

Governance and funding of public service media

NOTE

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NOTE**Governance and funding of public service media**

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Governance and funding of public service media

Olivier Hermanns, Amélie Lacourt



Foreword

The maxim “*Publicité, sauvegarde du peuple*” is displayed on the pediment of the neoclassical town hall, constructed between 1775 and 1780 in Verviers, a city in Belgium. This historical inscription – meaning “*Openness is the safeguard of the people*” – serves as a powerful reminder. It asserts that matters of public interest should be made public. Transparency in governance is a cornerstone of a functioning democracy.

Isn't this age-old principle still highly relevant today? It underlines the vital need for trustworthy and open sources of information. Such sources are essential for citizens to form informed opinions. In our complex information landscape, reliable media is more crucial than ever. Public service media play a key role in fulfilling this societal need. They ensure that quality information is widely available. They also foster democratic participation by enabling public dialogue and informed debate.

Recognising this importance, the European Media Freedom Act places emphasis on the role of public service media. It introduces a common framework to contribute to the independent functioning of public service media providers throughout the European Union.

Between November 2024 and March 2025, the European Audiovisual Observatory (EAO) carried out a new data collection exercise to gather updated information on the governance and funding systems of public service media in its member states. Ukraine joined the EAO after the cut-off date of this Note, so information from this country is not included. The findings are publicly available on the Observatory's website. Readers can consult individual national tables as well as extensive summary tables.

This accompanying Note offers an additional resource to help readers make sense of the data.

Special thanks go to Richard Burnley, Director of Legal and Policy at the European Broadcasting Union (EBU) and his team for their invaluable help. Their guidance and assistance in reaching out to EBU members greatly enriched the analysis.

Enjoy the read!

Strasbourg, July 2025

Maja Cappello

IRIS Coordinator

Head of the Department for Legal Information

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1 Scope of the analysis

This Note aims to describe the main results of a fact-finding exercise on the current rules applicable in Europe as regards the governance and the funding of public service media (PSM) providers.

The purpose is to provide an overview of the legal situation in the countries covered, enabling a comparative analysis to be conducted. The quantitative data presented and the maps shown in this Note do not imply any kind of assessment. They represent simplified trends and clusters based on complex national political, cultural and historical situations. Given the competence of EU member states to determine the funding and remit of PSM in their countries, the diversity of national solutions is therefore not surprising. They are all characterised by their own specific features and must be considered within a broader constitutional context. [National tables](#) with the complete datasets of relevant legislative texts provide the readers with additional information.

1.1 The role of public service media providers and the EMFA

Several recitals accompanying the European Media Freedom Act (EMFA)¹ outline the ‘particular role’ played by PSM providers in the internal market for media services and the ‘risk of interference’ they are exposed to, as a consequence to their proximity to the state.² Article 5 of the EMFA sets out requirements as to procedures for the appointment and the dismissal of the Head of Management or the members of the Management Board of PSM providers as well as funding procedures for PSM providers. This Note has been drafted in light of the requirements set by these provisions.

Article 5 (2) (3)

2. Member States shall ensure that the procedures for the appointment and the dismissal of the head of management or the members of the management board of public service media providers aim to guarantee the independence of public service media providers.

¹ [Regulation \(EU\) 2024/1083](#) of the European Parliament and of the Council of 11 April 2024 establishing a common framework for media services in the internal market and amending Directive 2010/13/EU (European Media Freedom Act), OJ L, 2024/1083, 17.4.2024.

² See recitals 27 to 31 EMFA.



The head of management or the members of the management board of public service media providers shall be appointed on the basis of transparent, open, effective and non-discriminatory procedures and transparent, objective, non-discriminatory and proportionate criteria laid down in advance at national level. The duration of their term of office shall be sufficient for the effective independence of public service media providers.

Decisions on dismissal of the head of management or the members of the management board of public service media providers before the end of their term of office shall be duly justified, may be taken only exceptionally where they no longer fulfil the conditions required for the performance of their duties according to criteria laid down in advance at national level, shall be subject to prior notification to the persons concerned and shall include the possibility of judicial review.

3. Member States shall ensure that funding procedures for public service media providers are based on transparent and objective criteria laid down in advance. Those funding procedures shall guarantee that public service media providers have adequate, sustainable and predictable financial resources corresponding to the fulfilment of and the capacity to develop within their public service remit. Those financial resources shall be such that the editorial independence of public service media providers is safeguarded.

Although it is a regulation, and hence directly applicable, the EMFA may require national provisions to be adapted.³ Article 5 of the EMFA shall apply from 8 August 2025.⁴ This makes describing the current rules so important – and a timely publication of the results so urgent. At the same time, several EU member states are reforming their national legislation following the EMFA's entry into force.⁵ These reforms are likely to affect the results of this fact-finding exercise in the coming months, for which the cut-off date was March 2025.

1.2 Context of the project

A 2022 report of the EAO entitled 'Governance and independence of public service media'⁶ already showed a variety of approaches at national and international level as regard the independent functioning of PSM providers. This report was accompanied by national overview tables filled in by the Observatory's team with the kind help of the EBU where possible.

The tables were fully updated between November 2024 and March 2025, integrating, in line with Article 5 of the EMFA, a new part on the funding of PSM providers.

³ Cappello M. (ed.), *The European Media Freedom Act unpacked*, IRIS, European Audiovisual Observatory, Strasbourg, November 2024, especially pp. 9, 49.

⁴ Article 29 EMFA.

⁵ Candidate countries will have to adapt their national legislation. See *Richter A., Media pluralism in selected Black Sea countries: the influence of European standards*, Strasbourg, October 2024, who mentions in footnote 7 the example of the Republic of Moldova.

⁶ Cabrera Blázquez F.J., Cappello M., Talavera Milla J., Valais S., *Governance and independence of public service media*, IRIS Plus, European Audiovisual Observatory, Strasbourg, February 2022.

For this exercise, the EAO relied on in-house workforce and the kind cooperation of the EBU and its members for the check of the information on governance and the provision of data on the funding related aspects.⁷

This work resulted in the elaboration of:

- **National tables** (one per country, except for Belgium where two separate tables are available for the Flemish and French-speaking communities);
- A **comparative overview** allowing to identify common trends across the different national situations.

1.3 Territorial scope

This Note includes detailed examples from EU member states, the EFTA countries and UK, while providing the overall picture in the overview maps of the wider Europe.

1.4 Subjective scope

The PSM providers selected for the purpose of the tables are based on EBU membership and limited to 1 per country, with the exception of Belgium.

In most countries, there is indeed only one PSM provider.⁸ However, in some countries, there are several. This is the case in Belgium, Denmark, Germany, Ireland, the Netherlands, Sweden and the UK, for instance. For the purpose of this Note, the public service broadcasting organisations covered are the following:

- **BE:** VRT for the Flemish Community and RTBF for the French Community.
- **DK:** DR.
- **DE:** the part on governance takes into account WDR as a representative of the nine different regional broadcasters. ARD is an Arbeitsgemeinschaft [working group] without legal personality. The legal rules for the nine broadcasters can vary due to different legislation in the federal states.
- **IE:** RTÉ.
- **NL:** the umbrella administrative body, NPO⁹.

⁷ No feedback was received on the national table for Malta, nor was any information publicly available.

⁸ In **LI**, a popular vote decided to suppress the PSM Liechtensteinischer Rundfunk (LRF) in 2024 (55.4%). See Liechtenstein-Institut, [Vote on the repeal of the LRF Act - initial poll results available](#), Press release, 30 October 2024. In **LU**, CLT-UFA (provider of RTL Lëtzebuerg) is a private company. Pursuant to recital 10 of the EMFA, “private media undertakings that have agreed to carry out, as a limited part of their activities, certain specific tasks of general interest in return for payment” should not be covered by the provisions of Article 5 of the EMFA.

⁹ The Dutch model is characterised by a number of independent broadcasting associations. The roles and responsibilities of the broadcasters and the NPO (umbrella organisation) are legally defined. The broadcasters can be divided into two categories:

- Broadcasters with statutory functions in terms of news, sports, education and culture: NOS and NTR.

- **SE:** SVT.
- **UK:** the BBC.

In addition, some countries have separate legal entities for radio and television (e.g. **CZ, RO, SE, FR**), which is however not relevant for the purposes of this Note, which focuses solely on television.

This Note focuses on the current legal situation and provides an insight into the rules in force in each country with regard to PSM. While the Note does not go into the concrete application of the rules, it should be borne in mind that the *de facto* situation may differ from the *de jure* one. For example, the Polish PSM is in liquidation, a situation that the current Polish legal framework on PSM does not reflect.

1.5 Definition of some key concepts

‘Head of Management’ in the EMFA is also usually called ‘PSM Manager’ and in most cases, in the English translation of national legislation, ‘Director-General’.

The ‘Management Board’ in the EMFA is called in most cases, in the English translation of national legislation, ‘Board of Directors’. The concept refers to the management bodies, and not to the supervisory bodies that are in place in certain countries (e.g. in the case of ZDF, in DE: the Administrative Council (*Verwaltungsrat*) and the Television Council or Broadcasting Council (*Fernsehrat*)).

For the purposes of this Note and the national tables, the following terms and expressions are used in a particular way:

- For the purposes of the tables, ‘government’ in Article 5 EMFA is understood as meaning the executive only. Therefore, ‘actors’ besides Government and PSM include the Parliament, the media regulatory authority, other authorities or bodies, etc.
- ‘Incompatibilities apply’ means that there are provisions prohibiting the exercise of other functions (among others political ones) while serving on the board or as a PSM manager.
- ‘Funding models’ refer to big categories of possible resources that are not exclusive from other resources.

-
- Broadcasting associations that either represent a social or religious movement or represent a specific target group, such as young people or the elderly. The Media Act sets a number of requirements for a broadcasting association. Only if the broadcaster meets these requirements, it will receive recognition and airtime on the public broadcasting system. The NPO has a concession under the Media Act.

2 Governance of PSM providers

As outlined in recital 27 of the EMFA, independent governance of PSM providers is one of the safeguards that can mitigate the risk of political interference such providers can be exposed to, especially with regard to their ‘institutional proximity to the state’.

2.1 Management structure

In terms of governance, the EMFA refers to the management structure of the PSM provider, including the Head of Management and the Management Board.

Figure 1. Existence of a PSM manager and a Management Board



One can observe, almost always, a structure with a Head of Management *and* a Management Board. Article 5(2) of the EMFA applies to structures with a head of management, a board of management, or both.

A different structure can be found in some countries:

- **AT (ORF):** ORF has a General Director but no Board of Directors/Management Board.
- **DE (WDR):** WDR has a General Director but no Board of Directors/Management Board.



- **NL (NPO):** The umbrella organisation NPO has no Director General¹⁰. The broadcasting organisations associated with the NPO are managed individually.

In Luxembourg, *RTL Lëtzebuerg* has a CEO but the Agreement between the State of the Grand Duchy of Luxembourg CLT-UFA and RTL Group on the provision of Luxembourg public service television of 14 June 2022 does not mention a Board of Directors. However, CLT-UFA is a private media undertaking. Therefore, it is likely that they also have a Board. In addition, such undertakings that have agreed to carry out, as a limited part of their activities, certain specific tasks of general interest, are excluded from the scope of application of the EMFA (recital 10 of the EMFA).

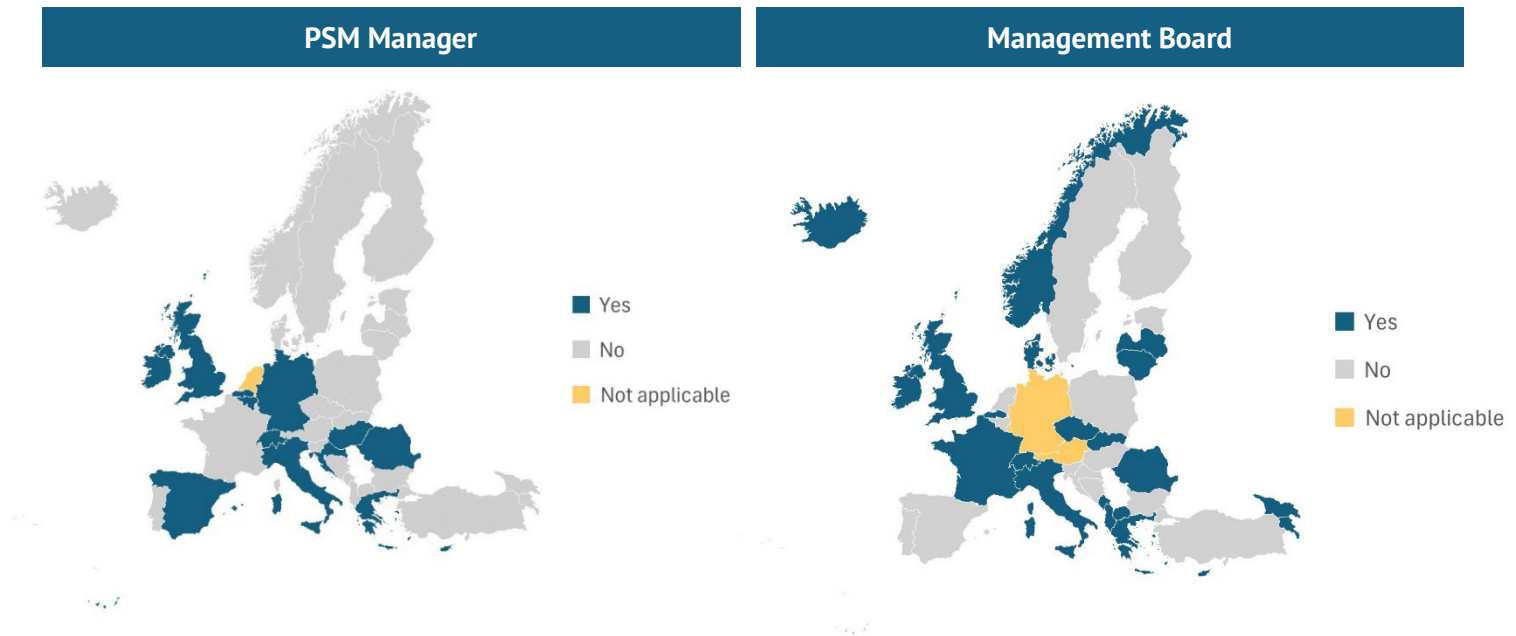
2.2 Procedures for the appointment of the Head of Management or the members of the Management Board

The EMFA requires procedures for the appointment of the Head of Management or the members of the Management Board to be transparent, open, effective and non-discriminatory. They must be based on transparent, objective, non-discriminatory and proportionate criteria, laid down in advance. Finally, the duration of the term of office of the Head of Management or the members of the Management Board must be sufficient for the effective independence of PSM providers.

¹⁰ However, the board is headed by a chairperson.

2.2.1 Actors involved in the appointment procedure

Figure 2. Are multiple actors involved in the appointment procedure?



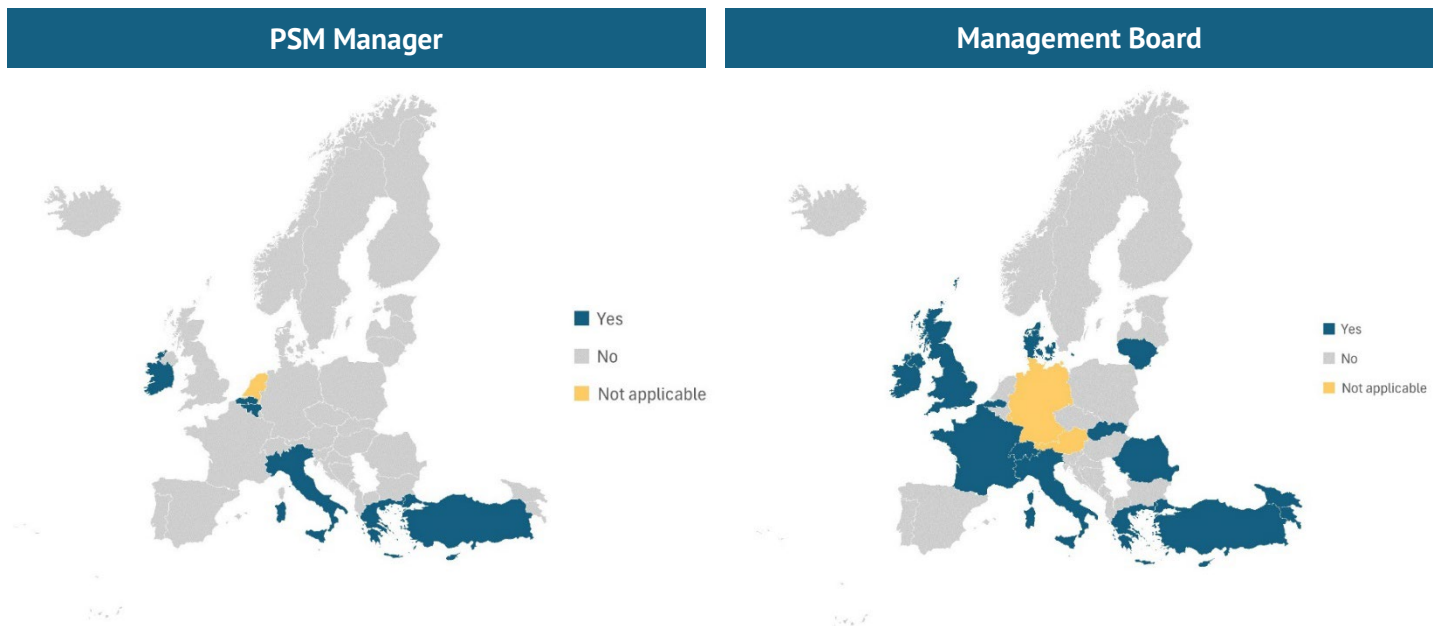
An objective approach to evaluating the appointment procedures in place is to consider who is involved in them. Some procedures involve the intervention of several organisations or persons ('actors'). This is also worth noticing. However, the involvement of several actors in the appointment procedures, be it regarding the Head of Management or the members of the Management Board is not a sign for good or bad governance. It is only a way of showing that several models coexist.

In most cases, the PSM itself is involved in the appointment procedure of its Head of Management through an internal organ. It may be a Board of Directors. In some cases, this participation of an internal organ is "limited" to the competence of issuing a recommendation (e.g. **BE(VL)**, **BE(FR)**, **HR**, **RO**), but it is often a binding decision.

In most cases, the government (i.e. the executive) is not directly involved in the appointment procedure of the Head of Management (exceptions: **BE(VL)**, **BE(FR)**, **CY**, **GR**, **IE**, **IT**). Appointment of the Head of Management by Parliament is sometimes possible (**ES**, **GR**, **HR**, **RO**). Appointment of the Head of Management by a regulatory authority can also happen (**FR**, **BG**).

Finally, the involvement of the government (i.e. the executive) appears more frequent in the procedures for the appointment of the members of the Management Board than for those for the appointment of the Head of Management.

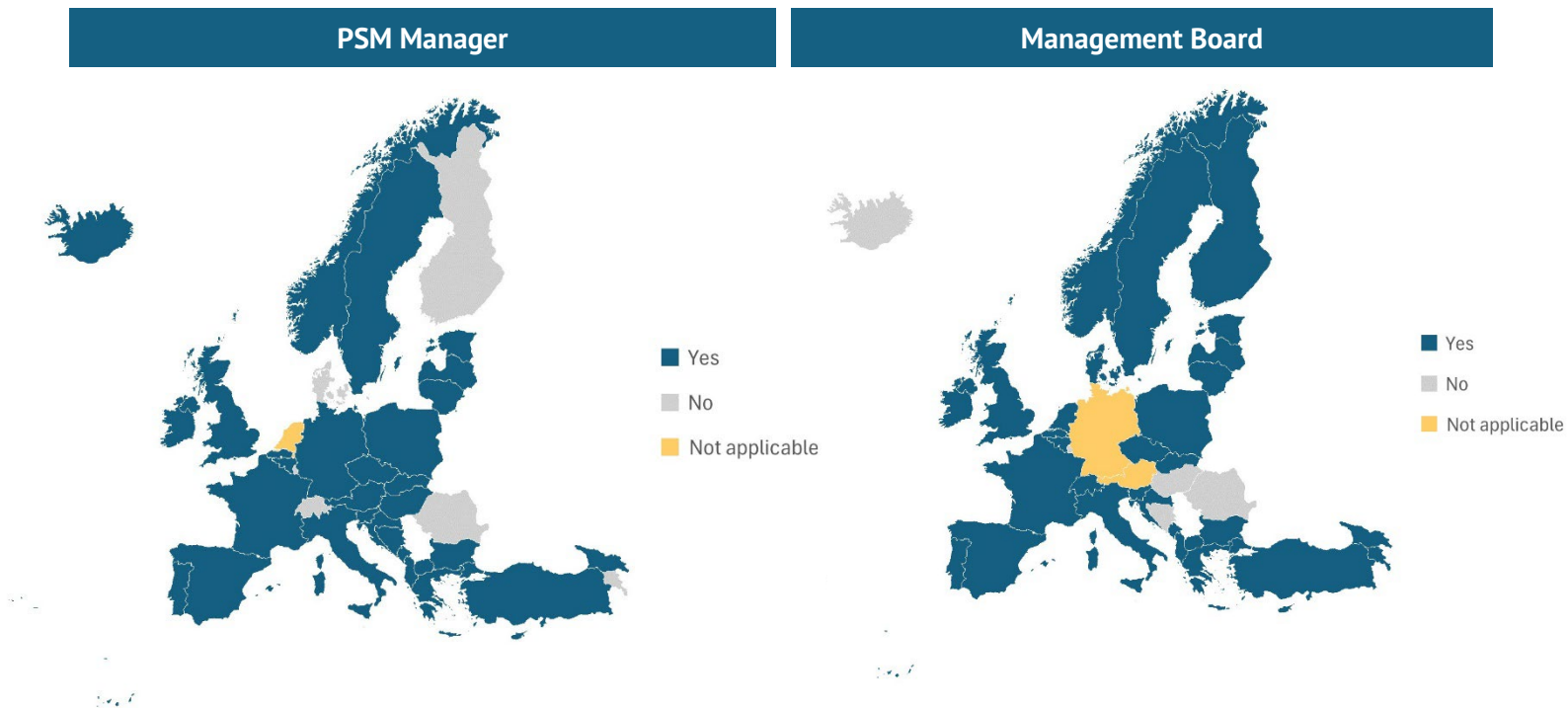
Figure 3. Involvement of government



2.2.2 Appointment procedures laid down in advance

The criteria for appointment of the PSM manager and members of the Management Board are in most cases laid down in advance in an Act of parliament. Exceptionally, they are laid down in a job description.

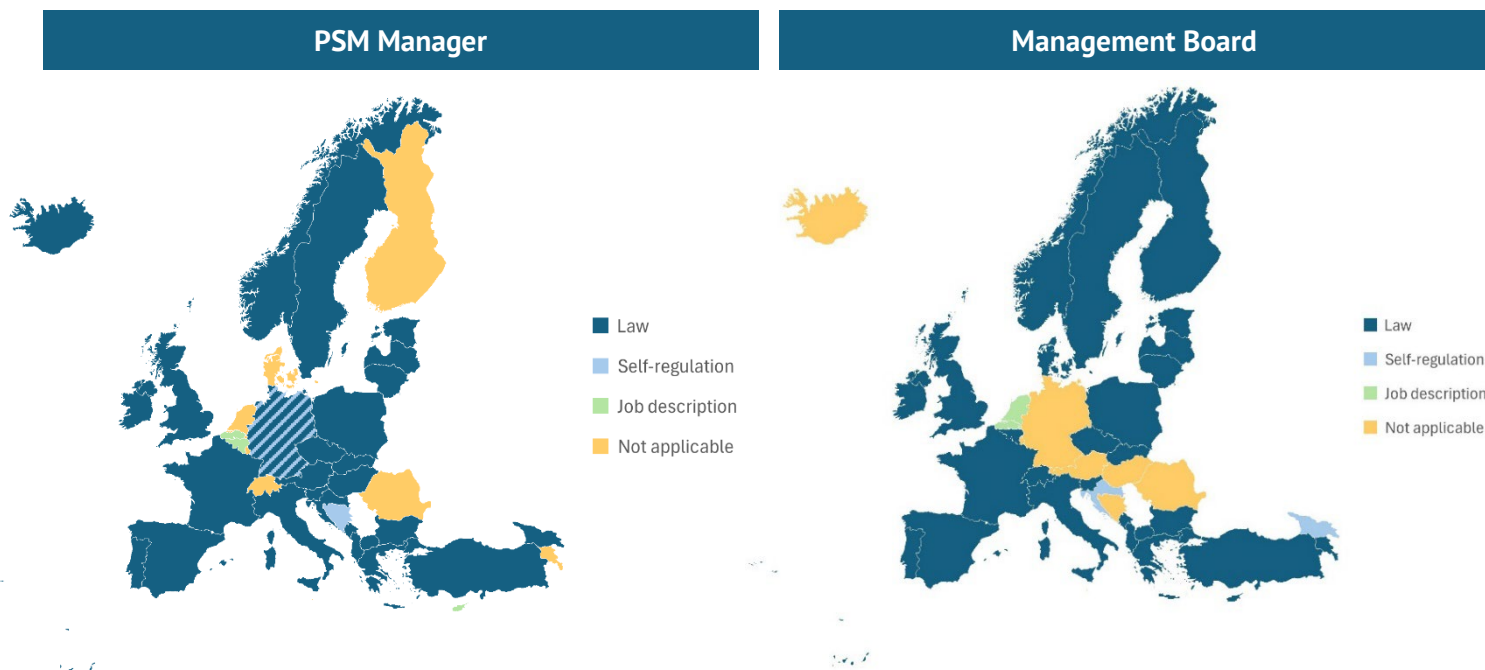
Figure 4. Existence of criteria for appointment



In a few cases, no criteria are laid down in advance. This indeed occurs in the following instances:

PSM manager	Management Board
FI (Yle)	HU (Dunia Media Service Provider)
LU (RTL Lëtzebuerg)	IS (Ríkisútvarpid)
DK (DR)	RO (TVR)
RO (TVR)	AT (ORF) (not applicable as they have no Board)
CH (SRG SSR)	DE (WDR) (not applicable as WDR has no Board)
NL (NPO) (not applicable as they have no Manager)	

Figure 5. **Where are the criteria laid down?**



Only a few countries require the criteria to be addressed directly within the job description, rather than in prior legislation.

- **BE (VL) (VRT):** Criteria for the appointment of the PSM Manager are set out in the profile description adopted by the General Meeting of shareholders. For the Board, appointment criteria are provided in the job description for the four independent directors.
- In **BE (FR) (RTBF)**, the PSM Manager's job profile is decided by the Government.
- **DE (WDR):** Basic criteria are laid down by WDR-Gesetz (law). Other appointment criteria are determined by the Rundfunkrat (Broadcasting Council) and further details can be regulated by statute.
- **NL (NPO):** Whenever a position at the Board of Directors is vacant, the Supervisory Board draws up profile sketches.¹¹

2.2.3 Criteria for appointment

The criteria for appointing a PSM Manager or members of a Management Board are manifold. They also depend on national and cultural specificities. However, some criteria stand out as the most commonly relied upon in the countries covered by this Note. This does not presuppose that other criteria are not used, depending on the specific needs of each case. The information contained in the maps below reflects the level of detail set out

¹¹ The board of directors consists of a chairman and a maximum of two other members who are appointed, suspended and dismissed by the supervisory board.

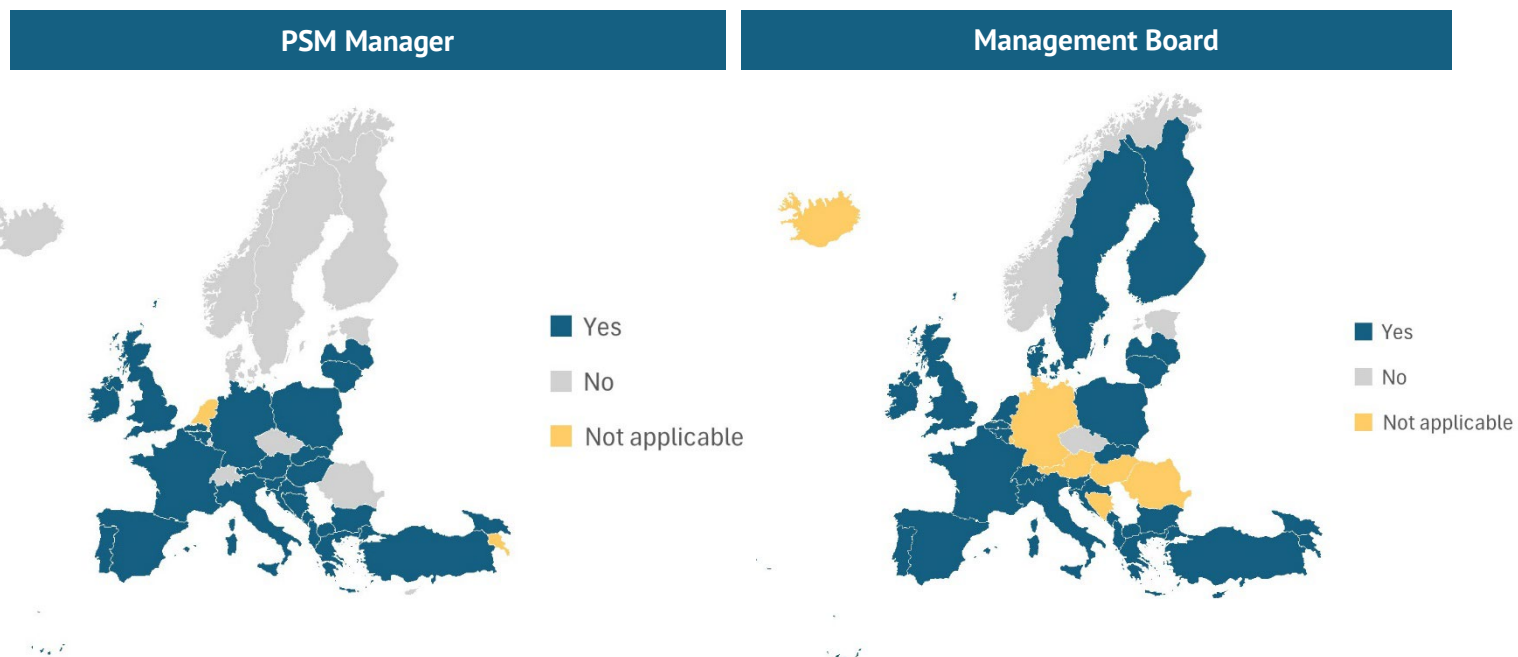
in legislation. This section does not cover criteria laid down in *ad hoc* job descriptions, for instance.

In addition, in many cases, incompatibilities between different functions apply. This includes specific provisions against conflict of interests. For instance, in Denmark, members of or candidates for the Danish Parliament, the regional councils or the European Parliament, municipal councils may not be members of the PSM Management Board.

2.2.3.1 Expertise

Expertise is one of the most formally cited criteria for appointment of both the Head of Management and the members of the Management Board.

Figure 6. Expertise as a criteria



Although expertise is a commonly cited criterion, it is treated differently in different countries. In the UK, for example, a PSM Manager is required to have a range of skills and the necessary experience to secure the proper exercise of the functions of the BBC. In other countries, such as Bulgaria, expertise is defined in more detail. Candidates must have higher education and experience in electronic media, electronic communications, journalism, law or economics, and must have public authority and professional recognition.

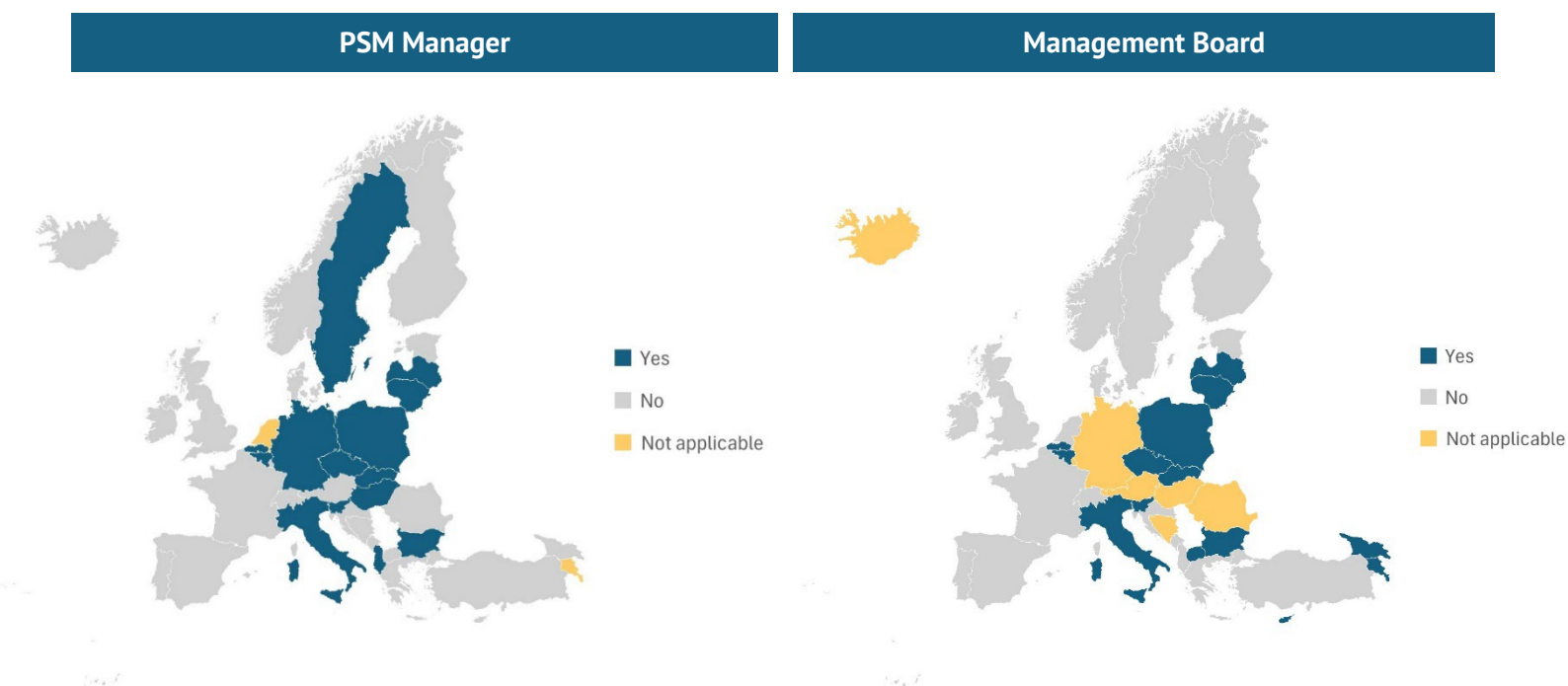
In some cases, such as in Croatia, candidates for the position of PSM Manager must submit proof that they meet the legal requirements, as well as a work and management programme for HRT for the next term of office. After the announcement of the public tender, interested persons are provided with insights into the reports submitted by HRT bodies to the Croatian Parliament for the purpose of drafting the work and management programme of HRT. Some countries also specify knowledge of one or more languages. In

Finland, for example, members of the Board of Directors must represent both language groups (Finnish and Swedish), and their expertise must be adequately diversified. In Slovenia, knowledge of Slovene and at least one other language is required.

2.2.3.2 Reputation, integrity, honesty or similar criteria

Together with expertise, reputation/integrity/honesty or similar criteria (e.g. not having been convicted) are the most cited criteria for appointment of the Head of Management.

Figure 7. Reputation, integrity, honesty or similar criteria

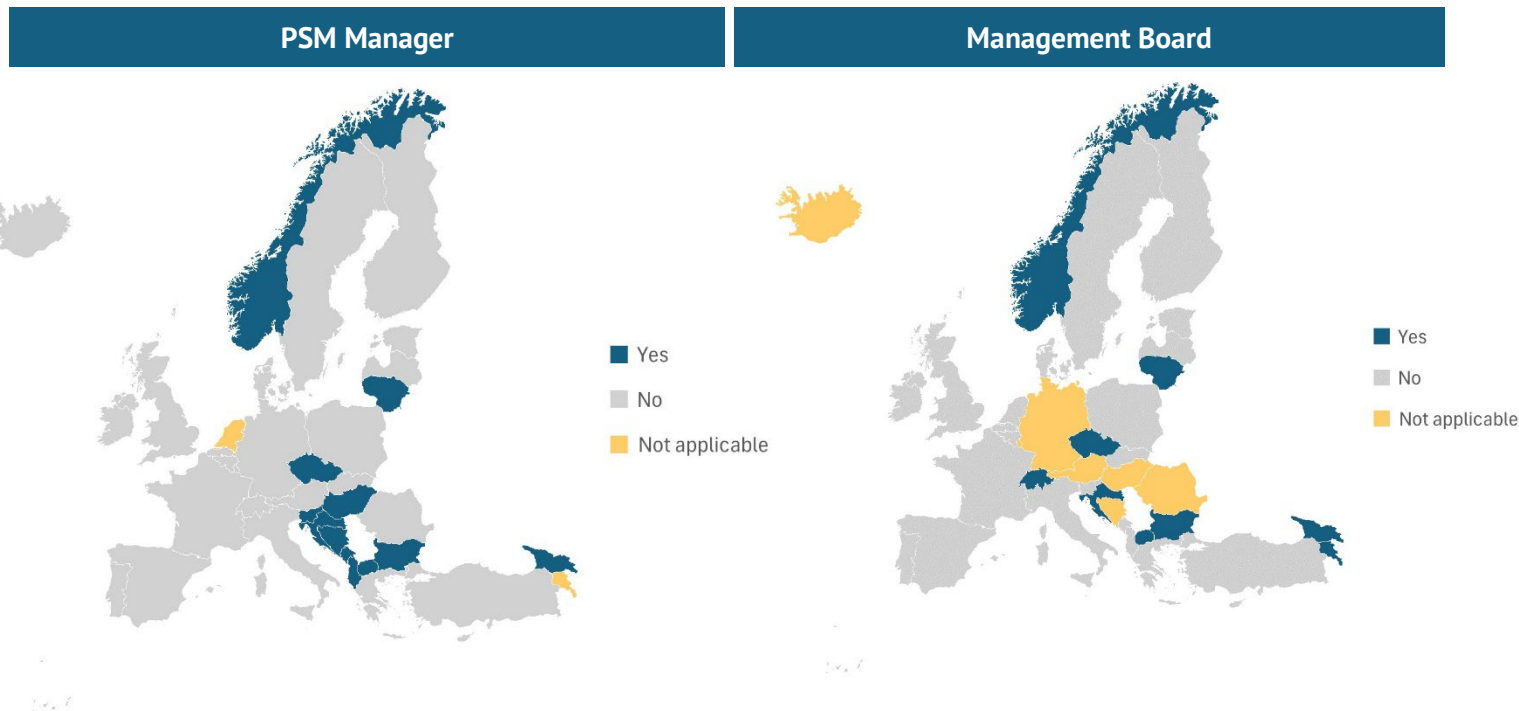


In Italy for example, “persons of recognised honorability, prestige and professional competence and notorious independence of conduct, who have distinguished themselves in economic, scientific, legal, humanistic culture or social communication activities, gaining significant managerial experience”, may be appointed as PSM Manager or member of the Management Board.

2.2.3.3 Nationality

Nationality is sometimes a criterion for appointment. While not a requirement under the EMFA, the nationality of individuals involved in public service decisions that affect the nation may be considered as a way of ensuring that the people in key positions reflect the population they serve, fostering a sense of inclusion and legitimacy. However, such a requirement does not presuppose good or bad governance of the PSM.

Figure 8. Nationality as a criterion

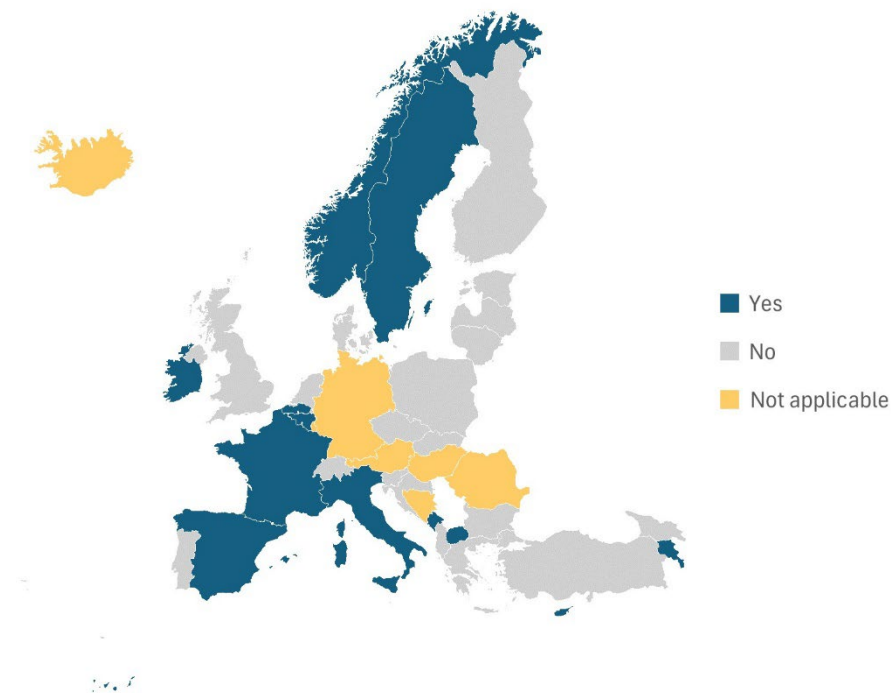


In various instances, the place of residence is also put forward and considered a requirement. This is the case in **CZ**, the **UK** and **CH**, notwithstanding other countries where this might be possible. In **EE**, half of the members of the Management Board should reside either in Estonia or in another EEA member state or Switzerland.

2.2.3.4 Gender balance

Gender equality among members of the Management Board has been observed as a requirement in 7 countries.

Figure 9. Gender balance as a criteria

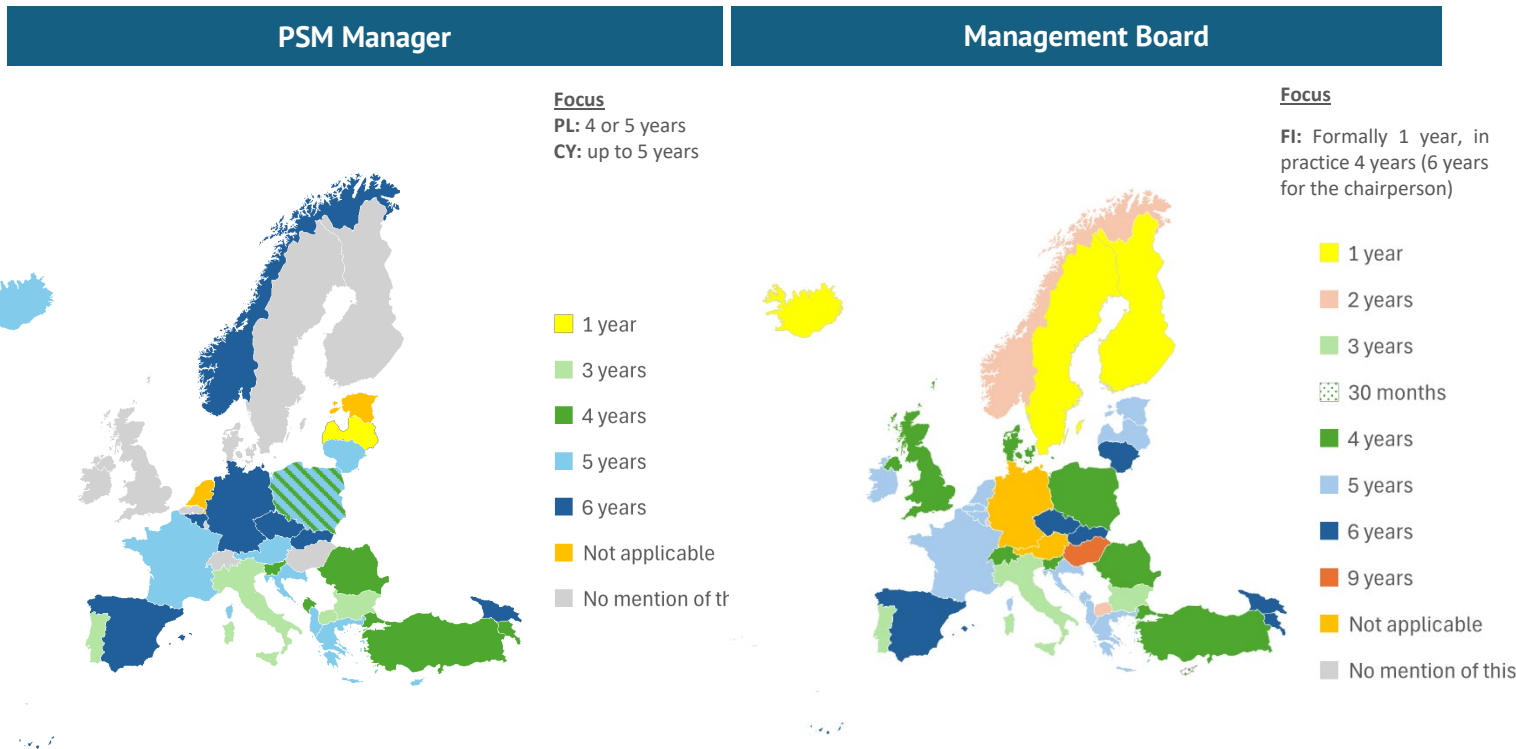


In some cases, gender balance is encouraged through targets, such as in Cyprus, Italy, Spain and Sweden, where gender balance should be taken into consideration (**CY**), the presence of both sexes favoured (**IT**), the principle of balanced presence of women and men respected (**ES**), and a gender balance sought (**SE**).

Other countries have implemented mandatory quotas for gender representation on boards. In **BE (VL)**, no more than two-thirds of the voting members of the Board of Directors of public authorities may be of the same gender. In **BE (FR)**, the Decree promoting the balanced participation of women and men in the bodies of legal entities designated by the French Community, sets out quotas. In France, the difference in the number of male and female members must not exceed one when appointing the five representatives of the French state and the five independent members appointed by the ARCOM. In **Norway**, large and medium-sized companies are required to have a gender balance of at least 40 per cent on their Boards. In **Ireland**, not less than 5 of the members of the board of a corporation must be men and not less than 5 of them must be women.

2.2.4 Duration of appointment

Figure 10. Duration of appointment



According to the EMFA, the duration of the term of office of the PSM Manager and board members must be sufficient for the effective independence of PSM providers. Although the duration varies widely across countries, most countries set the same term of office for the Management Board and the PSM Manager, ranging from one to nine years. In some cases, duration is also related to the length of the remit.

In most cases, terms are fixed with a set appointment period. In most cases, they are determined by law, sometimes self-regulation. In the case of **CH**, **FI** and **HU**, the duration relates to the type of contract that the PSM Manager has.

- **CH (SRG SSR):** The employment contract determines the period of time.
- **FI (Yle):** Fixed-term and no-fixed-term appointment is possible.
- **HU (Dunja Media Service Provider):** The employment contract of the PSM Manager can be concluded for an indefinite period of time.

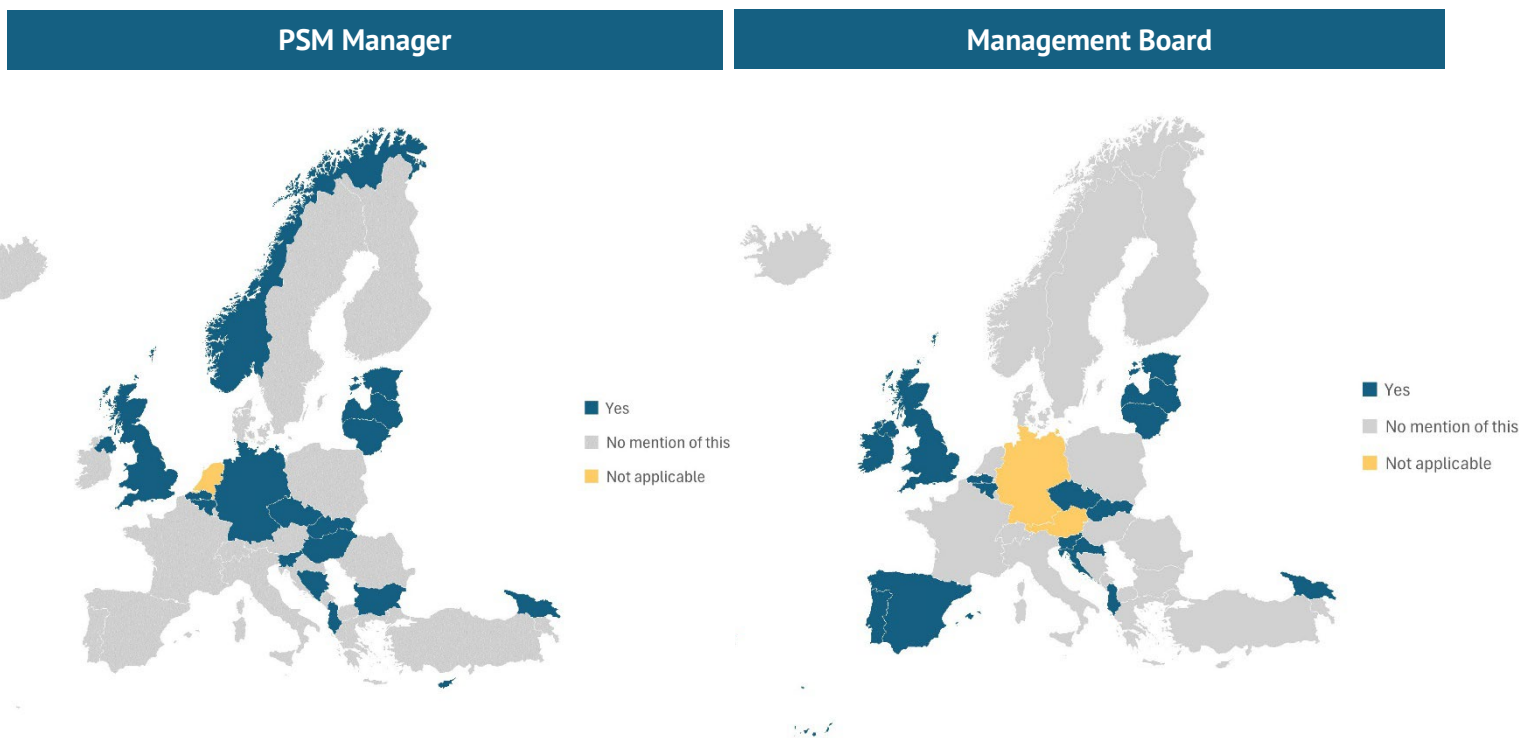
In a few instances, notably concerning the PSM Manager, there is no mention of duration of appointment in the legal framework or other documents.

2.3 Decisions on dismissal of the Head of Management or the members of the Management Board

Decisions on dismissal of the Head of Management or the members of the Management Board before the end of their term of office shall be duly justified. They may be taken only exceptionally where they no longer fulfil the conditions required for the performance of their duties according to criteria laid down in advance. The persons concerned must be notified in advance of the grounds and there must be a possibility of judicial review of the dismissal decision.

2.3.1 Requirements to duly justify dismissal decisions

Figure 11. Existence of requirement to duly justify dismissal decisions

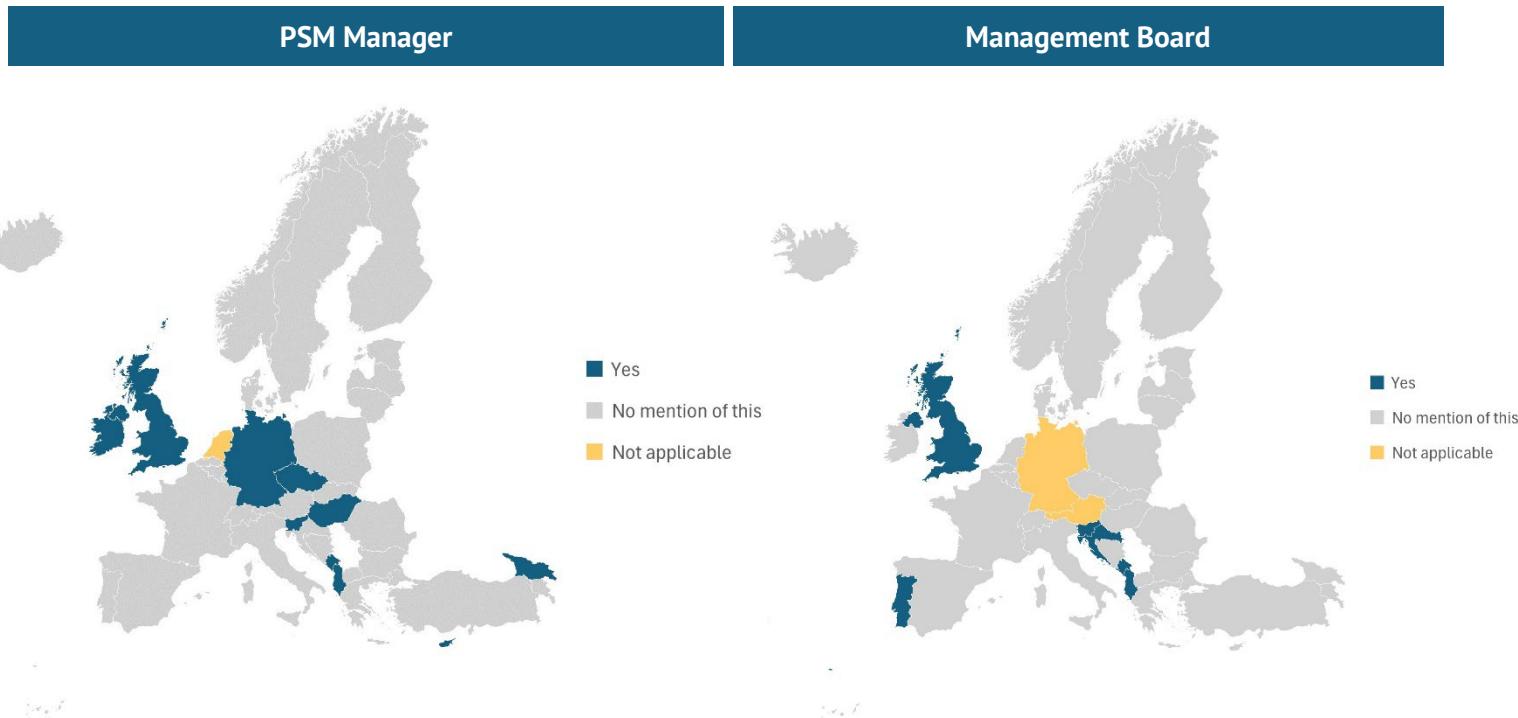


Most countries do not mention the formal requirement to duly justify dismissal decisions.

More specifically, in the case of PSM Managers, this requirement is often seen as implicit where the grounds for dismissal are laid down in legal instruments (however, this is different from a specific normative requirement to justify dismissal decisions on a case-by-case basis). In most countries, there is no mention of this for members of the Management Board.

2.3.2 Requirement to inform the concerned person in advance

Figure 12. Existence of requirement to inform the concerned person in advance



In many cases, there is no formal mention of a requirement to inform the concerned person in advance in their national legislation.

Sometimes, there is a right to be heard for the person concerned; in such cases, it can be assumed that this person has been informed in advance.

2.3.3 Possibility of judicial review

While the EMFA requires decisions on dismissal of the Head of Management or the members of the Management Board to include the possibility of judicial review, in most cases there is no formal mention, in general or specific legislation, on whether a dismissal decision can be reviewed in court. This applies to the PSM Manager and Management Board.

10 countries however do provide for such a possibility (**BG, CY, DE, EE, GR, HU, IE, PT, RO, SI, SK, CH**). In some cases, **administrative law** (or '**general procedures**') applies. This is for instance the case in Belgium. In the Flemish community, there is no specific mention of the possibility for a judicial review, but "the right to be heard" before an adverse decision is imposed, is an element of general administrative law.



Finally, in Austria, an **internal procedure** exists upon request, in case of violation of the ORF-Act (Art. 36 ORF Act) or in order to review a management decision/procedure (Art. 40(1) ORF Act).

3 Funding of PSM providers

According to Art. 5(3) of the EMFA, funding procedures must:

- Be based on transparent and objective criteria laid down in advance.
- Guarantee adequate, sustainable and predictable financial resources corresponding to the fulfilment of and the capacity to develop within their public service remit.
- Be such that the editorial independence of public service media providers is safeguarded.

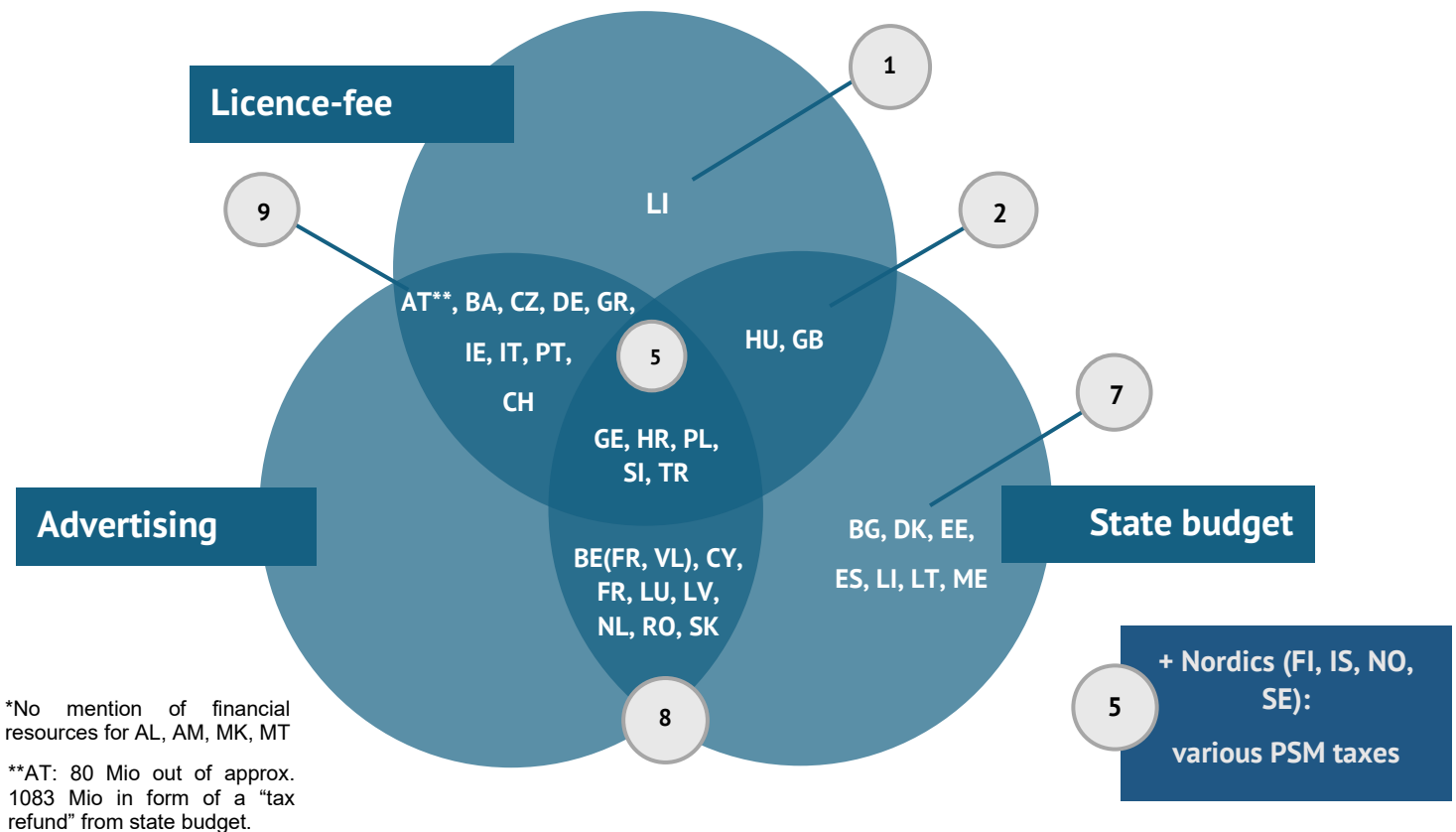
Formulated more concretely, these requirements cover the **criteria for funding procedures** (i.e. what we call ‘Funding models’ in the tables), the adequacy of **financial resources compared to the remit** and whether **safeguards** are in place.

3.1 Financial resources

Article 5(3) of the EFMA requires “adequate, sustainable and predictable financial resources corresponding to the fulfilment of and the capacity to develop within [the] public service remit”.

This raises questions about the financial resources of PSM providers and the duration of their mandates. This fact-finding exercise provides a number of elements that, without being exhaustive, can allow for an assessment of the situation in Europe regarding the adequacy, sustainability and predictability of financial resources compared to the remit. Such an assessment is not part of this Note.

Figure 13. Financial resources*



The funding of PSMs includes most often a **combination of multiple financial resources**.

Licence fee is still an important resource in about a third of the replies (AT, CZ, DE, GB, GR, HR, HU, IE, IT, PL, PT, CH). 'Licence fee' is understood as a specific tax usually related to the possession of equipment making it possible to receive television transmissions. In some countries, it may be collected through electricity bills (e.g. Greece). Although in theory relatively stable, revenues are often decreasing in nominal terms (e.g. due to tax evasion) or in real terms (after taking into account inflation). In Ireland, due to declining licence fee income received by RTÉ, in 2024 the Government announced a three-year temporary funding deal to supplement the licence fee income until 2027. In Poland, revenue from licence fees has also decreased. Annual compensations from the state budget were introduced to supplement the revenue from licence fees. However, the law providing for such compensation for 2024 was vetoed by the President. As a result, the PSM companies were placed in liquidation. In 2024, the PSM companies were financed by grants from the state budget in addition to commercial revenues. In contrast, in Italy, licence fee revenues have remained broadly stable in nominal terms and have even increased slightly, despite a reduction in the unit fee. It is reported that effective collection measures—such as including the fee in electricity bills—have contributed to this stability.

A large part of the PSM covered is also financed by **advertising**.

Many PSM covered are financed by **state budget** resources. These are funds that the state allocates to the PSM from other taxes than a specific one related to the possession of equipment making it possible to receive television transmissions. For example, in France, state funding consists of a fraction of the proceeds of value added tax (VAT), the amount of which is set each year in the Finance Act.

A large part of the PSM covered is also financed by **other resources** (commercial activities, donations and legacies, sale of rights, contributions made by providers/distributors, etc.).

The specificities of the financial resources introduced in certain Nordic countries in the last 5 years should be highlighted. The said 'PSM taxes' that are in place in Norway no longer correspond to the licence fee model, but rather to 'state budget' systems, as the funds come from general budget. Similarly, Iceland, PSMs are now funded via state subsidies.

However, SVT in Sweden is funded through an obligatory yearly public service tax that is collected and placed in a separate public service account, which is not part of the state budget. The Swedish PSM receives its funding from this account, which may not be used for any purpose other than financing the PSM. A similar system applies in Finland.

3.2 Adequacy, sustainability and predictability of financial resources

In view of the issues of financial adequacy compared to the remit and financial sustainability and predictability, it is important to take the following elements into account:

Firstly, the definition of the **public service remit**.

Secondly, the question of whether financial resources are **adequate, sustainable and predictable**.

3.2.1 Definition of the public service remit

According to the EMFA, financial adequacy supposes a comparison with the remit. It is therefore important to consider the legal definition of the public service remit.

It can be defined in an Act of Parliament for an indefinite period (e.g. in **AT, DE**).

It can also be defined in another legal instrument. This is typically a multi-annual agreement between PSM provider and the state (e.g. **BE, IS**).

Finally, it can be defined partly in an Act of Parliament and partly in another legal instrument (e.g. **PL**).

3.2.2 Adequacy, sustainability and predictability of financial resources

Both inadequate financial resources and cuts in the funding represent a threat for PSM providers. Financial resources should correspond to the fulfilment of and the capacity to develop within the public service remit of PSM providers. In addition, cuts in the funding could affect PSM providers' need for sustainable and predictable financial resources that funding procedures should guarantee.

According to Article 5 of the EMFA, funding procedures for public service media providers must guarantee that the latter have adequate, sustainable and predictable financial resources corresponding to the fulfilment of and the capacity to develop within their public service remit. Furthermore, funding procedures must be such that the **editorial independence** of public service media providers is **safeguarded**.

There are various valuable possibilities to carry out assessment procedures regarding the adequacy of funding compared to the remit. Such an assessment can be carried out on a multi-year basis (e.g. **AT, DE**). Other models include:

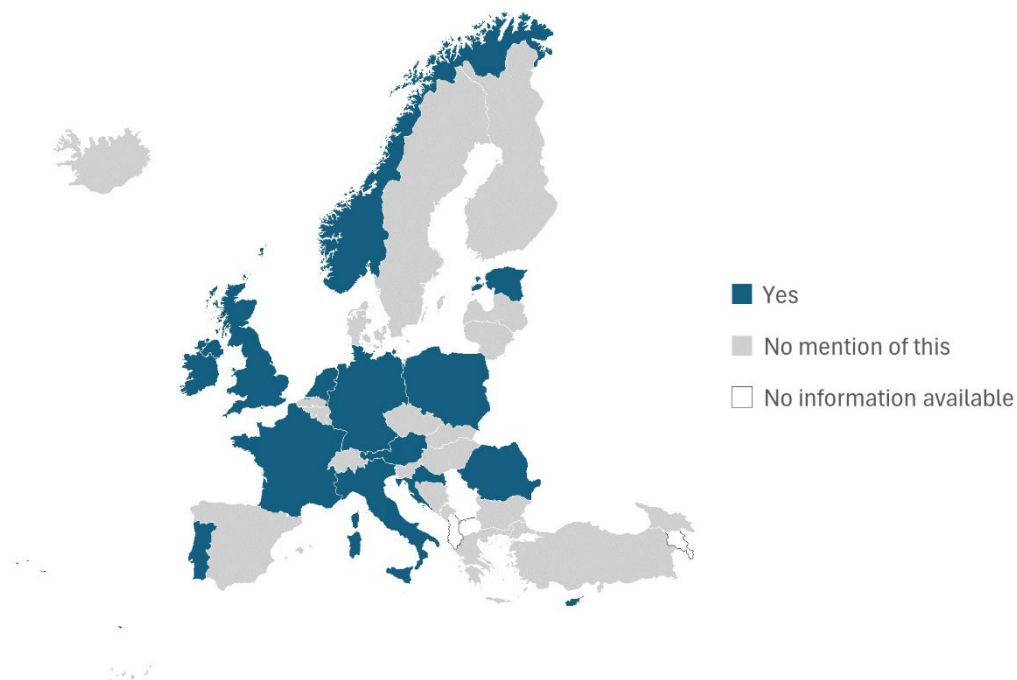
- An annual approbation of the PSM budget by the Parliament (**CY, RO**).
- A formal annual decision by the Parliament while the level of funding is decided by the Parliament for a longer period (**NO**).

With regard to this issue, Recital 31 of the EMFA provides that funding of PSM providers “should be preferably decided and appropriated on a multi-year basis, in line with the public service remit of public service media providers, in order to avoid the risk of undue influence from yearly budget negotiations.”

At the same time, the EMFA “does not affect the competence of Member States to provide for the funding of public service media providers as enshrined in Protocol No 29” (recital 31 of the EMFA). In this context, national constitutional law often provides for a principle of annuality of budget, i.e. a requirement that the Parliament decides each year on the state budget, including the allocation of funds to PSM.

For the purposes of this Note, it has been assumed that the existence of “ex ante adequacy assessments” are both a guarantee for financial adequacy and possible safeguards against cuts. Such assessments are supposed to be carried out before a decision on funding of the respective PSM provider is taken. However, in many cases, funding is annual, because it is linked to a formal decision by Parliament in the context of state budget debates. Simultaneously, the public service remit can be determined by an act of Parliament for an unlimited period of time, but also be concretised in bilateral agreements between Government and PSM for a limited period of time, though on a multi-year basis. Such multi-year agreements do not exclude an annual decision by Parliament. All this makes it difficult to compare situations between various countries. The adequacy of the funding of PSM is assessed, ex-ante, in 14 countries.

Figure 14. Existence of ex-ante adequacy assessments



Recital 31 of the EMFA expresses a preference for a decision on funding “on a multi-year basis, in line with the public service remit”.¹²

Finally, it is noteworthy that some PSM providers can create a “reserve fund” that can be used as a buffer in case of funding cuts. Such a fund has been indicated for instance in Spain, Croatia and Hungary.

In Croatia, HRT may retain an annual excess compensation above the net costs of performing the public service activity (public service reserve) in the amount of up to 10% of the annual costs of performing the public service activity calculated in the financial plan. In accordance with No. 73 of the [Rules on State Aid for Public Broadcasting Services](#), these funds may be considered necessary to withstand fluctuations in costs and revenues.”

In Hungary, a “public service reserve” may be created from the unused sums provided to the Fund for the current year, to facilitate the performance of public service obligation in the future, as well as effective management.

In Romania “state budget reserve funds” can be used to readjust the annual budget. Besides, according to the public funding law, there cannot be arbitrary funding cuts during the budgetary year.

¹² “It is also necessary to guarantee that, without prejudice to the application of the Union’s State aid rules, public service media providers benefit from transparent and objective funding procedures which guarantee adequate and stable financial resources for the fulfilment of their public service remit, enable predictability in their planning processes and allow them to develop within their public service remit. Such funding should be preferably decided and appropriated on a multi-year basis, in line with the public service remit of public service media providers, in order to avoid the risk of undue influence from yearly budget negotiations.”

4 Conclusion

The governance and funding of PSM providers within the European Audiovisual Observatory's member states is shaped by various structures, aimed at safeguarding editorial independence from political influence. According to the EMFA, independent governance and appropriate funding are essential safeguards.

This Note reflects the wide variety of national solutions in place. For instance, PSM providers typically have a management structure that includes a Head of Management and a Management Board, though not all countries follow this model. Furthermore, the appointment of heads of management and board members is regulated by procedures that vary from country to country. The EMFA does not require these procedures to change, provided they are transparent, open, and non-discriminatory. Funding sources, including licence fees, state budget allocations, and commercial revenues, also vary widely from state to state. The EMFA stresses that funding procedures should safeguard editorial independence. Beyond that, it is up to governments and PSM providers “to identify and determine their own response to needs”.¹³

This diversity of national solutions is not surprising given the competence of EU member states to determine the funding and remit of PSM in their countries. The variety across different countries reflects their national constitutional and legislative frameworks and cultural specificities.

Additionally, similar solutions (e.g. similar legal texts) may result in differences in application due to the constitutional context or other circumstantial situations. For instance, annual assessments by parliamentary decision are common in some countries. While these assessments enable funding to be adapted quickly and smoothly to changes in remit in some countries, they can sometimes lead to insufficient visibility regarding future funding, thus making PSM providers vulnerable to political pressures.

At the same time, some of the procedures and rules that have been put in place may not be as efficient, adequate or proportionate as required by the EMFA. The EMFA frequently introduces general provisions that are open to interpretation, with many key terms left undefined in legal terms. While funding must be transparent, non-discriminatory, and designed to prevent political interference, the question remains as how this can be achieved in practice.

Nevertheless, Council of Europe standards in this field can provide additional guidance for interpreting and understanding the legal provisions set out in the EMFA.

Firstly, the Council of Europe provides a set of criteria for a “properly functioning governance system”. Moreover, the funding system should be designed in such a way as to

¹³ [Recommendation CM/Rec\(2012\)1](#) of the Committee of Ministers to member States on public service media governance (Adopted by the Committee of Ministers on 15 February 2012 at the 1134th meeting of the Ministers' Deputies), point 13.



be adequate and to allow reasonable future planning. The representation of men and women in decision-making bodies should be balanced.¹⁴

Secondly, the public service remit should be adapted, where appropriate, to the information society. Key to this is adequate financing for PSM, enabling them to fulfil their role in the information society as defined in their remit.¹⁵ The funding model should reflect the independence from government.¹⁶

Thirdly, PSM organisations should play a role in media pluralism, by making their content accessible on a variety of platforms. Appropriate and secure funding for PSM from a variety of sources should be ensured.¹⁷

For an overview of the main findings as regards governance and funding of public service media providers in Europe, see the tables available at <https://rm.coe.int/psm-tables/1680a59a2d>.

¹⁴ [Recommendation CM/Rec\(2012\)1](#) of the Committee of Ministers to member States on public service media governance.

¹⁵ [Recommendation CM/Rec\(2007\)3](#) of the Committee of Ministers to member states on the remit of public service media in the information society.

¹⁶ [Recommendation 1878 \(2009\)](#) The funding of public service broadcasting, point 13.

¹⁷ [Recommendation CM/Rec\(2007\)2](#) of the Committee of Ministers to member states on media pluralism and diversity of media content.

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