	Full name or official English equivalent
1	AL	National	Qendra Kombëtare e Kinematografisë (QKK)	Qendra Kombëtare e Kinematografisë
2	AT	National	Österreichisches Filminstitut (ÖFI)	Österreichisches Filminstitut
3	AT	National	Bundesministerium für Unterricht, Kunst und Kultur	Bundesministerium für Unterricht, Kunst und Kultur
4	AT	National	Fernsehfonds Austria (RTR)	Fernsehfonds Austria (RTR)
5	AT	National	Filmstandort Austria (FISA)	Filmstandort Austria (FISA)
6	AT	National	ORF Film / Fernsehfonds Abkommen	ORF Film / Fernsehfonds Abkommen
7	AT	Community	Burgenland: Förderung Film, Video und Kino	Amt der burgenländischen Landesregierung - Abteilung 7 - Kultur, Wissenschaft und Archiv Darstellende Kunst: Film, Video und Kino
8	AT	Community	Kärnten: Filmförderung	Amt der Kärntner Landesregierung
9	AT	Community	Niederösterreich: Filmförderung	Amt der niederösterreichischen Landesregierung - Abteilung Kultur und Wissenschaft / Filmförderung
10	AT	Community	Oberösterreich: Filmförderung	Filmförderung des Landes Oberösterreich - Abteilung Wirtschaft der Landesregierung
11	AT	Community	Oberösterreich: Institut für Kulturförderung	Oberösterreich Landeskulturdirektion - Institut für Kulturförderung
12	AT	Community	Salzburg: Filmförderung - Kulturabteilung	Filmförderung des Landes Salzburg - Kulturabteilung des Amtes der Landesregierung
13	AT	Community	Salzburg: Förderung für kommerzielle Filmproduktion	Förderung des Landes Salzburg für kommerzielle Filmproduktion - Abteilung Wirtschaft, Forschung und Tourismus
14	AT	Community	Steiermark: Cinestyria Film Commission & Fund	Cinestyria Filmcommission & Fonds
15	AT	Community	Steiermark: Cinestyria Filmkunst	Cinestyria Filmkunst
16	AT	Community	Tirol: Abteilung Kultur	Abteilung Kultur im Amt der Tiroler Landesregierung
17	AT	Community	Tirol: Cine Tirol	Cine Tirol
18	AT	Community/ Local	Wien: Filmfonds Wien	Filmfonds Wien
19	AT	Community/ Local	Wien: Kulturabteilung	Kulturabteilung der Stadt Wien (Land Wien)
20	AT	Community	Vorarlberg: Kulturabteilung	Amt der Vorarlberger Landesregierung - Kulturabteilung
21	AT	Local	Graz: Kulturamt	Kulturamt der Stadt Graz (Land Steiermark)
22	AT	Local	Klagenfurt: Magistrat	Magistrat der Stadt Klagenfurt (Land Kärnten)
23	AT	Local	Linz: Magistrat	Magistrat der Landeshauptstadt Linz (Land Oberösterreich)
24	AT	Local	Salzburg: Kulturamt	Kulturamt der Stadt Salzburg (Land Salzburg)
25	BA	Community	Fondacija za kinematografiju Sarajevo	Federal Ministry of Culture & Sport: Foundation for Cinematography Sarajevo - Film Fund Sarajevo
26	BA	Community	Ministry of Culture Rep. Srpska	Ministry of Culture & Education of the Republic Srpska
27	BA	Regional	Ministry of Culture Canton Sarajevo	Ministry of Culture & Sports Canton Sarajevo
28	BE	Community	Centre du cinéma et de l'audiovisuel	Centre du cinéma et de l'audiovisuel
29	BE	Community	Vlaams Audiovisueel Fonds (VAF)	Vlaams Audiovisueel Fonds
30	BE	Regional	Promimage	Promimage (Agence Wallonne des Télécommunications)
31	BE	Regional	Wallimage	Wallimage
32	BG	National	Bulgarian National Film Centre	Национален филмов център
33	CH	National	Bundesamt für Kultur	Bundesamt für Kultur / Office fédéral de la Culture / Ufficio federale della cultura
34	CH	National	Suissimage	Suissimage
35	CH	National	Swiss Films	Swiss Films
36	CH	National	Teleproduktions-Fonds	Teleproduktions-Fonds GmbH / Fonds de production télévisuelle S.à.r.l.
37	CH	Community	Berner Filmförderung	Berner Filmförderung / Pro cinéma Berne

Source: European Audiovisual Observatory

1. (cont.) National, Community, Regional and Local Funding Bodies

#	Country	Level	Short name	Full name or official English equivalent
38	CH	Community	Canton de Genève	Canton de Genève : DIP - Service cantonale de la culture
39	CH	Community	Canton de Neuchâtel	Canton de Neuchâtel : Fonds pour l'encouragement de la culture cinématographique
40	CH	Community	Fondation romande pour le cinéma	Fondation romande pour le cinéma
41	CH	Community	Fondation Vaudoise pour le Cinéma	Fondation Vaudoise pour le Cinéma
42	CH	Community	Fondo FilmPlus	Fondo regionale di aiuto alla produzione cinematografica indipendente della Svizzera italiana
43	CH	Community	Fonds Regio	Fonds Regio
44	CH	Community	Kanton Aargau	Kanton Aargau, Aargauer Kuratorium
45	CH	Community/ Local	Kanton Basel	Kanton Basel Landschaft / Kanton Basel Stadt: Der Fachausschuss Audiovision und Multimedia BS/BL
46	CH	Community	Kanton Luzern : Innerschweizer Filmfachgruppe IFFG	Kanton Luzern: Bildungs- und Kulturdepartement - Kulturförderung
47	CH	Community	Kanton Solothurn	Kanton Solothurn: Kantonaales Amt für Kultur und Sport, Departement für Bildung und Kultur
48	CH	Community	Zürcher Filmstiftung	Zürcher Filmstiftung
49	CH	Local	Ville de Genève	Ville de Genève : Département de la culture
50	CY	National	Cinema Advisory Committee	Ministry of Culture and Education: Cinema Advisory Committee
51	CZ	National	Ministry of Culture	Ministerstvo kultury
52	CZ	National	Státní fond pro podporu a rozvoj české kinematografie	Státní fond pro podporu a rozvoj české kinematografie
53	DE	National	Filmförderungsanstalt (FFA)	Filmförderungsanstalt
54	DE	National	Deutscher Filmförderfonds (DFFF)	Deutscher Filmförderfonds (DFFF)
55	DE	National	Beauftragter der Bundesregierung für Kultur und Medien (BKM)	Beauftragter der Bundesregierung für Kultur und Medien (BKM)
56	DE	National	German Films	German Films Service + Marketing
57	DE	National	Kuratorium junger deutscher Film	Kuratorium Junger Deutscher Film
58	DE	Community	Baden-Württemberg: MFG Filmförderung	Medien- und Filmgesellschaft Baden-Württemberg Filmförderung (MFG Filmförderung)
59	DE	Community	Bayern: FFF Bayern	FilmFernsehFonds Bayern (FFF Bayern)
60	DE	Community	Berlin-Brandenburg: Medienboard Berlin-Brandenburg	Medienboard Berlin-Brandenburg
61	DE	Community	Bremen: Filmbüro Bremen	Filmbüro Bremen e.V.
62	DE	Community	Hamburg Schleswig-Holstein: Filmförderung (FFHSH)	Filmförderung Hamburg Schleswig-Holstein (FFHSH)
63	DE	Community	Hessen: Filmförderung	Hessische Filmförderung
64	DE	Community	Hessen: InvestFilm	HessenInvestFilm
65	DE	Community	Mecklenburg-Vorpommern: Filmbüro MV	Filmbüro MV (Kulturelle Filmförderung Mecklenburg- Vorpommern)
66	DE	Community	Mecklenburg-Vorpommern: Wirtschaftliche Filmförderung	Ministerium für Wirtschaft, Arbeit und Tourismus MV - Wirtschaftliche Filmförderung
67	DE	Community	Niedersachsen/Bremen: Nordmedia	Nordmedia - Die Mediengesellschaft Niedersachsen/Bremen
68	DE	Community	Nordrhein-Westfalen: Filmstiftung NRW (1)	Filmstiftung Nordrhein-Westfalen (Filmstiftung NRW)
69	DE	Community	Rheinland-Pfalz: Kulturland	Kultusministerium Rheinland-Pfalz (Kulturland RheinlandPfalz)
70	DE	Community	Saarland: Saarland Medien	Saarland Medien
71	DE	Community	Sachsen/Sachsen-Anhalt/Thüringen: MDM	Mitteldeutsche Medienförderung (MDM)
72	DE	Community	Sachsen: Kulturstiftung	Kulturstiftung des Freistaats Sachsen
73	DE	Community	Thüringen: Kulturelle Filmförderung	Kulturelle Filmförderung Thüringen: Thüringer Staatskanzlei
74	DE	Community	Thüringen: Kulturstiftung	Kulturstiftung des Freistaats Thüringen
75	DE	Local	Kiel: Filmwerkstatt Kiel	Filmwerkstatt Kiel
76	DK	National	Det Danske Filminstitut (DFI)	Det Danske Filminstitut
77	DK	Regional	FilmFyn	FilmFyn
78	DK	Regional	Den Vestdanske Filmpulje	Den Vestdanske Filmpulje
79	EE	National	Eesti Kultuurkapitali	Eesti Kultuurkapitali: Audiovisuaalse kunsti sihtkapital
80	EE	National	Eesti Filmi Sihtasutus	Eesti Filmi Sihtasutus

Notes

1) Became the Film- und Medienstiftung NRW in 2011.

Source: European Audiovisual Observatory

1. (cont.) National, Community, Regional and Local Funding Bodies

#	Country	Level	Short name	Full name or official English equivalent
81	EE	National	Ministry of Culture	Kultuuriministeerium: Filmikunst
82	ES	National	Instituto de la Cinematografía y de las Artes Audiovisuales (ICAA)	Instituto de la Cinematografía y de las Artes Audiovisuales (ICAA)
83	ES	Community	Andalucía: Instituto Andaluz de las Artes y Letras (2)	Comunidad Autónoma de Andalucía: Instituto Andaluz de las Artes y Letras
84	ES	Community	Aragón: Dirección General de Cultura	Comunidad Autónoma de Aragón: Dirección General de Cultura
85	ES	Community	Asturias: Promoción Cultural	Gobierno del Principado de Asturias: Promoción, Cooperación y Difusión Cultural
86	ES	Community	País Vasco: Dirección de Promoción de la Cultura	Comunidad Autónoma del País Vasco: Dirección de Promoción de la Cultura
87	ES	Community	Canarias Cultura en Red	Comunidad Autónoma de Canarias: Canarias Cultura en Red
88	ES	Community	Castilla y León: D. Gral de Promoción Cultural	Comunidad Autónoma de Castilla y León: Dirección General de Promoción e Instituciones Culturales
89	ES	Community	Castilla-La Mancha: Consejería de Cultura	Comunidad Autónoma de Castilla-La Mancha: Consejería de Cultura
90	ES	Community	Catalunya: Institut Català de les Indústries Culturals (ICIC)	Catalan Institute for Cultural Industries (ICIC)
91	ES	Community	Catalunya: Direcció General de Política Lingüística	Comunidad Autónoma de Cataluña: Direcció General de Política Lingüística
92	ES	Community	Extremadura: Dirección General de Promoción Cultural	Comunidad Autónoma de Extremadura: Consejería de Cultura y Turismo - Dirección General de Promoción Cultural
93	ES	Community	Galicia: Consorcio Audiovisual de Galicia	Audiovisual Consortium of Galicia
94	ES	Community	Galicia: Axencia Audiovisual Galega	Axencia Audiovisual Galega
95	ES	Community	Galicia: Axencia Galega das Industrias Culturais (AGADIC)	Axencia Galega das Industrias Culturais (AGADIC)
96	ES	Community	Madrid Film Office	Asesoría de cine de la Comunidad de Madrid
97	ES	Community	Navarra: Departamento de Cultura y Turismo	Comunidad Foral de Navarra: Departamento de Cultura y Turismo
98	ES	Community	Navarre: Instituto Navarro de las Artes Audiovisuales y la Cinematografía (INAAC)	Comunidad Foral de Navarra: Instituto Navarro de las Artes Audiovisuales y la Cinematografía (INAAC)
99	ES	Community	Valencià: IVAC	El Institut Valencià de l'Audiovisual i de la Cinematografia 'Ricardo Muñoz Suay' (IVAC)
100	ES	Regional	Almería: Area de Cultura	Diputación de Almería, Area de Cultura
101	FI	National	Suomen elokuväsäätiö	Finnish Film Foundation
102	FI	National	AVEK	Audiovisuaalisen kulttuurin edistämiskeskus (AVEK)
103	FI	Regional	POEM	POEM-Säätiö
104	FR	National	Centre national du cinéma et de l'image animée (CNC)	Centre national du cinéma et de l'image animée (CNC)
105	FR	National	ADRC	Agence pour le développement régional du cinéma (ADRC)
106	FR	National	MAEE	Ministère des Affaires étrangères et européennes
107	FR	National	Fonds pour la création musicale	Fonds pour la création musicale : Fonds audiovisuel musical
108	FR	Local	Alpes Maritimes	Conseil général des Alpes Maritimes
109	FR	Regional	Alsace: Agence culturelle	Agence culturelle d'Alsace
110	FR	Regional	Alsace: Region	Conseil régional d'Alsace
111	FR	Regional	Aquitaine	Conseil régional d'Aquitaine
112	FR	Regional	ARCADI	Action régionale pour la création artistique et la diffusion en Île-de-France (ARCADI)
113	FR	Local	Ardèche	Conseil général de l'Ardèche
114	FR	Regional	Auvergne	Conseil régional d'Auvergne
115	FR	Regional	Basse-Normandie: Maison de l'Image	Conseil régional de Basse-Normandie (Maison de l'Image Basse-Normandie)
116	FR	Regional	Bourgogne	Conseil régional de Bourgogne
117	FR	Regional	Bretagne	Conseil régional de Bretagne

Note

(2) Empresa Pública de Gestión de Programas Culturales (E.P.G.P.C.) up to end 2009

Source: European Audiovisual Observatory

1. (cont.) National, Community, Regional and Local Funding Bodies

#	Country	Level	Short name	Full name or official English equivalent
118	FR	Regional	Centre: Centre Images	Centre Images. Agence Régionale du Centre pour le cinéma et l'audiovisuel
119	FR	Regional	Champagne-Ardenne: ORCCA	Conseil régional de Champagne-Ardenne (ORCCA)
120	FR	Local	Charente	Conseil général de la Charente
121	FR	Local	Charente-Maritime	Conseil général de la Charente-Maritime
122	FR	Regional	Corsica	Collectivité territoriale de Corse
123	FR	Local	Côtes d'Armor	Conseil général des Côtes d'Armor
124	FR	Regional	Deux-Sèvres	Conseil général des Deux-Sèvres
125	FR	Local	Dordogne	Conseil général de la Dordogne
126	FR	Local	Finistère	Conseil général du Finistère
127	FR	Regional	Franche-Comté	Conseil régional de Franche-Comté
128	FR	Regional	Guadeloupe	Conseil régional de Guadeloupe
129	FR	Regional	Haute Normandie: Pôle Image	Conseil régional de Haute-Normandie (Pôle Image Haute-Normandie)
130	FR	Local	Haute-Savoie	Conseil général de Haute-Savoie
131	FR	Regional	Île-de-France	Conseil régional d'Île-de-France
132	FR	Local	Landes	Conseil général des Landes
133	FR	Regional	Languedoc-Roussillon	Conseil régional de Languedoc-Roussillon
134	FR	Regional	Limousin	Conseil régional du Limousin
135	FR	Local	Loire-Atlantique	Conseil général de la Loire-Atlantique
136	FR	Regional	Lorraine	Conseil régional de Lorraine
137	FR	Regional	Midi-Pyrénées	Conseil régional de Midi-Pyrénées
138	FR	Regional	Nord-Pas de Calais: CRRAV	Centre régional de ressources audiovisuelles (CRRAV)
139	FR	Regional	Pays de la Loire	Conseil régional des Pays de la Loire
140	FR	Regional	Picardie	Conseil régional de Picardie
141	FR	Regional	Poitou-Charentes	Conseil régional de Poitou-Charentes
142	FR	Regional	Provence-Alpes-Côte d'Azur	Conseil régional de Provence-Alpes-Côte d'Azur
143	FR	Regional	Réunion	Conseil régional de la Réunion
144	FR	Regional	Rhône-Alpes Cinéma	Rhône-Alpes Cinéma
145	FR	Regional	Rhône-Alpes: Region	Conseil régional Rhône-Alpes
146	FR	Local	Sarthe	Conseil général de la Sarthe
147	FR	Local	Seine-Saint-Denis: Cinémas 93, Périphérie	Conseil général de Seine-Saint-Denis (Cinémas 93, Périphérie)
148	FR	Local	Val-de-Marne	Conseil général du Val-de-Marne
149	FR	Local	Vienne	Conseil général de la Vienne
150	FR	Local	Vosges	Conseil général des Vosges
151	FR	Local	Paris	Ville de Paris
152	FR	Local	Strasbourg	Communauté urbaine de Strasbourg
153	GB	National	UK Film Council	UK Film Council
154	GB	National	First Light / Mediabox	First Light / Mediabox
155	GB	National	Skillset	Skillset
156	GB	Community	Asiantaeth Ffilm Cymru (3)	Film Agency for Wales
157	GB	Community	Creative Scotland (4)	Creative Scotland
158	GB	Community	Gaelic Media Service	Seirbheis na Meadhanan Gàidhlig
159	GB	Community	Northern Ireland Screen	Northern Ireland Screen
160	GB	Community	Welsh Creative IP Fund	Welsh Creative IP Fund
161	GB	Regional	EM-Media	EM-Media
162	GB	Regional	Film London	Film London
163	GB	Regional	Isle of Man Media Development Fund	Isle of Man Media Development Fund
164	GB	Regional	Northern Film & Media	Northern Film & Media
165	GB	Regional	Screen East	Screen East
166	GB	Regional	Screen South	Screen South
167	GB	Regional	Screen West Midlands	Screen West Midlands
168	GB	Regional	Screen Yorkshire	Screen Yorkshire

Notes

(3) *Sgrin* in 2005, replaced by *Asiantaeth Ffilm Cymru* in 2006

(4) Scottish Screen was absorbed into this body in July 2010

Source: European Audiovisual Observatory

1. (cont.) National, Community, Regional and Local Funding Bodies

#	Country	Level	Short name	Full name or official English equivalent
169	GB	Regional	South West Screen	South West Screen (including Cornwall Film)
170	GB	Regional	Vision+Media (5)	Vision+Media
171	GR	National	Greek Film Centre	Ελληνικό Κέντρο Κινηματογράφου
172	HR	National	Hrvatski audiovizualni centar (HAVC)	Hrvatski audiovizualni centar
173	HR	National	Ministry of Culture	Ministarstvo kulture Republike Hrvatske
174	HR	Local	Rijeka: Office for Culture	City of Rijeka: Office for Culture (2010 onwards)
175	HR	Local	Split: Office for Culture	City of Split: Office for Culture (2010 onwards)
176	HR	Local	Zagreb: Office for Education, Culture & Sport	City of Zagreb: City Office for Education, Culture and Sport
177	HU	National	Magyar Mozgóképek Közalapítvány (MMKA)	Hungarian Motion Picture Public Foundation
178	HU	National	Magyar Történelmi Film Alapítvány (MTFA)	Hungarian Historical Motion Picture Foundation
179	HU	National	Médiaszolgáltatás-támogató és Vagyonkezelő Alap	Médiaszolgáltatás-támogató és Vagyonkezelő Alap
180	HU	National	Nemzeti Kulturális Alap (NKA)	Nemzeti Kulturális Alap (National Cultural Fund)
181	HU	Regional	Győry Filmalap	Gyori Film Fund
182	HU	Regional	Észak-magyarországi Regionális Filmalap - Miskolc Alapítvány	Miskolc Film Fund
183	HU	Regional	Rolling Hills Dél-Dunántúli Filmalap	Southern Transdanubia Film Fund
184	IE	National	Bord Scannán na hÉireann	The Irish Film Board
185	IE	National	An Chomhairle Ealaíon	Arts Council of Ireland
186	IE	National	Broadcasting Authority of Ireland (6)	Broadcasting Authority of Ireland: Sound & Vision Broadcasting Funding Scheme
187	IS	National	Kvikmyndamiðstöðvar Íslands	Kvikmyndamiðstöðvar Íslands
188	IT	National	MiBAC - DG Cinema	Ministero per i Beni e le Attività Culturali - Direzione Generale per il Cinema
189	IT	Regional	Alto Adige: BLS – Film Südtirol · Alto Adige	Provincia Autonoma de Alto Adige: Film Fund Alto Adige
190	IT	Regional	Campania: Fondo regionale	Regione Campania: Fondo regionale per il cinema e l'audiovisivo
191	IT	Regional	Emilia-Romagna: Cineteca di Bologna - Sostegno alla produzione	Regione Emilia-Romagna: Cineteca di Bologna - Sostegno allo sviluppo e alla produzione cinematografica (new 2010)
192	IT	Regional	Emilia-Romagna: Documentario e de Cinema d'Animazione	Regione Emilia-Romagna: Interventi regionale a favore del Documentario e de Cinema d'Animazione
193	IT	Regional	Friuli - Venezia Giulia: Fondo regionale	Regione Friuli - Venezia Giulia: Fondo regionale per l'audiovisivo
194	IT	Regional	Friuli - Venezia Giulia: FVG Film Fund	Regione Friuli - Venezia Giulia: FVG Film Fund
195	IT	Regional	Lazio: FILAS Finanziamenti alle produzioni cinematografiche	Regione Lazio: FILAS Finanziamenti alle produzioni cinematografiche
196	IT	Regional	Lazio: Fondo FILAS Sviluppo	Regione Lazio: Fondo FILAS Sviluppo
197	IT	Regional	Lazio: Latina Film Fund	Regione Lazio: Latina Film Fund
198	IT	Regional	Liguria: Fondo regionale	Regione Liguria: Fondo regionale per l'Audiovisivo
199	IT	Regional	Lombardia: Fondo di rotazione	Regione Lombardia: Fondo di rotazione per progetti di produzione cinematografica
200	IT	Regional	Marche: Fondo per le attività cinematografiche	Regione Marche: Fondo per le attività cinematografiche
201	IT	Regional	Piemonte: Doc Film Fund	Regione Piemonte: Piemonte Doc Film Fund
202	IT	Regional	Piemonte: Film Investimenti	Regione Piemonte: Film Investimenti Piemonte
203	IT	Regional	Puglia: Apulia Film Fund	Regione Puglia: Apulia Film Fund
204	IT	Regional	Sardegna: Fondo di rotazione per i lungometraggi	Regione Sardegna: Interventi per le opere di interesse regionale e fondo di rotazione per i lungometraggi
205	IT	Regional	Sardegna: Sostegno al cinema	Regione Sardegna: Sostegno al cinema
206	IT	Regional	Sicilia : Sensi Contemporanei Cinema - Sostegno alla produzione	Regione Sicilia: Sensi Contemporanei Cinema (2005-2010) - Sostegno alla produzione
207	IT	Regional	Sicilia: Fondo regionale	Regione Sicilia: Fondo regionale per il cinema e l'audiovisivo
208	IT	Regional	Toscana: Cinema Fund	Regione Toscana Cinema Fund
209	IT	Regional	Trento: Contratti di coproduzione	Provincia Autonoma di Trento: Contratti di coproduzione

Notes

(5) Formerly North West Vision & Media

(6) Broadcasting Commission of Ireland to September 2009

Source: European Audiovisual Observatory

1. (cont.) National, Community, Regional and Local Funding Bodies

#	Country	Level	Short name	Full name or official English equivalent
210	IT	Regional	Veneto: Fondo regionale	Regione Veneto: Fondo regionale per il cinema e l'audiovisivo
211	IT	Local	Piemonte: Torino Film Lab	Regione Piemonte - Torino: Torino Film Lab (Torino Film Festival)
212	LT	National	Ministry of Culture	Kultūros ministerijos
213	LT	National	Kultūros rėmimo fondas	Kultūros ministerijos: Kultūros rėmimo fondas
214	LU	National	Centre national de l'audiovisuel (CNA)	Centre national de l'audiovisuel (CNA)
215	LU	National	Film Fund Luxembourg	Fonds national de soutien à la production audiovisuelle
216	LV	National	Nacionālais Kino centrs	Latvian National Film Centre
217	LV	National	Valsts Kultūrkapitāla fonds	Valsts Kultūrkapitāla fonds
218	MK	National	Macedonian Film Fund (7)	Македонскиот Филмски Фонд
219	MK	National	National Broadcasting Council (8)	Советот за радиодифузија
220	NL	National	Nederlands Fonds voor de Film (9)	Nederlands Fonds voor de Film
221	NL	National	CoBO-fonds	Stichting Coproductiefonds Binnenlandse Omroep (CoBO-fonds)
222	NL	National	Mediafonds	Mediafonds
223	NL	Local	Rotterdam Media Fonds (10)	Rotterdam Media Fonds
224	NO	National	Norsk filminstitutt (NFI)	Norsk filminstitutt (2008 onwards)
225	NO	National	Norsk filmfond (11)	Norsk filmfond
226	NO	National	Film og Kino	Film og Kino
227	NO	National	Fond for Lyd og Bilde	Fond for Lyd og Bilde
228	NO	Regional	Filmfondet FUZZ	Filmfondet FUZZ
229	NO	Regional	Film3	Film3
230	NO	Regional	Filmcamp	Filmcamp
231	NO	Regional	Filmkraft Rogaland	Filmkraft Rogaland
232	NO	Regional	Midtnorsk Filmfond	Midtnorsk Filmfond
233	NO	Regional	Midtnorsk Filmsenter	Midtnorsk Filmsenter
234	NO	Regional	Nordnorsk Filmsenter	Nordnorsk Filmsenter
235	NO	Regional	Ostnorsk Filmsenter	Ostnorsk Filmsenter
236	NO	Regional	Sørnorsk Filmsenter	Sørnorsk Filmsenter
237	NO	Regional	Vestnorsk Filmsenter	Vestnorsk Filmsenter
238	PL	National	Polski Instytut Sztuki Filmowej (PISF)	Polski Instytut Sztuki Filmowej
239	PL	Regional	Białostocki Fundusz Filmowy	Białostocki Fundusz Filmowy
240	PL	Regional	Dolnośląski Konkurs Filmowy	Dolnośląski Konkurs Filmowy
241	PL	Regional	Mazowiecki Fundusz Filmowy	Mazowiecki Fundusz Filmowy
242	PL	Regional	Pomerania Film	Zachodniopomorski Fundusz Filmowy «Pomerania Film»
243	PL	Regional	Regionalny Fundusz Filmowy w Krakowie	Regionalny Fundusz Filmowy w Krakowie
244	PL	Regional	Śląski Fundusz Filmowy	Śląski Fundusz Filmowy
245	PL	Regional	Świętokrzyski Fundusz Filmowy	Świętokrzyski Fundusz Filmowy
246	PL	Regional	Wielkopolski Fundusz Filmowy	Wielkopolski Fundusz Filmowy
247	PL	Local	Gdański Fundusz Filmowy	Gdański Fundusz Filmowy
248	PL	Local	Gdyński Fundusz Filmowy: Centrum Kultury	Gdyński Fundusz Filmowy: Centrum Kultury
249	PL	Local	Łódzki Fundusz Filmowy	Łódzki Fundusz Filmowy
250	PL	Local	Lubelski Fundusz Filmowy	Lubelski Fundusz Filmowy
251	PT	National	Instituto do Cinema e do Audiovisual (ICA)	Instituto do Cinema e do Audiovisual (ICA)
252	PT	National	Fundo de Investimento para o Cinema e Audiovisual (FICA)	Fundo de Investimento para o Cinema e Audiovisual (FICA)
253	RO	National	Centrul National al Cinematografiei	Centrul National al Cinematografiei
254	RS	National	Filmski Centar Srbije	Film Center Serbia
255	RS	Regional	Vojvodina: Sekretarijat za kulturu	Autonomous Province of Vojvodina: Secretariat for Culture
256	RS	Local	Beograd: Sekretarijat za kulturu	City of Belgrade: Secretariat for Culture
257	RU	National	Ministry of Culture	Министерстве культуры
258	RU	National	Cinema Fund	Federal Fund for Social & Economic Support to National Cinematography

Notes

(7) From 2006

(8) Ceased funding in 2005 – transferred to Macedonian Film Fund

(9) Became the Nederlands Filmfonds in 2011

(10) Formerly Rotterdam Film Fund

(11) Merged into *Norsk filminstitutt* end 2007

Source: European Audiovisual Observatory

1. (cont.) National, Community, Regional and Local Funding Bodies

#	Country	Level	Short name	Full name or official English equivalent
259	RU	Local	Moscow: City Target Programme	Moscow City Government: City Target Programme
260	SE	National	Svenska Filminstitutet (SFI)	Svenska Filminstitutet
261	SE	Regional	Film Gävleborg	Film Gävleborg
262	SE	Regional	Film i Dalarna	Film i Dalarna
263	SE	Regional	Film i Halland	Film i Halland
264	SE	Regional	Film i Jönköpingslän	Film i Jönköpingslän
265	SE	Regional	Film i Örebro län	Film i Örebro län
266	SE	Regional	Film i Öst	Film i Öst
267	SE	Regional	Film i Skåne	Film i Skåne
268	SE	Regional	Film i Sörmland	Film i Sörmland
269	SE	Regional	Film i Uppland	Film i Uppland
270	SE	Regional	Film i Värmland	Film i Värmland
271	SE	Regional	Film i Väst	Film i Väst
272	SE	Regional	Film i Västerbotten	Film i Västerbotten
273	SE	Regional	Film i Västernorrland	Film i Västernorrland
274	SE	Regional	Film i Västmanland	Film i Västmanland
275	SE	Regional	Film på Gotland	Film på Gotland
276	SE	Regional	Film pool Jämtland	Film pool Jämtland
277	SE	Regional	Film pool Nord	Film pool Nord
278	SE	Regional	Filmregion Stockholm-Malardalen	Filmregion Stockholm-Malardalen
279	SE	Regional	Film Stockholm	Film Stockholm
280	SE	Regional	Reaktor Sydost	Reaktor Sydost
281	SI	National	Slovenski filmski center (12)	Slovenian Film Centre
282	SK	National	Ministry of Culture: Programme AudioVizia	Ministerstvo kultúry: programme AudioVizia
283	SK	National	Audiovizuálny fond (AVF)	Slovak Audiovisual Fund
284	SK	National	Literárny fond	Literárny fond: Sekcie pre tvorivú činnosť v oblasti televízie, filmu a videotvorby
285	TR	National	Ministry of Culture: DG Copyright and Film	Kültür ve Turizm Bakanlığı: Telif Hakları ve Sinema

Note

(12) Replaced *Filmski Sklad Republike Slovenije* (Slovenian Film Fund) in January 2011

Source: European Audiovisual Observatory

2. Supranational Funds

#	Level	Short name	Full name or official English equivalent
1	Supranational	Balkan Fund	Balkan Fund
2	Supranational	Eurimages	Eurimages
3	Supranational	Europa Cinemas	Europa Cinemas
4	Supranational	First Motion (2010 onwards)	First Motion
5	Supranational	Ibermedia	Programa Ibermedia
6	Supranational	MEDIA Programme	MEDIA Programme
7	Supranational	Nordisk Film & TV Fond	Nordic Film & TV Fund
8	Supranational	SEE Cinema Network	South Eastern Europe Cinema Network

Source: European Audiovisual Observatory

3. Funds for Projects from Outside Europe

1	Outside Europe	Festival d'Amiens: Fonds d'aide au développement du scénario	Amiens International Film Festival: Fund for Script Development
2	Outside Europe	ACP Films	EC DG EuropeAid Development & Co-operation - ACP Films
3	Outside Europe	Euromed Audiovisual	Euromed Audiovisual I (2000-2005), II (2006-2008) & III (2009-2012)
4	Outside Europe	Film fra Sør Film Fund	Films from the South Film Fund
5	Outside Europe	Fonds francophone (OIF)	Fonds francophone de la production audiovisuelle du Sud (Organisation internationale de la francophonie)
6	Outside Europe	Fonds Images Afrique	Ministère des Affaires étrangères et européennes : Fonds Images Afrique
7	Outside Europe	Fonds Sud Cinéma	Ministère des Affaires étrangères et européennes : Fonds Sud Cinéma
8	Outside Europe	Göteborg IFF Fund	Göteborg International Film Festival Fund
9	Outside Europe	Hubert Bals Fonds	Hubert Bals Fund (International Film Festival Rotterdam)
10	Outside Europe	Jan Vrijman Fund	Jan Vrijman Fund (International Documentary Festival Amsterdam)
11	Outside Europe	MEDIA International	MEDIA International
12	Outside Europe	Visions Sud-Est	Visions Sud-Est
13	Outside Europe	World Cinema Fund	World Cinema Fund

Source: European Audiovisual Observatory

Fund Activity Spend 2005 to 2009

1. National, Community, Regional and Local Funding Bodies: Fund Activity Spend 2005 to 2009

Country	Fund	Level	EUR thousand				
			2005	2006	2007	2008	2009
AL	Qendra Kombëtare e Kinematografisë (QKK)	Nat.	700	528	1 060	1 078	1 231
AT	Österreichisches Filminstitut (ÖFI)	Nat.	9 689	9 251	12 554	15 847	15 762
AT	Bundesministerium für Unterricht, Kunst und Kultur	Nat.	4 669	4 762	5 713	6 978	5 801
AT	Fernsehfonds Austria (RTR)	Nat.	7 447	7 214	6 954	7 190	11 495
AT	ORF Film / Fernsehfonds Abkommen	Nat.	6 203	6 093	6 856	6 657	6 478
AT	Burgenland: Förderung Film, Video und Kino	Comm.	10	17	14	29	29
AT	Kärnten: Filmförderung	Comm.	n.c.	n.c.	106	98	103
AT	Niederösterreich: Filmförderung	Comm.	2 185	2 502	2 741	1 350	2 383
AT	Oberösterreich: Filmförderung	Comm.	781	1 040	183	525	568
AT	Oberösterreich: Institut für Kulturförderung	Comm.	n.c.	n.c.	297	722	664
AT	Salzburg: Filmförderung - Kulturabteilung	Comm.	n.c.	n.c.	394	404	431
AT	Salzburg: Förderung für kommerzielle Filmproduktion	Comm.	654	765	560	744	494
AT	Steiermark: Cinestyria Film Commission & Fund	Comm.	999	771	1 040	1 133	1 502
AT	Steiermark: Cinestyria Filmkunst	Comm.	-	-	1 010	1 117	1 285
AT	Tirol: Abteilung Kultur	Comm.	n.c.	n.c.	302	277	240
AT	Tirol: Cine Tirol	Comm.	1 173	755	960	900	1 342
AT	Vienna: Filmfonds Wien	Comm.	8 300	7 870	8 418	8 128	11 592
AT	Vienna: Kulturabteilung	Comm.	4 077	4 662	4 654	4 435	5 174
AT	Vorarlberg: Kulturabteilung	Comm.	139	140	150	142	150
BA	Fondacija za kinematografiju Sarajevo	Comm.	731	961	956	1 442	966
BA	Ministry of Culture Rep. Srpska	Comm.	-	-	767	1 007	305
BE	Centre du cinéma et de l'audiovisuel	Comm.	25 748	22 673	25 439	26 696	27 907
BE	Vlaams Audiovisueel Fonds (VAF)	Comm.	11 268	10 007	14 453	10 825	16 136
BE	Promimage	Reg.	-	-	3 800	-	-
BE	Wallimage	Reg.	2 825	2 750	2 625	3 600	6 529
BG	Bulgarian National Film Centre	Nat.	2 960	2 806	3 365	5 565	6 027
CH	Bundesamt für Kultur	Nat.	20 311	20 398	21 982	20 166	21 213
CH	Swiss Films	Nat.	450	450	470	605	479
CH	Suissimage	Nat.	883	843	1 547	1 573	694
CH	Teleproduktions-Fonds	Nat.	1 170	995	913	1 055	1 248
CH	Berner Filmförderung	Comm.	-	800	822	1 131	1 116
CH	Fonds Regio	Comm.	2 300	2 300	2 347	2 462	2 769
CH	Kanton Aargau	Comm.	182	186	255	406	509
CH	Zürcher Filmstiftung	Comm.	5 513	6 428	6 062	5 356	6 289
CY	Cinema Advisory Committee	Nat.	900	900	900	900	1 400
CZ	Ministry of Culture	Nat.	3 661	4 461	5 647	5 408	5 058
CZ	Státní fond pro podporu a rozvoj české kinematografie	Nat.	2 339	3 950	9 145	11 287	10 573
DE	Filmförderungsanstalt (FFA)	Nat.	83 059	66 418	66 369	63 098	63 294
DE	Deutscher Filmförderfonds (DFFF)	Nat.	-	-	59 400	59 400	57 605
DE	BKM	Nat.	25 690	27 736	27 336	27 949	27 929
DE	German Films	Nat.	3 659	4 361	3 835	3 993	3 481
DE	Kuratorium junger deutscher Film	Nat.	674	704	886	650	624
DE	Baden-Württemberg: MFG Filmförderung	Comm.	7 865	8 344	8 343	8 231	11 099
DE	Bayern: FFF Bayern	Comm.	22 509	23 363	27 280	26 853	27 512
DE	Berlin-Brandenburg: Medienboard Berlin-Brandenburg	Comm.	21 389	26 007	29 696	29 202	28 769
DE	Hamburg Schleswig-Holstein: Filmförderung (FFHSH)	Comm.	6 980	7 140	10 790	10 522	11 729
DE	Hessen: Filmförderung	Comm.	1 180	1 183	1 764	1 050	1 874

Source: European Audiovisual Observatory

**1. (cont) National, Community, Regional and Local Funding Bodies:
Fund Activity Spend 2005 to 2009**

Country	Fund	Level	EUR thousand				
			2005	2006	2007	2008	2009
DE	Hessen: InvestFilm	Comm.	1 762	3 995	4 361	4 140	7 170
DE	Mecklenburg-Vorpommern: Filmbüro MV	Comm.	281	205	204	240	262
DE	Mecklenburg-Vorpommern: Wirtschaftliche Filmförderung	Comm.	-	-	-	-	643
DE	Niedersachsen/Bremen: Nordmedia	Comm.	6 700	7 500	10 789	10 674	11 577
DE	Nordrhein-Westfalen: Filmstiftung NRW	Comm.	28 700	28 900	33 700	36 009	34 706
DE	Rheinland-Pfalz: Kulturland	Comm.	60	60	60	60	60
DE	Saarland: Saarland Medien	Comm.	70	70	70	70	70
DE	Sachsen/Sachsen-Anhalt/Thüringen: MDM	Comm.	17 189	10 675	16 957	16 163	13 972
DE	Sachsen: Kulturstiftung	Comm.	314	340	376	380	357
DE	Thüringen: Kulturelle Filmförderung	Comm.	364	350	347	241	326
DE	Kiel: Filmwerkstatt Kiel	Local	140	234	238	-	-
DK	Det Danske Filminstitut (DFI)	Nat.	35 000	35 806	33 149	39 482	38 566
DK	FilmFyn	Reg.	1 006	670	403	2 146	1 141
DK	Den Vestdanske Filmpulje	Reg.	335	469	604	738	987
EE	Eesti Kultuurkapitali	Nat.	1 065	1 118	1 390	1 563	1 202
EE	Eesti Filmi Sihtasutus	Nat.	2 413	2 177	2 954	3 795	3 424
EE	Ministry of Culture	Nat.	546	601	834	908	466
ES	ICAA*	Nat.	56 553	62 437	61 218	67 794	75 793
ES	Andalucía: Instituto Andaluz de las Artes y Letras	Comm.	2 304	3 917	5 094	4 959	4 577
ES	Aragón: Dirección General de Cultura	Comm.	224	286	420	399	433
ES	Canarias: Canarias Cultura en Red	Comm.	831	1 192	2 500	2 500	2 110
ES	Castilla y León: D. Gral de Promoción Cultural	Comm.	n.c.	120	n.c.	600	600
ES	Castilla-La Mancha: Consejería de Cultura	Comm.	400	525	612	623	704
ES	Catalunya: ICIC	Comm.	14 179	20 310	19 863	20 521	18 795
ES	Galicia: Axencia Audiovisual Galega	Comm.	-	5 918	5 124	4 374	-
ES	Galicia: Axencia Galega das Industrias Culturais (AGADIC)	Comm.	-	-	-	-	7 000
ES	Galicia: Consorcio Audiovisual de Galicia	Comm.	259	208	281	278	305
ES	Madrid Film Office	Comm.	364	440	460	460	460
ES	País Vasco: Dirección de Promoción de la Cultura	Comm.	4 904	3 802	4 319	3 970	7 059
ES	Valencià: IVAC	Comm.	1 292	1 436	1 436	1 290	5 831
FI	Suomen elokuvasäätiö	Nat.	13 254	14 255	13 868	15 854	23 017
FI	AVEK	Nat.	1 793	2 194	2 093	2 658	2 832
FI	POEM	Reg.	-	42	108	n.c.	n.c.
FR	Centre national du cinéma et de l'image animée (CNC)	Nat.	466 210	456 840	465 800	481 510	496 010
FR	ADRC	Nat.	2 440	2 520	2 310	2 290	2 310
FR	Alsace: Agence culturelle	Reg.	56	68	68	76	64
FR	Alsace: Région	Reg.	878	1 214	1 376	1 102	1 402
FR	Aquitaine	Reg.	1 908	2 469	2 686	3 320	3 482
FR	Auvergne	Reg.	1 127	967	1 337	1 258	1 335
FR	Basse-Normandie: Maison de l'Image	Reg.	785	1 082	1 067	1 071	1 060
FR	Bourgogne	Reg.	520	934	901	1 476	1 614
FR	Bretagne	Reg.	1 285	1 511	2 054	2 772	2 798
FR	Centre: Centre Images	Reg.	2 499	3 000	3 144	3 558	3 629
FR	Champagne-Ardenne: ORCCA	Reg.	267	298	433	517	558
FR	Corse	Reg.	1 713	1 768	2 255	2 220	2 640
FR	Franche-Comté	Reg.	798	605	699	1 436	1 267
FR	Guadeloupe	Reg.	230	703	1 465	743	1 312
FR	Haute Normandie: Pôle Image	Reg.	1 293	1 417	1 478	1 810	1 845
FR	Île-de-France: ARCADI	Reg.	523	158	177	112	96
FR	Île-de-France: Région	Reg.	16 835	16 635	17 063	17 066	16 760
FR	Languedoc-Roussillon	Reg.	1 021	1 473	2 421	2 507	2 570
FR	Limousin	Reg.	1 248	1 366	1 266	1 412	1 355
FR	Lorraine	Reg.	877	845	981	1 198	1 330
FR	Midi-Pyrénées	Reg.	790	1 169	1 745	2 032	2 162
FR	Nord-Pas de Calais: CRRAV	Reg.	2 158	2 831	3 179	4 016	4 473
FR	Pays de la Loire	Reg.	998	1 492	1 960	2 069	1 872

Source: European Audiovisual Observatory

**1. (cont) National, Community, Regional and Local Funding Bodies:
Fund Activity Spend 2005 to 2009**

Country	Fund	Level	EUR thousand				
			2005	2006	2007	2008	2009
FR	Picardie	Reg.	1 543	1 145	1 241	1 611	1 888
FR	Poitou-Charentes	Reg.	2 193	2 315	2 286	3 220	3 162
FR	Provence-Alpes-Côte d'Azur	Reg.	3 278	3 824	3 847	4 937	5 829
FR	Réunion	Reg.	1 577	1 297	1 177	1 232	1 063
FR	Rhône-Alpes Cinéma	Reg.	3 377	5 517	3 090	3 772	3 102
FR	Rhône-Alpes: Région	Reg.	2 643	1 883	4 553	5 354	5 451
FR	Alpes Maritimes	Local	-	450	750	1 358	943
FR	Ardèche	Local	-	20	16	33	34
FR	Charente	Local	2 637	2 312	2 242	2 398	1 038
FR	Charente-Maritime	Local	650	650	650	680	658
FR	Corrèze	Local	4	7	-	-	-
FR	Côtes d'Armor	Local	-	116	52	94	159
FR	Deux-Sèvres	Local	31	28	15	6	-
FR	Dordogne	Local	-	-	135	212	160
FR	Finistère	Local	85	100	132	190	178
FR	Haute-Savoie	Local	-	150	150	225	120
FR	Landes	Local	-	-	-	-	85
FR	Loire-Atlantique	Local	-	61	87	116	86
FR	Paris	Local	-	45	2 458	2 374	2 658
FR	Sarthe	Local	18	29	32	10	14
FR	Seine-Saint-Denis: Cinémas 93, Périphérie	Local	67	160	1 344	1 498	1 492
FR	Strasbourg	Local	442	608	646	779	819
FR	Val-de-Marne	Local	149	153	203	231	216
FR	Vienne	Local	-	-	-	100	100
FR	Vosges	Local	9	24	28	25	8
GB	UK Film Council	Nat.	104 972	54 996	56 177	58 705	60 711
GB	First Light / Mediabox	Nat.	1 331	1 537	5 947	4 012	3 550
GB	Skillset	Nat.	6 228	13 453	10 995	11 664	8 023
GB	Sgrín / Asiantaeth Ffilm Cymru	Comm.	2 635	959	2 973	2 552	1 832
GB	Scottish Screen / Creative Scotland	Comm.	9 437	9 480	10 057	8 293	9 431
GB	Gaelic Media Service	Comm.	9 288	8 351	12 055	11 272	10 272
GB	Northern Ireland Screen	Comm.	11 259	13 982	13 329	11 069	13 079
GB	EM-Media	Reg.	1 462	2 530	4 541	1 797	1 233
GB	Film London	Reg.	4 363	4 698	5 109	3 577	3 312
GB	Northern Film & Media	Reg.	2 097	2 003	3 288	2 634	3 832
GB	Screen East	Reg.	549	610	2 485	1 736	1 736
GB	Screen South	Reg.	1 065	1 090	1 450	1 423	1 060
GB	Screen West Midlands	Reg.	1 261	1 251	1 413	2 216	2 494
GB	Screen Yorkshire	Reg.	1 070	4 563	3 732	3 159	1 878
GB	South West Screen	Reg.	1 378	1 753	2 155	2 952	1 849
GB	Vision+Media	Reg.	2 777	2 786	3 215	3 959	3 535
GR	Greek Film Centre	Nat.	3 428	5 436	11 312	4 086	7 315
HR	Hrvatski audiovizualni centar	Nat.	-	-	-	4 495	4 033
HR	Ministry of Culture	Nat.	4 000	4 000	4 000	-	-
HR	Zagreb: Office for Education, Culture & Sport	Local	400	400	400	400	400
HU	Magyar Mozgókép Közalapítványt (MMKA)	Nat.	26 510	21 759	16 711	16 544	17 942
HU	Magyar Történelmi Film Alapítvány (MTFA)	Nat.	2 294	0	385	378	0
HU	Rolling Hills Dél-Dunántúli Filmalap	Reg.	-	-	-	-	160
IE	The Irish Film Board	Nat.	13 478	17 937	18 938	24 570	17 872
IE	Arts Council of Ireland	Nat.	2 477	4 448	3 758	3 671	3 555
IE	Broadcasting Authority of Ireland	Nat.	-	20 141	17 687	7 923	8 514
IS	Kvikmyndamiðstöðvar Íslands	Nat.	2 541	4 508	5 687	3 893	3 912
IT	MiBAC - DG Cinema**	Nat.	155 547	115 344	105 673	129 036	116 053
IT	Campania: Fondo regionale	Reg.	200	1 200	2 000	1 320	-
IT	Emilia-Romagna: Documentario e Animazione	Reg.	-	100	100	132	176
IT	Friuli - Venezia Giulia: Fondo regionale per il audiovisivo	Reg.	-	-	426	513	519

Source: European Audiovisual Observatory

**1. (cont) National, Community, Regional and Local Funding Bodies:
Fund Activity Spend 2005 to 2009**

Country	Fund	Level	EUR thousand				
			2005	2006	2007	2008	2009
IT	Friuli - Venezia Giulia: FVG Film Fund	Reg.	350	420	420	420	500
IT	Lazio: FILAS produzioni cinematografiche	Reg.	-	-	3 060	4 350	1 280
IT	Lazio: Latina Film Fund	Reg.	-	-	-	-	25
IT	Marche: Fondo per le attività cinematografiche	Reg.	-	-	-	-	277
IT	Piemonte: Doc Film Fund	Reg.	-	-	658	690	542
IT	Puglia: Apulia Film Fund	Reg.	-	-	258	463	1 095
IT	Sicilia: Fondo regionale	Reg.	-	-	-	4 950	3 000
IT	Other Italian regional funds	Reg.	13 450	3 280	10 078	14 162	22 187
LT	Ministry of Culture	Nat.	1 061	1 606	2 267	2 294	1 980
LT	Kultūros rėmimo fondas	Nat.	232	261	394	509	629
LU	Film Fund Luxembourg	Nat.	3 432	4 080	3 766	6 331	5 503
LV	Nacionālais Kino centrs	Nat.	1 878	2 002	2 117	4 470	2 392
LV	Valsts Kultūrkapitāla fonds	Nat.	947	1 074	1 509	1 513	650
MK	Macedonian Film Fund	Nat.	-	-	-	2 668	2 103
MK	National Broadcasting Council	Nat.	902	2 133	-	-	-
NL	Nederlands Fonds voor de Film	Nat.	15 256	19 936	34 623	34 891	37 173
NL	CoBO-fonds	Nat.	10 000	10 000	10 000	12 028	10 557
NL	Mediafonds	Nat.	13 400	13 447	12 637	13 047	13 757
NL	Rotterdam Media Fonds	Local	1 994	3 192	3 534	2 794	2 527
NO	Norsk filminstitutt (NFI)	Nat.	-	-	-	42 185	42 506
NO	Norsk filmfond	Nat.	37 845	35 088	39 693	-	-
NO	Film og Kino	Nat.	2 749	3 103	3 606	5 144	5 206
NO	Fond for Lyd og Bilde	Nat.	733	775	976	947	1 022
NO	Filmfondet FUZZ	Reg.	-	141	748	862	857
NO	Film3	Reg.	374	497	499	656	457
NO	Filmcamp	Reg.	-	891	604	813	1 252
NO	Filmkraft Rogaland	Reg.	-	421	701	986	856
NO	Midtnorsk Filmfond	Reg.	-	-	-	-	135
NO	Midtnorsk Filmsenter	Reg.	94	189	192	304	457
NO	Nordnorsk Filmsenter	Reg.	374	474	392	542	835
NO	Ostnorsk Filmsenter	Reg.	-	-	-	72	110
NO	Sørnorsk Filmsenter	Reg.	-	-	-	61	303
NO	Vestnorsk Filmsenter	Reg.	577	596	671	656	883
PL	Polski Instytut Sztuki Filmowej (PISF)	Nat.	-	19 135	25 102	44 847	30 039
PL	Ag. Produkcji Filmowej/Inst. Filmowa Ag. Scenariuszowa	Nat.	3 720	-	-	-	-
PL	Dolnośląski Konkurs Filmowy	Reg.	-	-	-	397	443
PL	Pomerania Film	Reg.	-	-	-	-	161
PL	Regionalny Fundusz Filmowy w Krakowie	Reg.	-	-	-	-	576
PL	Śląski Fundusz Filmowy	Reg.	-	-	-	262	321
PL	Wielkopolski Fundusz Filmowy	Reg.	-	-	-	284	231
PL	Gdański Fundusz Filmowy	Local	-	-	-	-	115
PL	Gdyński Fundusz Filmowy: Centrum Kultury	Local	-	-	-	-	161
PL	Łódzki Fundusz Filmowy	Local	-	-	264	284	231
PT	Instituto do Cinema e do Audiovisual (ICA)	Nat.	9 299	11 019	8 821	9 144	8 690
PT	Fundo de Investimento para o Cinema e Audiovisual (FICA)	Nat.	-	-	-	15 762	784
RO	Centrul National al Cinematografiei	Nat.	4 500	7 000	8 000	8 000	755
RU	Ministry of Culture***	Nat.	66 361	76 115	82 217	81 787	74 526
SE	Svenska Filminstitutet (SFI)	Nat.	38 034	39 905	40 502	39 392	41 526
SE	Film Gävleborg****	Reg.	n.c.	n.c.	n.c.	119	107
SE	Film i Dalarna****	Reg.	n.c.	n.c.	n.c.	237	68
SE	Film i Halland****	Reg.	n.c.	n.c.	n.c.	63	26
SE	Film i Jönköpingslän****	Reg.	n.c.	n.c.	n.c.	71	14
SE	Film i Örebro****	Reg.	n.c.	n.c.	n.c.	45	17
SE	Film i Öst****	Reg.	n.c.	n.c.	n.c.	73	77
SE	Film i Skåne	Reg.	1 109	1 286	1 812	2 173	2 838
SE	Film i Sörmland****	Reg.	n.c.	n.c.	n.c.	122	32

Source: European Audiovisual Observatory

1. (cont) National, Community, Regional and Local Funding Bodies: Fund Activity Spend 2005 to 2009

Country	Fund	Level	EUR thousand				
			2005	2006	2007	2008	2009
SE	Film i Uppland****	Reg.	n.c.	n.c.	n.c.	97	17
SE	Film i Värmland****	Reg.	n.c.	n.c.	n.c.	245	96
SE	Film i Väst	Reg.	4 899	6 394	6 883	6 712	7 884
SE	Film i Västerbotten****	Reg.	n.c.	n.c.	n.c.	250	119
SE	Film i Västernorrland****	Reg.	n.c.	n.c.	n.c.	197	135
SE	Film i Västmanland***	Reg.	n.c.	n.c.	n.c.	129	17
SE	Film på Gotland****	Reg.	n.c.	n.c.	n.c.	130	50
SE	Filmpool Jämtland****	Reg.	n.c.	n.c.	n.c.	196	177
SE	Filmpool Nord (Produktionscentrum & Resurscentrum)	Reg.	2 580	2 951	2 593	2 430	2 966
SE	Film Stockholm****	Reg.	n.c.	n.c.	n.c.	201	173
SE	Reaktor Sydost****	Reg.	n.c.	n.c.	n.c.	143	118
SI	Slovenski filmski center	Nat.	3 408	3 844	3 084	4 646	5 448
SK	Ministry of Culture: Programe AudioVizia	Nat.	2 280	4 610	3 393	4 272	4 179
SK	Literárny fond	Nat.	69	96	108	112	118
TR	Ministry of Culture: Telif Hakları ve Sinema	Nat.	5 632	11 372	13 717	15 081	11 228
Totals			1 638 315	1 631 690	1 811 886	1 921 779	1 919 303

* Support awards only.

** Amounts awarded, not amounts paid out. Includes loans for production.

*** Not all relevant spend analysed.

**** Activity spend total 2008 includes related overheads.

Legend

- : fund not operation
n.c.: data not communicated
0: no awards made

Notes

- Data in italics are estimated or include partial estimations.
- Not all sub-national funds are analysed in Austria, Germany, Spain, Sweden and Switzerland.
- Activity spend includes funding awards plus direct spend by the organisation on activities relevant to the sector.
- Amounts are shown net of overheads, payments to other funding bodies included in this report and to international organisations.
- Data for some United Kingdom regional funds has been drawn up and/or estimated on a different basis.

Source: European Audiovisual Observatory

2. Supranational and Other Funds: Fund Activity Spend 2005 to 2009

Country	Fund	Level	EUR thousand				
			2005	2006	2007	2008	2009
...	Balkan Fund	Supra.	40	40	40	40	30
...	Eurimages	Supra.	21 028	20 693	23 035	21 628	20 977
...	Europa Cinemas	Supra.	6 394	7 012	6 717	8 236	8 957
...	Ibermedia	Supra.	5 000	5 000	4 700	4 300	4 600
...	MEDIA Programme	Supra.	79 221	69 220	77 546	93 334	99 643
...	Nordisk Film & TV Fond	Supra.	8 561	8 565	8 902	8 862	9 359
...	SEE Cinema Network	Supra.	120	120	111	90	106
...	ACP Films	Other	-	-	-	6 500	-
...	EUROMED Audiovisual II*	Other	-	5 000	5 000	5 000	-
...	Festival d'Amiens: Fonds d'aide	Other	30	30	38	38	48
...	Fonds francophone (OIF)	Other	2 000	2 000	2 000	2 000	2 000
...	Fonds Sud Cinéma	Other	2 500	2 500	2 500	2 400	2 220
...	Göteborg IFF Fund	Other	200	337	345	439	482
...	Hubert Bals Fonds	Other	1 174	778	883	765	874
...	Jan Vrijman Fund	Other	374	361	363	452	455
...	MEDIA International	Other	-	-	-	1 980	4 960
...	World Cinema Fund	Other	715	616	463	400	408
	Total		127 357	122 274	132 642	156 463	155 118

Legend

- : fund not in operation n.c.: data not communicated 0: no awards made

Notes

- Data in italics are estimated or include partial estimations.

- Funds not shown as data was either incomplete or unavailable: *Fonds Images Afrique, Visions Sud-Est.*

* For the purposes of this study, spend has been evenly distributed over the 3 years of the programme. This is not an accurate reflexion of the real spend pattern.

Source: European Audiovisual Observatory

Country ISO Codes and Groups

Country ISO Code	Name	Country groups			
		EU27	MEDIA 2007	Eurimages	European Audiovisual Observatory
AL	Albania			•	•
AT	Austria	•	•	•	•
BA	Bosnia and Herzegovina			•	•
BE	Belgium	•	•	•	•
BG	Bulgaria	•	•	•	•
CH	Switzerland		•	•	•
CY	Cyprus	•	•	•	•
CZ	Czech Republic	•	•	•	•
DE	Germany	•	•	•	•
DK	Denmark	•	•	•	•
EE	Estonia	•	•	•	•
ES	Spain	•	•	•	•
FI	Finland	•	•	•	•
FR	France	•	•	•	•
GB	United Kingdom	•	•		•
GR	Greece	•	•	•	•
HR	Croatia		•	•	•
HU	Hungary	•	•	•	•
IE	Ireland	•	•	•	•
IS	Iceland		•	•	•
IT	Italy	•	•	•	•
LI	Liechtenstein		•		•
LT	Lithuania	•	•	•	•
LU	Luxembourg	•	•	•	•
LV	Latvia	•	•	•	•
MK	"The former Yugoslav Republic of Macedonia"			•	•
MT	Malta	•	•		•
NL	Netherlands	•	•	•	•
NO	Norway		•	•	•
PL	Poland	•	•	•	•
PT	Portugal	•	•	•	•
RO	Romania	•	•	•	•
RS	Serbia			•	
RU	Russian Federation			•	•
SE	Sweden	•	•	•	•
SI	Slovenia	•	•	•	•
SK	Slovakia	•	•	•	•
TR	Turkey			•	•
Number of member states		27	32	35	37

For almost 20 years the European Audiovisual Observatory has been collecting, analysing and publishing information on public funding for the film and television industry in Europe.

This is the third report on the topic from the Observatory after 'Public Aid Mechanisms for the Film and the Audiovisual Industry in Europe', published jointly with the French CNC in 1998, and 'Public funding for film and audiovisual works – a comparative analysis' published in co-operation with the European Investment Bank in 2004.

Of vital importance to the European film industry, public funding represents a key intersection point between public policy and market dynamics. From influential national film agencies to smaller-scale local initiatives, this report provides a unique overview of the geographical spread, scale and scope of direct public funding to the sector in 37 European countries.

Focussing on film funds and their activities in support of film, television and new media, the report examines the following topics for the period 2005 to 2009:

- Fund numbers and evolution
- Trends in fund income
- How funds are financed
- Fund spend on activity and its evolution
- Scope and scale of intervention
- Types of projects supported

National, regional, supranational and funds for projects from outside Europe are all covered, reflecting the diversity of public policies concerning intervention in the film and television industry. The report also provides brief insights into a selection of special topics, including funding for the transition to digital cinema, tax incentives, public financial institutions active in the sector and a review of the public policy context at European level.

An indispensable tool for professionals, policy makers, fund managers and researchers alike, this new report is complemented by the KORDA database (<http://korda.obs.coe.int>) which provides free access to regularly updated information on individual funds and their funding activity.

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