

## ANNEX

For nearly 30 years, the MEDIA Programme has been instrumental in supporting the European film and audiovisual industry in becoming increasingly culturally and creatively diverse. As such, MEDIA support has proved invaluable in terms of promoting European audiovisual works across multiple distribution channels and developing new audiences in the EU and further afield.

MEDIA is also crucial in supporting parts of the value chain that do not benefit from any or little support in most Member states. This is particularly true for independent distribution and cinema exhibition<sup>1</sup>, who are essential in the film and audiovisual eco-system and who create markets and audiences for European non-national content across Europe. Should their MEDIA support disappear or weaken, it is likely that they would struggle to survive – the consequences on access to and circulation of content would also be dramatic.

Last but not least, the film and audiovisual sector has been severely impacted by the COVID-19 crisis: out of work freelance authors, performers, crews and workers, many film shootings now stopped (especially co-productions because no COVID insurance is available to cover the risk), festivals/markets cancelled or online only, most cinemas closed or operating at limited levels, films release interrupted and publishers and distributors weakened by lack of income and business uncertainty.

Access to support will be crucial to allow the sector, once again, to create and bring unique and diverse stories to the European audiences for years to come.

The film and audiovisual value-chain is made up of a variety of industries and sectors, all of whom contribute greatly to the diversity and quality of Europe's cultural offer, as outlined below:

- **Development and creation:** Building on an individual creative idea, the development stage is an intense and strategic phase bringing together screenwriters, directors and producers in a singular collaborative creative process which results into engrossing visual story-telling also involving the work of composers, cast and crew. In development, authors generate not only unique creative works, but also intellectual property at the origin of the sector's entire value chain while producers secure financing through an elaborate form of peer review with a view to launch of the project in the marketplace. The vast majority of authors - as highly skilled

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<sup>1</sup> Via the Europa Cinemas network and dedicated pilot projects

professionals - are freelance and are employed on a project-per-project basis. The MEDIA strand of the Creative Europe Programme should allow for essential skills development and increased networking opportunities for creative professionals in a rapidly changing industry environment which continuously impacts the creative process across the EU.

- **Production:** The financial support from the MEDIA strand for development contributes to the creative and financial risk-taking from the production sector - mostly SMEs - by promoting the best conditions for ambitious European film and TV projects to be developed in each of the programme' participating countries, including the EU-27. The development stage and the related support scheme of the MEDIA strand are therefore key for guaranteeing diversity in film and TV projects while the network of European film and TV production companies is a globally recognized asset for EU's creativity in film and audiovisual works. When a project's development is ripe enough to go to pre-production, it then comes to the financing of projects. In this field, co-productions have proven to be one of the main assets for the development of the European sector and its productions. They also constitute a major incentive to improve the circulation of and access to European films. Co-producing means access to financing, pooling creative resources and ensuring privileged access to bigger and diverse markets. The coproduction of feature films as well as animation and documentaries, intended for theatrical release, has to be developed and planned with significant multi-market circulation potential in mind. Hence, the importance of devoting sufficient funds in the new Creative Europe MEDIA Programme accessible to production companies in all EU-27 and other participating countries to fostering development and coproduction going forward, in full consistency with strategies carried out at national and regional levels, in particular by film agencies and/or regional audiovisual funds.
- **The promotion of European productions both within and outside Europe** is key in terms of accessing markets outside the country/ies of production and reaching new audiences. The MEDIA strand is pivotal in fostering the visibility of the European industry and its productions in major industry markets, as it promotes conditions for strong cooperation between operators in the value-chain. Among central operators in this regard, international film festivals represent efficient promotion vehicles for films and are a particularly effective means of improving the visibility and discoverability of films and audiovisual works, especially beyond home markets. Their role is also key in building awareness with the audiences, whether at national, European or global level, and offering good networking and future development/partnership opportunities. On a business-to-business level, festivals and

markets are the most important platform to access international financing and markets and stimulate the sales of European films beyond home markets.

- **Film distribution** has represented a key area of focus for the MEDIA sub-programme since the beginning, allowing film publishers-distributors to lower their already high risks, invest better and offer much-needed visibility to the public, thus giving films more of a chance to entice viewers. MEDIA support contributes greatly to the circulation of films all over Europe and to a diverse offer, itself part of a policy of cultural diversity and European values. In the life cycle of a film, distribution is the lynchpin of the whole undertaking by connecting films with audiences, who then make these stories their own. By working on the promotion and marketing of films, publishers-distributors create visibility and make stories exist for the audience; by buying the rights of the films (theatrical, DVD & VoD, TV), they support the financing and creation of these European stories. Given the scarcity of financial resources available to film distributors and in a time of disrupting transition and digital challenges where distributors are facing a lack of return on their investment, the two MEDIA distribution schemes truly encourage these companies (mainly micro and small-sized enterprises) to continue to take risks when investing and bringing European non-national films, big and small, entertainment and arthouse to local audiences. This is why distribution should remain at the forefront of MEDIA thinking, in order to leverage public investment to best effect.
- **Sales agents** are an important partner for filmmakers, producers and distributors, who license films for all rights and releases. They have an international vision of markets, through their relationships with buyers and festival programmers all over the world, both inside and outside of Europe. They follow-up on the international career of films, from sales all the way through to distribution, as well as on the international film festival circuit through direct financial participation with pre-sales and co-productions, development of international strategies and marketing films to foreign distributors in cooperation with directors and producers. This also includes the discovery and promotion of new talents and exploring new horizons for international distribution. Sales agents are essential for the circulation and B2B promotion of films and, with the support of Creative Europe MEDIA, they are able to face current market challenges and open up new possibilities for international distribution.
- **Cinema theatres** represent the best means of promoting films due to their proximity to audiences and engagement with their preferences and habits. A film's theatrical success serves as a driving force for its performance on other platforms. Cinemas are cultural hubs – dynamic meeting places that enable citizens to experience the wealth of cultural diversity Europe has to offer. Cinema operators' continued financial commitment to upgrading their offers and

audience development initiatives represents key re-investment into the wider European audiovisual sector and supplements the broader benefits provided by cinema theatres, such as local employment opportunities and urban regeneration. In 2019, cinemas in Europe attracted a record 1.34 billion admissions.

One of the most important features of MEDIA is the support to the creation, development and sustainability of the Europa Cinemas network – 3, 131 screens in 43 countries committed to show the best of European films.

- **Video publishers** (both offline and online) play an integral role in building audience awareness around films and TV programmes by developing marketing in the markets in which they operate, optimising the distribution/publication in all channels (offline and online) and recouping investments in production. Here, the MEDIA Programme should incentivise private investments in the circulation of European non-national films and TV programmes on a title-by-title basis so as to truly incentivize the wider circulation of and access to films and audiovisual content across the EU.