



CREATIVE EUROPE MEDIA MONITORING REPORT 2017

REACHING AUDIENCES ACROSS BORDERS



**Creative
Europe
MEDIA**

MEDIA

MONITORING REPORT 2017



Creative
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A low-angle, black and white photograph of a ship's mast and rigging. The mast is a complex structure of dark metal beams and cross-arms, silhouetted against a bright, overcast sky. The sun is visible as a bright, circular glow behind the rigging, creating a lens flare effect. Numerous ropes and cables are strung across the frame, connecting the various parts of the mast. The ship's hull is visible on the right side, showing some structural details. The overall mood is dramatic and industrial.

01

Fire at Sea (Fuocoammare)

Introduction

This Report presents the results achieved by Creative Europe MEDIA during 2017. It draws on qualitative and quantitative evidence from a variety of sources, including beneficiaries, to show the impact MEDIA has had on the European audiovisual sector.

After presenting the policy developments over the year and the way in which the budget was spent, the results are then analysed in relation to the general objectives of Creative Europe.

These are to safeguard cultural diversity and strengthen the competitiveness of the cultural and creative sectors, in particular the audiovisual sector.

The analysis is then further developed in relation to the specific objectives on how MEDIA can help the European audiovisual industry.

This Monitoring Report is a response to the recommendation in the mid-term evaluation of Creative Europe to strengthen the monitoring of results on an annual basis. It aims to shed further light on the strengths of the Programme and the areas for improvement in the context of the ongoing discussions on the successor Programme under the Multiannual Financial Framework 2021-2027.

Executive Summary

The European audiovisual sector makes an important contribution to Europe's cultural diversity and creates jobs and economic growth. However, it faces key challenges, in particular fragmentation, tough international competition and the need to adapt to the digital shift.

European films are released on average in only four countries, while US films are released in ten. Only 47% of EU films released in cinema theatres are available on video on demand (VOD) compared to 87% of US films.

Against this background, MEDIA was adapted to ensure alignment with the Digital Single Market strategy.

First, dialogue with the Member States, industry and the national film funds focused on three key areas:

- **The cross-border circulation of works:**
The use of the standard identifiers and the sharing of subtitling and dubbing were supported to facilitate circulation in the Digital Single Market. Also, a European Animation Plan was adopted to build on the track record of success of this sector.
- **Renewed dialogue with stakeholders:** The European Film Forum (EFF) made a crucial contribution to shaping MEDIA's priorities and the way it operates in order to maximise impact and to start the reflection on the future Programme. There were seven EFF events, each integrated in a major international film festival.
- **The "level playing field" arrangements,** which are designed to take into account the needs of lower capacity countries, were reviewed and principles were developed to achieve a more level playing field.

Second, a mid-term evaluation of Creative Europe was undertaken. This drew on an independent assessment, thematic studies, the EFF and a public consultation. This confirmed the relevance and added value of MEDIA, particularly its support for the circulation of audiovisual works. It found that some improvements could nonetheless be made to encourage more collaboration across the industry and across borders in order to reach scale and have a greater impact at the European level.

In the area of **budget implementation**, MEDIA committed and spent 100% of its budget, underlining the overall efficiency of the programme as well as the vibrancy of the audiovisual sector. However, the success ratio of applications is as low as 19% in some areas, with many high quality projects not supported due to budget constraints.

Countries with bigger audiovisual sectors tend to participate more in MEDIA. However, the extent to which "lower capacity" countries participated tended to be greater than the relative size of their industry. Therefore MEDIA had an inclusive effect at the European level. MEDIA reached out to small companies. In 2017, over 2 000 grants were awarded, for a total of EUR 108 million. This was an average grant size of some EUR 50 000. However, there is a need to develop new collaborative models, involving smaller and bigger companies.

MEDIA support has two interlinked general objectives: to safeguard **cultural diversity** and strengthen the **competitiveness of the industry**. In 2017, good progress was made towards these objectives in several ways. Films supported by MEDIA won 50 major international prizes in recognition of their high quality, such as the Palme d'Or in Cannes, the Golden Bear in Berlin and the Silver Lion in Venice. MEDIA support increased the confidence of investors and had a leverage multiple effect of more than four. Over 120 million people were reached through support to the distribution of audiovisual works through cinema, TV and VOD.

Overall, MEDIA compared favourably to market trends for gender balance. 29% of the directors and 37% of authors and scriptwriters in Development projects were women.

MEDIA helped the audiovisual industry grow by addressing four specific objectives:

- **Fostering talent and skills at international level:**
Comprehensive training was offered, covering digital, marketing and creative skills. In 2017, 54 training projects by providers from 16 EU countries were supported, with participants coming from across Europe, in particular smaller countries.
- **High quality, innovative content:**
MEDIA supports the creation of films and TV series which have the potential to travel. In 2017, 55% of the 465 completed Development projects were co-productions. MEDIA also supported the production of many high-quality, popular TV drama series, including *Babylon Berlin*, *The Bridge*, *Trapped* and *Versailles*.
- **Increased circulation and cross-border access:**
Over 400 films were distributed across borders with the support of MEDIA. MEDIA also co-financed Europa Cinemas, the network of cinema theatres specialising in European films. In 2017, there were 41 million admissions to cinemas in the network, a 7.5% increase over 2015. Support to VOD was refocused in 2017, in particular to strengthen the marketing of attractive offers of VOD services.
- **Increased promotion of European works:**
Within a global industry, European content needs to compete and reach audiences. MEDIA promotes European works both to the industry and to audiences. Innovative steps were taken in 2017, for example to promote European films with exhibitors at CineEurope in Barcelona.

In 2017, over 120 million people were reached by supporting distribution of audiovisual works through cinema, TV and VOD.

Background

The audiovisual sector

Europe's cultural diversity depends on thriving cultural and creative sectors. In particular, audiovisual is an important economic sector, creating jobs and economic growth.

These jobs are based on creativity and draw on a well-educated workforce, which are key assets in the economy of the future. The business part of the audiovisual sector employed 411 000 persons in 2016 (most recent data available), marking a 10% increase over 2014¹.

However, the audiovisual sector faces a number of challenges.

Europe's diversity also leads to a fragmentation of audiovisual markets. This is reflected in the fabric of the audiovisual industry, which is made up of small, independent companies. In total there were 116 000 private sector audiovisual companies in 2015, with on average 3.4 employees. This contrasts with the global players, who are much bigger and command greater resources.

The European audiovisual industry is internationally recognised, but it is not competitive enough within the Digital Single Market. Of the films released in cinemas from 2005-2014, 64% were European films. Yet European films represented on average 33% of audiences, whilst US films represented 65%. European films are released in only 4 European countries on average, while US films are released in 10.

The aggregate audience share for non-national European films (i.e. an Irish film being watched in Germany or an Italian film being watched in Estonia) remains on average 8-10%. Against this background, reaching wider audiences is a priority in order to ensure cultural diversity as well as to strengthen the competitiveness of the European industry.

In addition, the digital shift is changing the audiovisual landscape. Digitisation has facilitated the distribution of content, but it has also intensified competition on a global scale. Approximately 20% of films on VOD services were of European origin in 2016, whereas 64% were of US origin. On average, 47% of European films released in theatres are available on VOD compared to 87% of US films. There is, therefore, potential for significantly increasing the availability of European works, particularly on VOD, to foster cross-border circulation of films and reach younger audiences.

1 Eurostat Structural Business Statistics

Creative Europe MEDIA

Creative Europe was launched by the EU in 2014 to help unlock the potential of the cultural and creative industries with a budget of EUR 1.46 billion for 2014-2020.

Creative Europe brought together three previously separate programmes and created a cross-sectoral dimension. The MEDIA² sub-programme addresses the European audiovisual sector, including films, TV series and video games, whilst the Culture sub-programme addresses other creative and cultural sectors, ranging from performing arts to museums. A cross-sectoral strand was also established to foster projects combining the audiovisual and other cultural and creative sectors. This structure has aimed to enhance synergies between the different parts of the Programme whilst taking into account the specific nature of the different sectors.

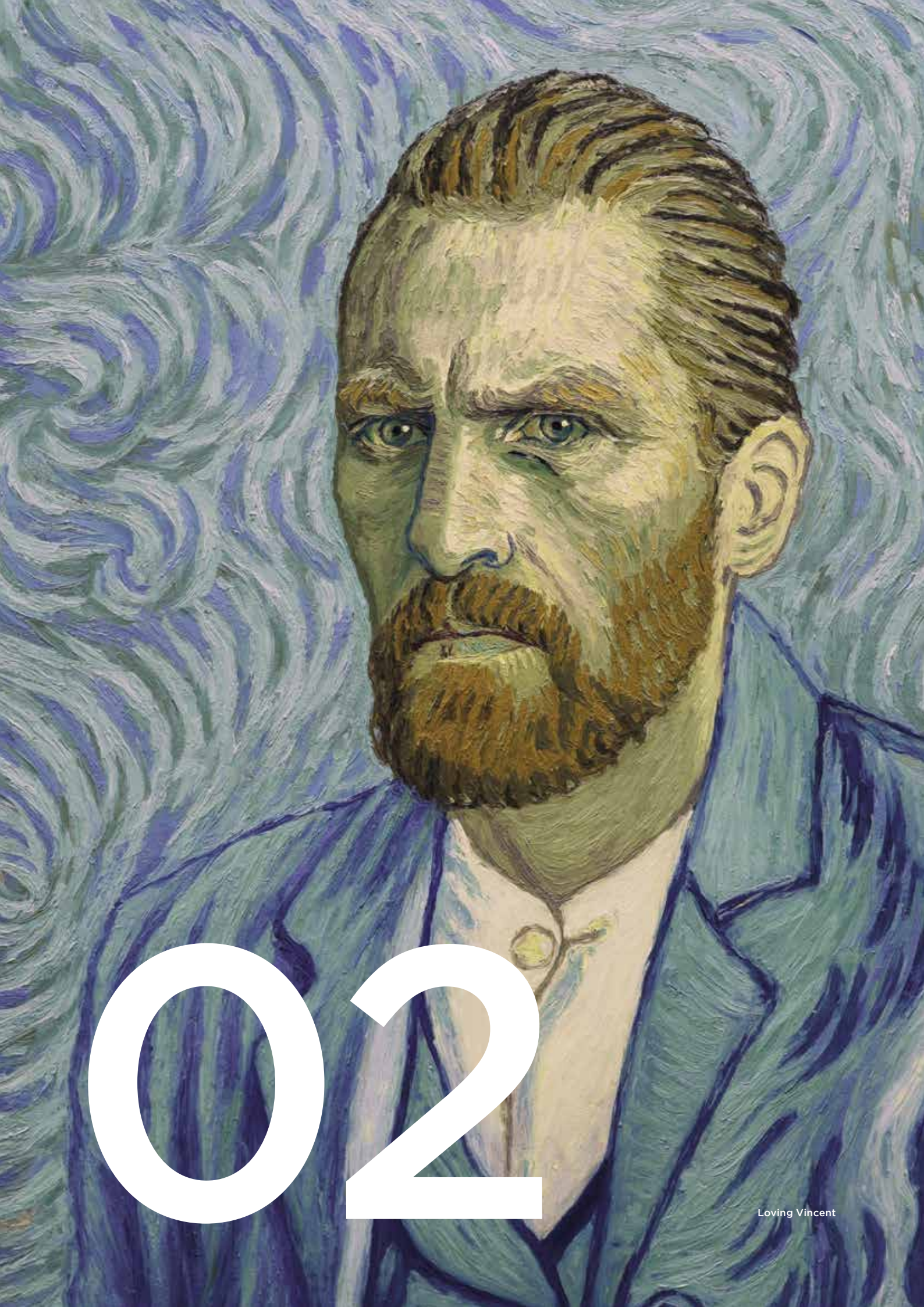
MEDIA helps European professionals work together across borders, supports the creation of content with potential to travel, and contributes to its distribution and promotion across borders to reach European audiences.



Annecy Film Festival 2017

MEDIA supports content with the potential to travel and reach European audiences.

² MEDIA had previously existed as a stand-alone programme since 1991.



Taking MEDIA forward

2017 marked the mid-term of Creative Europe MEDIA and was a pivotal year as the programme was adapted to ensure alignment with the Digital Single Market strategy.

First, dialogue with Member States, industry and the national film funds focused on three key areas:

- Accompanying the cross-border circulation of works to help the audiovisual industry seize the opportunities of the Digital Single Market strategy³;
- Renewed dialogue with stakeholders to ensure that MEDIA support was relevant to the needs of the industry and to pave the way for the successor Programme post-2020;
- Review the level playing field issue to develop the principles to achieve a more level playing field.

Secondly, a mid-term evaluation was undertaken. These priority areas are presented in more detail in the next pages.

³ Promoting a fair, efficient and competitive European copyright-based economy in the Digital Single Market, COM/2016/0592 final; Proposal on audiovisual media services, COM/2016/0287 final

Accompanying the cross-border circulation of works

The Digital Single Market represents a new opportunity to reach wider audiences as long as companies have the capacity to scale up and operate across Europe. Therefore MEDIA helps audiovisual SMEs to collaborate and network across borders.

During 2017 the Commission took forward its proposals for a fair, efficient and competitive copyright-based economy in the Digital Single Market. A holistic approach was followed, combining the modernisation of copyright rules with support measures from Creative Europe MEDIA to help the audiovisual industry adapt.

The Commission worked with stakeholders on a number of other priority areas. It facilitated an agreement between the two different identifiers of audiovisual works on the market, the Entertainment ID Registry (EIDR) and the International Standard Audiovisual Number (ISAN). Thanks to these efforts, the standard identifiers agreed to ensure their interoperability. This was a milestone on the way to the take-up of identifiers across the industry.

To address the linguistic barriers to wider access to content, a more coherent approach to public funding of subtitling and dubbing was examined, notably through the sharing of publicly funded versions.

MEDIA support was subsequently adapted to provide incentives for the use of the standard identifiers and the sharing of subtitling and dubbing.

The revision of the Audiovisual Media Services Directive⁴ was also negotiated throughout 2017. In particular, the obligation to ensure prominence combined with a quota of European works on VOD was proposed in order to ensure a level playing field with broadcasters. These proposals underpinned the presence and visibility of European works in line with the objectives of MEDIA.

Finally, in 2017, the Commission focused in particular on collaboration with the animation industry because of its strong transnational character, innovative spirit and potential for growth (see Spotlight on Animation section).

4 <https://ec.europa.eu/digital-single-market/en/audiovisual-media-services-directive-avmsd>

Renewed dialogue with stakeholders

Launched in 2015, the European Film Forum provides a dialogue with stakeholders on strengthening the audiovisual industry in the digital era.

The meetings of the EFF take place about 6-8 times a year (Table 1). Their conclusions help to shape the priorities for Creative Europe MEDIA and to formulate policy recommendations.

The dialogue in 2017 marked the beginning of a new cycle, building on the results of 2016, when MEDIA celebrated its 25th anniversary. On that occasion, the feedback from stakeholders had focused on the need to invest in talents, to embrace innovative ways of storytelling, to foster access to content across borders, to promote better and to reinvent financing models.

On this basis, the ambition in 2017 was to look ahead and pave the way for the proposal for the future MEDIA Programme, covering the period 2021-2027. Seven events were organised in 2017. They were integrated within major international film festivals and markets in order to tap into the ideas of the industry.

In these events, panels, public debates and roundtables the discussions focused on innovation in content production, strengthening promotion and distribution strategies, as well as on the power of networks and cooperation. The stock of feedback and ideas from stakeholders made a crucial contribution to the reflection process for the future programme, whose legislative proposal was presented in May 2018.

Discussions focused on innovation in content production, strengthening promotion and distribution strategies, as well as on the power of networks and cooperation

TABLE 1. SUMMARY OF 2017 EFF MEETINGS, 2017

LOCATION & DATE	TOPIC	CONCLUSIONS/TAKE-AWAYS
BERLIN 13 February	Big Data, Bigger Audiences?	Data can be used more effectively to promote European films and reach wider audiences. Europe is well placed because it has the knowledge to develop algorithms. Also, the risk of “standardised content” can be avoided by supporting originality. Moreover, the algorithms of VOD platforms should take account of the new AVMSD requirement to ensure prominence of European works. However, the use of data by the audiovisual sector is hampered by the shortage of trained professionals as well as difficulties in accessing data.
VILNIUS 6 April	Promotion and Prominence of European Content	There is clear evidence that co-productions travel better and reach greater audiences. Also, for works from small capacity countries, a successful strategy might be to identify and reach out to niche audiences in a high number of countries. However, there is no one size fits all and film makers should tune into the data on their audience and experiment with promotion strategies. Digital technology creates many opportunities to do so.
CANNES 22 May	Future of MEDIA	Industry representatives expressed their wish that the future programme: <ul style="list-style-type: none"> - increase support to film education to build future audiences; - shift focus from production to promotion and visibility of works; - encourage cooperation between producers and distributors; - invest in new financing models and innovative story-telling and distribution; - set ambitious box-office targets based on collaboration and scaling-up of market players
ANNECY 14 June	Inputs to the Animation Action Plan	The aim was to support the industry in finalising the Animation Plan for Europe. Consultations with the animation sector ensured that the Plan reflected the view of the stakeholders on the priorities for the future. These were identified as talent and skills, promotion and audiences, and financing (see spotlight on animation). Attention was drawn to the relatively more difficult situation of feature films compared to TV series.
BARCELONA 19 June	Innovation and the Big Screen	The objective was to identify ways in which innovation in different aspects (content, technologies, cinema theatres...) can contribute to grow the market. The main conclusion was that the audience is driving innovation in two ways: <ol style="list-style-type: none"> 1 a unique audience experience is sought through new content e.g. IMAX and investment in cinema theatres 2 cinemas to use of data for local promotion strategies to connect each film with its intended audience.
VENICE 3 & 4 September	Virtual gets Real	Stakeholders discussed the societal and sectoral challenges and opportunities of virtual reality and agreed on the need to maintain ethics in all aspects.
	Shaping together the MEDIA Programme of the Future	Commissioner Mariya Gabriel shared her vision for the MEDIA programme for 2021-2027. She evoked the power of cinema to share human stories that strengthen tolerance and are an antidote to the rise of populism. MEDIA had successfully supported the audiovisual industry in the context of the Digital Single Market but now needed to evolve to be fit for the period post-2020. The Commissioner set out several priorities in this respect: <ol style="list-style-type: none"> 1 Focusing on audiences 2 Continuing adaptation to the DSM 3 Engaging with citizens 4 Increasing the budget 5 More collaboration across the industry <p>On this basis, the stakeholders took the opportunity to discuss the major challenges for each part of the value chain.</p>
MIPCOM (Cannes) 18 October	MEDIA Programme beyond 2020: Connecting Content, Financing and Audiences	MEDIA support to TV should be adapted to: <ul style="list-style-type: none"> - support promotion in order to ensure a bigger market share for European works and to overcome current obstacles in circulation; - be more flexible and adapt to the diversity of markets across Europe; - connect with young audiences and take up new technology e.g. smart TV, mobile and non-linear consumption. <p>Even the creation of a European Netflix was evoked.</p>

A level playing field

One of the key issues addressed by the mid-term evaluation was balanced participation in MEDIA by all participating countries, taking into account the needs of countries whose audiovisual industries have a lower capacity or a restricted linguistic area. Although a number of measures were introduced in 2014 to ensure a more “level playing field”, a number of concerns had been raised about unintended consequences in terms of distortion of competition. Therefore during 2017 the Commission convened a Working Group of the Member States to develop a number of principles to achieve a more level playing field. It was agreed that capacity relates not just to production but also circulation; countries can have strengths and weaknesses in different areas; collaboration between companies from countries of different capacities is key to building strengths; quality should be the overarching criterion for awarding grants; positive discrimination goes beyond automatic points. These discussions provided the basis for the preparation of renewed measures in future Work Programmes.

A study was also undertaken, to be published in 2018, to provide recommendations for a clear definition of the level playing field and appropriate MEDIA support measures.

Mid-term evaluation

A mid-term evaluation⁵ was undertaken in 2017, drawing on several sources of information, notably the conclusions of the European Film Forum, an independent external evaluation⁶, other external studies and a public consultation⁷. This confirmed the relevance and added value of MEDIA and showed that MEDIA has a number of strengths. In particular it has effectively supported the genre of “European cinema” by helping to distribute 400 films annually which reach cross-border audiences of 65 million each year.

There are also areas where MEDIA needs to improve. In particular, the limited budget has reduced the impact on the industry at a time when it is facing unprecedented challenges from global and digital players. Moreover, this limited budget is spread thinly among thousands of beneficiaries. In addition, the separate nature of the support schemes tends to replicate the silos within the industry and does not facilitate collaboration across the value chain, for example between producers and distributors for the promotion of works, or between cinemas and VOD platforms on release strategies.

Principles were developed to achieve a more level playing field.

5 <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1525096559278&uri=COM:2018:248:FIN>

6 Interim Evaluation of the Creative Europe Programme and ex post evaluation of the Culture, MEDIA and MEDIA Mundus programmes Final Report, ICF, BOP, Technopolis, 2017

7 <https://ec.europa.eu/programmes/creative-europe/sites/creative-europe/files/library/ce-opc-synthesis-report.pdf>

Spotlight on Animation

The European Animation Plan

Animation in Europe is growing rapidly, fuelled by new technologies and creative talents. The animation industry has a track record of success in finding innovative solutions and new business models, leading the European Commission to decide on a dedicated dialogue with the sector.

CROSSING BORDERS

On average 64% of EU admissions for animation come outside the country of production (compared to a 50% market average)⁸. European animation is also successfully sold outside the EU, e.g. in 2015, of the 10 biggest European film exports, four were animations⁹. On average, 35% of the admissions to European animation come from outside the EU, compared to the average for European films of 26%.

THE EXPERTISE

Animation is a digitised, growing industry, providing employment to many young and high-skilled workers. Europe already has world-class expertise in this sector and the US-based producers of the largest box-office hits often subcontract EU companies.

THE LIMITATIONS

Despite its popularity among audiences, the sustainability of the animation industry faces challenges. Production of an animation is on average more costly and takes longer than a live-action film. The main source for upfront investment – broadcasters – has shrunk significantly. Therefore, cooperation and joining resources are needed more than ever.

TOWARDS A EUROPEAN ANIMATION PLAN

The European Commission took on the role of a facilitator in discussions on meeting the challenges. It organised discussions with the animation industry on the opportunities and challenges it faces, and on how best to promote and distribute animation works. As a result of those consultations and meetings, the industry decided to adopt **The European Animation Plan**.

The Plan establishes a vision of how the sector could upscale and innovate. It sets out specific objectives and concrete measures for the next 5 years:

- Foster the global reach of EU animation through promotion
- Make Europe an attractive workplace for talent
- Unleash the scaling up of EU animation through easier access to finance.

COUNTDOWN TO THE EUROPEAN ANIMATION PLAN

DATE	ACTION	GOAL
14.09.2016	Communication Promoting a fair, efficient and competitive European copyright-based economy in the Digital Single Market .	Signal the Commission's special attention to the situation of the animation sector.
22.11.2016	Workshop for over 30 stakeholders, facilitated by the European Commission.	Answer the questions: What are the challenges of the sector? What should the Animation Action Plan focus on?
22.03.2017	Workshop for over 30 stakeholders, facilitated by the European Commission.	Present a draft Plan. Decide: What actions should it focus on? What elements have not been considered yet?
14.06.2017	European Film Forum during the Annecy International Animation Film Festival	Collect further input from other industry participants.
12.09.2017	Cartoon Forum – largest animated TV series pitching and co-production forum.	Industry association Animation Europe presents the Plan.
30.01.2018	Event in the European Parliament: European Animation: Time for Action! Discover the potential of European Animation.	Present the reflections of Commissioner for Digital Economy and Society, Mariya Gabriel, and Members of the European Parliament on how best MEDIA can respond to the objectives of the Plan.

8 EAO, Mapping the Audiovisual Industry in Europe, 2015.

9 EAO, The Circulation of European Films Outside of Europe in 2015, 2016.

MEDIA success stories

The EU has supported the European animation sector since 1991 by financing some of the best works and by helping to strengthen the sector as a whole. MEDIA supports animation by funding the training of professionals, development of works, production of TV series and distribution of films as well as enabling access to markets for creators. Animation takes around 14% of the MEDIA budget every year, in line with its cinema market share.

NOT ONLY FOR CHILDREN

In 2017, a unique, innovative animation project entered cinema theatres after a full six years of a laborious creative development process. **Loving Vincent** by Dorota Kobiela and Hugh Welchman (Poland, UK) is the world's first fully painted feature film. Each one of 65,000 frames was hand-painted by one of 125 oil painters. The film attracted over 1 million viewers in European cinemas and was also very popular in such distant markets as China and South Korea. MEDIA supported the project with EUR 86 144 for its development and distribution.



THE GLOBAL BUSINESS

Each June the global animation industry meets at the **MIFA** market, which takes place during the **Annecy International Animation Film Festival** in France. Whereas the Annecy Festival is focused on picking out the most innovative, artistically valuable productions, **MIFA** is business-oriented. It is the largest such event, with over 3 000 professionals coming from 68 countries. They include students, films schools, major US producers, studios from Europe and beyond. It is a nexus that helps to structure the industry by facilitating the development of networks and striking business deals. MEDIA's input into the organisation of MIFA in 2017 was EUR 300 000.

The other reference events for the industry are: **Cartoon Forum** in September (for TV series) and **Cartoon Movies** in March (for features). They are pitching and co-production events. Each brings together almost 300 international buyers. As a result, in 2017 **EUR 2.4 billion** was invested in **711 European series** and **EUR 1.9 billion** in **279 European films**. MEDIA is present there as well, supporting the 2017 edition with **EUR 280 000** (Movies) and **EUR 420 000** and (Forum).

A SUCCESS WAITING TO HAPPEN

After securing pre-sale deals at the 2017 MIFA in Annecy, French-computer generated imagery studio TeamTO was able to greenlight the production of a technologically ground-breaking series, **Take it easy, Mike**. It also received **EUR 500 000** from MEDIA under the TV Programming scheme (8% of its total budget). The series is inspired by classic slapstick comedy and homemade videos of pets. For the last decade, pug Mike's creators have been working on perfecting the quality and efficiency of the physical animation technique. It is expected that Mike will revolutionise the TV series genre because of the level of hyperrealism attained for a comparatively low budget. Until now this technique was only used for special effects in live-action films. 78 episodes should premiere in 2019.



03

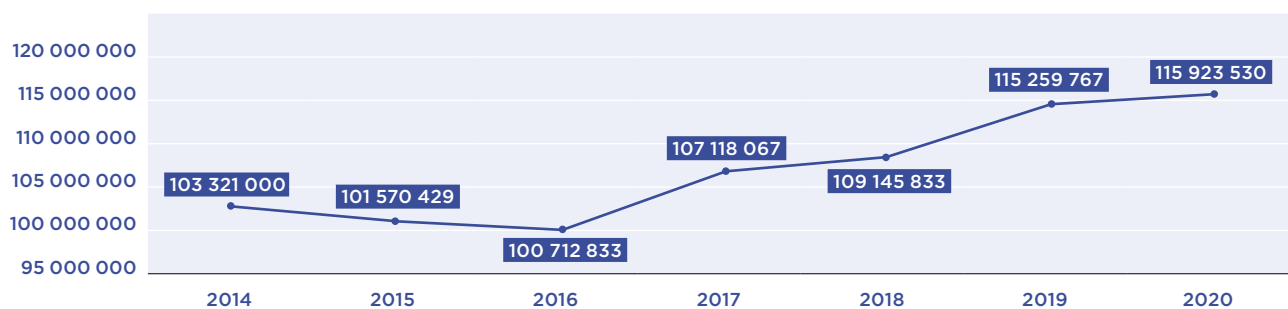
Implementing the MEDIA budget

Mismatch between budget and needs

The MEDIA budget is limited compared to the scale of the European audiovisual sector. In fact, MEDIA funds for the period 2014-2020 are equivalent to EUR 108 million annually. This is only around 0.1% of the value of production by European audiovisual businesses, which was estimated at almost EUR 134 billion in 2015¹⁰. In 2014, the annual budget fell compared to the previous Programme and it continued to decline until 2016, after which it started to rise again (Chart 1).

The MEDIA budget is limited compared to the scale of the European audiovisual sector.

CHART 1. BUDGET PER YEAR, 2014-2020 (EUR)



10 Eurostat Structural Business Statistics (J.59.1 and J.60.2)

High absorption capacity

MEDIA committed and spent 100% of its budget in 2017, underlining the overall efficiency of the Programme as well as the vibrancy of the audiovisual sector. However, the success rate of applications for MEDIA support is unfortunately low in several areas, as low as 19% for Development support. Whilst this is above the average success rate for a highly competitive industry, it indicates nonetheless how the budget is inadequate to exploit the full potential of the European audiovisual sector, which has an abundance of high-quality projects. The budget would need to increase by 44% to fund all the high-quality projects in key schemes, as shown in Table 2¹¹.

MEDIA committed and spent 100% of its budget in 2017, underlining the overall efficiency of the Programme as well as the vibrancy of the audiovisual sector.

TABLE 2. ADDITIONAL BUDGET REQUIRED TO SUPPORT HIGH QUALITY PROJECTS, 2017

SCHEME	HIGH QUALITY PROJECTS REJECTED IN 2017 (NO)	HYPOTHETICAL BUDGET REQUIRED TO SELECT THEM IN 2017 (EUR)
Development Single Project	256	10 285 000
Development Slate Funding	28	4 892 869
TV Programming	42	14 001 726
Festivals	27	1 051 000
TOTAL	353	30 230 595

¹¹ Calculated on the basis of 75% as the high quality threshold.

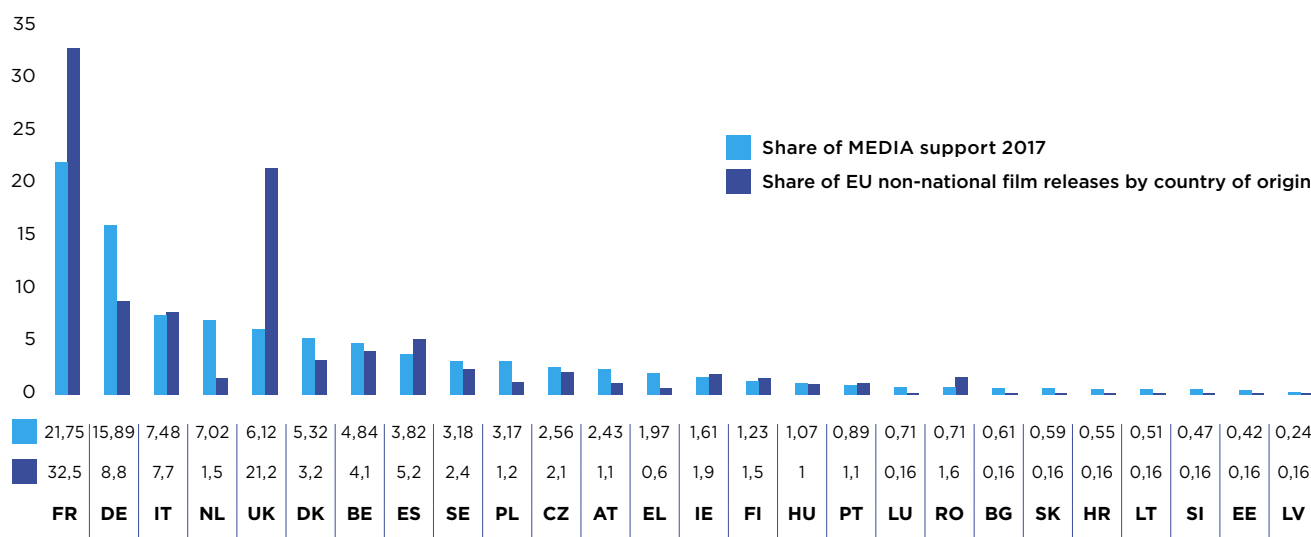
Due to the empirical nature of the selection methods in Distribution, these schemes are not included in this calculation.

Participation of EU Member States

There is a wide range in the extent of EU Member States' participation in MEDIA. This reflects the differences in the size and capacity of their audiovisual industries. However, whilst there is a tendency for the countries with bigger audiovisual sectors to participate more in MEDIA, there is also a tendency for "lower capacity" countries to participate above the level that the relative size of their industry would suggest. Therefore MEDIA has had an inclusive effect at the European level. However, the breakdown by Member State (Table 3) can only give an approximate indication of the participation in the programme.

A number of associated benefits are not fully captured. In particular, the amounts per Member State do not reflect the support received by all the partners in co-productions or joint projects¹². Furthermore, the support for distribution of non-national films shown in Chart 2 is computed by the country of establishment of the distributor. The producers of the film indirectly benefit through box-office revenues, but this is not reflected in these figures¹³. Finally, a number of supported networks are based in Belgium, but their activities are in fact pan-European.

CHART 2. MEMBER STATES' SHARE OF MEDIA SUPPORT RELATIVE TO SHARE OF NON-NATIONAL FILM RELEASES ¹⁴



¹² For example, one of the 2017 beneficiaries of the Film Education action was officially Italian because the Associazione Generale Italiana Dello Spettacolo was the coordinator of the project. However, it was a joint endeavour of Italy, Bulgaria, Romania and Slovenia. Their project *Teaching European History Through Cinema* received EUR 160,500 in funding and reached 4 000 high school students through screenings and production workshops.

¹³ For example when French distributor Urban Distribution received a grant of EUR 22,800 for promotion and advertising (P&A) of the distribution of Bulgarian-Greek co-production *Glory (Slava)*, the creators of the film obtained exposure to the French audience and will receive their share of the box-office revenues from the distributor.

¹⁴ Figures from 2016, Lumière Database, European Audiovisual Observatory. Shares of LT, HR, SK, EE, LV, SI, BG and LU are represented pro-rata (0,16% each), as together they account for 1% of 3299 films released.

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TABLE 3. GEOGRAPHIC DISTRIBUTION OF MEDIA BUDGET 2017 (TOTAL AND PER CAPITA)¹⁵

COUNTRY	VALUE OF MEDIA SUPPORT (EUR)	POPULATION 1.1.2017 (EUROSTAT)	MEDIA SUPPORT PER CAPITA (EUR)
LU	766 460	590 700	1.30
DK	5 759 316	5 748 800	1.00
BE	5 239 427	11 365 800	0.46
NL	7 593 144	17 081 500	0.44
IE	1 742 912	4 774 800	0.37
FR	23 525 446	67 024 500	0.35
EE	457 009	1 315 600	0.35
SE	3 439 424	9 995 200	0.34
AT	2 624 780	8 772 900	0.30
CZ	2 767 215	10 578 800	0.26
SI	506 781	2 065 900	0.25
FI	1 328 830	5 503 300	0.24
DE	17 193 780	82 800 000	0.21
EL	2 127 966	10 757 300	0.20
LT	552 256	2 847 900	0.19
HR	598 367	4 154 200	0.14
LV	261 266	1 950 100	0.13
IT	8 096 118	60 589 400	0.13
CYP	110 000	854 800	0.13
SK	641 920	5 435 300	0.12
HU	1 156 300	9 797 600	0.12
UK	6 625 065	65 808 600	0.10
PT	963 615	10 309 600	0.09
BG	662 713	7 101 900	0.09
PL	3 428 093	37 973 000	0.09
ES	4 130 099	46 529 000	0.09
RO	769 589	19 638 300	0.04
TOTAL EU 28	103 067 891	511 805 100	0,21
Associated Countries⁶	5 114 589		
TOTAL	108 182 480		

15 The data accounts for the Europa Cinemas network by country of establishment of the over 1 300 cinemas which are part of the network.

16 Norway, Iceland, Serbia, Bosnia and Hercegovina, FYROM, Montenegro, Georgia and Albania

Reaching out to SMEs

MEDIA support is characterised by a high number of small grants, as shown by table 4 below. In 2017, over 2 000 grants were awarded, for a total EUR 108 million, an average grant size of about EUR 50 000. This reflects the nature of the European audiovisual industry, which is made up of small enterprises.

It demonstrates that MEDIA does reach out to small companies. However, there is a need to develop new collaborative models, which allow smaller and bigger companies to scale up, since studies from the European Audiovisual Observatory (EAO) indicate that there is a correlation between the size of a production and the likely audience reach.

TABLE 4. GENERAL OVERVIEW OF APPLICATIONS AND AWARDS, 2014-2017

ELIGIBLE PROPOSALS			SUCCESSFUL PROPOSALS	
YEAR	NO.	EU GRANT REQUESTED (EUR)	NO.	EU GRANT AWARDED (EUR)
2014	4 945	245 533 365	1 779	107 141 885
2015	4 174	217 468 110	2 057	104 336 613
2016	4 285	220 257 350	1 979	102 276 357
2017	4 640	239 681 067	2 128	108 182 480
TO DATE	18 044	922 939 892	7 943	421 937 335

MEDIA reaches out to small companies but new collaborative models should be developed.

CREATIVE EUROPE MEDIA – MONITORING REPORT 2017

TABLE 5. OVERVIEW OF APPLICATIONS AND AWARDS BY SCHEME, 2015-2017

SCHEME	NO. OF APPLICATIONS			NO. OF AWARDS			TOTAL VALUE OF AWARDS (EUR)			AVERAGE AWARD (EUR)		
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
Training	59	87	53	58	54	53	7 873 301	7 539 768	7 500 033	135 747	139 625	141 510
Film Education	46	48	26	12	16	7	1 895 653	2 268 531	1 049 291	157 971	141 783	149 899
Festivals	88	286	245	88	66	65	3 681 250	3 165 000	3 139 000	41 833	47 955	48 292
Market Access	92	99	97	61	58	65	8 184 585	6 968 177	7 702 665	134 174	120 141	118 503
Distribution Selective	1 467	1 212	1 290	490	476	510	10 294 400	9 257 500	9 777 800	21 009	19 448	19 172
Distribution Automatic	1 061	1 227	1 518	984	941	1 022	20 277 939	20 390 267	20 237 063	20 608	21 668	19 801
Sales Agents	59	61	142	42	58	85	1 354 123	2 131 276	3 154 064	32 241	36 746	37 106
Cinema Networks	1	1	1	1	1	1	10 400 000	10 460 000	10 854 880	10 400 000	10 460 000	10 854 880
Co-production Funds	8	7	11	5	6	5	1 508 000	1 713 000	1 500 000	301 600	285 500	300 000
TV Programming	155	143	155	55	57	43	12 444 973	12 497 403	12 489 798	226 272	219 253	290 460
On-Line	27	46	85	18	22	37	5 398 910	5 649 713	9 462 505	299 939	256 805	255 743
Development Single	812	806	708	136	125	134	5 555 000	5 045 000	5 375 000	40 846	40 360	40 112
Development Slate	117	124	163	75	74	69	11 997 024	12 491 675	12 210 831	159 960	168 806	176 969
Video Games	182	138	146	32	25	32	3 471 455	2 699 048	3 729 550	108 483	107 962	116 548
TOTAL	4174	4285	4640	2057	1979	2128	104 336 613	102 276 357	108 182 480	50 723	51 681	50 838

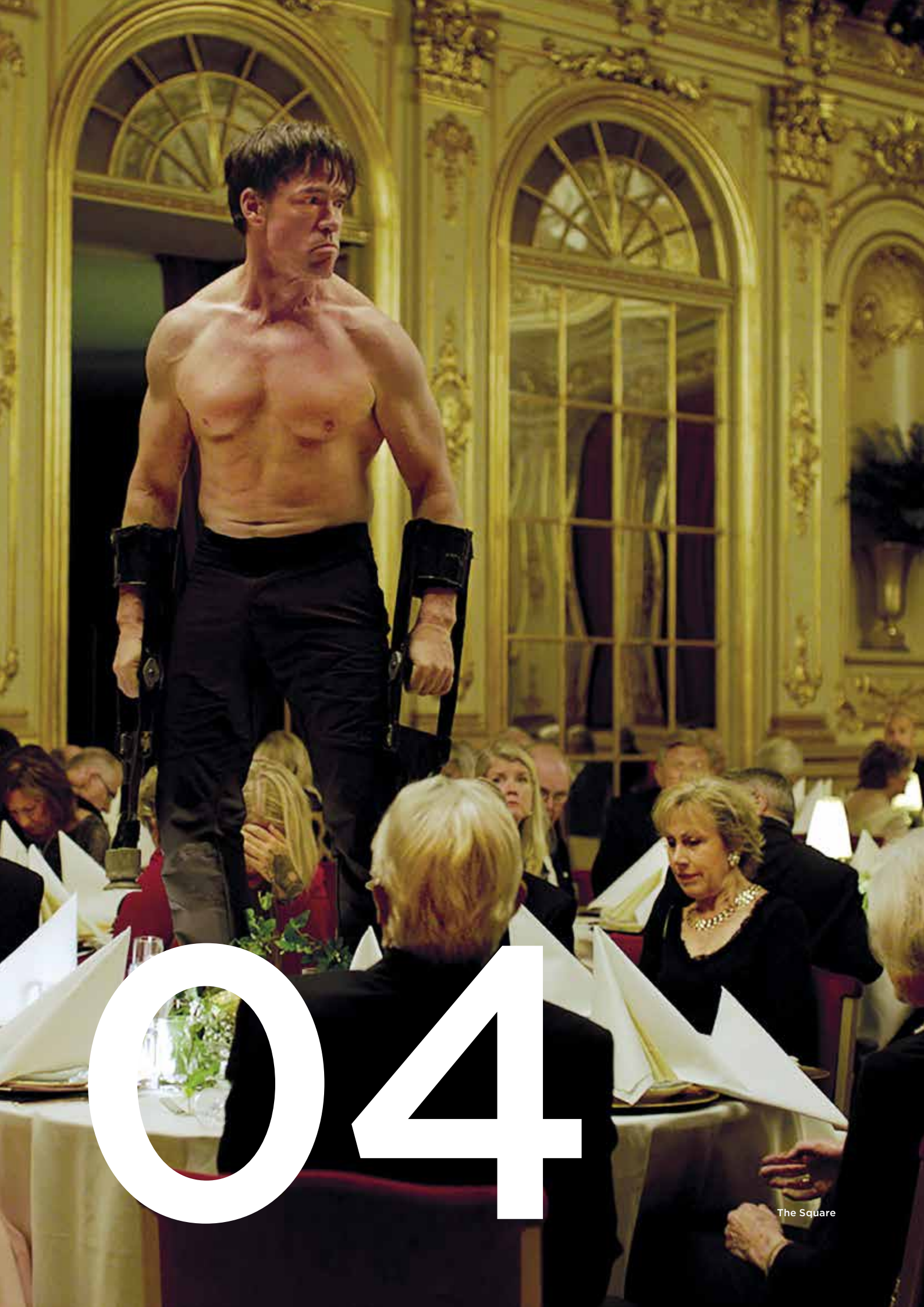
Simplifying implementation

In 2017 the use of lump sums was confirmed after a thorough review. These simplified forms of grant were introduced for certain MEDIA schemes in 2014 to speed up payments by facilitating the calculation of grants. Thus, the application process and the reporting requirements for beneficiaries were lighter whilst the managing costs of the programme were reduced. In 2017 a review was conducted using updated market data from participating countries to ensure the lump sum amounts reflected average real costs.

For Distribution, support the lump sum amounts were revised to take into account the fall in distribution costs in certain countries as a result of digitisation. In particular, this meant that larger releases in smaller territories became cheaper. This means that with the same level of support, more film releases can be financed.



Promised Land Festival, Poland, 2017



04

Safeguarding cultural diversity, strengthening competitiveness

MEDIA support has two interlinked general objectives, to safeguard cultural diversity and strengthen the competitiveness of the industry. These dimensions are two sides of the same coin, as the richness of European films and TV give them a competitive edge, whilst an economically healthy industry helps to sustain European cultural diversity. MEDIA's contribution to meeting these objectives can be indicatively measured in a number of ways, as explained below.

High quality, internationally recognised content

An indicator of the success of MEDIA in safeguarding cultural diversity is the wide variety of European films and TV series which achieve international recognition. In 2017 (Table 6), **films that were supported by MEDIA won 50 major international prizes.**

TABLE 6. FILMS RECOGNISED WITH AN AWARD/NOMINATION, 2017

FILMS	PRIZES
BERLIN	
On Body and Soul (Testről és lélekről)	Golden Berlin Bear Best Film / Prize of the Ecumenical Jury / Berliner Morgenpost Readers' Jury Award/ FIPRESCI Prize
Félicité	Silver Bear Grand Jury Prize
The Other Side of Hope (Toivon tuolla puolen)	Silver Berlin Bear Alfred Bauer Prize
Spoor (Pokot)	Silver Berlin Bear Best Director
Ana, mon amour	Silver Bear: Outstanding Artistic Contribution
Summer 1993 (Estiu 1993)	GWFF Best First Feature Award / Grand Prix of the Generation Kplus International Jury
Mountain Miracle - An Unexpected Friendship (Amelie Rennt)	Children's Jury Generation Kplus - Special Mention
I Am Not Your Negro	Prize of the Ecumenical Jury - Special Honourable Mention - Panorama / Panorama Audience Award Best Documentary Film
Centaur (Centauro)	International Short Film Jury - Special Mention / CICAIE Art Cinema Award Panorama

MEDIA-supported films won 50 major international prizes.

FILMS	PRIZES
CANNES	
The Square	Palme d'Or
120 battements par minute	Grand Prix du Jury
In the Fade (Aus dem Nichts)	Prix d'interprétation féminine
The Killing of a Sacred Deer (Mise à mort du cerf sacré)	Prix du scénario
Jeune Femme	Caméra d'Or
Barbara	Prix de la poésie du cinéma (Un certain regard)
VENICE	
Foxtrot	Silver Lion - Grand Jury Prize
Custody (Jusqu'à la garde)	Silver Lion – Award for Best Director / Luigi de Luarentiis Award
Hannah	Coppa Volpi for Best Actress
Lean on Pete	Marcello Mastroianni Award
Nico, 1988	Orizzonti Best Film
Oblivion Verses (Les Versos del Olvido)	Orizzonti Best Screenplay
SAN SEBASTIAN	
The Giant (Handia)	Special Jury Prize
Porroca	Silver Shell for Best Actor
The Captain (Der Hauptmann)	Jury Prize for Best Cinematography
The Sower (Le Semeur)	Kuxtabank New Directors Award
Los Perros	Horizontes Award
Custody (Jusqu'à la garde)	Audience Award / TVE Otra Mirada Award
ANNECY	
Loving Vincent	Audience Award
Revolting Rhymes Part One	Cristal for a TV Production
EUROPEAN FILM AWARDS	
The Square	Best Film / Best Comedy / Best Director / Best Actor / Best Screenwriter / Best Production Designer
Loving Vincent	Best Animated Feature Film
On Body and Soul (Testről és lélekről)	Best Actress
BPM (Beats per Minute) (120 battements par minute)	Best Editor
(Spoor) Pokot	Best Costume Designer
A Monster Calls	Best Sound Designer
GOLDEN GLOBES	
Elle	Best Actress in a Motion Picture / Best Foreign Language Film
OSCARS	
Elle	Actress in a Leading Role Nominee
Florence Foster Jenkins	Actress in a Leading Role Nominee / Costume Design Nominee
The Lobster	Best Original Screenplay Nominee
Land of Mine (Under Sandet)	Foreign Language film Nominee
Toni Erdmann	Foreign Language film Nominee
The Red Turtle (La Tortue rouge)	Animated Feature Film Nominee
Fire at Sea (Fuocoammare)	Documentary (Feature) Nominee
I Am Not Your Negro	Documentary (Feature) Nominee



120 BATTEMENTS PAR MINUTE

(120 battements
par minute)

European Film Awards

Best Editor

Cannes

Grand Prix du Jury



A MONSTER CALLS

European Film Awards

Best Sound Designer



ANA, MON AMOUR

Berlin

Silver Bear: Outstanding
Artistic Contribution



BARBARA

Cannes

Prix de la poésie du cinéma
(Un certain regard)



CENTAUR (Centauro)

Berlin

International Short Film
Jury – Special Honourable
Mention

CICAE Art Cinema Award
Panorama



CUSTODY

(Jusqu'à la garde)

Venice

Silver Lion – Award for
Best Director
Luigi de Luarentiis Award

San Sebastian

Audience Award
TVE Otra Mirada Award



ELLE

Golden Globes

Best Actress in a Motion
Picture / Best Foreign
Language Film

Oscars

Actress in a Leading
Role Nominee



FÉLICITÉ

Berlin

Silver Bear Grand Jury Prize



FIRE AT SEA (Fuocoammare)

Oscars

Documentary
(Feature) Nominee



FLORENCE FOSTER JENKINS

Oscars

Actress in a Leading
Role Nominee
Costume Design Nominee



FOXTROT

Venice

Silver Lion - Grand Jury Prize



HANNAH

Venice

Coppa Volpi for Best Actress



**I AM NOT
YOUR NEGRO**

Berlin

Prize of the Ecumenical Jury –
Special Mention – Panorama
Panorama Audience Award
Best Documentary Film

Oscars

Documentary (Feature)
Nominee



**IN THE FADE
(Aus dem Nichts)**

Cannes

Prix d'interprétation féminine



JEUNE FEMME

Cannes

Caméra d'Or



**LAND OF MINE
(Under Sandet)**

Oscars

Foreign Language
film Nominee



LEAN ON PETE

Venice

Marcello Mastroianni Award



LOS PERROS

San Sebastian

Horizontes Award



LOVING VINCENT

Annecy

Audience Award

European Film Awards

Best Animated
Feature Film



**MOUNTAIN MIRACLE
AN UNEXPECTED
FRIENDSHIP
(Amelie Rennt)**

Berlin

Children's Jury Generation
Kplus – Special Mention



NICO, 1988

Venice

Orizzonti Best Film



**OBLIVION VERSES
(Les Versos del Olvido)**

Venice

Orizzonti Best Screenplay



**ON BODY AND SOUL
(Testről és lélekről)**

European Film Awards

Best Actress

Berlin

Golden Berlin Bear Best Film
Prize of the Ecumenical Jury
Berliner Morgenpost Readers'
Jury Award / FIPRESCI Prize



**POKOT
(Spoor)**

European Film Awards

Best Costume Designer

Berlin

Silver Berlin Bear Best Director

**POROROCA****San Sebastian**

Silver Shell for Best Actor

**REVOLTING RHYMES
PART ONE****Annecy**

Cristal for a TV Production

**SUMMER 1993
(Estiu 1993)****Berlin**GWFF Best First
Feature AwardGrand Prix of the Generation
Kplus International Jury**THE CAPTAIN
(Der Hauptmann)****San Sebastian**Jury Prize for Best
Cinematography**THE GIANT
(Handia)****San Sebastian**

Special Jury Prize

**THE KILLING OF
A SACRED DEER
(Mise à mort
du cerf sacré)****Cannes**

Prix du scénario

**THE LOBSTER****Oscars**Best Original
Screenplay Nominee**THE OTHER SIDE
OF HOPE
(Toivon tuolla puolen)****Berlin**Silver Berlin Bear
Alfred Bauer Prize**THE RED TURTLE
(La Tortue rouge)****Oscars**Animated Feature
Film Nominee**THE SOWER
(Le Semeur)****San Sebastian**Kuxtabank New
Directors Award**THE SQUARE****Cannes**

Palme d'Or

European Film AwardsBest Film / Best Comedy /
Best Director / Best Actor /
Best Screenwriter /
Best Production Designer**TONI ERDMANN****Oscars**Foreign Language
film Nominee

Leveraging investment

The track record of international awards has cemented the MEDIA brand as a guarantee of quality, which helps the beneficiary companies attract investments. Beneficiaries have underlined how MEDIA support is economically valuable, beyond its financial worth, because it increases the confidence of other investors. This leverage effect is shown by the relationship between the contribution of MEDIA and the total budget of the executed projects. In 2017, the MEDIA contribution of EUR 108 million leveraged projects with a total budget of EUR 473 million, a multiple of well over four. Furthermore, MEDIA enabled the 1 280 beneficiary companies to employ on average 1.6 new employees¹⁷ over the period 2014-2016.

Sharing stories across channels

MEDIA supports the distribution of works through different channels, from cinemas to TV and VOD to ensure that every work reaches its intended audience. Audiences have been further developed through support to film festivals and film education, in particular in schools.

In 2016 (the last year for which data is available) over 120 million people were reached in these ways, showing that MEDIA is one of the EU programmes that is closest to the daily lives of citizens.

MEDIA supports the distribution of works through different channels, from cinemas to TV and VOD to ensure that every work reaches its intended audience.

17 *Interim Evaluation of the Creative Europe Programme and ex post evaluation of the Culture, MEDIA and MEDIA Mundus programmes Final Report*, ICF, BOP, Technopolis, 2017 p. 99-109;
<https://publications.europa.eu/en/publication-detail/-/publication/90b7f456-af71-11e8-99ee-01aa75ed71a1>

Supporting gender balance

Equality between women and men is a fundamental EU value and a driver for the creation of more diverse content, connecting with wider audiences and economic success.

The Commission is fully committed to bringing gender equality to the fore through a number of measures. First, by measuring women's participation in MEDIA calls through data gathering and project monitoring. In this Monitoring Report, the Commission has launched measurement and monitoring of gender balance in key positions in supported projects.

The results show that, overall, MEDIA compares favourably with wider trends. Today, the industry average is for 20% of films to be directed by a woman. In 2017, 18% of directors and 37% of scriptwriters of TV productions supported by MEDIA were women. In support to development of works, 29% of directors were women and 37% of authors and scriptwriters were women. 54% of the participants in training schemes supported by MEDIA were women.

The success rate of submitted projects which featured a female author/scriptwriter or a director shows that there is no negative gender bias in the selection process. These projects were proportionately more successful: for example, 36% of single films submitted for development had female authors/scriptwriters whereas 41% of selected projects had female authors/scriptwriters.

However, more needs to be done and the Commission recognises the need to bring gender balance to the fore. Work on this will continue with national and international funds and institutions, notably Eurimages and the European Audiovisual Observatory.



Developing Your Film Festival Training, Motovun, Croatia



DOK .Incubator Training



Focusing on talent, content, circulation and promotion

MEDIA aims to help the audiovisual industry grow by addressing four specific objectives:

- Fostering talent and skills at international level;
- High-quality, innovative content;
- Increased circulation and cross-border access;
- Increased promotion of European works.

Fostering talent and skills at international level

As the audiovisual industry is constantly changing, it is more important than ever for professionals to have up-to-date skills. MEDIA-supported training addresses creative, digital and business skills and is delivered in an international setting, helping professionals go beyond their national markets and reach the European level.

Participants stress¹⁸ how MEDIA-supported training has been crucial in building their skill sets, in meeting potential collaborators from other countries, and creating new projects. In 2016, MEDIA supported 54 training projects from providers from 16 EU countries (Chart 3). Participants in those courses came from a broad range of countries, with smaller countries participating relatively more (Table 7).

Participants stress how MEDIA-supported training has been crucial in building their skill sets, in meeting collaborators from other countries and creating new projects.

18 Contribution of the Creative Europe Programme to fostering Creativity and Skills Development in the Audiovisual Sector, IDEA and CSES for EC 2017

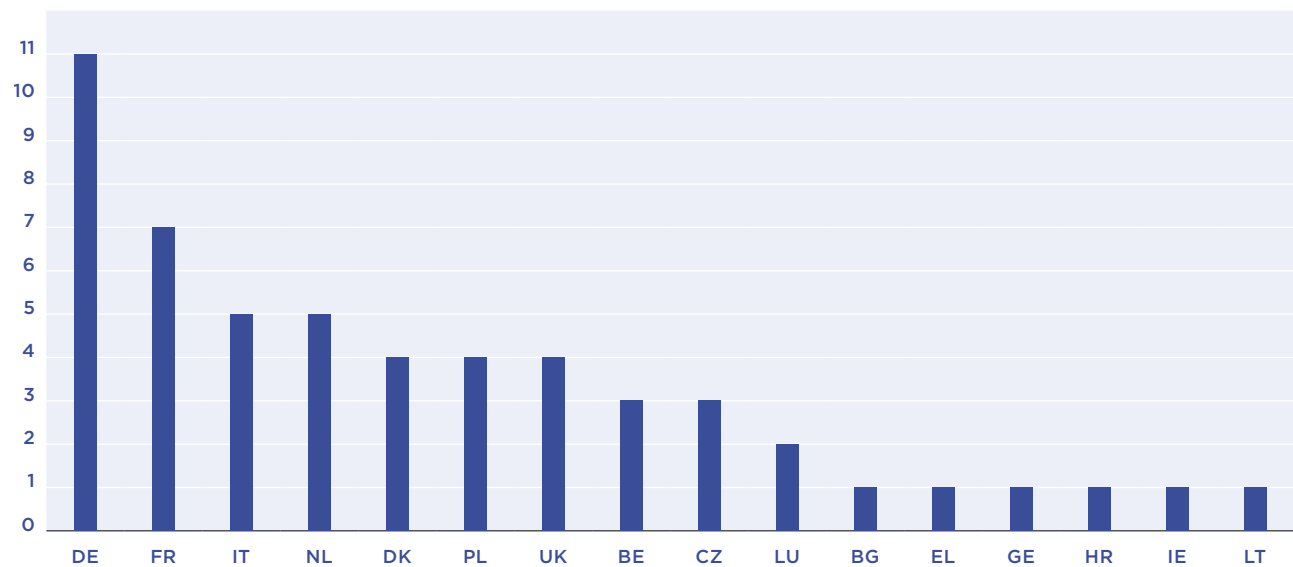
TABLE 7. PARTICIPANTS IN TRAINING COURSES FROM SELECTED COUNTRIES

COUNTRY OF ORIGIN OF PARTICIPANTS	DE	FR	UK	IT	NL	PL	BE	CZ	DK	HR	IE	EL	LT	BG	LU	GE	16
NUMBER OF PARTICIPANTS	239	207	184	137	111	91	87	71	53	50	49	44	43	27	13	7	1413
RATIO TO ALL PARTICIPANTS	10%	8%	7%	6%	4%	4%	3%	3%	2%	2%	2%	2%	2%	1%	1%	<1%	57%



Berlinale Talents

CHART 3. COUNTRY HOSTING A TRAINING PROJECT



MEDIA success stories

TRAINING FOR SUCCESS

DIGITAL

The Training initiative, **Promised Land**, is a cutting-edge training scheme bridging digital and “traditional” audiovisual professionals. Organised by a Polish company which is a leader in video games, CD Projekt Red (*The Witcher*), it is the first international training programme focused on digital sculpting, illustration and animation, bringing together artists working in the film and video gaming industries. In 2017, it welcomed hundreds of guests and over 40 speakers, including from the biggest US-based studios.



MARKETING

The **EAVE Marketing Workshop** introduces a hands-on approach to promotion for the film industry through innovative marketing and distribution strategies. The workshop is project-based and follows all production stages. Participants work together on their ideas from development to postproduction and analyse a trailer edited for one of the selected projects.



**BUILDING CAPACITY
IN DIFFERENT DIMENSIONS
OF THE INDUSTRY**



DOCUMENTARY

The **IDFAcademy** each year is the entry point to their careers for 100 emerging filmmakers (80% European, 20% non-European), who go through an intensive four-day training course during the renowned International Documentary Festival Amsterdam (IDFA).

PROJECT TEAMS

TorinoFilmLab 360° is a 3-week workshop dedicated to creative teams composed of a scriptwriter, director and producer, who are at the start of their careers. The projects they develop during the workshops can be supported at later stages by other Torino Film Lab (TFL) instruments. Since 2008, TFL has created a connected community of professionals. It aims to train creators capable of improving European film market conditions from the inside.

High quality, innovative content

MEDIA supports the creation of films and TV series which have the potential to travel, by helping them to achieve the quality needed to attract international audiences.

Development funding helps producers invest in preparing their works so that they have a greater chance of being successful in a highly competitive industry. Co-productions are prioritised because they are an excellent way to foster cross-border collaboration, in particular between higher and lower capacity countries, and reach wider audiences beyond the domestic markets¹⁹. Development support also helps strengthen projects from lower capacity countries by helping them find partners from higher capacity countries.

In 2017, 256 or 55% of the 465 completed Development projects were co-productions. Emphasis is also placed on reaching young audiences, who are crucial for the future of the industry: in 2017, 21 or 16% of 134 new development projects targeted young audiences.

In 2017 MEDIA introduced an entry point for short films to give new talent an opportunity to gain experience and visibility. Thus short films were included as part of 29 Development “slates”, or groups of films, out of a total of 163 slates.

MEDIA also supports the production of TV series and has contributed to the growth of high-quality TV productions broadcast in the original language across several territories. The support to independent television producers gives them artistic freedom to make cutting-edge content. Many high quality, popular TV drama series have been supported by MEDIA, including *Babylon Berlin*, *The Bridge*, *Trapped* and *Versailles*. In 2017, the average amount of support for a co-production project rose to almost EUR 300 000 (Table 8).

At the international level, MEDIA supports funds backing co-productions between European and global companies, as well as their distribution. In 2017 the French fund, *Aides aux cinémas du monde*, broadened its activities to support the global distribution of international co-productions for works that have European partners.

TABLE 8. CO-PRODUCTIONS IN THE TV PROGRAMMING SUPPORT

	2014	2015	2016	2017
SUPPORTED PROJECTS	53	55	57	43
OF WHICH CO-PRODUCTIONS	40	46	42	34
RATIO OF CO-PRODUCTIONS	75%	84%	74%	79%
AVERAGE SUPPORT AMOUNT	EUR 264 127	EUR 226 272	EUR 219 253	EUR 290 460

¹⁹ The circulation of EU non-national films. A sample study: Cinema, television and transactional video on-demand, European Audiovisual Observatory, 2017.

MEDIA Success stories

BABYLON BERLIN:

DEVELOPMENT – PRODUCTION – SUCCESS

The idea of *Babylon Berlin* – a crime series set in the 1929 Weimar Republic – was included in a slate of projects of a German production company, X-Filme. The company, which had a very strong track record in feature films (*Amour*, *Good Bye Lenin*, *Run Lola Run*), decided to diversify and enter the increasingly important TV series market. In 2014 it received EUR 60 000 within the Development scheme to polish the idea, based on best-selling novels. Subsequently, in 2015 the producers were granted a whole EUR 1 million for the production stage (within the TV Programming scheme). Other sources for the EUR 40 million budget of this most expensive non-English language TV drama were mainly two German broadcasters – commercial broadcast Sky (which had the exclusive broadcasting rights for the first year) and public broadcaster ARD. When the first episode premiered on Sky in 2017, it proved to be the second most successful launch in the channel's history (after *Game of Thrones*), with an audience of 1.2 million. The sales agent Beta Film sold the series in more than 100 territories, including most European countries and Netflix for the US and Canada. It was also critically acclaimed.

MIDNIGHT SUN (JOUR POLAIRE)

AN INTERNATIONAL CRIME

Midnight Sun is the first high-budget drama series co-produced by two key players in the field of TV series: France and Sweden. Eight episodes were directed by Sweden's Mans Marling and Bjorn Stein. It was a 50/50 co-production of France's Atlantique Production (whose previous projects include *Borgia* and *The Transporter*) and Nice Drama of Sweden (*The 101 year Old Man Who Skipped Out on the Bill and Disappeared*, *Thicker Than Water*). It was the first joint financing project of two big broadcasters: Canal Plus and SVT. The show was warmly welcomed at festivals (winning awards at Series Mania and the Roma Fiction Fest), sold to 82 territories and the first broadcast attracted a 39% audience share in Sweden, 19.5% in Belgium and 11.5% in Germany.

THE KILLING OF A SACRED DEER

(MISE À MORT D'UN CERF SACRÉ):

REVISITING STORYTELLING HERITAGE

The scriptwriting talents of duo, Yorgos Lanthimos and Efthymis Filippou, were recognised in 2011 with the Venice Golden Osella for the screenplay of *Alps* and then in 2015, when they shared the European Film Award and an Oscar nomination for *The Lobster*. Still in 2015, Irish production company, Element Pictures, successfully applied to the MEDIA Development Support – Slate Financing scheme, presenting (among others) the next Lanthimos-Filippou film concept: *The killing of a sacred deer*. It was inspired by the ancient Greek tragedy *Iphigenia in Aulis* by Euripides. Element Pictures received a total of EUR 60 000 to work on it in the pre-production stage.

The effect of this work is a psychological horror film starring Nicole Kidman and Collin Farrell which premiered in 2017 at Cannes, winning the best screenplay award. It was also nominated for the Palme d'Or and for the European Film Awards in the best Director, Actor and Screenwriter categories. The film was again supported by MEDIA during its distribution phase with a total of EUR 1 214 957. It was released in theatres in 26 European countries. According to the Lumiere database, the total number of admissions in Europe was 384 621. It was also distributed in the US market, where its box office by the end of 2017 was estimated at USD 2 291 901.



Babylon Berlin



Midnight Sun



The killing
of a sacred deer

Increased circulation and cross-border access

MEDIA makes an essential contribution to making European films available beyond their domestic markets. Overall, MEDIA supported the theatrical release of over 400 films across borders in 2017.

On the one hand, targeted support was given to 22 individual films for distribution across an average of 23 territories, through consortia of distributors, in order to promote cross-border access. In 2017 online release costs were made eligible for this type of support, an important innovation which aimed to make it possible to take up new opportunities offered by the digital shift.

On the other, support was given to distributors and sales agents to invest in the distribution of films of their choice. The funding was calculated on the basis of their box office results to reward success in reaching audiences, as experience shows that distributors are prudent when targeting territories, with an average reach of 2.4 territories per film in 2017.

More could be done to incentivise coordinated strategies which target audiences in multiple territories.

MEDIA also co-finances the Europa Cinemas network of cinema theatres. With over 1 000 cinemas in 33 countries, Europa Cinemas has helped audiences for European films to grow and to discover a large diversity of films from all over Europe. 6 of every 10 screenings are films from Europe and 35% of screenings are dedicated to non-national European films. In 2017, there were 41 million admission to Europa Cinemas network theatres, a 7.5% increase compared to 2015. Table 9 shows the non-national successes from 2016, the most recent year for which data are available.

Support was also given to the distribution and promotion of European works online. Support to Video on Demand was refocused in 2017, in particular to strengthen the marketing of attractive offers of VOD services. At the same time, innovative promotion and distribution projects continue to be supported. Monitoring is under way on the impact of this support, showcasing results and sharing data with stakeholders.

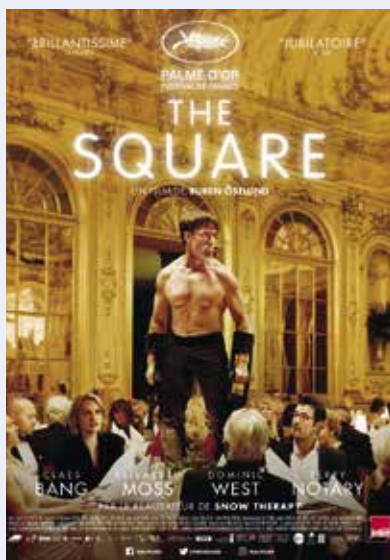
TABLE 9. HIGHEST AUDIENCES FOR NON-NATIONAL EUROPEAN FILMS SUPPORTED BY MEDIA (2016)

	TITLE	MAIN PRODUCER	EU CO-PRODUCER	ADMISSIONS IN EU, OUTSIDE COUNTRY OF ORIGIN
1	THE LITTLE PRINCE	FR	No	2 045 615
2	ROBINSON CRUSOE	BE	Yes	1 895 735
3	FLORENCE FOSTER JENKINS	UK	No	1 683 316
4	I, DANIEL BLAKE	UK	Yes	1 594 062
5	HEIDI	DE	Yes	1 413 556
6	JULIETA	ES	No	1 233 349
7	ROOM	IE	No	1 043 080
8	SUFFRAGETTE	UK	No	897 695

MEDIA success stories

SHARING STORIES ACROSS BORDERS

The Swedish-French-German co-production ***The Square*** was one of the most successful art house movies of 2017. This edgy comedy set in Sweden parodies the modern art scene and explores issues of equality and integrity in hilarious and sometimes disturbing ways. It won the Palme d'Or at the Cannes Film Festival in 2017 and many other awards. MEDIA supported its distribution in 24 countries with an amount of over EUR 1 million – and in turn the film was seen by almost **1.2 million European cinemagoers**. 66% of admissions were collected in the cinemas belonging to the Europa Cinemas Network²⁰.



At the 2017 ceremony of the **Europa Cinemas** awards, the prize for the best Young Audience activity went to the **Agrafka** and **Kika** theatres in Krakow, Poland, managed by Bogdan Balicki. Agrafka and Kika joined the network in 2012 and 2014 respectively. The cinemas have a total of four screens, one for Agrafka (109 seats) and three for Kika (41, 20 and 12 seats). They are equipped with areas for games and creative workshops. At the heart of their programming policy are initiatives such as the popular Little Kika and KinoBambino, with a weekend programme of workshops for the youngest audiences. Kika has four times won an award as one of *The Most Children-Friendly Places*. The two venues also meet the needs of Krakow's students by offering their own film education programme. Altogether, in Kika and Agrafka, the young audience represents one quarter of admissions to European films, a total of nearly 11 000.

FILMIN

In 2008, the most important independent cinema distributors in Spain decided to join their forces and open Filmin – a VOD platform and a community for cinema lovers. Currently Filmin is one of the most dynamic VOD platforms in the Spanish market and has opened branches in Portugal and Mexico. With a catalogue of over 10 000 films, of which +/-65% come from 26 European countries, the platform had 20 000 subscribers by the end of 2017 and registered more than 250 000 paid transactions in a year. Between 2009 and 2014, Filmin promoted amateur filmmakers: everyone could upload their own short film and compete for the Best of the Month prize. Since 2011 Filmin has organised the Atlàntida Film-Fest – an online festival which has also started to be accompanied by a physical festival in Palma de Mallorca. In 2017, this festival attracted 57 000 online and 6 000 physical viewers, 35% more than the previous year. It focused programme selection on films which can help with an understanding of Europe. MEDIA has been a partner of Filmin since the beginning. In 2017 a grant of EUR 339 633 was awarded for support to their marketing and promotion campaigns, including Atlàntida.

20 Europa Cinemas Network Review No 31 Cannes 2018, p.6.

Increased promotion of European works

Within a global industry, European content needs to compete and to be promoted to potential investors, distributors, sales agents and cinemas so as to ensure a release in multiple territories.

Then each film, large or small, needs to find its audience and here, smart, tech-savvy marketing and promotion strategies can make a real difference.

In 2017, MEDIA supported promotion activities in four main ways:

- support to business to business promotional activities;
- facilitating access to and strengthening the visibility of European professionals in audiovisual markets and exhibitions, in Europe and beyond;
- experimental promotion of a slate of European films at exhibitor conventions, namely CineEurope and CineAsia;
- actions targeting audiences, through support to festivals and audience development.

Festivals are particularly important for low capacity countries because they provide opportunities for emerging talents to showcase their works. The public's response to festivals then sends important signals to distributors and international sales agents, leading the way for the films to travel to other European countries. In 2017, MEDIA co-financed a total of 65 festivals, of which 30 were in low production capacity countries. Overall, a total of over EUR 3 million was provided to European festivals, which reached more than 3.5 million people.

In 2017 MEDIA organised **four stands at major audiovisual markets**: the Berlin European Film Market, the Cannes Marché International du Film, MIPTV and MIPCOM. On these MEDIA umbrella stands, audiovisual professionals are selected to benefit from support in prestigious, highly visible and ample stand premises. This provides unique networking possibilities for the group of participants so that they can make the most of their presence at the market. Most of the stand beneficiaries are creators who had previously been supported within other MEDIA Schemes.



Marché du Film, Cannes



European Film Market, Berlinale

MEDIA success stories

MAKING EUROPEAN FILMS VISIBLE!



Each year the co-production market at the **European Film Market** of the **Berlinale** is supported by MEDIA with up to EUR 130 000 via the Access to Markets support scheme. This project brings together international producers and financiers to match partners with handpicked projects during an intensive two-and-a-half-day event.



Festival Scope (www.festivalscope.com) is a benchmark platform known for screening the best of independent cinema, focusing on European productions. Originally Festival Scope was a B2B only platform for film professionals worldwide. As it grew, with the regular support of MEDIA, in 2015 its activity was split into two parts. One is the B2B Festival Scope Pro, helping export European works, which in 2017 received EUR 90 000 from the Market Access scheme. The other is a service available for all cinema lovers, where at affordable prices they can purchase a temporary right to watch a film online over the same period when it is being screened at one of the many prestigious festivals cooperating with the platform. Since Festival Scope is a promotional tool, which aims to help “spread the word” about the films before their regular distribution, a limit is placed on the number of persons who can purchase viewing rights for each film. It is an example of a non-competitive use of the digital environment in order to broaden the audiences and increase exposure and visibility of the films



la Biennale di Venezia

The **European GAP Financing Market** of the **Venice Production Bridge** at the **Venice Film Festival** ran for its fourth edition in 2017. This is a co-production and co-financing market for European projects (films, feature documentaries, TV series, web series and VR projects) which have already secured at least 70% of their budget. This makes this market appealing to equity and financial investors and financiers as well as the sales agents, distributors and post-production companies, who are increasingly interested in acting as co-producers. The amount awarded by MEDIA in 2017 was EUR 85 000 through the Access to Markets support scheme.



A new experiment was launched in 2017 to promote European films to exhibitors. For the first time, in June 2017 MEDIA promoted **a slate of European films** at **CineEurope**, the convention of exhibitors in Barcelona. The films promoted were chosen based on objective criteria likely to trigger interest from the exhibitors present. The selection process was two-fold. First, a preselection was made by a national body in charge of promoting films abroad, based on the sales results at Berlin and Cannes 2017. Second, a final choice of six films was made by a committee of experts set up by MEDIA, including representatives from across the value chain. The experience was very positive overall; the cost was limited at EUR 15 000, and it made it possible to reach out to 800+ exhibitors, who attended the event.



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