



# Film Festivals at EU Delegations

Feasibility study exploring different possible modus operandi for making available a package of European films

## FINAL REPORT

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## **Abstract**

In today's globalised world, the European Union should be equally as concerned about deploying its cultural and creative assets as it is about asserting its political and economic influence. Cinema's potential to communicate about Europe and its creativity has been recognised by a number of EU Delegations (EUDs) in third countries that regularly organise film festivals. Such festivals are often one of the EUDs' most effective tools in reaching out and making Europe and its values, stories and creativity known. Unfortunately, European Film Festivals often lack professionalism and are organised on tight budgets. To efficiently build on existing initiatives and ensure that European cinema contributes to the EU's external cultural relations, EUDs and their partners need the following: better access to good quality films, support for communication and marketing activities, more funding to increase festival quality standards, ambitious side events to engage civil society and higher involvement of the European audiovisual sector. The study analyses the current state of affairs in the EUDs and then proposes a set of centralised and decentralised support measures to streamline the organisation of film festivals in a cost-effective way to ensure that they become effective diplomatic, cultural and trade tools for the EU.

## **Executive summary**

### **Towards the establishment of the programme 'FILM FEST' – *Connecting and engaging through films***

In today's globalised world, the European Union should be equally concerned about deploying its cultural and creative assets as it is about asserting its political and economic influence. In this context it should endeavour to fully embrace culture in its diplomacy in order to reach out more widely in the world, show the value of Europe's artistic expressions, organise collaborative events with local populations in order to enhance the values and priorities of the EU abroad.

Cinema is eminently a vehicle for the expression of identities and singularities capable of reflecting the state of a society or a community. In this regard Europe has successfully transferred its genetic make-up to its film industry: cultural, but also linguistic and ethnic diversity, its values such as equality, freedom of expression, the rule of law and democracy, as well as its social model.

The potential of cinema to communicate about Europe and the creativity that lies at the heart of European film production have been recognised by a number of EU Delegations (EUDs) in third countries that regularly organise film festivals as part of their outreach activities.

Indeed, more than half of the 139 EUDs (i.e. 76 EUDs) around the world are involved in the organisation of film festivals and other film events with a view to promote the European Union, showcase European culture and use film as a cultural diplomacy tool.

**76**  
**EUFFs**  
**worldwide**

Fully/partially organised  
and/or funded by an EUD  
1 per year  
Showing films from EU MS  
sometimes with local films  
or films from non EU MS

Film festivals are one of the most effective instruments to reach a wide audience in a given territory. This is in particular that case when in a third country there is no infrastructure for film distribution or when European films do not have a 'blockbuster' status. The majority of these film festivals can be considered as successful diplomatic events. However, a number of obstacles prevent the diversity and excellence of European films from being shown in the best conditions in many third countries: lack of professionalism, limited budgets and shortage of human resources.

To efficiently build on existing initiatives and ensure that European cinema contributes to the EU's external relations as well as the EU's influence and attractiveness in the world, EU Delegations need adequate support, in particular, assistance to strengthen their actions and ensure that film festivals become effective diplomatic, cultural and trade tools.

After having scrutinised the current state of affairs among the EUDs as well as completed a SWOT analysis of the EUFFs, the study, proposes a set of strategic

and operational recommendations for the organisation of such festivals in a streamlined and cost-effective way. The recommendations include improvements for:

- The selection of films - to propose the best of European cinema to international audiences (European package of films).
- The rights clearance process to screen films in cinemas and other venues or digital platforms.
- The marketing and promotion strategies at central and decentralised levels.
- The engagement and support of film professionals including talents.
- Organisation of side events to increase the collaborative dimension of the films festivals with local population.

These recommendations are tailored to fulfil the three identified dimensions of the European film festivals namely Diplomacy – Culture and Audiovisual – Trade (so-called triple D-CA-T dimension) that can add value to the activities the EUDs in third countries:

| <b>EUFFs and external relations – diplomacy</b>   | <b>EUFFs and culture and audiovisual policies</b>   | <b>EUFFs and trade – market access for European films</b>   |
|---|---|---|
| <ul style="list-style-type: none"><li>•A tool for diplomacy to help EUDs to build relations, trust and mutual understanding with governments and the local populations in hosting countries</li><li>•Films, including their entertainment value, are influential means of expression and a mirror of human relations.</li></ul> | <ul style="list-style-type: none"><li>•EUFFs contribute to the EU’s cultural and media agenda in supporting culture and creative industries outside the EU.</li></ul> | <ul style="list-style-type: none"><li>•The low market share of European films outside the EU is an indication that European cinema is not reaching mass audiences and young people around the world. This is affecting Europe’s image and influence abroad.</li><li>•EUFFs should also be considered as a potential vehicle to promote trade in audiovisual products.</li></ul> |

This triple D-CA-T dimension of EUFFs needs to be taken into consideration if one wishes to develop a more coordinated approach for the organisation of attractive EUFFs.

### **Impact assessment of EUFFs**

Film festivals are one of the main public relations activities of EUDs on the five continents and are popular events among local audiences: while traditional on-site film festivals are estimated to reach out to 409,000 people globally each year, the online experience in China recorded 17 million viewers in 2012, showing

that EUDs are also capable of embracing digital tools to increase the dissemination of European films.

Although each of the film festivals and events organised have similar objectives, there is no fixed model for setting up an EUFF. Their management varies depending on the resources available, the local context, partnerships with the Embassies and cultural institutes of the EU Member States as well as industry stakeholders in the country. Some are entirely handled by the EUD while others are organised by third parties. EUFFs last from three days to several months and can be held in various cities as well as venues ranging from commercial cinemas to cultural centres and universities.



Despite their great potential to reach out widely and mobilise a large amount of European and local stakeholders, the study identifies bottlenecks that prevent EUFFs from achieving full impact in relation to the above mentioned triple D-CA-T dimension:

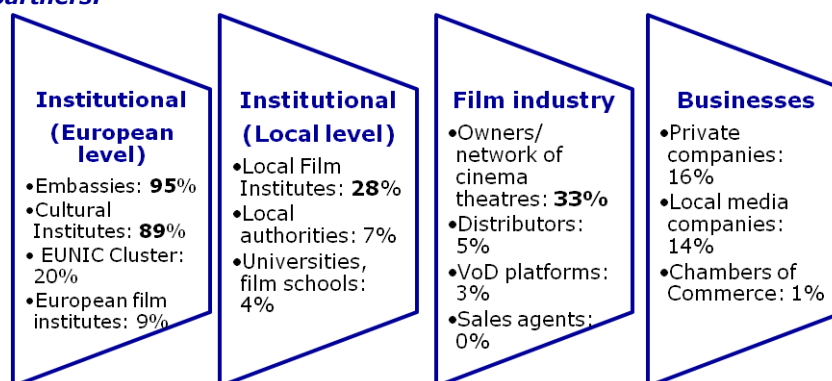
- 71% of EUFFs are organised on a budget under €20,000 mainly coming from the Press and Information Section of the EUD. With such a limited budget EUDs seldom have the appropriate means to organise an effective and successful EUFF. They often rely on the personal commitment of the staff of the EUDs, working extra hours to ensure the film festival takes place.
- The attractive programming of film festivals is a complex issue and professional support is needed. The success of EUFFs relies to a great extent on the ability of the programme of films to meet the tastes of the local audience.



- The survey shows that EUDs invest very little in terms of promotion and marketing. Therefore EUFFs sometimes suffer from an exclusive and elusive status, whereby only a narrow circle of people ever hears about them.
- The lack of engagement of the European cultural and audiovisual sector in the organisation of EUFFs and the low visibility of the EUFFs among film professionals need to be addressed.



### **EUFF partners:**



The sector's support is essential to have access to good films and to be able to organise activities that also benefit the diplomatic, cultural and trade stakeholders in the EU and third countries.

These weaknesses need to be addressed as they are detrimental to EU's image abroad and capacity to connect and engage with the local population.

### **Main needs and requirements**

To face these issues and create successful EUFFs, the needs of the EUDs can be split into four main areas:



To match their needs and address their difficulties, **89%** of EU Delegations (whether currently organising EUFFs or not) favour the idea of a **European package of films with negotiated rights** to gain access to recent quality films and become less reliant on the embassies and cultural institutes of the EU Member States. Access to good quality films was for 60% of the EUDs the greatest difficulty when organising a EUFF. 84% of the EUDs also consider that such a package should come with a range of additional support activities. Particularly to facilitate subtitling (70% of EUFF organisers), participation of European talents (68%) and adequate professional promotional and marketing support (55%).

### **Best practices**

The study also highlights examples of good practices in the organisation of film festivals notably:

- European film festival in South Africa: a 'new generation' of EUFF i.e. professionally organised and run like a commercial festival with a festival organiser and a curator, an excellent selection of recent awarded films.
- European Film Weeks in Morocco: one of the highest budgets for a EUFF, the organisation is subcontracted to a local agency working in partnership with Europa Cinemas in order to be able to offer a selection of the best recent award winning European films.
- German film festival in China : strong budget, industry involvement and high sponsorship level.
- My French Film Festival – good use of digital technology to promote first feature films on-line in 90 countries.

### **Recommendations**

The study makes recommendations to support EUDs in organising more attractive and professional EUFFs that are capable of getting a high level of (political) attendance from the host countries; reaching out to a wide local audience (including young people); going beyond capital cities whilst at the same time enabling the organisation of side events for networking opportunities and matchmaking between local and European audiovisual professionals as well as for collaborative activities with the local population.

The **guiding principles** for the organisation of EUFFs are set with a view to ensure minimum quality standards. EUFFs organisers would endeavour to implement these guiding principles for film festivals and related events to achieve their diplomatic, cultural and trade objectives. Therefore the study recommends that EUFFs should be organised on the basis of the following principles:

- Contribute to **portray a diverse and creative Europe**
- **Professionally organised**
- Respect the **industry's commercial imperatives**
- Mobilise **EU's and Member States' highest diplomats** in the host country
- Count on **sufficient financial resources**

Following these guiding principles, as **minimum quality standards**, EUFFs should involve:



The study shows that in large countries around the world it is difficult to organise an EUFF aiming to meet these essential quality requirements on a budget below €60,000 to 100,000. Only this level of funding is likely to trigger sponsorship from private donors.

To assist EUDs to implement good quality EUFFs the study proposes a series of support measures to be implemented on the one hand at central level (EU Headquarters) and on the other hand at the local level (EUDs).

In addition, recommendations are also made in the study for EUFFs to be held online, in combination with onsite EUFFs (not included in the budget mentioned below).

## 1. Centralised support measures

These measures would be provided centrally by an External Service Provider (ESP) hired by the European Commission/EEAS and consist of:

- **Managing a stakeholders' board** to foster strategic development and engagement (Leadership Board) with representatives of European public stakeholders such as the EEAS, relevant European Commission services as well as national film or cultural institutes and other bodies organising film events at European level (for example the LUX Film Prize of the European Parliament); as well as representatives of private stakeholders (e.g. sales agents and promotion agencies for European cinema).
- **Preparing a European package of 15 to 30 European films** (selection of films, negotiation and acquisition of rights) based on a number of criteria (recent, quality, award-winning films as well as box office hits); **subtitling** the selected films in at least ten major world languages; setting up a **database with information** on the selected films to facilitate EUDs' access to good quality films.
- **Setting up a selective support scheme** (maximum €40,000 per EUD) to reward EUDs proposing the best marketing and promotional plan for the EUFF to comply with the quality standards described above. The different types of measures qualifying for additional funding support would be promotional and marketing activities, engaging a curator, additional screening fees and subtitles (not covered in the European package of films) and side events.
- **Supporting the professionalization of EUFFs:** in the field of marketing and promotion, support in organising side events, coordinating the exchange of information among EUDs, setting up a help desk, preparing a DIY guide for the organisation of EUFFs.

## 2. Decentralised support measures

EUDs will retain the freedom and flexibility to organise EUFFs that fit best their local context. However, the quality standards set above and the support of the ESP will contribute to assist the EUDs in making their EUFFs more attractive and capable of reaching wider audiences. A second set of measures should then be implemented by EUDs at the local level.

- **Minimum and diversified funding to support local promotion** to comply with quality standards;
- **Curator and festival organiser** to select films matching the audiences' taste and to deal with the logistics and organisation of the EUFF;

- **Subtitling** (when not available in the European package) and share the subtitles with other EUDs to create synergies and reduce costs;
- **Screening films in local cinemas** to reach a wider audience, to build partnerships and promote the event and to show exhibitors the potential of European cinema;
- **Seek local partnerships to pool resources** to widen the impact, access additional funding and engage with local sponsors;
- **Organise side events** (market, political, educational, with young people) to discuss EU values and relevant priority policies with the local population, to foster intercultural dialogue and to promote the distribution of European films or co-production activities;
- **Evaluate the impact** to better assess the results of the festival as regards the triple D-CA-T dimension and improve future editions and to better communicate and engage with relevant stakeholders.

### **Budget for centralised support services**

The organisation of an EUFF is a complex undertaking that requires specific professional skills if one aims to have an effective event that serves the EU's diplomacy, cultural as well as trade interests. The cost to establish a European Film Festival Programme 'FILM FEST' – *Connecting and engaging through films* is estimated at €2.5 million over two years for the centralised support services. The Partnership Instrument of the Foreign Policy Instrument would be the most suitable funding instrument.

## **List of abbreviations used**

ACP: African, Caribbean and Pacific Group of States

AFI: American Film Institute

DCP: Digital Film Package

DG CNECT/Connect: Directorate-General for Communications Networks, Content and Technology

DG DEVCO: Directorate-General for International Cooperation and Development

DG EAC: Directorate-General for Education and Culture

DG NEAR: Directorate-General for Neighbourhood and Enlargement Negotiations

EC: European Commission

EEAS: European External Action Service

EFA: European Film Academy

EFADs: European Film Agency Directors (Association)

EFP: European Film Promotion

ENP: European Neighbourhood Policy

EU: European Union

EUD(s): European Union Delegations

EUFF(s): European Union Film Festival(s)

EU MS: European Union Member State(s)

FPI: Foreign Policy Instrument

ICI: Instrument for Cooperation with Industrialised Countries

IF: Institut Français

IFAS: Institut Français en Afrique du Sud

MYFFF: My French Film Festival

NGO(s): Non Governmental Organisation(s)

PI: Partnership Instrument

SMEs: Small and Medium-sized Enterprises

## **1. Introduction**

*"Film does not only project pictures, it reflects the very picture of our society with its values, habits, hopes and fears. More than that: film shapes these values, forms these habits and influences trends of hopes and fears. Movies helped to invent and to perpetuate the 'American Dream'. They can do wonders for the image of Europe, too. If only Europe would make more use of its very own cinema for its own image, as well as for its identity". (Wim Wenders, 2010).*

Cinema was invented in Europe at the end of the 19th century and has a rich history. Its cinematographers, scriptwriters and actors are amongst the best and most acclaimed worldwide. The European Union (EU) is, after India, the largest film production area in the world and produces more than twice as many films as the United States.<sup>1</sup> Relying on a great diversity of formal and technical approaches, EU directors explore various themes, address social issues, and trigger political debates within and outside of their country. Thanks to their unbounded and unabated success, European works offer a window to Europe's riches abroad. Cinema, in this respect, has become a powerful tool to establish an emotional and cognitive connection with individuals. The reason for this is the impact of images on viewers. Film-viewing is not a passive activity: it is an active interaction between a visual story and the audience. One does not watch a film, one is shaped by the values and ideas conveyed. This all the more true since cinema is one of the most popular forms of cultural consumption throughout the world.

Cinema is more than a mere commodity. It is a vehicle for the expression of identities, singularities, reflecting the state of a society, a community. Europe has successfully transferred its genetic make-up to its film industry: diversity - cultural, but also linguistic and ethnic -, its values - equality and democracy - as well as its social model. European film production is further characterised by the quality of its narratives, its social dimension, maturity and artistic language despite shoe-string budgets.

Contrary to the Hollywood commercial structure, based on market and financial power as well as the universalism of its film production, Europe has developed a model built on supporting individual talents and small production companies, which are regrettably less focused on international distribution. This emphasis has led to European works being less competitive in the market place compared to Hollywood, and justifies the need to reach out for new audiences. The key to success for Europe is therefore to make its cinema and visual storytelling available to a wider international public.

More than half of the 139 EU Delegations (EUDs) around the world are involved in the organisation of film festivals and other film events to promote the European Union, diplomacy and/or showcase European culture. Film festivals are one of the most effective tools to reach an audience in a given territory in particular when distribution infrastructure is missing or when films have no blockbuster status. The majority of these film festivals can be considered as successful diplomatic

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<sup>1</sup> European Audiovisual Observatory (EAO) Yearbook 2014, p. 219. For 2013, EU production was 1542 and USA and Canada 455, but the footnotes of the Yearbook stated that there might be double-counts for minority co-produced feature films in the EU and that American and Canadian films with a budget under USD 1 million were not included.

events. However, a number of obstacles prevent the diversity and excellence of European films from being shown in the best conditions: lack of professionalism, limited budgets and shortage of human resources. These obstacles often prevent EUDs from making the most of these events to achieve cultural, trade as well as diplomatic objectives. This study is the opportunity to take a fresh look at these film festivals and consider how best to support the EUDs' initiatives and extraordinary goodwill to bring their festivals to the next level.

Currently the EU has no strategic or coordinated approach towards the organisation of European Film Festivals (EUFFs). To make the most of existing initiatives and ensure that European cinema contributes to the EU's external relations as well as EU's influence and attractiveness in the world, EUDs need appropriate support, in particular, assistance to amplify their actions and ensure that EUFFs become effective diplomatic, cultural and trade tools.

### **Objectives and scope of the study**

The ability for the EUDs to be able to show a variety of films at an EUFF is a complex process that requires professional assistance and expertise.

In this context the general objectives of this feasibility study (thereafter referred to as 'the study') are twofold: first, provide an overview of how the EUDs around the world are organising European (Union) Film Festivals, take stock of best practices, and identify their needs for assistance. Second, recommend different modus operandi to assist the EUDs in organising attractive EUFFs to reach a wider audience.

More specifically, the study proposes a set of strategic and operational recommendations to streamline the organisation of such festivals in a cost-effective way. The recommendations include improvements to:

- The selection of films - to propose the best of European cinema to international audiences (package of European films).
- The rights clearance process for screening films in cinemas or digital platforms.
- The marketing and promotion strategy at central and decentralised levels.
- The engagement and support of film professionals including talents.

The study covers all EUDs involved in the organisation of film-related activities, encompassing European film festivals, days/weeks of European cinema, special film screenings or screenings as part of larger events (such as Europe Day on the 9th of May) festivals of European films.

It should be noted that one cannot refer to a single type of film festival, as there are many models implemented by the EUDs. For example EUFFs: (i) wholly organised and funded by the EUD; (ii) co-organised and co-funded by the EUD and its partners (such as the Embassies and cultural institutes); and (iii) co-funded by the EUD and organised by a local partner (such as a film institute).

To simplify our development, we will to use the term 'European Union Film Festival' (EUFF) throughout this study (despite the fact that in certain third countries the EUDs have a limited role in the organisation and funding of the film

festival). The term will be used in a broad sense and also cover all the different types of films events that the EUDs are involved in: events that screen European feature films, animated films or documentaries to the general public for non-commercial purposes in cinemas or other venues.<sup>2</sup>

A European film is defined by Eurimages of the Council of Europe as 'a full-length feature, documentary or animation film which is produced or majority co-produced by one or more European company/companies, in which a majority of the professionals who contributed are clearly European nationals, and the film must be recognised as a national film by the producing country or co-producing countries'.<sup>3</sup>

## **Methodology**

The main approach to the study consisted in desk research and a consultation with relevant public and private stakeholders through an online survey and interviews. It followed different stages, as outlined below.

During the inception phase, desk research was carried out in order to identify and map appropriate sources and stakeholders. The initial background of EUFFs and their operations provided by literature review was used to feed into the design of the survey addressed to the EUDs, the follow-up interviews and case study interviews.

In addition to the literature review, scoping interviews enabled the understanding of the context and purpose of EUFFs, the issues at stake in their organisation and to gain insight of various stakeholders' views on and interest in these events.

The above supporting information ensured that the topics and questions of the survey were in line with the objectives of the study.

The second phase of data collection and information gathering was structured around a closed-answer survey (in Annex 1) focussing on the EUDs' experience in organising EUFFs, management models, audiences, funding, difficulties, interest in online EUFFs as well as in a package of European films.

Follow-up interviews were carried out with respondents to ensure accurate and complete information on each topic. Eight EUD officers were interviewed in total, together with three EUFF organisers (see Annex 4).

Building on the survey results and scoping interviews, eight case studies of EUFFs and other film festivals were identified to highlight best practices and provide in-depth details on the organisation of successful film festivals, including two online. In addition to screening relevant documentation, the team designed specific interviews with relevant stakeholder(s) for each case study on the basis of responses to scoping interviews and a survey to obtain detailed information on topics of interest. For one of the case studies a survey was also carried out among the members of EFADs (European Film Agency Directors). A summary of the case studies can be found in Annex 5 (film festivals) and Annex 6 (other film-related initiatives).

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<sup>2</sup> EUFFs are not events where films enter into competition and juries award prizes or market events that gather films professional wishing to buy a film for further distribution.

<sup>3</sup> This definition is based on article 3 of European Convention on Cinematographic Co-production. <http://conventions.coe.int/Treaty/en/Treaties/Html/147.htm>



The analytic phase consisted in the composition of descriptive statistics (percentages, cross-checking values) and content analysis of the answers to the survey as well as thematic and content analysis of all interviews in order to highlight common themes and issues related to the organisation of EUFFs. Building on the aggregated information, strategic and operational recommendations were drafted for support measures to assist the EUDs in the organisation of an EUFF. Lastly, interviews with private and public stakeholders at both European and national levels were conducted to test and refine the recommendations for activities to be implemented at EU headquarters and EUD levels (see the list of people interviewed in Annex 4).

## **Outline of the Study Report**

This feasibility study consists of six chapters. The first chapter highlights the political and economic dimension of the EUFFs organised by the EUDs. It shows three dimensions of the EUFFs for the EU strategies and policies on: diplomacy, culture and audiovisual policies as well as trade in films.

The second chapter outlines the results of the survey of the EUFFs organised by the EUDs and makes an impact assessment of their strengths and weaknesses. It also draws conclusions on the needs and requirements to improve the organisation of the EUFFs and increase their worldwide audience.

In the third chapter concrete proposals are made for support measures to be implemented at EU Headquarters level and EUD level. These recommendations are based on a set of guiding principles and quality standards. The financial and technical feasibility of the centralized support services are laid out in chapter 5.

Finally, the main conclusions of the study are set out in chapter 6.

The annexes provide the questionnaire sent out to the EUDs (Annex 1), together with the list of EUDs which answered the survey and those which did not (Annex 2), a summary of the current costs of organising an EUFF for each EU Delegation (Annex 3), persons and organisations interviewed (Annex 4), the case study on film festivals (Annex 5), the case study on film-related initiatives with which synergies could be created (Annex 6), a proposal for an online EUFF to be organised globally (Annex 7), specific guidelines for a call for tender to be launched by the EU to hire an External Service Provider (Annex 8) and finally a proposal for a EUFF Evaluation Framework (Annex 9).

## **2. EUROPEAN FILMS AT THE SERVICE OF EXTERNAL RELATIONS, AUDIOVISUAL POLICY AND TRADE IN AUDIOVISUAL WORKS**

### **2.1. EUFFs as an instrument to foster EU strategies and policies**

EUFFs are not just 'nice to have' events. To better understand how EUFFs can be a useful and effective tool for the EUDs, they first need to be put into the context of EU strategies and policies. There are three dimensions of the EUFFs that can add value to the activities the EUDs:

- EUFFs and external relations - diplomacy
- EUFFs and culture and audiovisual policies
- EUFFs and trade/ market access for European films

This triple dimension of the EUFFs needs to be taken into consideration if one wishes to develop a more coordinated approach to the organisation of attractive EUFFs (the so-called **triple D-CA-T dimension**). The three of them are interlinked and cannot exist without each other, in particular if the final aim of each EUFF is to reach a wider audience and receive the support of the European film industry. The following sections include an overview of the different strategies and policies in the field as well as the potential contribution of the EUFFs to them.

### **2.2. EU Strategy for Culture in External Relations**

To be able to use European films more effectively in the EU's external relations, it is important for EUFFs to be considered as a part of the overall strategy for supporting the EU's external relations.

In today's global world the EU should be equally concerned by deploying its cultural and creative assets, as it is by asserting its political and economic muscles. Culture needs to be fully integrated into the EU's diplomacy with a view to reach out more widely, show the value of Europe's artistic expressions and as a result improve the image of the EU abroad.

The EUFF is a tool for diplomacy to help EUDs to build relations, trust and mutual understanding with foreign governments and their local population. Films, including their entertainment value are influential means of expression and a mirror of human relations. They contribute to show the diversity of creative expressions thus contributing to EU's message of tolerance and freedom. They are opportunities to engage in a friendly way.<sup>4</sup>

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<sup>4</sup> EUFFs can be used by the EUDs to implicitly pass the message of European values to a wide audience - particular the values that have been laid down in the Article 21 of the Lisbon Treaty to guide the actions of the European External Action Service abroad. They are among others: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity and the principles of equality and solidarity. Article 21 of the TEU states: 'The Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect

In addition to developing a contemporary image of the EU and promoting democratic values, the EUFFs contribute to improving diplomatic relations and trigger much needed intercultural dialogue whilst respecting other traditions and values. Films are opportunities to debate on important societal issues and have the ability to diffuse cultural misunderstanding by enabling dialogue and fruitful exchanges on for instance the protection of the environment, peace and security, migration, gender equality, justice or freedom of expression.

A number of policy debates and initiatives in the last two years have led the EEAS, the European Commission (EC) and the European Parliament (EP) to reflect on the development of a joint strategy and show that a new policy is in the making to use culture in the EU's external relations. In 2007, the Council had already made culture a vital element of the EU's international relations and it had become one of the three priorities of its European Agenda for Culture.<sup>5</sup>

This was followed by the Preparatory Action 'Culture in EU External Relations' of 2014, the 2<sup>nd</sup> Council Work Plan for Culture (2015-2018) and the EP Hearing of the Joint AFET-CULT Committee of the EP of March 2015 (see box below).

This study is indeed a direct follow-up of the recommendations suggested in the final report of the Preparatory Action: 'Engaging the World: Towards Global Cultural Citizenship'<sup>6</sup>.

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for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law'.

<sup>5</sup> More specifically it mentioned objectives to enhance the role of culture in the EU's external relations and development policy, promote the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and contribute to its implementation at international level, foster intercultural dialogue and interaction between civil societies of EU Member States and third countries, and encourage further cooperation between cultural institutions of EU Member States, including cultural institutes, in third countries and with their counterparts in those countries. [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32007G1129\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32007G1129(01)&from=EN)

<sup>6</sup> Point 4.5.9. of the final report recommended that "The case can be made for a far more ambitious and structured scheme to replace some of the initiatives so far organised and funded by the EU Delegation itself or by European embassies or consulates with the support of the EU Delegation and Chambers of Commerce. Such a project could contribute to projecting a positive image of Europe and to enhancing intercultural dialogue. EU Delegations that wish to organise such festivals would be provided with a selection of recent or historically or culturally important European films, chosen on the basis of quality and significance. Sufficient funding would be made available to ensure that the films are marketed and distributed as effectively as possible to far larger audiences than a small capital city-based elite. Online film festivals should also be considered to reach wider and younger audiences, in particular in vast countries such as China, India, Brazil...etc. Each festival could include workshops for film-makers, producers, cinema funding agencies, distributors, etc. Film distribution in commercial circuits is a challenging marketing and management task. Hence ways will have to be found to involve professional expertise from the local cinema industry where this is not already provided. The project may be entrusted to a consortium of national film agencies and/or national cultural institutes, together with film professionals who are competent to work commercially with local operators (distributors, cinemas, VOD platforms...)". Page 131-132. <http://cultureinexternalrelations.eu/>

## Recent EU initiatives in the field of Culture in EU external relations

- **Preparatory Action 'Culture in EU External Relations' (PA)**

The PA was an initiative commissioned by the European Parliament (EP) and launched by the DG EAC of the EC (2013-2014). The EP called for the PA following its Resolution on the report of the Dutch MEP Marietje Schaake on the cultural dimensions of the EU's external actions in March 2011.<sup>7</sup> Androulla Vassiliou, the former Commissioner for Education, Culture, Multilingualism and Youth welcomed the PA report in June 2014 and urged the future Commission and European Parliament to implement the report's recommendations (including the recommendation on a more structured scheme for the organisation of EUFFs with the involvement of the EUDs).

- **Council Work Plan for Culture (2015-2018)**

One of the four priorities of the Work Plan for Culture adopted by the Council of Ministers for Education, Youth, Culture and Sport Council on 25 November 2014<sup>8</sup> included the raising of the profile of culture in the EU's External Relations. The Council agreed 'to take stock of the work carried out in the field of culture in EU external relations and on the need to continue working in this area, in cooperation with EEAS and the EC'. The work plan specifically mentioned the analysis and follow-up activities of the PA (thus including also a more structured scheme for the EUFFs).

- **Hearing of the Joint AFET-CULT Committee of the EP (March 2015)**

The Joint Committee on Culture and Education (CULT) and Committee on Foreign Affairs (AFET) of the EP organised a Hearing on Cultural Diplomacy and the follow-up to the PA on 23 March 2015.<sup>9</sup> At the hearing MEPs called for a more systematic collaboration between the two parliamentary committees, along with the EC and the EEAS on the subject of culture in the EU's external relations. As far as the organisation of EUFFs is concerned this meant that ways to create synergies with the EP LUX Film Prize and promote its three finalist films in third countries could be explored (see section 4.4).

As a follow-up to the above-mentioned initiatives, the EEAS and the EC, including DG EAC, DG DEVCO and DG NEAR, are reflecting on the development of a European strategy for cultural diplomacy in the EU's external relations.<sup>10</sup> They are examining ways to put in place a modern and holistic approach to cultural diplomacy – an approach focused on building mutual trust and understanding between people to meet the challenges that the EU is facing in a global world. A consultation meeting was organised with stakeholders on 9 of June 2015 to discuss a concept note prepared by the EEAS and the EC.<sup>11</sup>

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<sup>7</sup><http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A7-2011-0112+0+DOC+XML+V0//EN>

<sup>8</sup> <http://data.consilium.europa.eu/doc/document/ST-16094-2014-INIT/en/pdf>

<sup>9</sup> The video streaming of the meeting can be found at the following:

<http://www.europarl.europa.eu/news/en/news-room/content/20150319IPR35930/>

<sup>10</sup> See Glossary of terms of the Preparatory Action for Culture in the EU's External Relations (2014), p. 134-135

<sup>11</sup> Many representatives of the cultural and creative sector criticised the use of the term 'cultural diplomacy' and insisted that the EU institutions use the term 'external cultural relations'. The term and concept of 'cultural diplomacy' has evolved in recent years. In its original sense it refers to the

### **2.3. EUFFs and culture and audiovisual policy**

The activities of the EUFFs are part of the EU's media and audiovisual policy which aims to increase the outreach of European film outside the EU and create a new audience for European cinema.

A number of EU funding programmes for the audiovisual sector have focused on improving access to international markets and strengthening the distribution of European films in non-European markets (e.g. MEDIA Mundus programme (2011-2013) and more recently certain strands of the Creative Europe programme such as its MEDIA sub-programme). The scope of the Creative Europe programme is much more limited than the MEDIA Mundus programme for beneficiaries of third countries that are not a partner of the programme (see section 5.3).

The new EU Film strategy laid down in the EC Communication on 'European audiovisual policy in the digital era'<sup>12</sup> underlined that much effort had been devoted to supporting production rather than the marketing and distribution of European films. Currently around €2.1 billion is provided annually in support of the European audiovisual industry by European and national film funds,<sup>13</sup> including approximately €110 million from the Creative Europe MEDIA sub-programme.

Both the Council<sup>14</sup> and the EP<sup>15</sup> also agreed that there was a need to rebalance European and national funding to the benefit of development, promotion and international distribution of European films.

'Improving the international distribution of European films is crucial, not just economically but also in terms of diversity', said Androulla Vassiliou, former European Commissioner for Education, Culture, Youth and Multilingualism. 'This is one of the objectives of our Creative Europe MEDIA sub-programme and an area where we add real value at European level. But it is clear that more needs to be done to increase the audience for European-made films and to improve cross-border cooperation.'<sup>16</sup>

Reaching new audiences for the culture and audiovisual sector in general is listed in the mission statements that President Juncker sent to Vice-President for Digital Single Market, Andrus Ansip, Commissioner for Digital Economy and Society, Günther Oettinger and Commissioner for Education, Culture, Youth and Citizenship, Tibor Navracsics. The adopted 2015 Work Plan for the MEDIA sub-

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projection by governmental agents, i.e. diplomats, of their countries' cultural values and achievements to the rest of the world. Nowadays civil society and private sector organisations also consider the cultural relations that they promote to be a form of cultural diplomacy. To avoid confusion and not mislead in thinking that all activities are government-led they would therefore prefer to use the term 'external culture relations'. This is a more 'updated' term reflecting the reality of the multitude of public and private networks in the globalised world and would ensure that all activities do not have to be led by the EU institutions. In addition, this term would implicitly accept that the cultural and creative sector of the EU would need to play a bigger role in the development and implementation of an effective EU strategy. In practice this would also call for a stronger involvement of the European film sector in the set-up of the EUFFs.

<sup>12</sup> European Commission (15 May 2014) Communication "European film in the digital era. Bridging cultural diversity and competitiveness." [http://ec.europa.eu/culture/library/reports/com272\\_en.pdf](http://ec.europa.eu/culture/library/reports/com272_en.pdf)

<sup>13</sup> European Audiovisual Observatory (2012) Public Funding for Film and Audiovisual Works in Europe.

<sup>14</sup> Council of the European Union (26 November 2014), Conclusions of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, on a Work Plan for Culture (2015 - 2018) <http://data.consilium.europa.eu/doc/document/ST-14951-2014-INIT/en/pdf>

<sup>15</sup> European Parliament (1 April 2015), Report on European film in the digital era. <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P8-TA-2015-0108>

<sup>16</sup> European Commission, Press Release (15 May 2014), New European film strategy aims to boost cultural diversity and competitiveness in digital era.

programme with calls for proposals dedicated to access to markets, international co-productions and support to distribution, was therefore in line with President Juncker's policy orientations for the culture and the audiovisual sector.

## **2.4. EUFFS and trade in audiovisual works**

It is important to recall the economic and industrial importance of the audiovisual sector. EUFFs can contribute to improving the economic situation and international standing of the European film industry by generating new audience and supporting market access. The US diplomacy is particularly efficient in supporting the international reach of Hollywood films whose turnover depends on international markets (more than 50%). EUFFs' ability to help market access will also encourage the European film industry to support their activities by attending such events, participating in side events and volunteering artistic and professional presence that contribute to the promotion and marketing of the EUFFs.

### **Overview of the Global Film Market**

In 2014 the global box office earnings for all films released theatrically amounted to \$36.4 billion (€30.2 billion)<sup>17</sup> according to the Motion Picture Association of America (MPAA).<sup>18</sup> This is an increase of 1% from 2013, mostly due to an increase in the international box office<sup>19</sup> that accounted for 72% of global box office in 2014. The United States, the largest market in the world, experienced a 5% decrease in its box office from 2013. Other regions also saw their box office increase, such as the Asia-Pacific Region with a 12% increase as compared with 2013 and maintaining its position as the second largest region in international box office. China, with an unprecedented rise of 34% in box office, comes third followed by Latin America and Europe. The number of cinema screens increased by 6% in 2014 to reach 142,000 worldwide, supported by a 15% surge in the Asia-Pacific region. Digitization of cinemas registered a 14% growth, now covering 90% of the world's cinemas.

### **Overview of the European Film Market**

#### **Key figures for European film sector**

- 1,600 films produced in 2014
- 6.32 billion Euro in box office value
- 2.1 billion Euro is provided in support by European and national film funds
- More than 650,000 people are employed

<sup>17</sup> Conversion rate applied for 1st January 2015.

<sup>18</sup> Motion Picture Association of America (2015) Theatrical Market Statistics 2014.

<sup>19</sup> International Box Office is understood by MPAA as all markets for all films (disregarding distributor or country of origin) but excluding the US/Canada markets

- 33.6 % of market share of European films in EU
- 8% of European films are released in cinemas outside the EU
- 3% of market share in 10 major non-European markets

The volume of films being produced in the EU has never been so high. The year 2014 was a top year and more than 1,600 feature films were made (1,118 feature fiction films and 485 feature documentaries).<sup>20</sup> Almost a third of these were co-productions. As far as admissions are concerned, US films experienced a drop from 69.5% of market share in 2013, to 63.1% in 2014.<sup>21</sup> As a consequence, European films admissions reached a record level of 33.6% market share in the EU<sup>22</sup>. The entire audiovisual sector has a turnover of €133 billion of which nearly €17 billion can be attributed to the film sector (including physical home entertainment, advertising revenue, VOD revenue and exports).<sup>23</sup> Gross box office value only, in the EU, represents €6.32 billion.<sup>24</sup> More than 650,000 people are employed in the film industry.<sup>25</sup>

Most European films are however not distributed across borders and are only released in the country where they have been produced. Only 8% of European films are released in a cinema outside the EU and the market share of European films on the international market is low.<sup>26</sup> Recent statistics showed that they accounted for around 3% of the total admissions in 10 major non-European markets countries in 2010.<sup>27</sup>

The low market share of films outside of the EU is an indication that European cinema is not reaching popular audience and young people around the world. This is affecting Europe's image and influence in the world. Hence more needs to be done to promote trade in audiovisual products.

In this context the study suggests that EUFFs should also act as a means to increase the visibility of European films abroad and find synergies with existing EU funded programmes aimed at supporting the international distribution of films such as the European Film Promotion (EFP).<sup>28</sup> This will contribute to engaging the European film industry as partner of EUFFs and generate the feeling that films are not simply instrumentalised for diplomacy gains. In a later section we will consider how important it is to gain the trust and collaboration of film industry representatives (whether to acquire rights or to contribute to promotional activities).

<sup>20</sup> Press Release European Audiovisual Observatory, Council of Europe, Strasbourg (5 May 2015): Box office up in the European Union in 2014 as European films break market share record.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> EY (2014) Creating growth Measuring cultural and creative markets in the EU. Data for 2012.

<sup>24</sup> Press Release European Audiovisual Observatory, Council of Europe, Strasbourg (5 May 2015): Box office up in the European Union in 2014 as European films break market share record.

<sup>25</sup> EY (2014) Creating growth Measuring cultural and creative markets in the EU. Data for 2012.

<sup>26</sup> European Commission, Press Release (15 May 2014), New European film strategy aims to boost cultural diversity and competitiveness in digital era.

<sup>27</sup> European Audiovisual Observatory report on Theatrical Export of European Films in 2010 (2012).

<sup>28</sup> <http://www.efp-online.com/en/>

### **3. IMPACT ASSESSMENT OF EUFFs**

In order to be able to make recommendations on different modus operandi for support measures at EU Headquarters and actions to be taken at EUD level an online survey was carried out among 137 EUDs or EU offices abroad. The aim of the survey was twofold:

- 1) obtain a better overview of how and with what means the EUFFs are being organised by the EUDs around the world (e.g. its partners, budget, type of films, negotiation of screening rights, etc.) and
- 2) get a better understanding on the type of support measures the EUDs would like to receive from EU Headquarters.

The survey contained 48 closed questions with possibilities for the EUDs to add comments on how the EUDs organised an EUFF and what type of support measures they wished to receive from EU Headquarters (see Annex 1 for a sample of the questionnaire). The survey was sent, together with an accompanying letter, to the Head of Delegation, the Head of Press and Information Section, the Press officer or to the Cultural Attaché of each EUD.

The response rate of the survey was high and 103 out of the 137 EUDs completed the survey.<sup>29</sup> Responses were received from all the EUDs based in the ten strategic partners of the EU and from 13 of 16 the EUDs situated in the European Neighbourhood Policy (ENP) countries (see Annex 2 for the list of respondents/non-respondents). There was a high interest among the EUDs to participate in the survey and overall they welcomed the initiative to examine how EU Headquarters could support the organisation of EUFFs in the different territories or countries around the globe.

Below some facts and figures are given on the main results of the survey. It is interesting to note that more than 50% of the EUDs are involved in the organisation of an EUFF. The survey showed that this was the case for 76 EUDs.

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<sup>29</sup> The response rate to each of the 48 questions was between 85% and 100%. For the analysis of the results 100 of the 103 completed surveys were retained.



### **3.1. Facts and Figures about EUFFs worldwide**

#### **3.1.1. An overview of film-related activities in EUDs**

- **Number of EUFFs taking place – 76 EUDs are active**

EUFFs offer many people all over the world the opportunity to appreciate European cinema. They represent special occasions to discover films that the local audience would usually not be able to watch in the cinemas in third countries. As mentioned above the survey revealed that at least 76 EUFFs take place annually during different months of the year.

Almost half of EUFFs (47%) are running their second to fifth edition in 2015 and 17% of them are more than ten years old. Some EUFFs have already existed for longer than 20 years, for example in Singapore (25<sup>th</sup> edition in 2015 – making it the longest foreign film festival taking place in Singapore), Morocco (24<sup>th</sup> edition in 2015), Tunisia and Lebanon (respective 22<sup>nd</sup> editions), Colombia (21<sup>st</sup> edition) and India (20<sup>th</sup> edition).

According to the survey answers, the number of EUFFs taking place is expected to grow as a large majority of EUDs will renew their EUFF in 2016. Some will even run their first edition in 2015 or the coming years. Only a very low proportion of the EUDs do not plan to organise one in the near future.

EUFFs do not only take the local context into consideration, but there are also movements to integrate new technologies to bring European films to a wider and younger audience such as online VOD services. In China the EUD organised the first online EUFF, with tremendous results (17,532,766 viewers for the first edition in 2012). The survey showed that half of the EUDs would be interested in testing such a format that complements the more traditional on-site screenings.

- **World Geographical Coverage**

Film related activities cover the 5 continents. America is the region with the largest geographic coverage (including North and Latin America). Only the EUD to Cuba is currently not organising an EUFF (see figures below)<sup>30</sup>. There are at least 24 African and North African countries and 20 East and South Asian countries (including Central Asia, East and South Asia) that are involved in the organisation of a EUFF. All EUDs in the ten strategic partners of the EU<sup>31</sup> and in 13 out of 16 neighbourhood countries<sup>32</sup> are taking part in such activities.

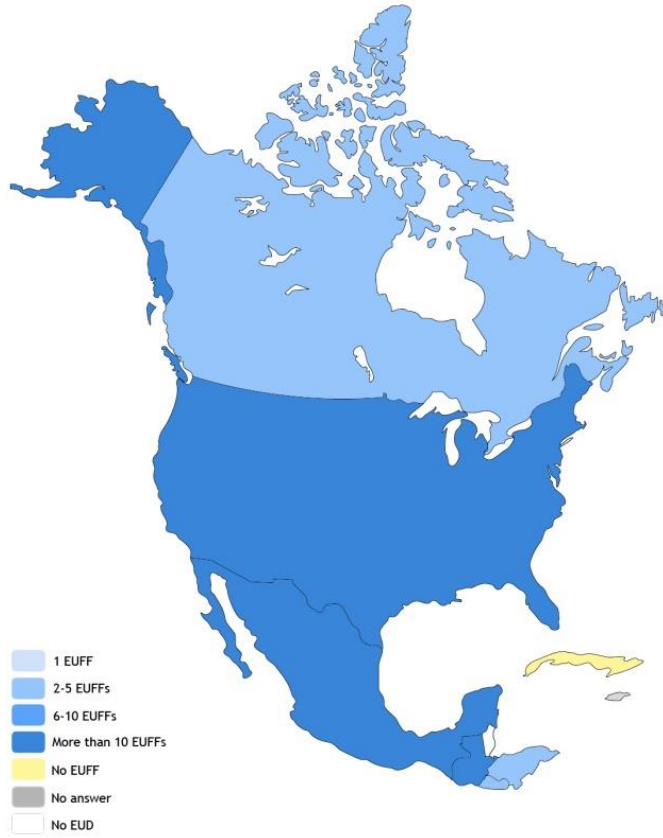
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<sup>30</sup> Although Bolivia and Chile have not responded to the survey, further research proved that they do organise a film festival.

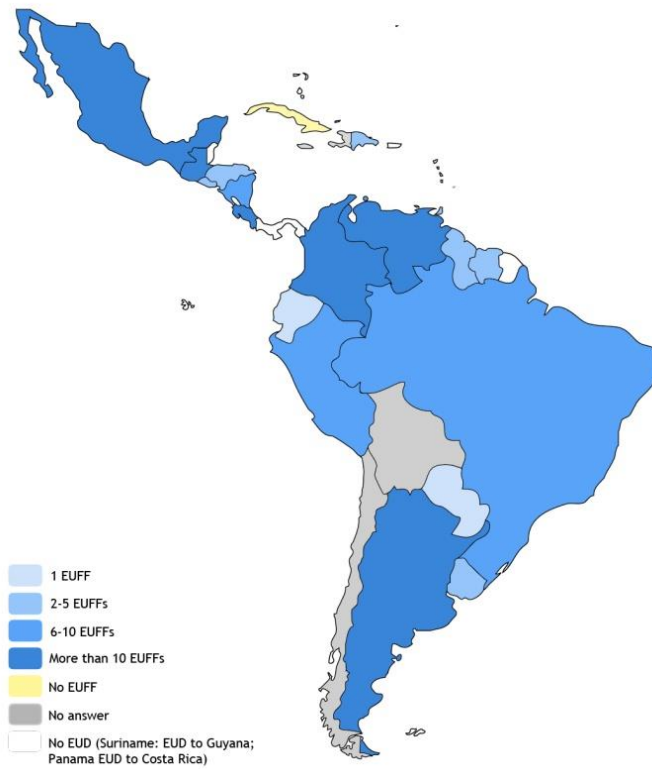
<sup>31</sup> Namely Brazil, Canada, China, India, Japan, the Republic of Korea, Mexico, Russia, South Africa and the USA.

<sup>32</sup> EUDs in European Neighbourhood Policy countries that contributed to the survey and organise a EUFF are Moldova, Georgia, Azerbaijan, Lebanon, Israel, Egypt, Tunisia and Morocco.

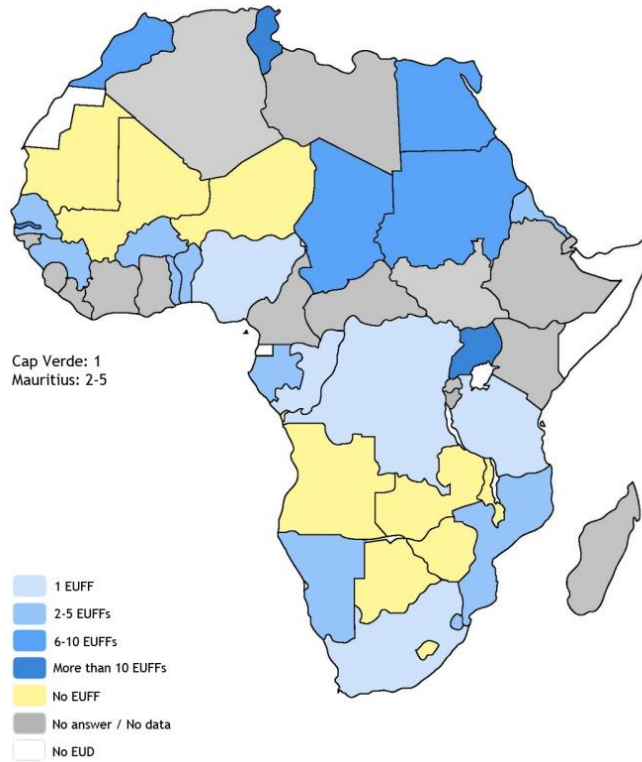
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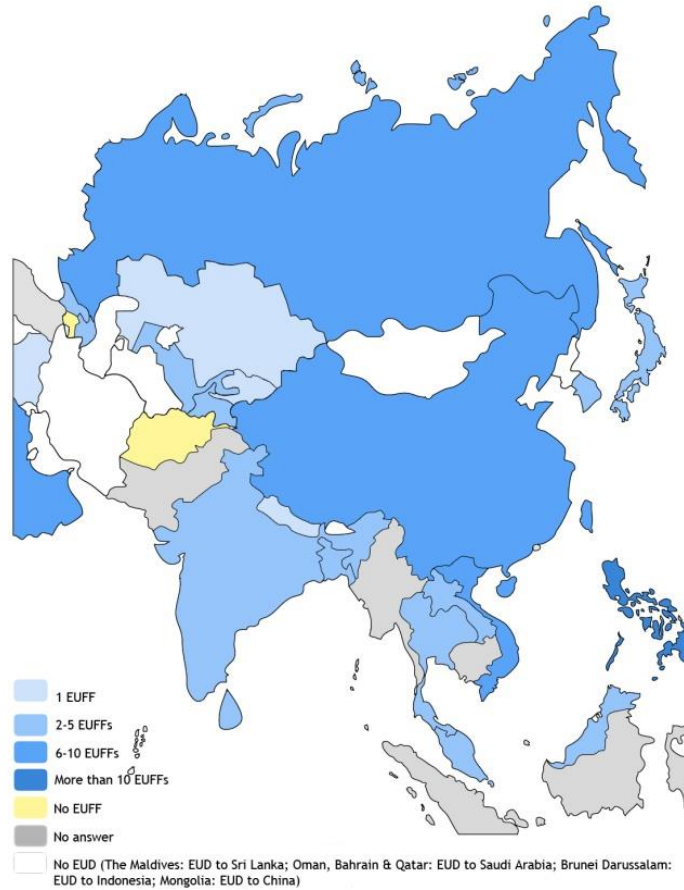
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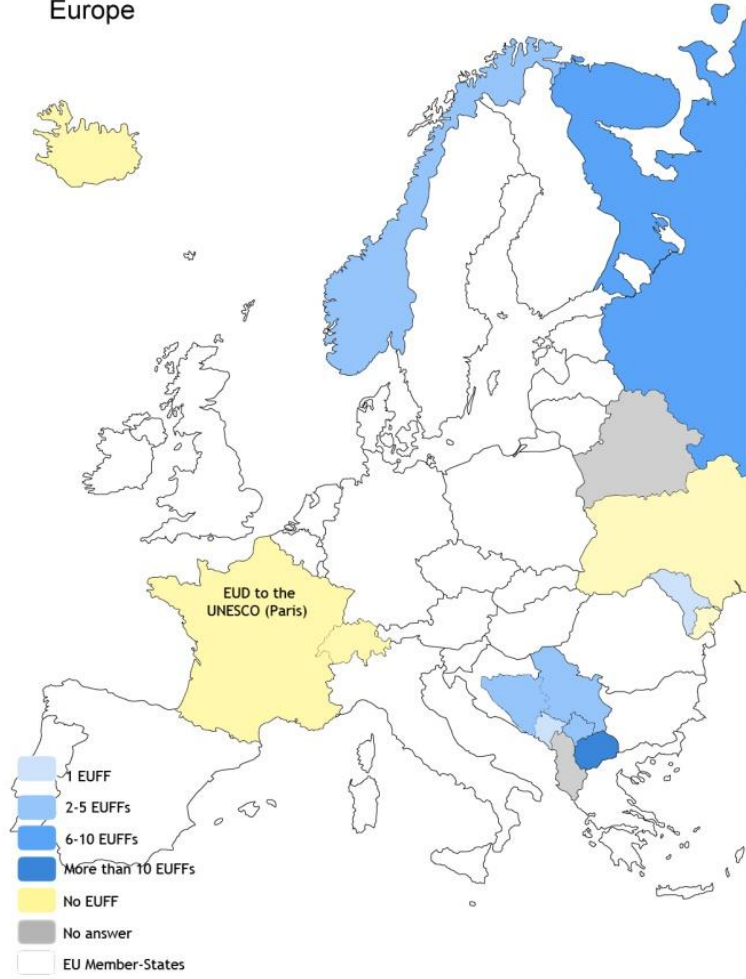
## Africa



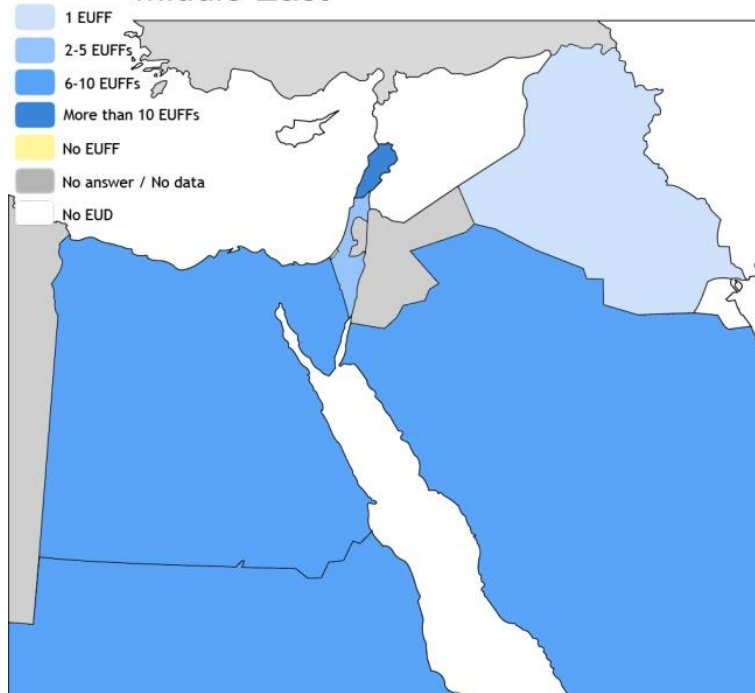
## Russia, East and South Asia



## Europe



## Middle East



- **Local geographic coverage: EUFFs in more than one city**

In order to reach out to audiences, half of the EUDs have expanded the scope of their EUFFs beyond the capital and organise them in several cities, of which 50% in more than four cities. In India, Venezuela and the Philippines the film screenings are taking place in more than six cities and count on more than 20,000 viewers (despite their modest budgets). In the last case, enlarging the scope of the EUFF from three to six cities in 2012 led to a sharp increase in attendance – it rose from 29,000 to 36,500 people within a year.<sup>33</sup>

Bringing the EUFF to second tier cities or remote areas, where European films would otherwise hardly been screened, contributes to audience building, film education and social development.<sup>34</sup> It is all the more important for large countries such as India (films are screened in Chennai, Delhi, Mumbai, Kolkata, Chandigarh, Coimbatore, Ahmedabad and Jodhpur) or Canada (the EUFF takes place in Ottawa, Toronto and Vancouver) and for countries whose geography does not allow people to easily travel to the capital city like Argentina (from Buenos Aires to Tucuman in the centre or from the Northern city of Salta to Ushuaia in the extreme South).

Different modalities are used to make the EUFF travel across the country. Some of them are properly 'touring festivals', proposing the same programme in each city over a period of time: for example during one month in Morocco in three cities (2014) and for four months in eight cities in India (2015). Other EUFFs such as the one in Peru schedule screenings of different films simultaneously in various cities.

- **Reach out: EUFFs as popular events**

EUFFs are popular events among local audiences. Representatives of the sector were surprised to hear that the traditional on-site film festivals reached approximately 409,000 people globally<sup>35</sup> and that the online experience in China had recorded 17 million viewers in 2012.<sup>36</sup> EUFFs are therefore an effective tool to build a local audience for European films and to increase the visibility of the EU.

EUFFs mainly target the local population – both adults and young people. They are not just 'cocktail diplomacy' events: indeed 31% gather up to 1,000 persons, 28% between 1,000 and 5,000, 17% between 5,000 and 10,000 and 18% more than 10,000.

It is noticeable that EUFFs with a higher budget (minimum of €50,000) taking place in at least six cities have the highest number of viewers (Lebanon, Tunisia, Guatemala and Colombia). A higher budget does not however always guarantee a large audience, but overall we have seen that the less endowed EUFFs are not successful in attracting a large audience. This is particularly striking in the ACP

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<sup>33</sup> Julian Vassallo, Political Counsellor at the EUD to the Philippines. [http://eeas.europa.eu/delegations/philippines/documents/press\\_corner/20132708.pdf](http://eeas.europa.eu/delegations/philippines/documents/press_corner/20132708.pdf)

<sup>34</sup> Examples can be found in South Africa, Colombia, Chad, Benin. See below 'EUFFs to engage in dialogue with the local stakeholders'.

<sup>35</sup> Estimation made on the basis of the attendance at individual EUFFs (on-site) from data gathered through the online survey.

<sup>36</sup> Online EUFF organised by the EUD to China in 2012, see case study on the online EUFF in annexes.

countries where 65% of EUFFs are organised with less than €10,000: 56% do not reach out to more than 1,000 people and 48% do not fill more than half of their seat capacity.

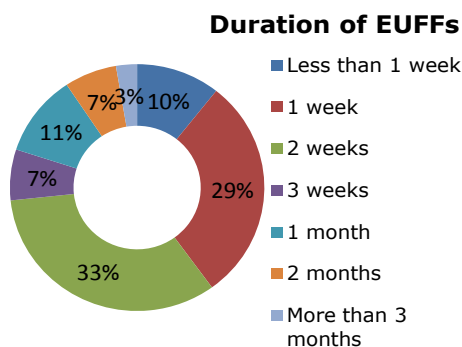
Festivals reaching the largest audience are 'Cine Europa' in the Philippines (36,500 people), 'Festival Eurocine' in Colombia (25,025 people), the 'European Film Days' in Tunisia, the EUFF in Guatemala, 'Euroscopio' in Venezuela, the EUFFs in India (which all reach more than 20,000 people) and the online EUFF in China (17 million viewers in 2012).

Amongst them, Tunisia, Guatemala and Colombia benefit from important financial resources (€50,000-70,000 range).

Some EUFFs do manage to attract wide audiences despite their small budget (below €10,000), for example in India, Venezuela, Taiwan and the Philippines which all take place in more than six cities. Making thus the case to organise the EUFF in as many cities as possible to be able to reach a wide local audience.

- **Format: Length of the festival, venues and entrance fees**

The vast majority of EUFFs take place within a three-week period of time, only a small number last for one month or more.



47% of EUFFs take place in commercial cinemas (sometimes in combination with other venues – 41% take place only in commercial cinemas);

41% of EUFF are organised in cultural centres (32% take place only in cultural centres);

4% take place exclusively in universities or schools.

To embed European cinema in the local cultural landscape, EUFF organisers highlight the importance of engaging in partnerships with local cinema networks. EUFFs already present a potential to show more European films in commercial cinemas and not only cultural centres or other venues, there is however scope for EUDs to increase local partnerships with owners/networks of cinema theatres. At present 33% of the EUDs are working together with local cinema networks. Amongst the 7 most attended EUFFs (gathering more than 20,000 viewers), 86% take place in commercial cinemas although some of them combine with other venues such as cultural centres or universities.

Although commercial cinemas are the most widely used EUFF venue, not even a third of them request an entrance fee. Results from the survey show that EUFFs organised in the Asian-Pacific region and in Latin America are more likely to be ticketing events than in other parts of the world.

Some EUFFs such as the *Festival de Cine Europeo* in Colombia make use of both ticketing screenings in cinemas, for which the latter receive a share of the ticket sales, together with free events organised as part of an inclusive approach looking at cinema as an educational and social inclusion tool.

### **3.1.2. Management of EUFFs**

- **No fixed model for EUFFs but similar objectives**

On the management side of EUFFs there is no fixed model among the EUDs. Each film festival is organised differently and their model depends on the resources available, the local context, partnerships with the Embassies and cultural institutes of the EU Member States and stakeholders in the country. Some EUFFs focus on a specific theme, some also screen short films, animated films, documentaries, films from European states that are not a member of the EU or local films. Despite these differences they all tend to pursue similar objectives. By order of importance they aim to: promote the EU, foster cultural diplomacy and showcase European culture through the diversity of its cinema.

In broad terms there are three ways the EUDs can be involved in the set-up of a EUFF: (i) the EUDs organises and funds 100% of the EUFF, (ii) the EUD subcontracts the organisation of the EUFF and funds 100%, and (iii) a third party organises the EUFF and the EUDs partly finances the EUFF.

The third party can be for example a local film institute, a cultural institute of an EU MS or a foundation. The EUD contributes as one of the partners of the EUFF but the third party relies on other sources of funding (e.g. sales of tickets and sponsoring) as well as the contribution of its other partners. Representative examples of this model are the *Eurocine* festival held in Colombia and run by a separate foundation<sup>37</sup> or the European Film Showcase in the US organised by the American Film Institute. In the latter case the EUD only supports the opening and closing ceremonies of the EUFF with a €5,000 budget.<sup>38</sup>

These different types of EUFFs are summarised in the table below.

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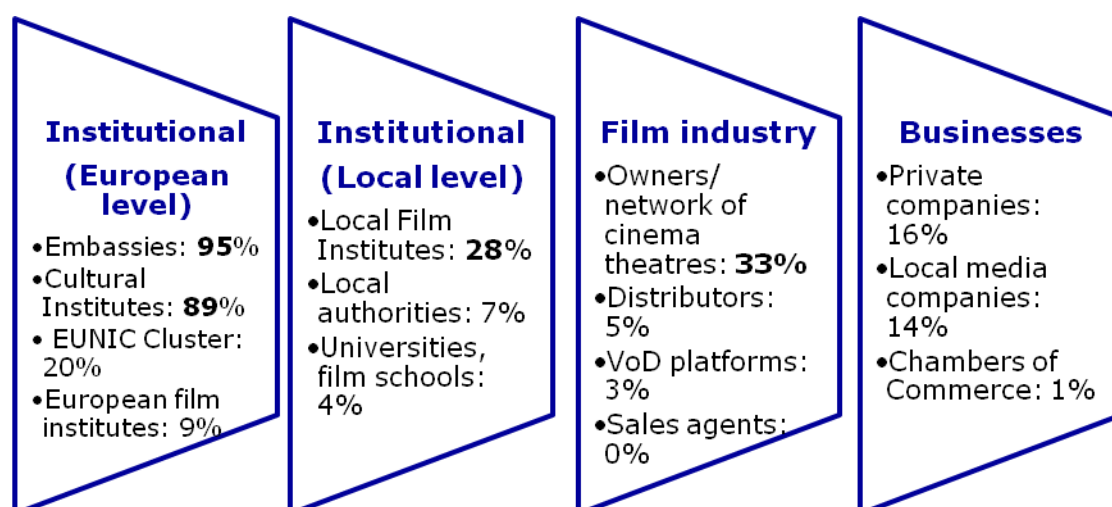
<sup>37</sup> See case study in Annex 5.

<sup>38</sup> Interview with Sandra Auman & Yasmina Soud of the EUD to the USA in Washington DC on 12 December 2014.

| Main organiser             | EUFF organised by the EUD           |   | EUFF organised by third party   |
|----------------------------|-------------------------------------|---|---|
| <i>Initiator</i>           | <b>EUD</b>                          |   | <b>Third party</b>  |
| <i>Involvement EUD</i>     | EUD handles the entire organisation | EUD subcontracts /signs a grant contract with a local company           | EUD is one of the partners (not the leader)   |
| <i>EUD share of budget</i> | High proportion or 100%             |   | Small share of budget   |
| <i>Examples</i>            | Lebanon, Tunisia, Argentina         | Egypt (grant to local company)<br>Morocco, China (subcontracts company) | Colombia (Cultural Foundation Eurocine)<br>USA (American Film Institute)<br>South Africa, Ecuador (Embassies and Cultural institutes of EU MS and local partners) |

**Table 1 : Different ways of managing EUFFs by EUDs**

• **EUFF Partners**



EU Member States, through their network of embassies and cultural institutes, are the main institutional partners of EUDs in organising EUFFs. The survey showed that in almost all EUFFs they also contribute substantially to the budget. Embassies were in 97% of the cases a partner and contributed in 69% of cases to the budget of the EUFF. For the cultural institutes these figures were respectively 89% and 60% (see below 'Average budget and sources of funding').

These partnerships are therefore crucial, not only in terms of budget and films but also to provide spaces for screenings and/or the opening/closing ceremony. Indeed, some EU MS get non-commercial screening rights for a number of

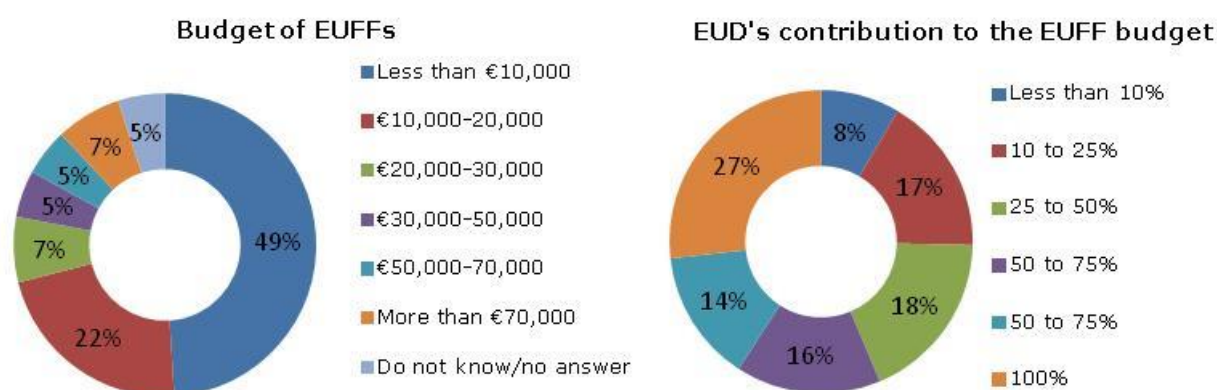


national films.<sup>39</sup> Cultural services of EU MS abroad can also be pivotal in the diplomatic discussion to get screening rights for expensive awarded films thanks to their relationships with the national film industries.

Embassies and cultural institutes of EU MS are all the more important for EUFFs where the film industry and professionals (both at the European and at the local level) remain a missing link in the chain. Sales agents do not intervene in any EUFF, 33% of EUDs actually cooperate with cinemas and only 5% with local distributors. According to survey answers, the sector is not considered as a targeted audience and EUFFs are not used to promote trade and business cooperation. On the other side, the film industry does not perceive the EUFFs and related events as an opportunity for the commercial promotion of European films hence the lack of dialogue between the two parties. Sources from the industry that were interviewed insisted on the non-commercial feature of EUFFs and therefore they did not feel the need to engage with them.

- **Average budget and sources of funding**

Often dependent on the will and skills of the EUD's personnel, EUFFs are usually under resourced in financial and human terms. The most compelling evidence is that nearly half of EUFFs organised or supported by a EUD have a budget inferior to €10,000. An estimation of the current budgetary practices of each Delegation in organising EUFFs, can be found in tables summarising the budget, licensing and subtitling costs, the contribution of the EUD, the source of the films and the use (or not) of a curator or subcontractor for the selection of films presented per region in Annex 3.



The EUD is the main funder in the majority of the cases, through its Press and Information section's budget.

The EUFFs organised with the highest budgets (above €50,000) are located in: Morocco (€156,860), Lebanon, Egypt, Guatemala, Mexico, the USA, Tunisia and Colombia.

<sup>39</sup> See the description of embassy packages in Annex 5.

Among them, the EUDs to Morocco, Lebanon and to Tunisia fund 100% of the EUFF. The EUD to Colombia contributes less than 10%, in Guatemala and in the USA between 10 and 25%, in Egypt and in Mexico 25 to 50%.

- **EUFFs are professionally organised in only a minority of countries**

The majority of the EUFFs are often part of the communication and visibility strategy of the EUDs and handled by the staff of the Press and Information Section. EUFFs are time and energy consuming events. It is a complex task for the EUDs to programme an attractive event requiring adequate resources in terms of time allocation, personnel and budget. The survey and interviews have shown that EUDs seldom have the appropriate means to organise an effective and successful EUFF.

They often rely on the commitment and personal taste for cinema of the people based in the EUDs, working extra hours to ensure the film festival takes place. Nonetheless it can be noted that some EUDs have managed to build internal expertise overtime. Scrutiny of examples in Lebanon, Morocco, Argentina and Peru show that after a number of editions, their members of staff have obtained the contacts and experience to effectively plan a festival. Aware of the processes involved in obtaining films and setting up screenings, they are able to successfully renew the EUFF every year.

'The organisation of a EUFF and its quality are highly dependent on the people present at the Delegation. Normally EUD officers have the skills to promote European culture, which can be less the case when the Press Officer is a locally employed person, unless (s)he is well trained, interested in the topic and committed to deliver quality. EUFFs are extra working time for press officers, they are organised "as a plus". There is a lack of staff within EUDs to internally follow the EUFF'. First Counsellor at the EUD to Uganda

EUFFs are not only time consuming but they also require human capacities the EUD cannot provide alone. The lack of human resources at the EUD appears to be a major difficulty for 33% of EUFFs organisers.

Evidence from the survey and follow-up interviews provide the following examples of successful initiatives:

- The *Semaines du Film Européen* in Morocco takes place every November and planning starts in May of the same year. The EUD subcontracts a specialised agency to organise the festival, including selecting and obtaining films from right holders through a partnership with Europa Cinemas.<sup>40</sup> One and a half months of full-time work is required by the latter to secure the 8 films, which are to be screened during the EUFF.
- The EUD to Argentina reported for its part that the EUFF is a 9-month process starting in December with a meeting of the EU MS embassies about 5 months prior to the first screenings in May. Then the selection of films needs to be validated and parallel talks are engaged with organisers of the European Week in Argentina. After that the EUD schedules the tour of the festival and

<sup>40</sup>Thanks to their contacts with rightholders for the films, Europa Cinema is able to assist the subcontracted agency in obtaining the rights of the selected films for the festival. See case study on the *Semaines du Cinéma Européen* in Annex 5.

contracts a company for promotional material. The evaluation and reporting is closed in late August or beginning of September.

- The European Film Festival in South Africa, the first edition of which was very successful audience-wise (2014), needs a full-time team during 6 months prior to the festival.

In addition to time and personnel required to select and negotiate the screening rights, knowledge and expertise are essential to market and promote the event to catch the attention of the local media and reach out to targeted audiences. Less than 50% of the EUDs subcontract these activities to a PR agency. The survey also revealed that the EUDs are in general not specialised in culture and even less in the audiovisual sector. As an illustration in the survey, almost a third of EUDs do not know the share of European films in the country of their EUD.

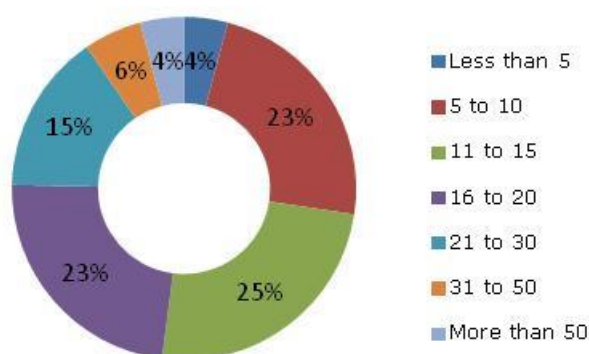
If the majority of EUFFs subcontract some activities, the entire organisation process is not often subcontracted: in 29% of the cases a local organiser, film expert or promotional agency is selected through a call for tender or grant procedure.

Entrusting local professionals with the mission of organising the EUFF maximises the chances of an optimum organisation. Good results of the EUFF also help EUDs to sustain good relations with the local audiovisual sector.

- **Programming: showcase the diversity of European culture and select films matching local audiences**

The survey and interviews made it clear that the programming of an EUFF with an attractive programme is a complex issue and professional support is needed. EUFFs face the challenges of selecting films that are relevant and interesting for local audiences and that reflect the diversity of European film production.

**Number of films screened per EUFF**



Showcasing European culture is one of the main objectives of EUFFs, but this is also a major challenge for the event's programming. EUFFs aim to bring a variety of European films representing the diversity that lies at the heart of the European project and show in one single event the broad palette of European artistic creation. Nearly half of them screen between 11 and 20 films coming from an

average of 5 to 15 EU MS. Attempts to strike a geographical balance between EU MS in the selection of films have been stressed as a concern by some EUDs. In particular giving more visibility to smaller countries whose film production is less known in comparison to major European film producing nations.

'Usually the most successful films are the least expected, from small EU countries whose cinema is not familiar to the locals'. Press and Information Adviser, EUD to Argentina

In the same way as the overall organisation of EUFFs is not handled by culture professionals, the programming and film selection is seldom operated in a professional way as only 16% of the EUFFs use a curator to advise on the selection of films taking into account the local context and audiences' taste. In contrast, embassies contribute to the selection of films in 77% of the cases and cultural institutes in 43% of EUFFs<sup>41</sup>. The range of countries represented in the programming is thus highly dependent on films made available by embassies or cultural institutes. For this reason EUDs wrestle to get films from countries which do not a) produce many films, b) have a package of films cleared of rights or c) have a diplomatic or cultural representation in the country. This difficulty affects the ability of the EUDs to show Europe's diversity and the position of EUDs to make the most appropriate selection.

- **Adaptation to local situations: regulations, censorship and security environment**

A series of obstacles at the local level can hamper running EUFFs in a number of third countries. First, is the censorship applied by local authorities whose level of scrutiny varies from one country to another. In such cases, for the EUFF to be able to take place, the EUD needs the approval of the responsible audiovisual authorities. Films usually have to comply with local standards on nudity, verbal or physical violence or political sensitivities, which can de facto exclude some films from the selection. Curating is important in this respect to avoid unnecessary friction.

Quotas for foreign films entering the market can also be a hindrance to the maximum number of European films that can be screened in local cinemas or on VOD platforms.

Finally, unstable political environments also affect the showing of films in numerous territories. EUDs in such countries remain however keen to organise EUFFs, to build on the power of cinema to deal with special issues in conflict or post-conflict contexts. 'Dialogue and reconciliation' was thus the theme as well as the aim of the first EUFF organised in Iraq in 2015.<sup>42</sup>

These constraints often act as an additional budget constraint such as the obligation to dub or subtitle films as a condition to pass the censorship test.

### **3.2. D-CA-T assessment of EUFFs**

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<sup>41</sup> They respectively negotiate the screening rights in 50% and 34% of EUFFs.

<sup>42</sup> EEAS, EU Delegation to Iraq Information note, '2015 European Union (EU) Film Festival in Iraq' [http://eeas.europa.eu/delegations/iraq/eu-film-festival/index\\_en.htm](http://eeas.europa.eu/delegations/iraq/eu-film-festival/index_en.htm)

Survey results and analysis of the interviews show a potential for EUFFs to achieve a triple dimension: Diplomacy – Culture and Audiovisual – Trade (D-CA-T); thus contributing to Europe’s diplomacy, increasing mutual understanding, supporting cultural activities as well as serving the trade and economic interest of the EU’s audiovisual industry. Nevertheless this triple dimension could be further improved, to cope with the needs of EUDs as later exposed in section 3.4.

### **3.2.1. EUFFs as a tool for EU Diplomacy and Cooperation with EU Member States**

- **The ‘European added value’ of EUFFs:**

EUFFs are one of the main public relations events of the EUDs. The opening and closing ceremonies are often attended by high level representatives from the host country and the EU, such as the Ambassadors of the EUD and the Embassies of the EU Member States, national authorities and heads of European and local companies. Thus they are networking platforms to trigger further cooperation between the EU and third countries.

Most importantly, EUFFs are collaborative events between the EUD and EU MS locally. As a flagship cultural event of most EUDs they are also a unique opportunity for the Embassies and cultural institutes to work together for the common purpose of enhancing European public diplomacy. In doing so, EUFFs bring visibility to the joint action of the EUD and the EU MS under a common banner.

‘The EUFF is the only event for which all EU embassies collaborate’. Cultural Attaché at the French Embassy in Colombia

‘The added value of the European Film Weeks is that they focus on how European films reflect the European reality characterised by this specific *unity in diversity*’.

‘Touring the Film Weeks in other cities is the opportunity to show the good work done between the EUD and Embassies of MS and to highlight to the local population cooperation projects of the EU’. Press and Information Adviser, EUD to Argentina

A joint committee is often set up by the Press and Information Officer to plan and organise the EUFF and in some cases an EU MS can coordinate the EUFF. This was the case in South Africa, where the audiovisual attaché at the French Embassy and the Institut Français in South Africa was appointed as the festival organiser.

‘A special taskforce [EUFF taskforce] was formed to assist in the implementation of the European Film Festival 2014 [...]. The taskforce was made up of 6 people from different missions who fully participated in the pre-screening of the Movies’. *25<sup>th</sup> European Film Festival Final Report*, EUD to Tanzania

The lack of financial and human resources identified in the previous section (3.1) is, to a certain extent, compensated by pooling resources between the EUD and

EU MS (see the above section 'Partners'). Their involvement can thus not be ignored as they are vital for sustainability of the EUFFs.

The EUFFs also bring the following added value to showcase European culture in third countries:

- EUFFs have the capacity to increase the scale of film events and reach out to a wider audience than most national film festivals organised in third countries.
- EUFFs are interesting platforms for all EU MS to show their own films, in particular small MS that can benefit from the outreach of a larger event to give visibility to their cultural productions and artists and create more awareness of their countries amongst the local population. Not all EU MS have an Embassy in each territory where the EUDs are based and the EUFFs allow them to become more visible with the local population where they have no representation.

- **EUFFs to engage on European values**

EUFFs also offer the EUD a tool to enter into a dialogue with the local population and contribute to EU diplomacy. A number of EUDs are using them to advance EU values and policy priorities (e.g. human rights, tolerance, democratic values, climate change, gender equality etc.).

In Colombia community sessions (*Eurocine Comunitario*) are organised as part of the EUFF. These events include screenings, workshops and discussions with deprived parts of the population that do not have access to regular cinemas. The initiative is focused on connecting people from various backgrounds through cinema as well as increasing awareness on Europe<sup>43</sup>. These screenings explore cinema as a tool for social change and use films with a 'high human content' including comedies and family films. Themes are chosen in relation to their potential to resonate with people's own experiences or to stimulate debates. Organised in 13 cities in Colombia, community sessions have shown positive outcomes engaging with young and elderly people on social topics such as mutual respect, dignity, youth, family, gender equality etc.).

### **3.2.2. EUFFs to foster cultural cooperation**

- **Build a culture of cinema-going among the local population**

EUFFs worldwide are firstly targeting the local audience and a number of them pay special attention to young people. By partnering with local universities and film schools they are addressing the future audiences of European cinema.

In South Africa the EUFF has an outreach programme targeting young people (16-25 years old) in townships. For the first edition of the EUFF, the EUD and co-organiser Institut Français liaised with an NGO and schools to cover the transport

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<sup>43</sup> Community screenings take place in public libraries in the capital and at cultural centres, auditoriums, high schools, universities, university libraries, cinemas, local theatres, the Alliance Française and chambers of commerce in other cities. The list of venues for community screenings in each city can be found at the following: <http://festivaleurocine.com/eurocine-comunitario/>

and cinema tickets for disadvantaged community members and allow them to attend the EUFF in Johannesburg.

Some EUFFs seek to engage young people and cinema students in the festival to educate them about European cinema and empower their future local film sector (capacity building). The EUFF in Morocco has a partnership with a film school (*Ecole Supérieure d'Art Visuel*) in Marrakesh to involve their students in the communication of the event and facilitate their access to the screenings and side events.

Education of the younger generation in European cinema is expected to trigger more interest in other types of films than the Hollywood blockbusters and at the same time strengthen the local film sector. Similar initiatives have flourished in Nicaragua for example, where the EUD organised, as part of its partnership with a university and an NGO active in human rights, a competition for students on films related to freedom of expression. In Singapore the EUFF worked together with a local cinema school to show 29 short films made by students to showcase the talent of young Singaporean filmmakers.

- **A few EUFFs also programme local feature films or short films**

As highlighted above, EUFFs can also cooperate with the local film sector and screen their films. This has been the case in the Philippines, Kosovo, Tunisia, Senegal, Sudan, Benin, Uganda, Swaziland and Chad.

In 2012, the EUFF in Sudan proposed a local corner where the Sudanese audience was given the opportunity to watch Sudanese new and heritage films performed and directed by Sudanese talents inside and outside the country. According to the EUD, 'the Sudanese corner raised debate about a renewed hope for the future of a Sudanese cinema'<sup>44</sup>.

In 2014 the EUFF in Swaziland screened two local short films alongside European feature films. Concluding the event, 'the chairperson of the Swaziland Independent Film and Television Production Association (SIFTPA), Thembumenzi Mabuza [...] said this helped a great deal to expose the talent in the Swazi film industry'<sup>45</sup>.

Short films are an optimal format to show local films and acknowledge the talent of young local directors. EUFFs in Morocco, Lebanon and Singapore offer insights on the latest local productions by young professionals or cinema students. The EUFF in Lebanon even awards two special prizes for the best Lebanese short films.

It is evident that the EUFFs proposing such an approach are in many cases the oldest ones, which have developed long-lasting bilateral relationships at the local level over time and work together with the local industry and or film education institutions.

- **Capacity building of the local film sector**

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<sup>44</sup> EUD to Sudan, press release published on 3/11/2014 available online at: [http://www.eeas.europa.eu/delegations/sudan/press\\_corner/all\\_news/news/2014/20141103\\_1\\_en.htm](http://www.eeas.europa.eu/delegations/sudan/press_corner/all_news/news/2014/20141103_1_en.htm)

<sup>45</sup> Post by the EUD to Swaziland on 10/11/2014 available online at: <https://www.facebook.com/pages/European-Union-in-Swaziland/248831481951665>

Although still marginal at the moment EUFFs can efficiently contribute to capacity building in the local film sector when synergies are built with networks of stakeholders or with other EU programmes.

The EUFF in Sudan invited European cinema directors and specialists to organise workshops in parallel with film screenings especially designed for cinema students to help consolidate the network of local cinema professionals in the country<sup>46</sup>. The EUFF in Tanzania liaised with the Tanzania Film Festival to invite the local industry to consultative meetings and encourage its participation in the 2014 edition. Other EU programmes have been used to support these kinds of activities such as the former Euromed Audiovisual Programme<sup>47</sup> aiming at strengthening the film and media sectors in the Mediterranean area. Indeed, fruitful collaborations and close contacts between the film industry in Mediterranean countries and the EU have enabled the building of synergies region-wide and the organisation of a series of side events during the EUFFs bringing together films and professionals from various Maghreb states. In Tunisia for instance, roundtables, workshops and debates, were attended by directors, actors, film journalists as well as cinema professionals from several Maghreb states and from the EU.

### **3.2.3. EUFFs for promotion of cinema and a platform for trade in the AV industry**

As mentioned in the introduction chapter, European cinema suffers from a weak penetration in third markets. EUFFs have the potential to help address this bottleneck thanks to their large geographical spread and capacity to reach audiences.

EUFF's promotional value lies in the fact that films are very often national premieres. This branding element is set as a criterion for the EUFF in South Africa for instance: to be selected for the programme films should never have been shown in the country before. Another example, 11 films of the European Film Showcase in Washington in 2014 were national premieres. As for the Japanese audience, the public had the opportunity to discover 12 premieres out of the 27 films scheduled at its 2015 EUFF.

However the overall majority of the EUD do not involve or include the European or local film sector in their EUFF and two thirds of the EUFFs do not have any business/professional side events. Only a small minority of EUFFs have business events (namely Tunisia, Lebanon, Republic of the Congo, South Korea and Argentina).

Trade promotion and business cooperation (for the film sector or other sectors) appears as the least important objective of EUFFs out of the six objectives proposed in the survey.<sup>48</sup> Film professionals come in the penultimate position of

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<sup>46</sup>See the website of the EUD to Sudan:  
[http://www.eeas.europa.eu/delegations/sudan/press\\_corner/all\\_news/news/2014/20141103\\_1\\_en.htm](http://www.eeas.europa.eu/delegations/sudan/press_corner/all_news/news/2014/20141103_1_en.htm)

<sup>47</sup><http://euromedaudiovisuel.net/>

<sup>48</sup>“What is the main objective of your EUFF? (Please indicate in order of priority, number 1 being the highest number)”. The options proposed were: Promotion of the EU; Cultural Diplomacy; Showcasing European Culture; Promotion and exposure of European Films; Strengthening of cultural dialogue with local population/stakeholders; Promotion of trade and business cooperation for the film sector or other sectors; Others.



targeted audience. This needs to be changed if EUFFs wants to secure more positive interactions with right holders in the film sector.

However some EUDs have started to undertake actions in this field to make the EUFF a link between the local and the European film industries. The EUD in South Korea for example organises a networking event with local film distributors, directors and actors in the margins of the EUFF. In Argentina, the EUD sets up AL-INVEST meetings to promote business cooperation in the film industry.<sup>49</sup>

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<sup>49</sup> [https://ec.europa.eu/europeaid/regions/latin-america/al-invest-regional-aid-programme\\_en](https://ec.europa.eu/europeaid/regions/latin-america/al-invest-regional-aid-programme_en)

### 3.3. EUFFs SWOT

| Strengths  | Weaknesses  |
|--|---|
| <p>A golden network with more than <b>76 EUFFs organised</b> all over the world and EUDs' <b>most attended events</b>.</p> <p><b>Strong motivation and enthusiasm</b> from EUD's staff.</p> <p><b>Building audience for European AV production.</b></p> <p>Invaluable <b>PR tool</b> to foster EU's image, diplomacy and cultural as well as trade exchanges.</p> <p>A key tool to <b>promote dialogue</b> and engagement with local population through debates. EUFFs also help foster <b>film literacy</b> (partnership with schools and other institutions) in third countries</p> <p><b>Strong relations with embassies and cultural institutes</b> built up over the years.</p> | <p><b>Under resourced</b> (financial and human capacity).</p> <p><b>No access to diversified sources of funding</b> (reliance on the – limited – Press and Information budget of the EUD and the contributions of the EU MS). Unlike festivals organised by EU MS, the EUFF organised by EUDs cannot count on private sponsoring.</p> <p><b>Lack of professional organisation</b> (because <b>lack of resources</b> to call in experts in film festival organisation).</p> <p><b>Difficult access to a good selection of films</b> (in particular recent quality films) and dependence on EU MS' or local embassies choices.</p> <p><b>Weak communication and branding</b> strategy resulting in difficulties to reach out to a wider audience.</p> <p><b>Lack of budget to organise side events</b> to engage the local audience and involve AV professionals (local and European).</p> <p><b>Limited involvement of the film industry</b> as EUFF seen as having limited promotional impact. This has an impact on their willingness to make the non-commercial rights available for good quality films</p> <p><b>Lack of impact assessment</b> (in economic, diplomatic and cultural terms).</p> |

| Opportunities   | Threats  |
|---|--|
| <p>Culture for external relations is going through a <b>political momentum</b> - EU institutions notably the EC, the EEAS and the EP are working on strategies to make better use of culture to advance European values and contribute to its diplomatic efforts.</p> <p>Customisation of the EUFFs according to <b>regional strategies and policies</b> of the EU.</p> <p><b>New technologies</b> provide possibilities to reach wider audiences (e.g. online film festivals), scale up marketing efforts (e.g. through social media) and reduce costs (copies, subtitling, transport).</p> <p>Opportunity to <b>showcase Europe's talent and creativity</b> and stress EU's image as a continent of excellence and artistic quality.</p> <p>Opportunities to <b>pool resources</b> (such as subtitles, marketing material, attraction of talents for neighbouring countries etc.) and coordinate PR actions throughout the world.</p> <p>Some EUDs have a large <b>experience</b> accumulated over the years in relation to certain festivals to share with other EUDs.</p> <p>Develop <b>synergies with EU funded initiatives</b> and networks. There is willingness for such synergy (EFA, EP LUX Film Prize, Europa Cinemas, Eurimages).</p> <p>Possibility to <b>build synergies with other stakeholders</b> (mainly sale agents and film producers and other stakeholders such as Cinando and the European Film Promotion (EFP) on the basis on the potential benefits to facilitate/promote European films access to new markets.</p> <p>Synergies could be built with <b>other professional festivals</b> or markets organised in third countries so EUDs can reach other audiences (further decentralisation)</p> <p>Key tool to <b>promote the emergence of a local audiovisual industry</b> in line with EU goals in particular as regards developing countries (e.g. capacity building through side events and co-production opportunities).</p> | <p><b>More than 700 festivals exist</b> all over the world – EUFFs need to be able to be attractive to find a place in the cultural agendas of each territory.</p> <p><b>Cuts in the budget of embassies and cultural institutes</b> can put at risk the contribution of those institutions to EUFFs.</p> <p><b>Lack of infrastructure</b> in certain countries (authorisation formalities, poor quality of the projectors and the screening, scarce digital cinemas, dubbing or subtitling needed)</p> <p><b>Piracy (unauthorised exploitation)</b> of European films</p> |

### **3.4. Needs and further requirements**

The survey results highlight that in order to organise a successful EUFF, EUDs need to have access to good quality films, more support for communication and marketing activities, a reasonable budget for right clearance on the selected films, as well as to set up an evaluation process. Last but not least more participation of the European audiovisual industry would be needed to build local capacity locally and foster trade and cooperation in the film sector.

#### **3.4.1. Access to good quality films**

Access to recent and good quality films is one of the most significant difficulties for 60% of EUFF organisers.

Negotiating screening rights and licences is a major difficulty for 33% of EUFF organisers.

The success of EUFFs relies on their programme of screenings to attract local audience as well as media attention. Indeed, locally the EUFF is the main tool to get the general audience to engage with the EU.<sup>50</sup> According to EUFF organisers, to trigger interest in Europe and its diverse cultural expressions, there is a need to propose an attractive selection that reflects its contemporary reality and creativity.

'The quality of the films needs to be good. The films are competing with national member states' festivals as well as commercial cinemas' selection. An EU film festival needs to offer something else to be interesting'. EUD to the Federal Republic of Russia

Furthermore, selecting the films on artistic as well as popularity criteria with an audience minded approach is a way for EUFFs to gain autonomy from the film packages made available by EU MS embassies. Although using these films is a cost-saving option for EUFFs, aggregating them without an editorial line or artistic direction is weakening the credibility of the festival. Indeed, interviews with EUFFs' organisers show that embassies tend to propose films suiting national priorities without consideration of the programming of the festival. Therefore, if exclusively relying on embassies' selection, EUDs incur the following risks:

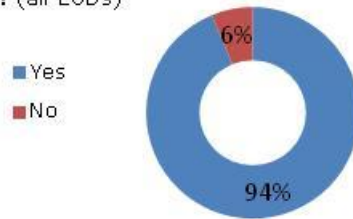
- geographical unbalance, as for some EU MS (notably those already having embassy packages) it is easier to provide films for the EUFF,
- access to films not relevant to the programming intentions and selection detrimental to the EUFF's coherence, and
- poor selection driven by quantity rather than qualitative considerations.

In this regard a package of European films is widely called for amongst EUDs, already organising EUFFs or not.

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<sup>50</sup> As reported in an interview with the Strategic Communications Unit of the EEAS.

If a package of European films (of which rights have already been cleared) was made available to you by the EU Headquarters would this it make it easier for you to organise an EUFF in the future? (all EUDs)



62% of EUDs (organising or not organising EUFF(s)) consider that a package of European films would help them become less dependent on Embassies, cultural institutes and/or film institutes to provide them with films.

Branding the EUFF as a showcase of 'the best of contemporary European cinema' is an important incentive to get people to attend the EUFF. Indeed, such branding will mean audiences will be expecting good films, which in turn will encourage them to 'take the risk' of watching a kind of cinema they are not familiar with. Such branding would encourage national academy awards and international film festival awards to contribute in the marketing and promotion of the festival to draw audience. It will also contribute to promote these European film awards abroad.

### **3.4.2. Support for better communication and marketing**

Communication and marketing are crucial for the event to reach its audience and get visibility in bustling cultural agendas. Currently half of EUDs ask for support in communication and marketing.<sup>51</sup>

'Argentina is a very large country with a concentration of cultural events in the capital city. The cultural offer being so huge in Buenos Aires, you need to have a good product to attract the audience'. Interview with the Press and Information Adviser, EUD to Argentina

EUFFs have to compete with the local cultural offer or EU MS own festivals and film screenings. Therefore they need appropriate promotion to get known and reach out to larger audiences.

Using social media that are particularly popular amongst young people could contribute to build up a community of cinema-lovers around each EUFF. Enhancing partnerships with local media companies would raise the profile of the festival locally. With more resonance in the media, the EUFF would be able to catch the attention of private companies interested in sponsoring the event.

<sup>51</sup> 13% of EUFF are not promoted/ marketed by the EUD = 87% of EU Delegations ensure or contribute to the promotion and marketing of the EUFF and 32% of those ones are alone to carry on this task. Social media are the first promotional tool used, before the website of the Delegation, events (by order of importance: opening and closing, press conferences/events with European directors or actors) and newsletters.

Attracting talents and industry executives to contribute to the marketing of the event; the presence of European directors and/or actors to talk about their film is a considerable incentive for people to come to the EUFF and mobilise the local media. As highlighted during several interviews with EUDs and EEAS stakeholders, the added value of onsite EUFFs lies in the fact that they create a special 'moment' that mobilises people at a given time. Through their responses to the survey, EUDs have identified the need to attract talents to give added value to the EUFF in terms of marketing and content. Indeed, the presence of European talents contributes to high level exchanges with the local audiovisual industry and policy makers.

### **3.4.3. Reasonable budget**

A minimum budget is required in order to clear rights for recent quality films if they are not available through the embassies' channels. It is also necessary in order to cover the above-mentioned communication and marketing costs. Many EUDs indicate the wish to organise side events. However, budgetary constraints prevent them from doing so.

Finding financial resources to raise the profile of EUFF is specifically identified as a major difficulty by 47% of EUFF organisers.

Some budget should also be devoted to measure the impact of the festival, not only in terms of audience and political outreach,<sup>52</sup> but also in relation to commercial outcomes for the European Audiovisual industry. This will also contribute to increase the relevance of EUFF to the industry and thus trigger more support to access films and to make available talents and industry professionals at such events.

### **3.4.1. Trigger more participation from the EU audiovisual industry**

While European films struggle to get on the majority of third countries' markets (see section 1.4 above) the EUFFs stand as an opportunity for those films to reach territories they would not otherwise have access to. EUFFs are a window on European cinema and in this way they could contribute to create a solid audience and trigger the interest of film distributors and exhibitors locally. However the latter are scarcely involved in the event as partners or in side events as highlighted in a previous section (see section 3.1). What is more, two thirds of EUFFs do not have business/professional side events.

As reported in the survey answers [organising side events] 'was always a wish but too expensive', there is 'No funding available for side events'.

In this view, EUFFs should target more film professionals in order to build capacity and foster trade and cooperation in the film sector.

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<sup>52</sup> According to the survey this is currently being done by EUDs to Uganda, Burkina Faso and Singapore.

Getting support from the European industry is also crucial as regards the provision of recent quality films for EUFFs. Showcasing the best of European cinema in at least 76 countries, EUFFs could turn into a great platform for European films worldwide, and offer them a chance to be commercially released in more territories. Sales companies will be more reluctant if the film is new because they would rather sell the film through commercial release. But the EUFF could also be seen as a chance for them to have films shown in certain countries where they are not active in entering the market. There is a potential in countries where it is difficult for a film to be screened (in China for example).

The following table presents a summary of the needs for support expressed by EUDs organising EUFFs through their survey answers:

**Table 2 : Addressing difficulties of EUDs in organising EUFFs**

| Difficulties (by order of importance)                                     | Advantages of a package of European films  | Additional support required  |
|---|--|--|
| Access to <b>recent and good quality films</b> (60% of EUFF organisers)   | Access to <b>more recent quality films</b> (82% of EUFF organisers)<br><b>Less dependence</b> on Embassies, cultural institutes and/or film institutes <b>for the availability of films</b> (64% of EUFF organisers) | <b>Subtitling and/or dubbing</b> of films (70% of EUFF organisers)           |
| Finding <b>funds to finance the EUFF</b> (47% of EUFF organisers)         | Increase the <b>sustainability</b> of the EUFF (60% of EUFF organisers)  | Selection of <b>private sponsors</b> (12% of EUFF organisers)                |
| Negotiating <b>screening rights</b> and licences (33% of EUFF organisers) | Eliminate the burden of <b>clearing rights</b> (50% of EUFF organisers)<br>Reduce the <b>cost of screening rights</b> (50% of EUFF organisers)   | Organisation of <b>side events</b> (45% of EUFF organisers)                  |
| <b>Lack of human resources</b> (33% of EUFF organisers)                   |  | Festival organisational & management <b>toolkit</b> (49% of EUFF organisers) |
| Attracting <b>European talents</b> (28% of EUFF organisers)               | Reduce the <b>promotion and marketing costs</b> (13% of EUFF organisers)   | Attraction of <b>European talents</b> (68% of EUFF organisers)               |
| Reaching the <b>local audience</b> (26% of EUFF organisers)               |  | <b>Promotion and marketing</b> of EUFFs (55% of EUFF organisers)             |

*Reading: access to good quality films is among the main difficulties of 60% EU Delegations. 50% of EU Delegations think they could reduce the cost of screening rights thanks to a package of European films. 70% of EU Delegations would like to obtain additional support for subtitling and dubbing.*



In order to address needs of EUDs in organising EUFFs and to implement the requirements for successful EUFFs, the following chapter of the study makes concrete proposals on how support could be provided by the EU Headquarters.

The Festival of German Films organised by the Goethe Institut and German Films in China is an inspiring model for the organisation of a successful film festival. It focused on improving cultural and business exchanges between German and Chinese film professionals. Alongside a strong line up of German films, workshops and panel discussions were organised on industry-related topics.

To attract local audience in four different Chinese cities they spent almost €50,000 (a third of the €150,000 budget) on marketing and promotion activities.

The film festival was supported by the German film sector and sponsored by a German car manufacturer (Audi), which was willing to associate its brand with this top-class event. For more information see case study in Annex 5.

## **4. 'FILM FEST' – Connecting and engaging through films: a programme of proposals to make the best of EUFFs**

### **4.1. General framework**

EUFFs are tools to support strategies and policy objectives of the EU such as diplomacy, culture and audiovisual policies as well improving trade in European films. In this chapter proposals and recommendations are aimed at supporting EUDs in organising more professional and attractive EUFFs capable of getting high (political) attendance from the host country as well as the Delegation; reaching out to a wide local audience going beyond expatriates, the capital city and cultural institutes. The proposals and recommendations build on the existing experience acquired by a large number of EUDs and their teams' motivation and energy. They suggest remedies to the shortcomings identified. A comprehensive approach is taken to ensure the proposed actions benefit EUDs, Embassies of the EU Member States, national public bodies responsible for cultural promotion (cultural or film institutes), European NGOs as well as the European film industry with a view to promote Europe's image, its creativity, values and professional talents.

The proposals also aim at establishing synergies with existing support structures funded by the EU (MEDIA) and the Council of Europe (Eurimages) to support the internationalisation of Europe's film industry and improve market access.

Below we will first outline the guiding principles and minimum quality standards for EUFFs. They will be followed up by concrete proposals and recommendations for measures to be taken at EU Headquarters and EUD level. Finally, synergies with European and national stakeholders will be examined with a view to pool resources and identify cost savings opportunities.

#### **4.1.1. Guiding principles**

It is proposed to set guiding principles for the organisation of EUFFs with a view to ensure minimum quality standards. EUFFs organisers would aim to implement these guiding principles for film festivals and events to achieve their diplomatic, cultural and trade objectives. Therefore EUFFs should be organised on the following basis:

- They contribute to portray a diverse and creative Europe with a mix of quality, artistic as well as popular films.
- They are professionally organised contributing to an image of excellence and quality giving confidence to the industry as well as potential sponsors that they should be associated with EUFFs.
- They respect industry's commercial imperatives and help the European industry to network with local cinema interests (in production and distribution).
- They mobilise EU's and Member States' highest rank diplomats.

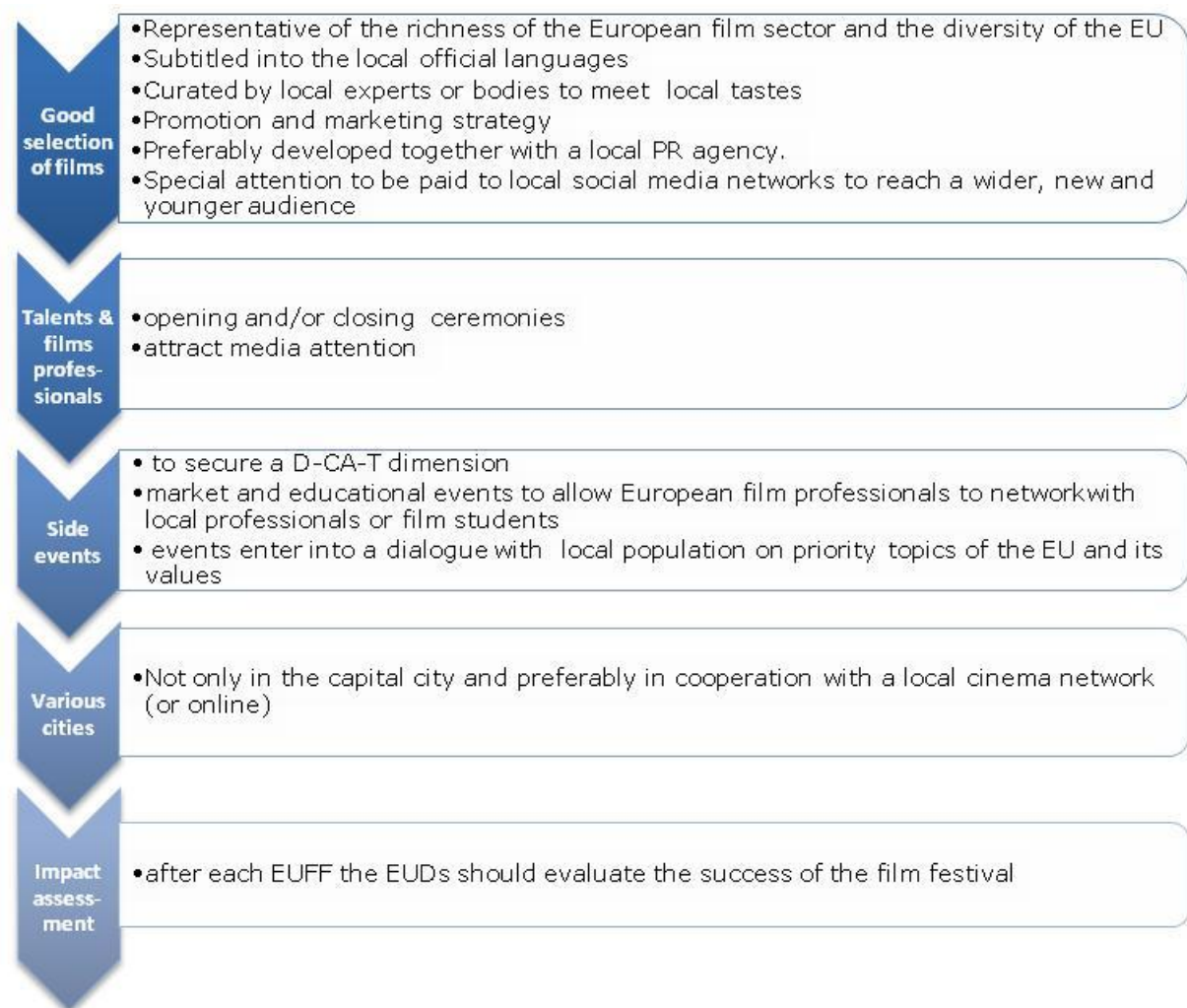
- They are given sufficient financial resources to promote and market the event to the local population.

The above guiding principles are the inspiration for our recommendations and proposals. The latter are aimed at supporting the implementation of such principles.

#### **4.1.2. Recommendations to achieve minimum quality standards**

To establish a far more ambitious and structured scheme to replace some of the initiatives so far (co-) organised and/or (co-) funded by the EUDs, its organisers would need to respect a number of minimum quality standards to achieve a successful film festival.

The minimum quality standards would be:



#### **4.1.3. Proposals to provide support to EUDs for the organisation of EUFFs**

The following sections present proposals to provide support for EUDs for the organisation of EUFFs. These proposals take into account the guiding principles and quality standards highlighted above and indicate possible synergies to make the most of existing resources.

First we will propose a set of measures to help EUDs with a certain number of centralised services at EU Headquarters level (section 4.2) to facilitate the organisation of EUFFs, such as:

1. The set-up of a stakeholders' board to foster strategic development and engagement (Leadership Board).
2. The preparation of a package of films to be used by EUDs (European Package of Films).
3. Other measures aiming at making EUFFs more professional and at supporting a D-CA-T dimension (i.e. moving away from the 'traditional' EUFFs operating on a small budget that merely showcase European films obtained via the Embassies and/or cultural institutes of the MS). Among them: support to promotion and marketing through a 'EUFF brand', a helpdesk and a toolkit for EUFF organisers, an online platform for EUDs to exchange knowledge and information and a selective funding scheme.
4. Measures to set up online film festivals and use new technologies to reach new audiences.

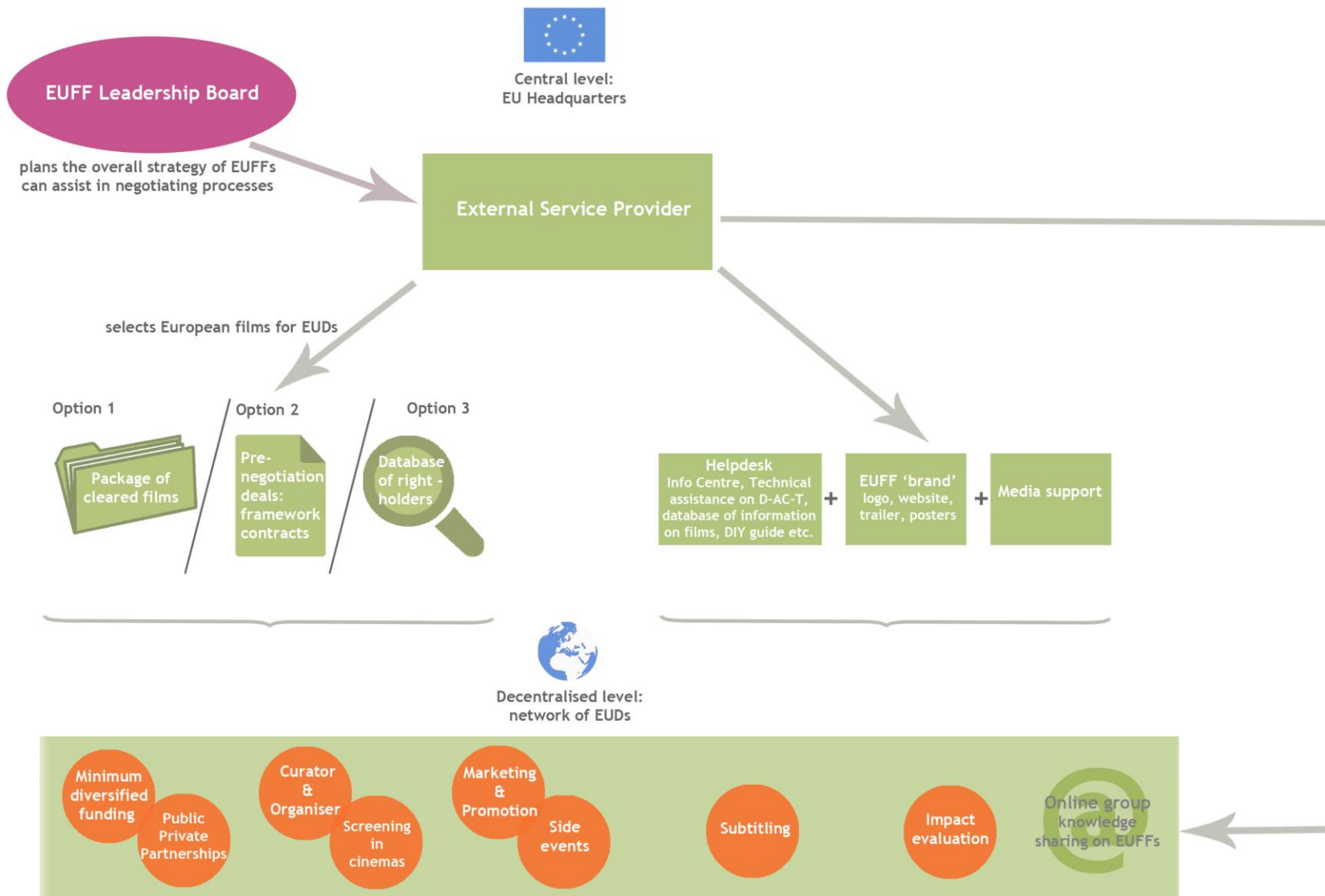
Measures listed under points 1-3 would be implemented by an external service provider (ESP) - to be selected through a public procurement process<sup>53</sup> (an overall costs estimation for the measures to be implemented at European level is presented in section 5.1.).

In addition a set of measures should be implemented at local level (Section 4.3.). They relate essentially to strengthening local promotion and marketing efforts in order to meet the set quality standard and the organisation of side professional and cultural events to give a D-CAT-T dimension to the EUFFs.

The chart on next page illustrates the relationship and bodies involved in the implementation of the different proposed measures at central and local levels.

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<sup>53</sup> Details about the desired profile of the service provider are provided in section 5.2 and guidelines to contract it in Annex 8.



## **4.2. Support measures to be implemented at EU Headquarters' level**

Assistance can be provided at central level in the first instance to all EUDs organising EUFFs. The following sections therefore advise on the setting up of a Leadership Board to guide the EUFF strategy together with the appointment of an External Service Provider to carry out services aiming at (i) making available European films to EUDs through a package of films (alternative options are also proposed); (ii) improving the communication and marketing of EUFFs as well as assisting EUDs in the technical operations of setting up a EUFF; (iii) fostering knowledge sharing about EUFFs via online networking.

Furthermore the establishment of a selective funding system is proposed to support deserving EUDs and EUFFs that comply with certain quality and professional criteria.

Finally, different modalities for online EUFFs, based on an effective model put into place at Member State level are considered.

### **4.2.1. EUFFs leadership board**

In order to support the implementation of the overall strategy and ensure wide support, notably from the industry but also from cultural and film institutes an EUFFs leadership board gathering key stakeholders from the public and the private sector should be established. The leadership board would be invited to make proposals to enhance the role and D-CA-T dimension and provide professional advice. The board would be composed of both European public and private stakeholders. From the public sector, representatives from the EEAS, and the European Commission (including the MEDIA sub-programme of the Creative Europe programme), Council of Europe (Eurimages) as well as national film or cultural institutes (or their European networks such as EFADs or EUNIC) and organisations running film festivals or prizes at European level (EFA Award, LUX Film Prize) could be called upon to participate. From the film sector we would propose to include organisations representing the industry in charge of international sales and promotions. This interaction would also benefit the development of synergies between institutions and programmes.

### **4.2.2. Creation of a European package of films**

A good and appealing programme is a sine qua non condition in the building up of a successful festival. Considerable progress can be achieved in this respect provided conditions for cooperation are established. As explained in section 3.2, in too many cases the programming is dependent on the availability of titles. Therefore the selection is based on availability rather than quality. This weakness needs to be addressed. Some festivals have initiated a trend of professionalization in the selection process (see for example the case studies on Morocco, South Africa and to some extent Colombia, although here the role of the EUD is rather limited). The main challenge is to find a mechanism that enables the availability of a good selection of films to EUDs and address the issue of rights clearance.

As concluded from the survey, the most urgent need expressed by the EUDs was to have easier access to **good quality films**. EUDs estimate that the setting up of a European package of films would facilitate the access to more recent quality films and would contribute to eliminate the (cost- and time-consuming) burden of rights clearance. A number of EUDs also consider that the availability of a package of European films would help them to be less dependent on embassies, cultural institutes and/or film institutes and therefore enhance the sustainability of EUFFs. EUDs expressed the wish to have access to more festival award winning films, more recent films, box office hits as well as quality art house movies.<sup>54</sup>

The preparation of packages of films is a relatively recent and common practice at the MS level. The following Member States set up so-called "Embassy packages of films" for use by their embassies or other national agencies abroad: Denmark, France, Germany, Latvia, the Netherlands, Romania, Spain and Sweden.<sup>55</sup> The main purpose of having such a package is to facilitate two key aspects of the organisation of film festivals: 1) the programming and 2) the negotiation of rights (see case study on Embassy packages in Annex 6).

The issue is to establish a mechanism to build an EU package of films aimed at EUDs (and other interested parties such as cultural institutes or embassies). To be useful to EUDs the package should be large enough to offer a wide variety of titles and themes for the EUDs to compose their own individual programming. This does not mean however that EUFFs should be limited to the content of the package. On the contrary, taking into account the particular needs and objectives of each EUD, they would be encouraged to make use of other film package made available by cultural institutes, embassies or local film distributors.<sup>56</sup>

- **Configuration of the package**

Taking into account the views expressed by the EUDs, the package of films should present the following features:

- **A minimum number of films:** in order to enable flexibility and propose variety, the package should include between 20 and 30 films (the number will probably be lower in the initial phase of implementation).
- **Quality feature films and box office hits:**<sup>57</sup> if the objective of the EUFF is to show the best of European productions and to engage with local audiences, the package should mainly include films of renowned quality, preferably films that have received an award at international A-list film festivals or been selected by experienced film curators for their quality or likely success in the screening territory (entertainment value). As pointed out by several EUDs, there is a real desire to have box office hits, meaning

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<sup>54</sup> Delegations willing to organise festivals around specific themes may also require other kinds of films such as documentaries. In Tunisia for example the 2014 edition of the *Journées du Cinéma Européen* focused on documentaries.

<sup>55</sup> The following Member States do not have Embassy packages: Belgium, Cyprus, Czech Republic, Estonia, Finland, Greece, Hungary, Luxembourg, Malta, Slovakia, Slovenia and the United Kingdom. For the remaining countries no information could be retrieved: Austria, Bulgaria, Ireland, Italy, Lithuania, Poland and Portugal.

<sup>56</sup> When there is an interest at the local level for screening heritage films, the local curator should contact the national cultural or films institutes to check if they are in a position to provide the film or to clear the rights. In the UK, for example the British Council has a Film Collection containing 120 short documentary films. These films can be used for non commercial uses under Creative Common licences; see <http://film.britishcouncil.org/british-council-film-collection/about-the-collection>

<sup>57</sup> Feature films are films made for cinema release, rather than a film made for television and usually of at least 80 minutes duration. Glossary BFI Statistical Yearbook 2014.

feature films that have performed well in national and European markets (although one will have to take into consideration that normally national box office hits do not necessarily travel well, notably comedies). However, box office hits are often the most difficult titles to get for such package as they would be the most likely to find a local distributor. However the identification of such titles (and the indication of their territorial availability) would enable EUDs to identify the local distributor and arrange a screening as part of the EUFF as well as to be aware of the distributor's marketing strategy.

- **Recent films**, the catalogue should incorporate titles released in a relatively recent period of time, preferably within the last 2 to 3 years.
- **Geographical balance**, the package should seek to respect the diversity of European filmmaking and cultural expressions.
- **Length/periodical renewal of the catalogue**. The catalogue would need to be renewed every year. In order to scale efforts, a number of films (e.g. the ones that have been the most successful /requested by the EUDs) could be renegotiated to stay in the catalogue for a longer period of time. This would allow the number of films in the package to increase gradually, as is the case with some of the Embassy packages.

'The EU films package should be a good balance between commercially viable films and smaller art house films to really show the diversity of European films'.

Susan Wendt, President of Europa International

- **Selection of films**

Defining a selection process for the films for the package is an intricate issue. National packages set up by the film institutes usually leave the selection of films to their staff. Whereas well-known film festivals and academy awards normally make use of an expert panel. (Annex 6 provides information about the selection procedure for the case study on the EFA Awards and the LUX Film Prize as well as the one on the Festival for German Films held in China).

Preferred Modus Operandi:

To simplify the selection process and create synergies with existing initiatives a specialised external service provider (ESP) would be contracted by the European Commission to deal with the selection of the films to be integrated in the package. The latter would be in a position to also ensure the availability of the films by clearing the rights with the relevant right holders of each film for the different territories. The selection should in this case be based on a set of predefined selection criteria. These criteria should mirror the requirements defined above. To do so, the ESP should take into account:

- Films awarded a prize in A-list film festivals<sup>58</sup>
- European film awards (EFA and/or EP LUX Film Prize)
- Oscar awards and national film academies awards

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<sup>58</sup> The most relevant prize categories seem to be best film/ jury's prize / best director and best actor/actress awards.



- National box office hits
- Films selected for support by MEDIA/Eurimages (with a special focus on the films that have won awards and prizes)
- Rights clearance requirements

An alternative modus operandi would be to set up an expert panel to assist in the selection of the European package of films. This panel could consist of:

- 1) A selection of national film institutes that set up and work with Embassy packages (see supra section 4.2.2 and the case study in Annex 6). The selection would take place with the assistance of the European Film Agency Directors (EFADs) and,
- 2) Members of the Leadership Board (see supra section 4.2.1).

This option would ensure a more consensual selection of more widely available films through the various Embassy packages. However, it would also entail a longer and more costly process, as at least one or two meetings would have to be organised in Brussels for the panel members to discuss the film selection.<sup>59</sup>

- **Modalities for the negotiation and acquisition of rights**

Preferred Modus Operandi:

In order to screen films for traditional onsite film festivals or to use them for online film festivals relevant rights need to be cleared by the festival organiser with the film right holders (usually the producer or the sales agent when the producer has entrusted a sales agent to deal with the commercial rights) .

If the right holder has sold the distribution/theatrical rights of a film to a local distributor in a country outside the EU, then the authorisation of the local distributor owning the rights will have to be obtained.

The ideal scenario would be to build a European package of films completely cleared of rights for worldwide use or at least for an extended number of territories. This option would require a substantial budget for rights' acquisition, in particular as the EUDs are asking for recent good quality films to attract a wide audience. In addition the mechanism should be a resource helping to identify right holders of a film that features in the package so that EUDs may be able to contact the right holder directly in case a given film is a must in their programming.

EUFFs are non-profit events and so the rights have to be cleared for **non-commercial** usage (i.e. non-commercial rights for film screenings).<sup>60</sup> This means that entrance fees charged for attending the EUFFs would only be able to cover the costs of the organisation of the film screenings (e.g. rental of venue, equipment, opening and closing ceremonies etc.). Under this scenario, the ESP

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<sup>59</sup> In order to facilitate the selection process as well as the programming at the local level, there are several tools in the markets that facilitate the screening of the films to film professionals. Entities like Festival Scope <https://www.festivalscope.com> or EGEDA provide such video on demand services: 'Viewing Experience Online' (VEO) environments- [http://www.egeda-us.com/Egeda\\_Development.asp](http://www.egeda-us.com/Egeda_Development.asp)

<sup>60</sup> It is however to be noted that certain festivals in which the EUFFs are involved acquire commercial rights, probably due to the involvement of commercial cinemas that aim to make profits from certain activities related to the EUFF. (see the case studies on the EUFFs in Colombia and South Africa in Annex 5).

should seek to proceed with the negotiation of the **worldwide or specific territorial licences** for the entire catalogue.

The ESP could rely on potential synergies with national film institutes<sup>61</sup> or European bodies, which have experience in clearing rights for their respective events (e.g. EP LUX Film Prize or EFA Award; in the case that films awarded in these competitions are retained in the package). Members of the leadership board would also be in a position to assist the ESP in providing the contact details of the sales agents and make suggestions on how to better deal with the negotiations to license the rights.<sup>62</sup> Also the ESP should have access to the Cinando database, which is considered as a useful reference tool and which is funded by the MEDIA sub-programme of the Creative Europe programme of the EC.<sup>63</sup>

Film rights licensing is one of the major posts in the budget of a film festival. Herewith some examples:

IFcinéma is an online film platform set up by the Institut Français with a catalogue of 400 films at the disposal of the French diplomatic network worldwide. It reported that its acquisition budget amounted to €300,000 a year (€4,000 per film on average). Prices include rights acquisition for a large number of countries for a period of 4-5 years. Major film distributors are normally excluded from the process since their tariffs are much higher (roughly estimated at an average of €10,000).<sup>64</sup> AECID in Spain spent in 2012 the sum of €120,000 for the acquisition of the non-commercial world rights for 13 films (€9,230 per film on average), although in previous years their budget was five times higher.<sup>65</sup> The EP LUX Film Prize has a budget of between €30,000-40,000 to screen three films in 28 MS (approximately €11,700 per film). The level of screening rights is also dependent on the size of the country and the number of screenings as well as the targeted viewers (the bigger the country and the more viewers it can reach normally the higher the fees).

At present it is very unlikely that the ESP would be able to gather all required authorizations to fit the needs of EUDs; however the mechanism would be put in place to improve rights acquisition over time. This requires building trust between stakeholders to lead to increased cooperation. It is the intrinsic value of the EUFF which will determine the level of support from right holders. If EUFFS are

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<sup>61</sup> EYE, the Dutch Film Institute foresees the possibility of building synergies among the Dutch package of films and a future EU-wide package: "Synergy could be created in the production stage. Then we [EYE] could negotiate for 2 packages at once". Response to the questionnaire disseminated by the EFADS at the request of the project. In the case of Denmark, the Danish Film Institute has already cleared the rights for use at EUFFs.

<sup>62</sup> Europa Distribution and Europa International for example help the Lux Film Prize in providing contacts for rights acquisition (see Lux Film Prize case study in Annex 5). Also Europa Cinema assists with the rights negotiation of the selected films for the EUFF organised in Morocco (see case study in Annex 5).

<sup>63</sup> Cinando (<http://www.cinando.com/>) is a database and networking platform for film industry professionals orchestrated by the Cannes Film Market with the support of the MEDIA sub-programme of the EU. Its features include finding contacts, films, projects in development, screening schedules of major film markets and identifying producers, sales agents and local distributors for a number of films presented at these film markets (e.g. Cannes Film Market, European Film Market in Berlin, Toronto International Film Festival, the American Film Market).

<sup>64</sup> Interview with Marion Thevenot of IFcinéma on 31 March 2015.

<sup>65</sup> According to the information retrieved for a procurement launched by the AECID more than €600,000 were spent in the acquisition of non-commercial rights in 2010, vid. *Resolución de adjudicación de contrato privado de adquisición de licencia no exclusiva sobre los derechos de comunicación pública no comercial de películas cinematográficas*, expediente n.º. 05-10-0000231. Available at: <https://contrataciondelestado.es/wps/wcm/connect/a8caea44-808f-45fe-a571-e93a257735f1/DOC20101228135925resolucion+adjudicacion+231.pdf?MOD=AJPERES>

perceived as good promotional platforms they are more likely to make films available and at a good price, in our view.

It is estimated that the costs of clearing rights range between €500 and €1,500 per screening (average of €1,000). This cautious estimate is based on:

- ⇒ The average figures of the screening rights of a number of successful EUFFs organised by the EUDs in Colombia (€1,000), Lebanon (€500-1,000) Morocco (€1,000-1,500), South Africa (> €1,500) and USA (€1,000-1,500). In these countries the organisers have also negotiated the rights with the relevant sales agents/local distributors. These EUDs have not (only) obtained the films via Embassies and/or cultural institutes. In these cases we have seen that the level of fees can be much lower. See Annex 3 providing a table of the costs of organising EUFFs per region and per EU Delegation.
- ⇒ Interviews with representatives of Europa International (€150-500), uniFrance (€700-1,500) and the BFI (€500).

Together with rights clearance the ESP would work on establishing a PR Kit and gather **promotional/marketing material** for films that are part of the EU package. In principle, this should be made available by the sales agent and be part of the licensing negotiation,<sup>66</sup> but one should note that according to our interviews this is not always the case and that for some films the promotional and marketing material needs to be acquired separately.

In order to make the films available to EUDs, the most cost effective way would be to set up an **online platform** to download the films, similar to the one used by IFcinéma (see Embassy package case study in Annex 6). However this format may not be the most appropriate for big screens, even if it is in HD. Obtaining or preparing DCP copies of films for high quality screenings and encouraging EUDs to select venues that have digital screening facilities would be recommended.<sup>67</sup> Unfortunately there are many countries that are not in a position to implement digital copies. As a result for a certain period of time the more traditional formats such as Blu-ray or DVD, will have to be used. Whatever the format, the films have to be delivered in a secure way to ensure copyright protection and limit the occurrence of unauthorised exploitation. When using a physical format, films would be sent through diplomatic pouches.

The ESP should also earmark a budget for subtitling a number of films, as according to the survey 70% of the EUDs organising a EUFF indicated the need to receive additional support for dubbing or subtitling.

It is difficult to determine a fixed price for the subtitling of a film, as this will vary depending on the length of the film as well as the language used for the subtitles. We estimate an average cost of €1,200 per film per language. This estimate is based on information received from the BFI (€1,300), EP LUX Prize (€1,400), as

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<sup>66</sup> This is normally the case of the licensing activities carried out at IF Cinema. EFA does not pay for the promotional material either.

<sup>67</sup> The EP produces a Digital Cinema Package (DCP) for the three finalist films of the Lux Film Prize. For the winner of the Lux Film Prize adapted versions of the films for visually and hearing impaired persons are prepared. This could enable the EUDs to organise a special screening for these persons in their territory (if they speak one of the 24 of the EU official languages). See more information in the case study of the EP Lux Film Prize in Annex 5).

well as the EUDs survey (overall average of €700<sup>68</sup> - see Annex 3 providing a table of the costs of organising EUFFs per region and per EU Delegation).

We propose to subtitle, on request only, the selected films in at least ten languages from a diversity of countries around the world (a mix of the most spoken languages in the world and the languages of the ten strategic partners of the EU): for example Arabic, Chinese, English, French, Hindi, Japanese, Korean, Portuguese, Russian and Spanish. This proposal would apply in a situation when sales agents cannot provide copies with subtitles or the national film institutes have no access to subtitled versions of the selected films. Films would only be subtitled into one of these languages following a EUD specific request to the ESP. This is to avoid films being unnecessarily subtitled.

Synergies could be created in a number of cases for instance when the LUX Prize Films are part of the European catalogue. Indeed, the three selected films are subtitled in the 24 official languages of the EU. There are currently discussions for five films (instead of three) to benefit from such subtitling support in the future.

Subtitles in other languages should be dealt with at the EUD level according to the needs of each country and be covered by the budget of the EUD or their partners. Synergies could also be built at the regional level – once a film has been subtitled by a EUD (or its partner), these EUDs could share the dialogue list or electronic subtitles with other EUDs (see section 4.3.4).

It should be pointed out that the European Parliament adopted on 28 April 2015 a Resolution on European film in the digital era,<sup>69</sup> in which the EP urges the EC to make more funds available under the Creative Europe Sub Media programme among others for: 1) subtitles to increase the circulation of European films in the EU and 2) innovative actions to create a larger audience for European films such as festivals. Support to the EUFFs initiatives would be a way for the EC to respond positively to the EP Resolution.

The preparation of a cleared package of films with a set of subtitles requires a budget of €400,000 (see overall costs in Chapter 5).

- ⇒ The EU could also consider a number of less ambitious options if it feels that the European package of films should not contain films with cleared rights, which would reduce the overall budget for the services to be offered by the ESP at EU Headquarters level. In this respect, one possibility would be for the ESP to enter into **pre-negotiation agreements with sales agents** to define a framework for (regional) agreements that could govern the licensing of the films that have been selected according to the criteria highlighted in the previous section. To set up a framework agreement, the ESP would negotiate with sales agents' representatives a range of flat rates that would be charged in the different regions/territories around the world where the rights have not been sold to a local distributor. A flat rate would be set, for example, for a fixed amount of screenings per city during a period of one year. Sales

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<sup>68</sup> On the basis of the available data from the survey of the EUDs the following average estimates have been calculated for the different regions in the world (€1,100 - strategic partners of the EU, €300 - ACP countries, €1,000 - ENP countries, €600 - Western Balkans, €500 - Asia and €800 - Latin America).

<sup>69</sup> Available at: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A8-2015-0123+0+DOC+XML+V0//EN&language=en>

agents would remain free to opt out from the scheme or to exclude certain countries. On the basis of these licensing rates the EUD would be able to contact sales agents and finalise the negotiations in line with the final use they will make of the film. Framework contracts would decrease the costs of rights clearance. It would provide a context for the delivery of other elements, such as the subtitling, the availability of promotional material as well as the methods of film delivery.<sup>70</sup>

- ⇒ Another option to reduce costs would be to accompany the selection of films with a **database providing information about the films selected** (notably title of the film, origin, main cast and box office revenue across Europe - to show international potential of the title). The database would also include an updated list of right holders per territory (sale agents, local distributors and embassies/cultural institutes, as regards non-commercial or festival rights when applicable) and duration of rights availability (for theatrical, video and television), plus indications on how to proceed with rights clearance.<sup>71</sup> In order to ensure that information concerning the sales of the films is kept up to date, the EC would call on producers, sale agents and/or distributors to regularly report and update the content of the database. This request could be made mandatory for those films that have received support from the MEDIA sub-programme of the Creative Europe programme – both for development in the EU as well as distribution in the participating countries.
- ⇒ In the two alternatives presented above, rights clearance would be formalised at the local level by the EUDs or the appointed festival organiser. The ESP would provide assistance on how to proceed with rights clearance. (More details on the helpdesk and toolkit in section 4.2.3 below).

**Other films to complement the 'European package':** the European package of films could be complemented with information (set in a database) on all the films contained in Member States' Embassy packages including the procedures to obtain the rights to make use of them. It could also refer to films for which the EC has non-commercial festival rights: notably films produced with funds from the ACP Cultures+ Programme,<sup>72</sup> films co-produced thanks to the MEDIA sub-

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<sup>70</sup>Preliminary discussions with Europa International, the European network of sales agents, pointed at this solution as a possible way forward (interview with Susan Wendt, President of Europa International and Head of Sales of Trust Nordisk on 17 December 2014). However it is worth mentioning that the mandate of Europa International is rather limited and that the negotiations would have to be done agent per agent, on an individual basis. Also Europa Cinemas referred to the potential benefits of working on a regional basis for the clearing of rights (interview with Europa Cinemas).

<sup>71</sup> There are already some commercial and non-commercial databases where some of this information could be retrieved. This is the case of the Lumière database run by the EAO (but with information on distributors for a limited number of countries) Cinando. However, according to our sources these databases are not always up to date.

<sup>72</sup> Under the ACP Cultures + programme, films receiving a grant to fund production automatically provide the EC with the non-commercial rights for screening at film festivals. The grant contract – version used in November 2010 - contained the following clauses:  
"By virtue of their contribution, the Contracting Authority and the European Commission will have the following rights for a duration of 10 years starting on the date of submission of the final report to the Contracting Authority:

- a) non exclusive worldwide rights of non commercial distribution/screening of the entire or part of the original work on any medium (film, magnetic, digital);
- b) rights for the European Commission and the ACP Secretariat to print, at their own expense and in the laboratory of their choice, copies of the original work and, for this purpose, make available for them the authorisation to print images and sound masters of the original work;
- c) rights for the European Commission and the ACP Secretariat to print, at their own expenses and in the laboratory of their choice, positives and dupes, based on images not included in the final editing,

programme support to international co-production funds<sup>73</sup> and potentially films awarded with the EP LUX Film Prize. Although the EP Prize does not have the non-commercial festival rights for EU third countries with respect to the 80 films which have been selected for the awards, it could assist in rights clearance on an ad hoc basis as it already happened in the past.<sup>74</sup> This information will help local programmers/festival organisers in case they wish to consider other films than the ones featured in the 'the European package'.

#### **4.2.3. Other support measures for EU Delegations that could be centralised**

Other support measures that would need to be centralised are: a communication and promotion strategy for the visibility of the EUFFs globally; a helpdesk and toolkit to assist EUDs in the technical aspects of organising an EUFF; a database with information on the films of the European package as well as a 'Do It Yourself Film Festival Guide'. All these different support measures are outlined in greater detail below.

- **Communication and promotion strategy: creating a 'European Film Festival brand'**

To ensure greater visibility of the EUFFs and create a more targeted communication and promotion strategy a **global European Film Festival brand** should be created. The brand would be developed to reflect the excellence of European cinema. The branding strategy would contribute to show that a new D-CA-T dimension has been given to the EUFFs. In addition to the EUDs, the different Communication Departments of the EEAS and the EC would also be able to benefit from the brand to promote the EUFFs worldwide. A branding strategy would help international recognition of the EUFFs and contribute to the image of European cinema abroad.

To communicate on the EUFFs and make good use of existing resources the following activities could be coordinated by the ESP:

| ACTIVITY | DESCRIPTION  | SUBCONTRACTING       |
|----------|--|----------------------|
| Logo     | Design logo to create a recognisable brand for the EUFF.   | ✓                    |
| Website  | Set up of an attractive central website providing information on all the EUFFs organised by the EUDs. It could show some of the trailers of the films that are part of the | Development website. |

as well as the corresponding sounds, for the exclusive purpose of using them as archives in a Community production;

d) rights for the European Commission and the ACP Secretariat to use if required the film promo and/or three minutes maximum extracts in any production dedicated to the involvement of the European Union or the ACP Secretariat, in the area of ACP cinema;

e) rights for the European Commission and the ACP Secretariat to use photos from the shoot and/or photos from excerpts of the film for all documents and publications (whether printed or electronic format) linked to the EU or ACP Secretariat support of ACP cinema."

<sup>73</sup> Under the MEDIA sub programme providing support to international co-production funds, the guidelines mention that 'certain non-commercial rights' can be given to the EU (see page 7 of the Guidelines available online at: [http://ec.europa.eu/culture/calls/media/s2913/guidelines\\_en.pdf](http://ec.europa.eu/culture/calls/media/s2913/guidelines_en.pdf). The conditions under which this clause is applicable and whether it could also be used for EUFFs needs to be further investigated as the research team could not obtain this information from the MEDIA Desk (Belgium) within the required timeframe.

<sup>74</sup> Interview with the European Parliament (see case study on the EP LUX Film Prize in Annex 5).

| ACTIVITY          | DESCRIPTION  | SUBCONTRACTING   |
|-------------------|--|--|
|                   | European package of films - in different available languages. To be administered by the ESP.   |  |
| Newsletter        | Produce a quarterly newsletter primarily targeted at EUDs, national film institutes and European film professionals to promote the EUFFs.  |  |
| Trailer EUFF      | Each year, a trailer of the EUFF could be developed by a European filmmaker. The EUDs would be able to use this trailer on their website and other promotional tools to brand the EUFF.                | ✓  |
| Templates Posters | Preparation of templates for the annual posters (and brochures) of the EUFF that could be used by the EUDs.  | Templates should be prepared by marketing professionals. |
| Media             | Engagement with the social media, blogs and web media in synergy with Cineuropa and online websites of MEDIA supported organisations trade press such as Screen International or Variety for instance. |  |

- **Helpdesk and toolkit for targeted support**

Most EUFFs are organised with the help of officials working in the Press and Information section of the EUDs. Very often their success is due to the personal interest and commitment of the staff of the EUDs. Interviews show that there is an overall lack of knowledge and expertise within the EUDs about the European film sector, EU policies and support programmes. The ESP would work as a point of reference to help EUDs to apprehend all the facets of festival organisations and support local endeavours. The ESP would run the following services: (1) information service, (2) technical assistance on D-CA-T dimension, (3) Database, (4) DYI Guide, and (5) other materials.

### **(1) Information Centre**

The main mission of the ESP would be to:

- Constitute a central point for information requests on the organisation of film festivals. The ESP would answer all practical questions linked to the organisation of a film festival (film selection, rights clearance, sub-titling, advertising and marketing, organisation of side-events, attendance of talents, etc.).
- Keep festival organisers updated on technological developments in particular in relation to dubbing and sub-titling technology or new methods of delivery of films.

- Provide the following information:
  - List of European film festivals organised by the EUDs as well as on films festivals taking place in Europe and whose concept or programming could be exported in third countries.<sup>75</sup>
  - Programming of the EUFFs organised around the world.
  - Promotional events taking place during EUFFs.
  - Updated information on EU programmes that could be used to co-fund the EUFF.

Additionally, the ESP could also provide general information on the audiovisual industry.

## **(2) Technical Assistance on D-CA-T Dimension**

The ESP will also provide technical assistance to EUDs on how best to encourage lasting relationships with public and private stakeholders as well as the carrying out of additional activities to give the EUFFs a D-CA-T dimension. The ESP would advise on, for instance, the organisation of side events with local and European stakeholders. It would provide festival organisers with a list of tasks to be performed as well as agenda items, background papers, suggestions of speakers, etc.

## **(3) Database with information on films in the European package**

EUDs will have access to a database set up by the ESP containing information on films that have been selected for the "European film package". They will be able to consult the database online via the central EUFF website (see point 4.2.4). The ESP will be responsible for the database maintenance. It will create, where possible, synergies with existing databases such as Cinando, LUX Film Prize, EFA Awards, Cineuropa, etc.

To complement information in the database, the ESP could become a member of Festival Scope, a B2B platform for film professionals that selects titles from the most prestigious festivals around the world and makes them available to be viewed online. Paying a yearly fee the ESP could allow EUDs and their curators to watch trailers of the selected films in the European Package. Such an activity would facilitate the selection of films for the EUFF.

Below a sample of the type of information to be included in the database:

|                     |  |
|---------------------|--|
| International title |  |
| Original title      |  |
| Director            |  |
| Scriptwriter        |  |
| Cast                |  |
| Producer            |  |
| Sales agent         |  |
| Synopsis            |  |
| Year of Production  |  |

<sup>75</sup> In this spirit, it would be also useful to have some centralised information about the thematic festivals that exist in Europe. As some EUD organise or are willing to organise thematic festivals. Having further information on European thematic festivals would help them to get inspiration and also probably contacts to facilitate the programming and the rights clearance.



|   |  |
|---|--|
| Country   |  |
| Festivals and Awards                                    |  |
| Category (type and genre)                               |  |
| - feature/animation/documentary                         |  |
| - comedy, drama, romance, thriller                      |  |
| - short film, medium-length film, feature film          |  |
| Themes  |  |
| Subtitles   |  |
| Dialogue list   |  |
| Quality (SD/HD) and Formats (DCP, Blue Ray, DVD, 35 mm) |  |
| Flat rate for screening rights (if applicable)          |  |
| Territories excluded                                    |  |
| EUFFs that have screened the film                       |  |
| Available promotion material                            |  |

#### **(4) 'Do It Yourself Film Festival Guide'**

In addition to supporting the EUDs and advising them on the different steps that need to be taken, the ESP could prepare a 'Do It Yourself Film Festival Guide' (DIY Guide) that would take the form of a manual. The guide would give practical advice on the organisation of such an event. It would consist in a step-by-step document whose aim would be to encourage other EUDs to organise such festivals and show how easy it can be.

The DIY Guide could refer to available resources (funding at community level and whenever its possible opportunities for sponsoring), budget for the organisation (by highlighting the different items on the budget as well as provide details on the elaboration of a business plan) and programming (showing the importance of adequate programming with a view to ensure maximum D-CA-T impact of the event). It could contain a specific section on promotion and highlight the different actions that could be undertaken to ensure maximum attendance and press attention and guarantee that the event serves the interests of filmmakers and distributors. Finally the guide should advise on the different forms taken by EUFFs and present 'best practices' (example of successful travelling festivals, example of successful collaborations with local partners, examples of the useful involvement of a local university or media schools, examples of a rewarding externalisation of the whole or parts of the festival organisation, etc.). Access to the DIY Guide would be through the dedicated website run by the ESP.

Nearly half of the EUDs (49%) that already organise a EUFF asked for a festival organisational and management toolkit. A good example is the guide prepared by the British Film Institute (BFI) for instance.<sup>76</sup>

#### **(5) Other materials**

Additionally the ESP could prepare or provide:

- Templates for calls to tenders subcontracting activities.
- Standard contracts for right clearance.
- Information on intellectual property and measures to prevent piracy.

<sup>76</sup> BFI, *How to set up a film festival*, 2001 [online]  
<http://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/bfi-how-to-set-up-a-film-festival-2001.pdf>

- Evaluation grids to be implemented by the EUDs to assess the cultural and economic impact of EUFFs on the basis of a list of indicators to be prepared by the ESP. On the cultural side, indicators could include measures around audiences' engagement. On the commercial side indicators could include the evolution of sales and market share of European films. A preliminary list of key indicators to some extent inspired by the BFI evaluation of the London Film Festival is provided in the annex 9.

#### **4.2.4. Creation of an online group for communication to promote knowledge sharing among EUDs**

As mentioned earlier, each EU Delegation organises its "own" film festival or film event. In 2015 around 60 EUFFs will be taking place, allowing a considerable amount of information to be collected. There is no mechanism to exchange information or initiate cooperation activities with other EUDs. Many EUDs have indicated interest in engaging more with their colleagues. Therefore it is proposed to set up an online platform to enable EUDs to share knowledge and develop synergies with a view to create a EUFFs community.<sup>77</sup> The function of the EUFFs network will be wide-ranging:

- Exchange of information and best practices. The online platform will allow festival organisers and/or curators to discuss possible collaboration with other EUDs. For example in the selection of films - in certain part of the world this could be useful when selecting films to meet local tastes. EUDs can share their experience on films that attract a wider audience.
- Attract talent to opening ceremonies and events linked to the EUFF – if the EUFFs take place during the same period and in same world region European talent could be invited to attend several EUFFs.
- Exchange of information on successful side events.
- Exchange of information on EU programmes and instruments used for funding certain activities of the EUFFs and on potential synergies.

Every year the EEAS organises regional meetings for the Press and Information Officers of the EUDs. During these meetings the EUFFs should be on the agenda and proposals should be discussed for carrying out joint activities or combining events. At these meeting the EUDs should also be informed of the (new) EU programmes and initiatives supported in the field of film promotion.

#### **4.2.5. Selective funding scheme**

To accelerate the process of improving the quality standards of the EUFFs in line with the requirements mentioned in section 4.1., as well as to enhance the credibility of the launch of European Film Festivals' brand, it is proposed to open

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<sup>77</sup> DG DEVCO and DG NEAR indicated that there was no need to set up a new online platform, as the Capacity4Dev platform could be used, as it contained a specific section for communication between EU Delegations.

a budget line of selective funding to financially support the organisation of the best organised EUFFs. This funding would complement existing funding sources of the EUDs and would assist the most entrepreneurial EUDs in upgrading their existing festivals. A call for proposals addressed to EUDs would be prepared and managed by the ESP.

The main objective would be to cover additional expenses related to the 'professionalization' of EUFFs. As a matter of priority it would act as a means to encourage the development of film festivals with a strong D-CA-T dimension.

The different types of measures, which qualify for additional funding support, would be promotional and marketing activities (talent, PR and communication budget), engaging a curator, additional screening fees and subtitles (not covered in the European package of films), side events (people to people meetings, training, matchmaking with local film sector).

The direct beneficiaries of the action would be EUDs proposing the best marketing and promotional plan for the EUFF to comply with the quality standards described above. We propose a budget of €400,000 a year to fund such recommendations with a maximum support set at €40,000 per EUD. The selective funding scheme will take into consideration the different cost structures in each country.

The criteria to obtain funding would be:

- The EUD should take the lead in the organisation of the festival;
- Festival should be organised by a local professional company or association subcontracted by the EUDs;
- The EUFF should show a clear marketing and promotion strategy to reach a wider audience;
- The programming should contain films from at least ten European nationalities, including from low production countries, and endeavour to screen a significant representation of local films or European/local co-productions;
- Festival must include strong promotional elements and events and a clear communication strategy with a focus on social media tools;
- Festival should clearly promote cooperation in the audiovisual sector and seek to involve European film professionals ;
- Festival should aim to reach a wide audience (a minimum of number of people would need to be set per region of the world taking account of the different sizes of the cities/country where the EUFF could be organised). In Annex 3 an overview is given of the number of viewers currently being reached in the different regions and countries outside the EU. This table should guide the ESP in determining the minimum number of viewers required.
- Festival should contribute to film literacy and the building of local cinema industry infrastructure.
- Priority would be given to festivals organised in several cities and to online film festivals;

- Festivals should preferably be organised in commercial or popular venues;
- Diversified funding notably sponsoring will be considered as a plus.

#### **4.2.6. Encourage public-private partnerships**

New forms of funding need to be explored to increase the budget of EUFFs as well as establish stronger public-private partnerships as Europe's positive image is of benefit to a wide variety of stakeholders outside the film industry. In this context the EEAS and/or EC should review regulations to examine how private sponsorship can become a part of the funding of the EUFFs. According to the Strategic Communications Unit of the EEAS certain rules would have to be changed. Once this has been clarified the ESP could be commissioned to look for sponsorship at European level by contacting European companies and powerful trade associations (for example European Industry Roundtable or Business Europe) interested in being associated with a powerful PR event that represents Europe's excellence in creativity, entertainment and talent.<sup>78</sup>

Inspiration can be found where private-public partnerships are increasingly a common practice. The successful German Film Festival organised by the Goethe Institut and German Film in China in 2014 was sponsored by AUDI (and other German companies), which also supports the Berlinale Film Festival. The online film festival set up by the British Council in China in 2014 managed to reach 30 million viewers and was sponsored by the Virgin Atlantic Airline. The global online film festival set-up UniFrance Film (MYFRENCHFILMFESTIVAL) is 80% funded by its partners from the private sector (see case studies in Annex 5). Film is a powerful promotional means for commercial brands that are developing internationally. The capacity to raise the quality of EUFFs will increase sponsorship opportunities and funding for EUFFs.

#### **4.2.7. Online EUFFs and reaching new audiences**

In addition to the above-mentioned support measures to be offered at central level to the EUDs by the ESP, the possibilities of organising an online EUFF should be considered as a new way to increase the audience for European cinema. The EUD in China has already led the way by organising three online film festivals.

The advantages of an online EUFF combined with an onsite (traditional) EUFF are as follows:

- find new and younger viewers for European films (the public for European films abroad is getting older and 50% of the public is less than 30 years old according to UniFrance Films),
- reach viewers that cannot watch European films near their home because of lack of screens and theatres,

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<sup>78</sup> According to the organisers of the EFA Awards, who also work with sponsors, it will not be an easy task to attract private sponsors. The marketing budgets of many large companies are often divided up among the different territories where they operate, thus leaving their headquarters with small budgets for international projects.

- enter countries with difficult markets or scarce theatrical infrastructure for European films,
- establish an online community of European film enthusiasts and establish a direct link with film “buffs” throughout the world, and
- promote film literacy.

There are also some disadvantages in organising online film festivals. Film professionals warned that there could be ‘grey zones’ and it is sometimes difficult to distinguish them from digital platforms if not properly focused. Online film festivals could also lack the possibility to function as a public space where people meet and debate.

EUDs could compensate a number of these disadvantages by combining the online film festival with an onsite one to ensure that they serve as a platform for interactive exchanges. The organisation of side events to engage with the local population, policy makers and film professionals is key.

There are two ways that the ESP could be involved in the organisation of online film festivals: 1) a global online EUFF organised at central level and 2) an online EUFF organised by each EUDs individually with the assistance of the ESP.

#### Global Online EUFF

At central level the ESP could develop a global online EUFF. Such an initiative would go beyond support measures to assist the EUD in organising their own EUFF as outlined in the previous sections. It is mentioned here as an alternative action that could merit more consideration in the near future as a combined cultural diplomacy and trade promotion activity. The development of a global online EUFF is outlined in Annex 7.

#### Online EUFF organised by individual EUDs

As previously mentioned the EUD in China has been the only EU Delegation that has organised a number of online EUFFs. The first one was launched in 2012 during the EU-China Year of Intercultural Dialogue. It was a success as it managed to reach 17 million viewers with a selection of 15 films (for more information see case study in Annex 5).<sup>79</sup>

The survey indicates that 52% of the EUD are interested in organising a digital film festival in the near future (see section 3). To be able to organise an online EUFF essential requirements are a good broadband Internet infrastructure and sufficient measures to protect the films against online piracy.

The ESP could assist the EUDs in organising an online EUFF by:

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<sup>79</sup> Currently it is very difficult for European films to be released in a theatre, as the Chinese government has annual quotas on foreign films (34 films). Film distributors are thus reluctant to buy European films, as they prefer to use the quota to buy Hollywood blockbusters that will guarantee higher revenues. Showing film on digital platforms was a loophole in the regulation that the EUD in China as well as other film entities of the EU Member States such as uniFrance Film, the British Film Institute and the EYE Film Institute of the Netherlands had used to circumvent the quotas and introduced their national films into the Chinese market.

- Making an empty platform available that could be customised by each EUD. The platform being developed by IFcinema could serve as a model.

IFcinema is developing an empty platform following demand of their networks abroad. It will enable the French embassies, local IF and Alliance Française to set up an online film festival or other film events. The empty platform will be used as a template. It will cost approximately €100,000, but the objective of Ifcinema is to pool resources and make costs savings for its network by proposing a single platform that can be customised and thus only the design, images and text as well as the marketing of the platform will need to be financed locally (see case study in Annex 6).

- Creating synergies with EU funded initiatives such as the EP LUX Film Prize and the EFA Awards to promote the awards internationally.

At local level the EUDs will have to take care of the following activities (in addition to the activities mentioned in section 4.3.):

- Cooperating with local VOD platforms to organise an online EUFF. This type of cooperation will be needed if the ESP does not make an empty platform available. The EUDs (through their subcontracted film festival organiser) would be responsible for negotiating the terms and conditions with the VOD platforms.

In relation to the China online film festivals (referred to above) the digital platforms did not have to pay a fee for the films and there was no limit on the number of viewings per film. The VOD platforms would get the films for free from the EUDs, which cleared the rights. The platforms may keep any advertising revenues. Neither the EUD nor right holders received any share of income. This is justified according to the EUD by the fact that the digital platforms have to make the set up and promotional investment whilst European films would immediately benefit from the network of film lovers subscribing to the platform.

- Organising an onsite EUFF with an opening ceremony to launch the online EUFFs and engage with the local audience.
- Online events to engage with young people. For example audiences can interact live and ask Q&A through a specific Twitter service. By enabling interaction through debates bridges can be created between communities, whether they're localised or spread across an entire territory.
- *Optional:* cooperation with local film festivals to create a specific section on European films to show a number of the selected films. This will create an opportunity for the EUD to engage with the public during an onsite film festival as well as establish partnerships with local film festivals.

#### **4.3. Recommendations to be implemented at the local level**

In addition to the above-mentioned recommendations to be implemented centrally to support the EUDs endeavours, the report also suggests a number of steps to be taken at local level to make the most of EUFFs. These activities have not been budgeted as the set up of a budget for each EUD or a specific regional

group of EUDs went beyond the scope of this study whose objective has been to focus on the provision of centralised support services to EUDs.

#### **4.3.1. Minimum and diversified funding to support local promotion**

To be able to organise an EUFF that complies with the quality standards mentioned in section 4.1., the EUDs would need to have a minimum and diversified funding to complement activities not funded at central level, notably to pay for professional support and marketing activities.

The average budget requested by the EUDs in the survey ranged from €40,000 to €60,000 among the different regions. In particular, in the strategic countries and the ENP countries there was a request to substantially increase the budget.<sup>80</sup> We take the view that an average budget between €60,000 and €100,000 for the larger countries as well as the strategic countries of the EU is a minimum to enable the development of valuable EUFFs capable of implementing quality as well as the required D-CA-T dimension.<sup>81</sup>

The EEAS and/or the EC should make an extra budget available to the EUDs to complement the Press and information budget of the local EUDs.

#### **4.3.2. Curator and festival organiser**

To professionalise film festivals EUDs should be advised to appoint a local curator and festival organiser. The curator would be responsible for selecting films that meet the taste of the local audience (as well as the thematic of the event). He or she will be able to select a number of films from the European package of films as well as other films that are not in the package if required. This flexibility needs to exist to ensure that the most attractive EUFF can be organised.

The festival organiser would deal with the logistics and organisation of the EUFF (selection of venues, marketing and promotion activities, opening ceremonies, talent presence, relations with local partners, organisation of side events, etc.). In the US, the American Film Institute curates the European Film Festival and the EUD only has a minor role in the organisation of the event.

EUDs would have to prepare a local call for tender to subcontract to the best bidder. The ESP would help in setting it up.

Although there is no strict correlation between the number of viewers and the presence of a curator in the organisation (other factors also influence the reach of a festival such as the number of cities where the EUFF takes place and the effectiveness of its promotion and marketing), the most successful EUFFs/EUFFs in terms of audiences have appointed curators and festival organisers such as for

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<sup>80</sup> **Strategic partners:** 30% of EUD think that an appropriate budget for the EUFF would be between €10,000-20,000, 30% would like to have a budget between €40,000-60,000, 10% between €60,000-80,000 and 10% in the €80,000-100,000 range. **ENP countries:** 5 out of 8 EUD that organise a EUFF felt that a minimum budget of €40,000 would be suitable to organise a EUFF, however Tunisia and Lebanon requested a budget between €80,000 and €100,000 and Morocco who like to receive more than €100,000.

<sup>81</sup> The successfully organised German film festival in China had a budget of €150,000.

instance, Lebanon and Ecuador (10,000-20,000 viewers), Colombia, Guatemala and China (more than 20,000 viewers). The online experience in China demonstrates the importance of having a proper selection of films capable of matching the local taste. A professional curator was hired for the first edition of the online EUFF that attracted 17 million viewers in 2012.

Another advantage of having a curator is that the EUD does not have to enter into negotiations with the Embassies and cultural institutes of the EU MS on the selection of the films. Although the relations are in general good, discussions can sometimes cause considerable delays in the validation of the list of films.

- The survey shows that EUFFs invest very little in terms of promotion and marketing, thus making EUFF often too closed events that are only known to a narrow circle of people.

This lack of marketing and promotional focus is detrimental as it:

- limits access to cinema screens;
- discourages the participation of local AV professionals;
- affects the visibility of the festival with the local media and as a result limits the capacity to expand audiences.

Therefore it is recommended that EUDs appoint a local PR agency specialised in cinema distribution to assist in promotion and marketing in particular towards the local film industry players (to access screens and reach a wider audience). The ESP should be able to advise and assist the EUD in the selection of such PR agency (and draw a set of specifications for the selection of local tenderer). This will also ensure that the EUFF is branded consistently throughout the world and in the most cost efficient way (see section 4.2.3 on the activities of the ESP).

Special emphasis should be put on social media advertising to reach the general public. A specific strategy for social media will therefore have to be included in the marketing plan of the EUFF. Focusing on local film bloggers is often a good option to create an interest in the EUFF. Nowadays people are more influenced by comments posted by their peers on digital platforms: blogs, social networks, etc. (Maurer, 2013)

Also specific PR campaigns should be carried out in cities where the EUFF are being organised with systematic press conference and events associating local and European talents when possible (e.g. press conferences, interviews on radio and TV).

The EUD will have to take care of the printing of the posters and other publicity material to conform to local tastes, using the template made available by the ESP as a guide. The EUDs will however be free to design their own posters if they do not wish to use the template provided at central level as the colours or features may not work locally.

For the promotion of the EUFF partnerships should be created with local media companies (this is only done by 14% of EUFFs). In some countries (such as in China) this requires a fee to be paid. Ideally, the EUDs should appoint a PR agency to assist them with the communication strategy. The ESP will advise and assist the EUD as much as possible to ensure that their EUFF is branded in the most cost efficient way (see section 4.2.3 on the activities of the ESP).



*Optional: Audience Awards* – to engage with the audience of a EUFF the EUDs and their partners should consider the possibility of setting up an audience award similar to the ones organised by the EUD in Argentina<sup>82</sup> or Eurocine in Colombia. These awards could assist other EUDs in the region to select the films, promote their EUFFs among the local population and show European film professionals that the EUFFs are working hard to increase the audience for European films.

If a critical mass of EUFFs organise audience awards, the film director who collects the most awards throughout the EUDs could be awarded 'ambassador of the EUFFs'. This award would contribute to give more visibility to the EUFFs.

### **4.3.3. Subtitling**

The EUDs should in principle take care of the subtitling of the films that are not part of European of films as well as the films that have not been subtitled into the ten selected languages for the European films package.

To create synergies and reduce costs for each of the EUDS the ESP will encourage EUDs to share subtitling costs of films which are not made available subtitled in the "European package of films". The database set up at central level will include information on the languages of the different subtitles available for each film accessible to EUDs.

### **4.3.4. Venues**

EUDs would be advised to screen the European films as much as possible in dedicated place for cinemas (including commercial cinemas), rather than in cultural centres. This will permit EUFFs to reach a wider audience and has a number of other advantages: 1) Cinemas are considered to be public spaces offering a universal film experience as well as a social experience. People are sometimes more reticent to attend film festivals taking place in a cultural centre and they feel more comfortable going to a cinema. 2) By partnering with a local cinema network EUFFs contribute to building partnership that are useful to promote the event as well as supporting awareness on the potential of European cinema with exhibitors.

### **4.3.5. Seek local partnerships to pool resources**

To widen the impact of the EUFFs, partnerships with local partners are also of importance. In some cases such partner could play the main part in the organisation. In particular partnerships could be examined with the local cinema networks (that already screen European films such as Europa Cinemas members), film institutes and film festivals that are also interested in creating an audience for European films. A good example is the 'EU Film Showcase' in the

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<sup>82</sup> In 2012 for the first time the public of the *Mostra de Cine Europeo en Buenos Aires* was invited to vote for its favourite film in the programme. Once the festival was over, the most acclaimed film was screened again. More information on the website of the Alliance Française: <http://www.alianzafrancesa.org.ar/afba/detalle-evento/629-9a-muestra-de-cine-europeo-en-buenos-aires/>

USA. The American Film Institute (AFI) is the main local partner of the EUD and organises the European Film Showcase in Washington DC. AFI curates the festival and selects films to be presented at the festival. The EUD only organises and funds the receptions connected to film screenings (opening and closing nights with the EU Ambassador or the Ambassador of the country that has the EU Presidency of the Council).

The EUDs could endeavour to cooperate with a local film festival and create a partnership. The role of the EUD would be to support the promotion and distribution of European films and create a section of European films in these film festivals (for example for the films that have received the EP LUX Film Prize or EFA Awards). The EUD would endeavour to select of the best film festivals in their respective countries.

The ability to work with local partners is also an important consideration to access additional funding and engage with local sponsors.

#### **4.3.6. Side Events**

The organisation of side events is a key element of the EUFFs: 45% of the EUDs that organise or co-organise a film festival have specifically asked for support in these activities. It is indeed there where the EUDs can effectively use the EUFFs to discuss EU values and relevant priority policies. These are the places where intercultural dialogues can take place and where the distribution of European film or co-production activities can be promoted. These events will ensure that the public and professionals get what they want from an EUFF: a blend of films, workshops, training and events. Different activities can be organised targeted to each type of audience that the EUFF is trying to reach (existing filmgoers, potential new audience, young people/digital natives, professors, students and film professionals).

There are different types of side events that need to be considered:

- **Market events**

Seminars and workshops with local film professionals (local distributors, festival organisers, exhibitors, producers and filmmakers) on topics of relevance to the film sector such as 1) the latest trends in the European film market, 2) how to increase the circulation of films and promote trade exchanges (identify the barriers to trade), 3) the possibilities of film co-production and 4) IPR legislation and enforcement. In addition matchmaking events can be organised at business, training, cultural and education levels to increase people to people dialogue.

- **Political events**

For example debates between the high political representatives of the country together with the EU Ambassador on priority topics of the EUDs. The films shown during EUFFs could be used to trigger such as a debate. This happens in many EUDs in the context of the festival (good practice in Argentina for instance).

- **Educational events at schools and universities**

For example, master classes and workshops with film professionals at film schools and universities. Talents invited to attend the EUFF would be asked to also give lectures and attend local events.

- **Events with young people**

Connecting with youth of different backgrounds is a priority topic for a number of EUDs (in developing countries). A special outreach programme aimed at young people would find its place in the context of EUFFs.

#### **4.3.7. Impact evaluation**

Evaluation of the impacts of EUFFs is pivotal not only to better assess the results of the festivals and improve future editions but also to better communicate and engage with relevant stakeholders. EUDs should undertake regular evaluation on both the cultural and economic impact of EUFFs on the basis of the template prepared by the ESP in Annex 9.

### **5. Financial and Technical Feasibility of Centralised Services**

In this chapter we provide an overall estimation of the costs of the centralised services and the guidelines to contract an ESP as well as a short overview of possible EU funding.

#### **5.1 Overall estimation of costs of centralised services**

Below an overall estimation is given of the costs to be incurred to subcontract an ESP in charge of implementing the proposals contained in Chapter 4 over a period of two years. It should be noted that the preparation of a budget in relation to such programme is a difficult exercise. This is due to the nature of the film business and the dealing with prototype products. It is difficult to establish standard cost structure whilst each film has a different production and distribution life. Each film will have a different business life, which will impact its economic value and therefore its licensing costs. The projection is based on best estimates derived from this research.

The development of a European package of films will be the most costly element of this programme as it implies the tracing and negotiation of film rights for each film thus leading to negotiation on a film by film basis with a wide range of right holders. The role of the ESP, a difficult task, will be to find ways to ease this licensing process to reduce costs and inspire trust with right holders, hence the importance of associating the film industry with this process with a view to be able to acquire a good selection of films. This programme takes the view that the European film industry should be more closely associated with the EU's external trade and cultural policy in a win-win process.

| Activity                                  | Estimated budget in Euros | Notes  |
|---|---------------------------|--|
| <b>YEAR 1</b>                             |                           |  |
| <b>SERVICES ESP AT HEADQUARTERS LEVEL</b> |                           |  |
| Leadership Board                          | 10,000                    | On the basis of 10 members (average costs of €500 per person) and the assumption that the EU institutions would make available the facilities and catering services for two meetings of the Leadership board. In the first year two meetings would be organised in order for the ESP to receive more support and be more productive. |
| European package of films                 | 400,000                   | €300,000 for licensing rights including preparation of copies; €100,000 for subtitling of a number of films into the most spoken languages.  |
| Subscription Festival Scope               | 15,000                    | To enable EUDs to have access to trailers of the selected films.   |
| Selective funding scheme                  | 400,000                   | €40,000 maximum per beneficiary EUFFs  |
| Communication deliverables                | 40,000                    | Promotional video (€20,000), set up website (€10,000), leaflets and documentation material (€10,000)   |
| Human resources costs                     | 220,000                   | On the basis of 2 senior experts and one administrative assistant.   |
| Travelling costs                          | 24,500                    | Attendance ESP staff at the 5 key European film events and some regional meetings of the EUDs.   |
| Overheads (10%)                           | 111,950                   |  |
| Subtotal                                  | 1,231,450                 |  |
| <b>YEAR 2</b>                             |                           |  |
| <b>SERVICES ESP AT HEADQUARTERS LEVEL</b> |                           |  |
| Leadership Board                          | 5,000                     | On the basis of 10 members (average costs of €500 per person) and the assumption that the EU institutions would make available the facilities and catering services for an annual meeting of the Leadership board.   |
| European package of films                 | 400,000                   | €300,000 for licensing rights including preparation of copies; €100,000 for subtitling a number of films into the most spoken languages  |
| Subscription Festival Scope               | 15,000                    | To enable EUDs to have access to trailers of the selected films  |
| Selective funding scheme                  | 400,000                   | €40,000 maximum per beneficiary EUFFs  |
| Communication deliverables                | 35,000                    | Promotional video (€20,000), website (€5,000), leaflets, etc. (€10,000)  |
| Human resources costs                     | 220,000                   | On the basis of 2 senior experts and 1 administrative assistant.   |
| Travelling costs                          | 24,500                    | Attendance of ESP staff at the 5 key European film events and some regional meetings of the EUDs   |
| Overheads (10%)                           | 109,950                   |  |
| Subtotal                                  | 1,209,450                 |  |
| <b>TOTAL BUDGET Year 1+2</b>              | <b>2,440,900</b>          |  |

**Licensing rights including the preparation of the copies:** €300,000. This sum has been calculated using two options to clear the screening rights for 30 films: 1) negotiation of licences per film per territory and 2) the negotiation of world rights per film. The ESP will have to use both options, as it will not be possible for them to negotiate for all films the world rights. In particular as the European package will need to contain also recent good quality and award winning films. For the first option we have been taken on board the average estimated screening rights of €1,000 (see section 4.2.2.) and a number of screenings per EUFFs. We have not been able to take into account the number of viewers per screenings, which would normally also have an impact on the rate of the screening rights. For the second option we have used the average estimated rate of €10,000 per film. Some flexibility will to be given to the ESP, as there are too many unknown variables to calculate the screening rights for each film among the 130 countries where the EUDs are located. The ESP will for example also have to deal with different conditions per sales agents/local distributors for each film as well as their international release schedule. Also the ESP will have some leverage to negotiate a lower rate by offering promotional activities for the film as well as subtitles in various languages.

**Subtitling of the 30 films in at least 10 languages:** the estimate average rate is €1,200 per film (see section 4.2.2) and it is foreseen that certain films will already have been subtitled. Thus not all films will have to be subtitled in the 10 proposed languages. According to a cautious estimate approximately 100 different subtitles could be produced under the management of the ESP.

The preparation of the packages does not take into account expenses of an online platform to facilitate access to the films as the one run by IF Cinema. The French Institute reported that the budget for the preparation of the new platform that has been recently launched is €200,000. Its yearly maintenance is estimated around €80,000.

**Human resources:**

- 2 senior experts full time per year €180,000
- 1 administrative assistant full time €40,000

## **5.2 Guidelines to hire/contract an External Service Provider**

As suggested in chapter 4, it is advised to hire a specialised external service provider (ESP) to implement the services listed in section 4.2. This will increase EUFFs professionalization, effectiveness and sustainability. Annex 8 proposes in more detail guidelines to select ESP and lists main tasks for such body reporting to the EEAS/EC.

### Technical and professional capacity criteria

The ESP must prove experience in the organisation of film festivals and preferably with knowledge of business practices in relation to rights clearance.

### The Team

The team of the ESP should include, as a minimum, three full-time professional positions:

- *Full time Senior expert with business affairs experience in the film industry (notably rights licensing)*
- *Full time expert in communication and marketing*
- *Full time administrative assistant*

### **5.3 Available EU funds**

As seen in chapter 3 only in a relatively small number of cases do the EUDs also use EU programmes and instruments to fund the activities of the EUFF such as the European Development Fund (EDF), Global Allocation of the Development Cooperation Instrument (DCI), European Neighbourhood Instrument (ENI) and the Instrument for Pre-Accession (IPA II).

The most adequate programme to fund the activities of the EUFF is the Partnership Instrument (PI). The PI is an EU instrument specifically designed to promote the Union's strategic interests worldwide by reinforcing its external strategies, policies and actions. It mainly focuses on the ten strategic countries of the EU, but can also fund activities in any other non-EU country. The Instrument has a budget of €954.8 million for the period 2014-2020 and complements other EU instruments. The PI is run by the Service for Foreign Policy Instrument (FPI) of the European Commission together with the EEAS. They work closely with the EU Delegations and one of its core objectives is promoting public diplomacy (including cultural diplomacy) and outreach activities.<sup>83</sup> The First Multi-Annual Indicative Programme for the period 2014-2017 lists a number priorities and activities that could be of interest to EUDs, in particular in the ones based in the strategic countries.<sup>84</sup>

- Public and cultural diplomacy outreach activities in the form of targeted support for people-to-people initiatives to promote the values of the EU and improve mutual understanding (objective 4). EUFF can be an effective tool to reach a large audience and demonstrate in a natural way how contemporary Europeans deal with different issues in the culturally diverse EU. Certain films can be used as a means to trigger debates with citizens in different countries.
- Actions to support policy dialogues in the culture and creative sectors as part of the international dimension of Horizon 2020 and the EU's Digital Agenda (objective 2). The EU and national governments can discuss measures to improve the international trade conditions for digital goods and services, such as existing barriers to online distribution of European films.
- Actions on awareness-raising and capacity-building support for the adequate intellectual property rights legislation and enforcement (objective 3). These actions are aimed at improving access to third country markets and boosting trade, investment and business opportunities for European companies (including SMEs). As mentioned before, the market share of European films is very low in most third countries and the lack of adequate IPR legislation and enforcement measures are a barrier to trade.

Most of these actions can be organised in the form of side events during the EUFFs. These actions could be of particular interest in countries such as Canada, Japan, South Korea and the United States, as activities in these countries are not eligible for funding under any other EU instruments.

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<sup>83</sup> Article 2.1 of the PI Regulation

<sup>84</sup> Available at: [http://ec.europa.eu/dgs/fpi/documents/pi\\_mip\\_annex\\_en.pdf](http://ec.europa.eu/dgs/fpi/documents/pi_mip_annex_en.pdf)

Although the Creative Europe Programme 2014-2020 is the main programme for the cultural and audiovisual sectors, it does not offer any specific funds that could assist the EUDs to organise an EUFF as it mainly targets projects carried out in the EU by cultural operators, NGOs and film professionals. However some of its activities in the audiovisual sector could be integrated into the activities of the EUFFs and the ESP would have to examine this in greater detail.

In general it appears that funds for cultural and audiovisual projects in countries that are not participating in the Creative Europe Programme or non-strategic partners of the EU will be limited. At this stage is still not clear how much funding will be available for culture within the development policy for 2014-2020. According to DG NEAR and DG DEVCO not many EU programmes will focus specifically on culture.<sup>85</sup> EUDs (looking for additional funds) will have to examine bilateral projects and local assistance programmes to make use of additional funding for EUFFs. Culture actions as such are not one of the priorities of the 'Agenda for Change' for the developing countries and for this reason many developing countries have not included culture in their action plans. However it should be argued that EUFFs fall within the area of economic development as it serves the emergence of local creative industries. There is also the possibility for the EUDs to include culture in the action plans as part of related priority activities such as: governance, human rights, democracy, civil society and regional development of SMEs. These action plans could be used to fund a number of EUFFs activities<sup>86</sup> and should be dealt with on a case-by-case basis with the Head of operations of the EUDs. Bilateral programmes have limited budgets for visibility and communication – making it more difficult to mobilise funds for EUFFs.

In conclusion it is not an easy task to determine which EU programmes can be used for the organisation of EUFFs, as there is still no coherent strategy or coordinating body at European level to deal with culture in external relations. It will thus be for each EU Delegation to look at the EU programmes that are relevant for its territory and find justification for EUFFs to be linked to priority actions.

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<sup>85</sup> For the developing countries the EC has recently approved the Africa Investment Facility that will include a component on supporting SMEs in the cultural sector. At present DG DEVCO is also examining how the Global Public Goods and Challenges programme can be used to fund cultural activities. It could be mobilised for EUFFs on the short and medium terms.

<sup>86</sup> Some examples of how the components of the priority actions such as workshops, visibility actions or regional programmes could be used: Organisation of the EUFFs in cities outside of the capital of the country (rural development), Screening of local films during the EUFFs (civil society), side events for film professionals, film institutes and film students (capacity building), side events for young people in schools (educational), and training on IPR protection and enforcement with local stakeholders (SMEs and economic development).

## **6. Conclusions and overall summary of the proposed recommendations**

There is currently no structured or coordinated approach towards the organisation of a European film festival by the EUDs. Each EUD organises its own 'type' of EUFF depending on its partners, budget and the interest of its Press and Information section. The organisation of an EUFF is a complex undertaking if one aims to have an attractive programme for the local audience featuring a diversity of European films and which promote Europe's image as well as its culture industry.

At least 76 out of the 139 Delegations are involved in the organisation of EUFFs. This figure shows that the EU has a 'golden network' of film festivals that can be used to strengthen the external cultural relations of the EU, if adequately supported and guided at EU Headquarters level. Currently many EUFFs lack professional knowledge, expertise and are under resourced.

Both the EUDs, that have organised numerous successful editions of EUFFs as well as the ones that have not done so to date, have expressed a strong desire for more assistance from EU Headquarters to be able to organise more ambitious and targeted EUFFs. The survey carried out showed that 89% of the respondents favoured the idea of a package of European films with cleared rights. Among the EUDs that organise EUFFs 82% were of the opinion that such a package would give them better access to more recent quality films, 64% stated that it would make them less dependent on Embassies, cultural institutes and/or film institutes to gain access to films and 60% think that it would also increase the sustainability of the EUFFs.

A striking outcome of the study has been the lack of engagement of the European cultural and audiovisual sector in the organisation of EUFFs and the low visibility of the EUFFs among film professionals. This is an area that needs improvement in order to obtain the support of the sector.

To bring the EUFFs to the next level and increase their visibility/use within the EU's external relations, the following general framework needs to be constructed:

- Set up a **network** of EUFFs that can engage with each other and share best practices.
- Support for the network at EU Headquarters' level.
- Add the triple D-CA-T dimension to each EUFF.
- Adopt quality standards to be followed by each EUFF and encourage EUDs that propose the best EUFF package (through additional funding).
- Establish synergies among the EUDs as well the European and national public and private stakeholders to share resources and reduce costs.
- Create a budget line to support the organisation of film festivals within the EEAS (as it already happens at MS level).



## **Concrete proposals for support measures at EU Headquarters level:**

1. The EEAS and the EC could be assisted by a **Leadership Board** to make proposals and promote synergies among European and national public and private stakeholders; in particular the engagement of the film sector should be strengthened. Due to the high degree of specialisation required, the implementation of the support measures should be entrusted to an **External Service Provider** (ESP) selected through public procurement. This ESP should be responsible for the following activities to increase the impact, efficiency and sustainability of the EUFFs:

- Setting up a package of 15 to 30 European films (selection of films, negotiation and acquisition of rights) based on a number of criteria (recent, quality, award-winning films as well as box office hits).
- Subtitling the selected films in at least ten major world languages. Subtitles in other languages will be done by the EUDs.
- Set up of a database with relevant information on the selected films.
- Coordinating the exchange of information among EUDs on EUFFs (through an online platform and regional meetings), provide ad hoc trainings on the organisation of film festivals on the occasion of regional meetings of the EUDs.
- Create a common visual identity and a communication strategy for the EUFFs together with an "EUFF brand" and ensure proper engagement and communication with specialised media worldwide.
- Setting up a help desk in order to address questions asked by the EUDs, prepare a DIY guide for the organisation of EUFF, provide information on funding possibilities, etc.
- Assist EUDs in organising side events, in particular events with film professionals as well as side events with an educational element addressed to young people.
- Explore potential public-private partnerships to raise sponsorship funding.
- Manage a selective scheme for funding that will reward the EUDs to organise the most attractive EUFFs in line with set quality standards.

## **2. Online EUFFs:**

- Assist the EUDs in the organisation of online film festivals in their territory when digital delivery resources are present in this territory.
- The EEAS and EC should consider the possibility developing a pilot project for an online EUFF in 4/5 countries organised at central level (for example among selected strategic partner countries). The ESP would be responsible for its organisation and coordinate a number of onsite activities with the relevant EUDs.

## **Recommendations for activities to be carried at EUD level**

EUDs will retain the freedom and flexibility to organise EUFFs that best fit their local context. However as a minimum they should meet quality standards set out in the report to ensure that EUFFs contribute a positive image amongst diplomats, the industry and the public. To reach a minimum threshold of quality and professionalism it is imperative that EUDs have access to a minimum and diversified level of funding. This funding will be required to ensure good local marketing and promotional campaigns and secure adequate professional support in third countries to reach a wide audience.

EUDs will remain responsible for:

- Appointment of curator and/or festival organiser.
- Hiring of a PR agency for the marketing and promotion of the EUFF.
- Partnerships with local distributors and exhibitors throughout the country.
- Subtitling of films that are not part of the (subtitled) European package of films.
- Selection of venues (ideally in commercial cinemas).
- Set up of partnerships with local actors and stakeholders.
- Organisation of side events - essential to add the D-CA-T dimension to the EUFF. Specific focus will need to be placed on market events.
- Impact evaluation of each EUFF on the basis of cultural, educative and economic indicators.

## **Budget**

The budget required to enable the implementation of the support measures to be provided at EU Headquarters is estimated at around **€2.5 million** (excluding the online film festivals) for a two-year period. The Partnership Instrument of the Foreign Policy Instrument would be the most suitable funding instrument.

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Eurimages – Council of Europe [http://www.coe.int/t/dg4/eurimages/news\\_EN.asp?](http://www.coe.int/t/dg4/eurimages/news_EN.asp?)

Europa Cinemas <https://www.europa-cinemas.org/>

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Europa International <http://www.europa-international.org/>

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European Film Promotion, Film Sales Support [http://www.efp-online.com/en/project\\_market/fss.php](http://www.efp-online.com/en/project_market/fss.php)

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### **Databases on European Cinema**

Cinando <http://www.cinando.com/>

Cineuropa Feature films database <http://cineuropa.org/f.aspx?t=filmshome&l=en&tid=1101>

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South Africa

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## **Annexes**

### **Annex 1 – Survey for EU Delegations on European Union Film Festivals**

| Survey for EU Delegations on European Union Film Festivals (EUFFs)   |                      |
|--|----------------------|
| Introduction   |                      |
| <p>KEA European Affairs, in a consortium with the British Film Institute (BFI), has been commissioned by DG EAC to carry out a survey on the European Union Film Festivals ("EUFFs") organised or supported by the EU Delegations around the world. The aim of the survey is to have a better overview of how and with what means the EUFF are being organised (e.g. its partners, budget, type of films, negotiation of screening rights, etc.).</p> <p>The analysis of the results of the survey will among others help KEA to develop a set of modus operandi to facilitate the access for EU Delegations to recent good quality European films, pool resources and professionalise the organisation of EUFF worldwide. One option to be explored would be the building of a package of European films including the negotiation of the clearance of the screening rights for films to be shown at EUFFs.</p> <p>The survey below consists mainly of closed questions and should not take too long to reply. It has been divided in three parts: Part I consists of questions related to the organisation of a traditional EUFF in cinemas/cultural centres, Part II is focused on online EUFFs and finally Part III deals with a proposal to set up a package of European films.</p> <p>We would appreciate if you could complete this survey by the 24 of February 2015 at the latest.</p> <p>If you have any questions please contact Clémentine Daubeuf at <a href="mailto:cdaubeuf@keanet.eu">cdaubeuf@keanet.eu</a></p> <p>Thank you for your kind collaboration.</p> <p>KEA team</p> |                      |
| <b>*1. INFORMATION RESPONDENT</b>  |                      |
| <b>Contact person</b>  | <input type="text"/> |
| <b>Function</b>  | <input type="text"/> |
| <b>EU Delegation</b>   | <input type="text"/> |
| <b>Email</b>   | <input type="text"/> |

## Survey for EU Delegations on European Union Film Festivals (EUFFs)

### PART I - INFORMATION GATHERING ON EUROPEAN UNION FILM FESTIVALS

#### GENERAL INFORMATION ON THE ORGANISATION OF / SUPPORT TO EU FILM FESTIVALS BY EU DELEGATIONS

**2. Do you organise yourself or contribute to the organisation of a European Union film festival (EUFF)?**

*By ticking 'No' you will be redirected to Part II of the survey, please click on the 'Next' button at the bottom of the page.*

- Yes  
 No

**3. How many EUFFs have you organised yourself or contributed to?**

- 1  
 2-5  
 6-10  
 More than 10

**4. When did your last EUFF take place? (Please indicate the year). If available, can you also please provide the link to the website of the EUFF?**

**5. When will your next EUFF take place?**

- 2015  
 2016  
 2017  
 2018  
 We do not plan to organise an EUFF in the near future  
 Other (please specify)

**Survey for EU Delegations on European Union Film Festivals (EUFFs)**

**6. What is the average duration of your EUFF?**

- Less than 1 week
- 1 week
- 2 weeks
- 3 weeks
- 4 weeks
- 2 months
- Longer than 3 months
- Other (please specify)

**7. What is the main objective of your EUFF? (Please indicate in order of priority, number 1 being the highest number.)**

|                      |  |
|----------------------|--|
| <input type="text"/> | Promotion of the European Union  |
| <input type="text"/> | Cultural Diplomacy   |
| <input type="text"/> | Showcasing of European culture   |
| <input type="text"/> | Promotion and exposure of European films   |
| <input type="text"/> | Strengthening of cultural dialogue with local population/stakeholders              |
| <input type="text"/> | Promotion of trade and business cooperation (for the film sector or other sectors) |

**8. If your EUFF has another objective, please mention it below:**

**9. What is the market share of European films in the country/ies of your Delegation?**

- Less than 5%
- 5 to 10%
- 10 to 20%
- 20 to 30%
- 30 to 50%
- More than 50%
- None
- Do not know

## Survey for EU Delegations on European Union Film Festivals (EUFFs)

### PARTNERS & SUBCONTRACTORS

**10. Who are your main partners for the EUFF? (Please tick all answers that may apply.)**

- Embassies of EU Member States
- Cultural Institutes (e.g. British Council, Goethe Institut, Institut Français, etc.)
- EUNIC Cluster
- Chamber of Commerce or trade associations
- Private companies/sponsors
- European Film Institutes
- Local Film Institutes
- Owners or network of cinema theatres
- Film distributors
- Sales agents
- European Media companies
- Local Media companies
- VOD (video-on-demand) platforms
- NGOs
- Other (please specify)

**11. Do you subcontract certain parts of the organisation of the EUFF?**

- No
- Yes

**12. Please indicate the activities that you subcontract. (Please tick all answers that may apply)**

- Entire organisation of the festival
- Selection of films
- Negotiation of screening rights
- Promotion and marketing activities (including social media)
- Organisation of opening and closing events
- Renting of cinema theatres or other venues
- Organisation of side events
- Other (please specify)

## Survey for EU Delegations on European Union Film Festivals (EUFFs)

### AUDIENCE AND REACH OUT

**13. Which audience does the EUFF target? (Please indicate in order of priority, number 1 being the highest number.)**

|                      |                                    |
|----------------------|------------------------------------|
| <input type="text"/> | Local population - adults          |
| <input type="text"/> | Local population - young people    |
| <input type="text"/> | European nationals                 |
| <input type="text"/> | Diplomats and government officials |
| <input type="text"/> | Film professionals                 |

**14. If the EUFF targets another audience that is not in the above please mention it below:**

**15. What is the average number of viewers per EUFF?**

- Less than 500 persons
- 500 to 1.000 persons
- 1.000 to 2.500 persons
- 2.500 to 5.000 persons
- 5.000 to 10.000 persons
- 10.000 to 20.00 persons
- More than 20.000 persons

**16. In how many cities was your last EUFF organised?**

- 1 city
- 2 to 3 cities
- 4 to 5 cities
- 6 to 10 cities
- More than 10 cities

Survey for EU Delegations on European Union Film Festivals (EUFFs)

**17. In which type of venues do you organise the EUFF?**

- Commercial cinemas
- Cultural centres
- EU Delegation
- Universities/schools
- Other (please specify)

**18. What is the average (seats) occupancy rate of the venue(s) used for the EUFF?**

- Less 40 %
- 40 to 50%
- 51 to 70%
- 71 to 90%
- Do not know

**19. Do visitors have to buy an entrance ticket or a festival pass to attend the EUFF?**

- Yes
- No, entrance is for free

## Survey for EU Delegations on European Union Film Festivals (EUFFs)

### BUDGET

**20. What was the approximate total budget of your last EUFF?**

- Less than 10.000 Euros
- 10.000 – 20.000 Euros
- 20.000 – 30.000 Euros
- 30.000 – 50.000 Euros
- 50.000 – 70.000 Euros
- More than 70.000 Euros
- Other (please specify)

**21. What is the average price for subtitling or dubbing a film?**

- Less 200 Euros
- 200 to 500 Euros
- 500 to 1.000 Euros
- 1.500 to 2.000 Euros
- 2.000 to 3.000 Euros
- More than 3.000 Euros

**22. Which partners (co) fund the organisation of the EUFF? (Please tick all answers that may apply.)**

- Embassies of EU Member States
- Cultural Institutes (British Council, Goethe Institut, Institut Français, etc.)
- EUNIC Cluster
- European Film Institutes
- Local Film Institutes
- (Network of) cinema theatres
- (European) Chambers of Commerce or trade associations
- Private companies/sponsors
- Not applicable
- Other (please specify)



## Survey for EU Delegations on European Union Film Festivals (EUFFs)

**23. What share of the total budget of an EUFF does the EU Delegation contribute to if it is organised in cooperation with another partner(s)?**

- Less than 10%
- 10 to 25%
- 25 to 50%
- 50 to 75%
- More than 75%
- Not applicable as the EU Delegation funds 100% of the EUFF

**24. Which type of EU funds do you use to finance the EUFF?**

- Budget of the Press and Information Section of the EU Delegation
- EU programmes or instruments

Please specify the programme(s)/instrument(s) or the other type of EU funds used

**25. Apart from the funding of the EU Delegation and its partners, which other types of resources does the EUFF count on? (Please tick all answers that may apply.)**

- Sales of entrance tickets or passes
- Sponsorship by private companies
- Public support by host country
- Not applicable
- Other (please specify)

**26. What should in your opinion be an appropriate budget for the organisation of a successful EUFF?**

- Less than 10.000 Euros
- 10.000 to 20.000 Euros
- 20.000 to 40.000 Euros
- 40.000 – 60.000 Euros
- 60.000 – 80.000 Euros
- 80.000 – 100.000 Euros
- 100.000 to 120.000 Euros
- 120.000 to 150.000 Euros
- More than 150.000 Euros
- No answer

Survey for EU Delegations on European Union Film Festivals (EUFFs)

**27. What are the 3 highest budget posts/headings of an EUFF?**

- Licensing costs of films (screening rights)
- Subtitling or dubbing costs
- Delivery costs of films
- Rental of theatres
- Subcontracting the organisation of the EUFF
- Promotion and marketing of EUFF
- Opening and closing events
- Press events
- Travel and accommodation expenses for European talents (director and actors)
- Side events (business, educational, cultural etc.)
- Other (please specify)

Survey for EU Delegations on European Union Film Festivals (EUFFs)

ACCESS TO AND SELECTION OF FILMS

**28. How many films did you screen during your last EUFF?**

- Less than 5
- 5-10
- 11-15
- 16-20
- 21-30
- 31-50
- More than 50

**29. What was the average amount of screenings per film during your last EUFF?**

- 1
- 2
- 3 to 5
- 6 to 10
- More than 10

**30. Which kind of European films should be screened at a EUFF according to you?**  
*(Please answer in order of importance, number 1 being the most important one.)*

|                      |  |
|----------------------|--|
| <input type="text"/> | Recent films (less than one year)                        |
| <input type="text"/> | Award winning films                                      |
| <input type="text"/> | Box office hits  |
| <input type="text"/> | Art house films  |
| <input type="text"/> | Films made by new/emerging talents (directors or actors) |
| <input type="text"/> | Others   |

**31. How many EU Member States were on average represented by the films shown during your last EUFF?**

- Less than 5
- 5 to 10
- 11 to 15
- 16 to 20
- More than 20

Survey for EU Delegations on European Union Film Festivals (EUFFs)

**32. Who selects the films? (Please tick all answers that may apply.)**

- The EU Delegation
- Cultural institutes
- Embassies
- European film institutes
- Local film institute
- Local curator(s)
- Cinema network
- Local subcontractor
- Other (please specify)

## Survey for EU Delegations on European Union Film Festivals (EUFFs)

### LICENSING AND SCREENING RIGHTS

#### **33. Who negotiates the payment of the screening rights to the film producer, sales agents or local distributor?**

- The EU Delegation
- Local subcontractor
- Cultural institutes
- Embassies
- European film institutes
- Local film institute
- Local curator(s)
- Cinema network
- Other (please specify)

#### **34. What is the average budget allocated to acquiring the screening rights per film and per screening?**

- Less than 100 Euros
- 100 to 200 Euros
- 200 to 500 Euros
- 500 to 1.000 Euros
- 1.000 to 1.500 Euros
- More than 1.500 Euros

**Survey for EU Delegations on European Union Film Festivals (EUFFs)**

**PROMOTION & MARKETING**

**35. Who is in charge of the promotion and marketing of the EUFF? (Please tick all answers that may apply.)**

- EU Delegation
- Partner(s)
- Local subcontractor
- Other (please specify)

**36. Which promotion tools do you use? (Please indicate in order of importance, number 1 being the most important one.)**

|                      |  |                              |
|----------------------|--|------------------------------|
| <input type="text"/> | Website EU Delegation                                | <input type="checkbox"/> N/A |
| <input type="text"/> | Social media (Facebook, YouTube, Twitter, etc.)      | <input type="checkbox"/> N/A |
| <input type="text"/> | Trailers, posters and flyers                         | <input type="checkbox"/> N/A |
| <input type="text"/> | Opening and closing events                           | <input type="checkbox"/> N/A |
| <input type="text"/> | Press conference/events with directors and/or actors | <input type="checkbox"/> N/A |
| <input type="text"/> | Newsletters  | <input type="checkbox"/> N/A |
| <input type="text"/> | Other  | <input type="checkbox"/> N/A |

## Survey for EU Delegations on European Union Film Festivals (EUFFs)

### IMPACT & SIDE EVENTS

**37. Do you measure the impact and outreach of EUFFs? If so, on the basis of which criteria? (Please tick all answers that may apply.)**

- No
- Attendance EUFF (e.g. number of admissions and occupancy rates in venues)
- Audience research and evaluation
- Number of followers on social media
- Media coverage (number of press clippings published)
- Increased sales and/or distribution of EU films
- Other (please specify)

**38. Do you organise business/professional « side events » in addition to the films screenings? If, so what type of side events do you organise? (Please tick all answers that may apply.)**

- Events with representatives of European and local audiovisual sectors (film producers, film distributors, sales agents, TV broadcasters, etc.)
- Events with European directors and/or actors
- Events at universities and film academies (e.g. master classes)
- Events to promote business cooperation with the EU covering various economic sectors
- Events to stimulate cultural exchanges with local stakeholders
- No events
- Other (please specify)

Survey for EU Delegations on European Union Film Festivals (EUFFs)

DIFFICULTIES ENCOUNTERED

**39. What are the 3 major difficulties that you face when organising a EUFF?**

- Access to recent good quality films
- Negotiation and licensing of screening rights
- Dubbing and subtitling of films
- Delivery of films in adequate formats
- Promotion and marketing of the film festival
- Attracting European talents (directors and actors) to attend the EUFF
- Finding local partners
- Finding subcontractors
- Organising side events
- Finding funds to finance the EUFF
- Lack of human resources
- Reaching the local audience
- Other (please specify)



## Survey for EU Delegations on European Union Film Festivals (EUFFs)

### PART II – ONLINE EUFF

This part is deals with online EUFF. If you do organise such festival, you will be kindly requested to complete another specific questionnaire on the online EUFF that will be sent to you separately.

**40. Do you also organise online EUFFs on digital platforms?**

Yes

No

**41. If you answered « no » to the previous question, would you be interested in organising an online EUFF in the future?**

Yes

No

**42. What are or could be the main advantages of an online EUFF? (Please tick all answers that may apply.)**

Broader audience

Young audience would be easier to reach

Organisation costs would be reduced

More (varied) films could be screened

Sales agents and film distributors would be more interested in licensing their screening rights

Increased possibilities for EU films to enter difficult markets

More opportunities for EU films to be screened in countries with a low number of theatres

No opinion

Other (please specify)

Survey for EU Delegations on European Union Film Festivals (EUFFs)

**43. What would be the main difficulties/obstacles with regard to organising an online EUFF in your view? (Please tick all answers that may apply.)**

- Finding a digital platform
- Reluctance of sales agents and film distributors to license online screening rights
- Piracy threat
- Poor Internet broadband services
- Less direct contacts with the audience and fewer debates with local stakeholders
- Lack of standard file formats for films
- No opinion
- Other (please specify)

## Survey for EU Delegations on European Union Film Festivals (EUFFs)

### PART III – PACKAGE OF EUROPEAN FILMS FOR THE ORGANISATION OF EUFFs BY...

**44. If a package of European films (of which rights have already been cleared) was made available to you by the EU Headquarters would this it make it easier for you to organise an EUFF in the future?**

- Yes  
 No

**45. What would be its main advantages in your view? (Please tick all answers that may apply.)**

- Increase access to more recent quality films
- Become less dependent on Embassies, cultural Institutes and/or film institutes for the availability of films
- Eliminate the burden of clearing and negotiating screening rights with film producers, film distribution companies or sales agents
- Reduce costs of screening rights
- Reduce the promotion and marketing costs
- Increase the sustainability of EUFFs
- No advantage
- No opinion
- Other (please specify)

**46. If the access to films were made easier for the EU Delegations, please indicate how many films you would consider appropriate to screen during a EUFF?**

- Less than 5
- 5-10
- 11-15
- 16-20
- 21-30
- 31-50
- More than 50

**47. Would a package of European films need to be accompanied by other support activities?**

- No
- Yes

Survey for EU Delegations on European Union Film Festivals (EUFFs)

**48. If you answered « yes » to the previous question, what kind of support activities?**  
*(Please tick all options that may apply.)*

- Sub-titling and/or dubbing of films
- Toolkit for film festival organisation and management
- Selection of local partners
- Selection of private sponsors
- Promotion and marketing of EUFF
- Attraction of European talent (directors and actors)
- Organisation of side events to promote trade and business cooperation with the local audiovisual sector (roundtables, seminars, etc.)
- Other (please specify)

**49. Additional remarks /suggestions**

## **Annex 2 – Respondents and non-respondents to the survey**

**EU Delegations that participated in the survey** (the ten strategic partners of the EU are in bold):

|                                  |                                       |               |
|----------------------------------|---------------------------------------|---------------|
| Afghanistan                      | Dominican Republic                    | Lebanon       |
| Algeria                          | Ecuador                               | Lesotho       |
| Angola                           | Egypt                                 | Malawi        |
| Argentina                        | El Salvador                           | Malaysia      |
| Armenia                          | Eritrea                               | Mali          |
| Australia                        | Former Yugoslav Republic of Macedonia | Mauritania    |
| Azerbaijan                       | Gabon                                 | Mauritius     |
| Bangladesh                       | Gambia                                | <b>Mexico</b> |
| Benin                            | Georgia                               | Moldova       |
| Bosnia and Herzegovina           | Guatemala                             | Montenegro    |
| Botswana                         | Guinea                                | Morocco       |
| <b>Brazil</b>                    | Guyana                                | Mozambique    |
| Burkina Faso                     | Honduras                              | Namibia       |
| <b>Canada</b>                    | Iceland                               | Nepal         |
| Cape Verde                       | <b>India</b>                          | Nicaragua     |
| Chad                             | Iraq                                  | Niger         |
| <b>China</b>                     | Israel                                | Nigeria       |
| Colombia                         | <b>Japan</b>                          | Norway        |
| Congo (Republic of the)          | Kazakhstan                            | Paraguay      |
| Costa Rica                       | Kosovo                                | Peru          |
| Cuba                             | Kyrgyz Republic                       | Philippines   |
| Democratic Republic of the Congo | Laos                                  | <b>Russia</b> |

|                               |                                     |
|-------------------------------|-------------------------------------|
| Saudi Arabia                  | <b>USA</b> (Washington)             |
| Senegal                       | Uzbekistan                          |
| Serbia                        | Venezuela                           |
| Singapore                     | Vietnam                             |
| Solomon Islands               | Yemen                               |
| <b>South Africa</b>           | Zambia                              |
| South Korea                   | Zimbabwe                            |
| South Sudan                   | Addis Ababa (African Union)         |
| Sri Lanka                     | Geneva (World Trade Organisation)   |
| Sudan                         | Geneva (Multilateral Organisations) |
| Swaziland                     | New York (United Nations)           |
| Switzerland and Liechtenstein | Paris (OECD and UNESCO)             |
| Taiwan                        |                                     |
| Tajikistan                    |                                     |
| Tanzania                      |                                     |
| Thailand                      |                                     |
| Togo                          |                                     |
| Trinidad and Tobago           |                                     |
| Tunisia                       |                                     |
| Uganda                        |                                     |
| Ukraine                       |                                     |
| Uruguay                       |                                     |

NB: The EU Delegations to Algeria, South Sudan and to the African Union were not counted in the analysis as the surveys they had completed were empty.

**EU Delegations that did not contribute to the survey** (the ENP countries are in italics):

|                          |  |
|--------------------------|--|
| Albania                  | Liberia  |
| Barbados                 | <i>Libya</i>   |
| <i>Belarus</i>           | Madagascar   |
| Bolivia                  | New Zealand  |
| Burma (Myanmar)          | Pakistan   |
| Burundi                  | Papua New Guinea   |
| Cambodia                 | Rwanda   |
| Cameroon                 | Sierra Leone   |
| Central African Republic | Timor-Leste  |
| Chile                    | Turkey   |
| Côte d'Ivoire            | United Arab Emirates,<br>Abu Dhabi                               |
| Djibouti                 | West Bank and Gaza<br>Strip                                      |
| Ethiopia                 | EU Delegation to the<br>Council of Europe in<br>Strasbourg       |
| Fiji                     | EU Delegation to the<br>International<br>organisations in Rome   |
| Ghana                    | EU Delegation to the<br>International<br>organisations in Vienna |
| Guinea Bissau            |  |
| Haiti                    |  |
| Hong Kong                |  |
| Indonesia                |  |
| <i>Jordan</i>            |  |
| Jamaica                  |  |
| Kenya                    |  |

### **Annex 3 – Costs of organising EUFFs per region and per EU Delegation**

The following tables reflect answers received in the framework of the EUD survey as well as follow up follow-up interviews with film professionals and EUDs. Whenever possible, it is indicated whether the films were provided by EU Member States through their network of embassies and cultural institutes or directly sourced from right holders (producers, sales agents) in Europe. In the case the information did not come from the survey or from consultation, the box is marked with the symbol '/'. 'N.A.' is indicated when the question was not answered by the EUD.

- **Strategic partners of the EU**

| EUD    | Total budget <sup>87</sup> | Licensing per film per screening | Subtitling costs <sup>88</sup> | Share of EUD contribution <sup>89</sup> | Origin of EU funding <sup>90</sup>                            | Source of films        | Curator / subcontracted selection of films <sup>91</sup> | Number of viewers |
|--------|----------------------------|----------------------------------|--------------------------------|---|---|------------------------|--|-------------------|
| Brazil | < €10,000                  | €200-500                         | €200-500                       | 10-25%                                  | P & I Section EU programmes                                   | EU MS                  | Yes  | 500-1,000         |
| Canada | N.A.                       | N.A.                             | N.A.                           | N.A.                                    | N.A.  | /                      | N.A.   | N.A.              |
| China  | €20,000 – 30,000           | €500 - 1,000                     | €500 to 1,000                  | 100%                                    | P & I Section   | European right holders | Yes  | > 20,000          |
| India  | < €10,000                  | €100 - 200                       | < €200                         | 100%                                    | P & I Section ICI+ funds (in 2015 for the opening and closing | EU MS                  | No   | > 20,000          |

<sup>87</sup> 30% of the EUFFs in strategic partners are organised with a budget of less than €10,000; 10% with a budget between €10,000 and €20,000; 20% are in the range of €20,000-50,000 range and 20% of EUFFs are organised with a budget above €50,000.

<sup>88</sup> Up to €500 for 20% of the EUFFs are organised in strategic partners. Between €500 and €1,000 for another 20%, between €1,000 and €1,500 for 10% and €2,000-3,000 for 20%.

<sup>89</sup> 20% of EUFFs in strategic countries are entirely funded by the EUD. In 30% of the cases the EUD contributes to less than 20% of the budget, in 20% it contributes to 25-50% and in 10% between 50% and 75%.

<sup>90</sup> 90% of EUDs use the Press and Information section's budget to fund the EUFF. 20% of them use special EU instruments or programmes in addition to it. Besides EU funding, sales of entrance tickets contribute to the budget of 40% of the EUFFs and sponsorship to 20%.

<sup>91</sup> Local curators are more involved than average in the selection of films (50% of EUFFs against 16% on average). They exclusively deal with the film selection in 20% of the cases. However they are involved in the negotiation of rights in only 20% of EUFFs. Local film institutes for their part are involved in the film selection in 30% of the EUFFs and contribute to the negotiation of rights in 20% of the cases.



| EUD               | Total budget <sup>87</sup> | Licensing per film per screening | Subtitling costs <sup>88</sup>        | Share of EUD contribution <sup>89</sup> | Origin of EU funding <sup>90</sup>                      | Source of films  | Curator / subcontracted selection of films <sup>91</sup> | Number of viewers |
|-------------------|----------------------------|----------------------------------|---------------------------------------|---|---|--|--|-------------------|
| Japan             | N.A.                       | N.A. <sup>92</sup>               | €2,000 – 3,000                        | €20,000 – 30,000                        | events)<br>P & I Section                                | EU MS  | No   | 5,000 – 10,000    |
| Mexico            | > €70,000                  | €500 - 1,000                     | €1,500 -2,000                         | 25-50%                                  | Cultural fund for Mexico (2013)<br>P & I Section (2014) | /  | No   | 5,000 – 10,000    |
| Republic of Korea | < €10,000                  | N.A.                             | €2,000 – 3,000                        | < 10%                                   | P & I Section   | Subcontracted company negotiates with right holders                        | Yes  | < 500             |
| Russia            | €10,000 – 20,000           | < €100                           | €500 – 1,000                          | > 75%                                   | P & I Section   | /  | Yes  | 5,000 – 10,000    |
| South Africa      | €30,000 – 50,000           | > €1,500                         | Films provided with English subtitles | 25 - 50%                                | ICI Plus programme (2014)<br>P & I Section (2015)       | EU right holders (EU MS if assistance is needed in licensing negotiations) | Yes  | 5,000 – 10,000    |
| USA               | €50,000 – 70,000           | €1,000-1,500                     | N.A.                                  | €10,000                                 | P & I Section   | EU right holders   | Yes (AFI)  | 5,000 – 10,000    |

The programming is made without the EUD intervening in 90% of EUFFs organised in the strategic partner countries of the EU. The embassies and cultural institutes based in these countries also appear to be less involved in the selection of films compared to the average of EUFF organised around the world. Indeed, in these countries MS embassies only take part in the selection of films in 40% of EUFFs (against 78% on average), while cultural institutes that part in the selection in 20% of EUFFs (against 43% on average).

<sup>92</sup> Each film is provided by the MS embassies.

- **ACP countries:**

Among the 34 EUDs in ACP states that contributed to the survey 11 do not organise or contribute to any EUFF<sup>93</sup> and 23 do, as shown in the table below.

| EUD                              | Total budget   | Licensing per film per screening <sup>94</sup> | Subtitling costs <sup>95</sup> | Share of EUD contribution <sup>96</sup> | Origin of EU funding <sup>97</sup>                          | Source of films | Curator <sup>98</sup> / subcontracted selection of films | Number of viewers |
|----------------------------------|----------------|--|--------------------------------|---|---|-----------------|--|-------------------|
| Benin                            | < €10,000      | < €100   | < €200                         | 25-50%                                  | EDF Civil society & culture programme (2012)<br>P&I Section | EU MS           | No   | 1,000-2,500       |
| Burkina Faso                     | < €10,000      | €500-1,000                                     | €200-500                       | 10-25%                                  | P&I. Section  | EU MS           | No   | 500-1,000         |
| Cape Verde                       | <€10,000       | < €100   | <€200                          | 100%                                    | P&I Section   | /               | No   | Less than 5000    |
| Chad                             | €10,000-20,000 | €200-500                                       | N.A.                           | 100%                                    | P&I Section<br>EDF for itinerant part                       | /               | Yes - entire organisation subcontracted                  | 500-1,000         |
| Democratic Republic of the Congo | < €10,000      | < €100   | N.A.                           | 100%                                    | Technical cooperation facility                              | /               | No   | 500-1,000         |
| Dominican Republic               | < €10,000      | €1,000-1,500                                   | N.A.                           | < 10%                                   | P & I Section   | /               | No   | 1,000-2,500       |
| Eritrea                          | < €10,000      | N.A.   | N.A.                           | 50-75%                                  | P & I Section   | EU MS           | No   | 1,000-2,500       |

<sup>93</sup> Angola, Botswana, Cuba, Lesotho, Malawi, Mali, Mauritania, Niger, Solomon Islands, Zambia, and Zimbabwe

<sup>94</sup> 39% of EUDs dedicate on average less than €100 for the screening rights of each film shown at the festival, 13% between €200 and €500 and 13% between €500 and €1,000.

<sup>95</sup> 57% of EUDs in ACP states did not answer this question. Among respondents, 60% pay less than €200 to subtitle a film. 20% pay between €200 and €500 and 20% between €500 and €1,000.

<sup>96</sup> The EUDs are contributing substantially to the budget of the EUFFs - 26% of EUFFs in ACP countries are entirely funded by the EUDs and another 26% are funded by the EUD to more than 50% of their budget. Among the latter, co-funding comes from EU Member States: 13% are exclusively funded by embassies and 70% of EUFFs are funded by cultural institutes (exclusively or together with other partners). The EUFFs in Sudan and Uganda are sponsored by private companies.

<sup>97</sup> 96% of EUFFs in the ACP regions are funded through the P&I Section's budget of the EUD. Some of them also use other EU funds and instruments, in particular the European Development Fund and the Technical Cooperation Facility.

<sup>98</sup> Only 9% of EUFFs in ACP states engage a local subcontractor for the selection of films.

| EUD               | Total budget   | Licensing per film per screening <sup>94</sup> | Subtitling costs <sup>95</sup> | Share of EUD contribution <sup>96</sup> | Origin of EU funding <sup>97</sup>  | Source of films | Curator <sup>98</sup> / subcontracted selection of films | Number of viewers |
|-------------------|----------------|--|--------------------------------|---|-------------------------------------|-----------------|--|-------------------|
| Gabon             | €10,000-20,000 | N.A.   | N.A.                           | 100%                                    | P&I Section<br>Facility cooperation | EU MS           | No   | 1,000-2,500       |
| Guinea            | < €10,000      | < €100   | < €200                         | 50-75%                                  | P&I Section<br>EDF                  | EU MS           | No   | 1,000-2,500       |
| Guyana            | < €10,000      | €200-500                                       | €200-500                       | 25-50%                                  | P&I Section                         | /               | No   | < 500             |
| Mauritius         | < €10,000      | < €100   | N.A.                           | 100%                                    | P&I Section                         | /               | No   | < 500             |
| Mozambique        | €10,000-20,000 | < €100   | N.A.                           | 10-25%                                  | P&I Section                         | /               | No   | N.A.              |
| Namibia           | < €10,000      | < €100   | < €200                         | < 10%                                   | P&I Section                         | /               | No   | < 500             |
| Nigeria           | < €10,000      | €500-1,000                                     | < €200                         | 25-50%                                  | P&I Section                         | /               | No   | 500-1,000         |
| Republic of Congo | < €10,000      | N.A.   | < €200                         | 50-75%                                  | P&I Section                         | /               | No   | < 500             |
| Senegal           | €10,000-20,000 | €500-1,000                                     | €500-1,000                     | 10-25%                                  | P&I Section                         | /               | Yes (for local films)                                    | 2,500-5,000       |
| Sudan             | €20,000-30,000 | €1,000-1,500                                   | €500-1,000                     | 25-50%                                  | P&I Section                         | /               | No   | 10,000-20,000     |
| Swaziland         | < €1,000       | N.A.   | N.A.                           | 100%                                    | P&I Section                         | EU MS           | No   | Less than 500     |
| Tanzania          | €10,000-20,000 | < €100   | N.A.                           | 50-75%                                  | P&I Section                         | /               | Yes  | 500-1,000         |
| Gambia            | < €10,000      | N.A.   | N.A.                           | 50-75%                                  | P&I Section                         | /               | No   | 500-1,000         |
| Togo              | < €10,000      | N.A.   | N.A.                           | > 75%                                   | P&I Section                         | /               | No   | 500-1,000         |
| Trinidad & Tobago | €10,000-20,000 | < €100   | N.A.                           | 10-20%                                  | P&I Section                         | /               | Yes  | 5,000-10,000      |
| Uganda            | €10,000-20,000 | €200-500                                       | N.A.                           | 25-50%                                  | ACP Film for local films            | /               | Not in 2014 (Yes for 2015)                               | 2,500-5,000       |

- **ENP countries**

| EUD        | Total budget   | Licensing per film per screening | Subtitling costs <sup>99</sup>  | Share of EUD contribution <sup>100</sup> | Origin of EU funding <sup>101</sup> | Source of films  | Curator / subcontracted selection of films | Number of viewers |
|------------|----------------|----------------------------------|---------------------------------|--|-------------------------------------|------------------|--|-------------------|
| Azerbaijan | < €10,000      | €200-500                         | €500-1,000                      | 25-50%                                   | P&I Section                         | /                | Yes  | 1,000-2,500       |
| Egypt      | > €70,000      | €1,000-1,500                     | > €3,000                        | 25-50%                                   | ENI                                 | /                | Yes - grant contract co-financed by EU102  | 5,000-10,000      |
| Georgia    | €10,000-20,000 | €100-200                         | < €200                          | 100%                                     | Global Allocation DG NEAR           | EU MS            | Yes - entire organisation subcontracted    | 2,500-5,000       |
| Israel     | €10,000-20,000 | €1,000-1,500                     | €500-1,000                      | N.A.                                     | Global Allocation                   | EU MS            | No   | 2,500-5,000       |
| Lebanon    | > €70,000      | €500-1,000                       | €500-1,000                      | 100%                                     | Global Allocation of EUD            | /                | Yes - entire organisation subcontracted    | 10,000-20,000     |
| Moldova    | < €10,000      | €200-500                         | €500-1,000                      | > 75%                                    | Global allocation                   | /                | Yes - entire organisation subcontracted    | < 500             |
| Morocco    | €156,850       | €1,000-1,500                     | N.A. (films provided subtitles) | 100%                                     | Global allocation                   | EU right holders | Yes  | 5,000-10,000      |
| Tunisia    | €50,000-70,000 | €200-500                         | €500-1,000                      | 100%                                     | P&I Section                         | EU MS            | Yes for local films                        | > 20,000          |

<sup>99</sup> €500-1000 for the majority (62.5%).

<sup>100</sup> In Lebanon, Tunisia and Morocco the EUFF is 100% funded by the EUD; in other ENP countries, embassies of EU MS are always providing funds together with the cultural institutes (embassies are the unique funding partner only in Georgia), EUNIC in one case, private companies in one case (Egypt). When the EUD does not fund 100% of the EUFF, it contributes to a low share of the budget: 25-50% in Azerbaijan and Egypt. The only case where the EUD funds a large part of the EUFF budget is Moldova. 2 EUDs have not indicated the share of their financial contribution.

<sup>101</sup> EU programmes and instruments are the major source of funding of 75% of EUDs in the ENP countries using these funds. Among them 83% (5 out of 6) use their global allocation and 1 EUD uses the European Neighbourhood instrument. 25% of EUFFs in ENP countries are funded thanks to the P&I section's budget.

<sup>102</sup> Allocated to a local producer and distributor (MISR Films). The Panorama FF in Egypt is the only EUFF that is sponsored by private companies (Swiss Air, Marriott Hotel and media companies).

5 out of 8 EUDs organising an EUFF in ENP countries are of the opinion that **a minimum budget of €40,000 would be suitable** to organise a EUFF (between €80,000 and €100,000 according to Tunisia and Lebanon; above €100,000 according to Morocco). These proposals correspond to EUDs those already having a high budget to organise a FF.

- **Western Balkans**

| EUD                                   | Total budget            | Licensing per film per screening | Subtitling costs <sup>103</sup> | Share of EUD contribution <sup>104</sup> | Origin of EU funding  | Source of films <sup>105</sup> | Curator / subcontracted selection of films | Number of viewers |
|---------------------------------------|-------------------------|----------------------------------|---------------------------------|--|---|--------------------------------|--|-------------------|
| Bosnia and Herzegovina                | €10,000                 | N.A.                             | €200-500                        | 100%                                     | P&I Section   | EU MS                          | Yes - entire organisation subcontracted    | < 500             |
| Former Yugoslav Republic of Macedonia | €20,000-30,000          | €200-500                         | €500-1,000                      | 25-50%                                   | P&I Section   | /                              | Yes  | 5,000-10,000      |
| Kosovo                                | < €10,000               | €200-500                         | < €200                          | < 10%                                    | P&I Section. + parts of EUSR visibility & cultural Diplomacy budget | /                              | Yes  | N.A.              |
| Montenegro                            | N.A. (1st EUFF in 2015) | /                                | €500-1,000                      | 100%                                     | P&I Section + IPA   | EU MS                          | Yes - entire organisation subcontracted    | N.A.              |
| Serbia                                | €10,000-20,000          | €200-500                         | €500-1,000                      | More than 75%                            | EU Info Centre/ EU info Points Contract                             | /                              | Yes  | 10,000-20,000     |

<sup>103</sup> €500-1,000 for the majority of them (62.5%).

<sup>104</sup> In Lebanon, Tunisia and Morocco the EUFF is 100% funded by the EUD; in other ENP countries, embassies of European Member States are always providing funds together with the cultural institutes (embassies are the unique funding partner in Georgia only), EUNIC in one case, private companies in one case (Egypt). When the EUD does not fund 100% of the EUFF, it contributes to a low share of the budget: 25-50% in Azerbaijan and Egypt. The only case where the EUD funds a large part of the EUFF budget is Moldova. 2 EUDs have not indicated the share of their financial contribution

<sup>105</sup> European programmes and instruments are the major source of funding with 75% of EUD in ENP countries using these funds. Among them 83% (5 out of 6) use their global allocation and 1 EUD uses the European Neighbourhood instrument. 25% of EUFFs in ENP countries are funded thanks to the PI section's budget.

- **Middle East & Arabic Peninsula**

| EUD          | Total budget            | Licensing per film per screening | Subtitling costs <sup>106</sup> | Share of EUD contribution <sup>107</sup> | Origin of EU funding | Source of films <sup>108</sup> | Curator / subcontracted selection of films | Number of viewers |
|--------------|-------------------------|----------------------------------|---------------------------------|--|----------------------|--------------------------------|--|-------------------|
| Iraq         | N.A. (1st EUFF in 2015) | > €1,500                         | N.A.                            | N.A.                                     | P&I Section          | /                              | No   | < 500             |
| Saudi Arabia | <€10,000                | €100-200                         | < €200                          | > 75%                                    | P&I Section          | EU MS                          | No   | 500-1,000         |

- **Asia**

| EUD             | Total budget | Licensing per film per screening | Subtitling costs <sup>109</sup> | Share of EUD contribution <sup>110</sup> | Origin of EU funding | Source of films <sup>111</sup> | Curator / subcontracted selection of films | Number of viewers |
|-----------------|--------------|----------------------------------|---------------------------------|--|----------------------|--------------------------------|--|-------------------|
| Bangladesh      | < €10,000    | <€100                            | N.A.                            | 100%                                     | P&I Section          | /                              | No   | 1,000-2,500       |
| Kazakhstan      | < €10,000    | N.A.                             | €1,500-2,000                    | 10-25%                                   | P&I Section          | /                              | No   | 1,000-2,500       |
| Kyrgyz Republic | < €10,000    | €500-1,000                       | €500-1,000                      | >75%                                     | P&I Section          | EU MS                          | No   | 1,000-2,500       |
| Laos            | < €10,000    | €100-200                         | €500-1,000                      | 50-75%                                   | P&I Section          | /                              | Yes - entire organisation                  | 500-1,000         |

<sup>106</sup> €500-1000 for the majority of them (62.5%).

<sup>107</sup> In Lebanon, Tunisia and Morocco the EUFF is 100% funded by the EUD; in other ENP countries, embassies of European Member States are always providing funds together with the cultural institutes (embassies are the unique funding partner in Georgia only), EUNIC in one case, private companies in one case (Egypt). When the EUD does not fund 100% of the EUFF, it contributes to a low share of the budget: 25-50% in Azerbaijan and Egypt. The only case where the EUD funds a large part of the EUFF budget is Moldova. 2 EUDs have not indicated the share of their financial contribution

<sup>108</sup> European programmes and instruments are the major source of funding with 75% of EUD in ENP countries using these funds. Among them 83% (5 out of 6) use their global allocation and 1 EUD uses the European Neighbourhood instrument. 25% of EUFFs in ENP countries are funded thanks to the PI section's budget.

<sup>109</sup> €500-1000 for the majority (62.5%).

<sup>110</sup> In Lebanon, Tunisia and Morocco the EUFF is 100% funded by the EUD; in other ENP countries, embassies of European Member States are always providing funds together with the cultural institutes (embassies are the unique funding partner in Georgia only), EUNIC in one case, private companies in one case (Egypt). When the EUD does not fund 100% of the EUFF, it contributes to a low share of the budget: 25-50% in Azerbaijan and Egypt. The only case where the EUD funds a large part of the EUFF budget is Moldova. 2 EUDs have not indicated the share of their financial contribution

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| EUD         | Total budget   | Licensing per film per screening | Subtitling costs <sup>109</sup> | Share of EUD contribution <sup>110</sup> | Origin of EU funding | Source of films <sup>111</sup> | Curator / subcontracted selection of films | Number of viewers |
|-------------|----------------|----------------------------------|---------------------------------|--|----------------------|--------------------------------|--|-------------------|
|             |                |                                  |                                 |  |                      |                                | subcontracted                              |                   |
| Malaysia    | €10,000-20,000 | €200-500                         | < €200                          | 50-75%                                   | P&I Section          | EU MS                          | No   | 5,000-10,000      |
| Nepal       | €10,000-20,000 | €100-200                         | < €200                          | >75%                                     | P&I Section          | EU MS                          | No   | 1,000-2,500       |
| Philippines | €10,000-20,000 | €100-200                         | N.A.                            | 50-75%                                   | P&I Section          | /                              | No   | > 20,000          |
| Singapore   | €30,000-50,000 | €500-1,000                       | N.A.                            | 25-50%                                   | P&I Section          | /                              | No   | 1,000-2,500       |
| Sri Lanka   | < €10,000      | €500-1,000                       | €500-1,000                      | 25-50%                                   | P&I Section          | EU MS                          | Yes  | 5,000-10,000      |
| Taiwan      | €20,000-30,000 | Less than €100                   | €500-1000                       | 10-25%                                   | P&I Section          | /                              | Yes  | 10,000-20,000     |
| Tajikistan  | < €10,000      | Less than €100                   | €500-1,000                      | 100%                                     | P&I Section          | /                              | No   | < 500             |
| Thailand    | €30,000-50,000 | N.A.                             | €500-1,000                      | > 75%                                    | P&I Section          | EU MS                          | No   | 5,000-10,000      |
| Uzbekistan  | < €10,000      | N.A.                             | Less than €200                  | 50-75%                                   | P&I Section          | /                              | No   | 2,500-5,000       |
| Vietnam     | €20,000-30,000 | Less than €100                   | < €200                          | > 75%                                    | P&I Section          | EU MS                          | No   | 10,000-20,000     |

- **Latin America**

| EUD       | Total budget   | Licensing per film per screening | Subtitling costs <sup>112</sup> | Share of EUD contribution <sup>113</sup> | Origin of EU funding | Source of films <sup>114</sup> | Curator / subcontracted selection of films | Number of viewers |
|-----------|----------------|----------------------------------|---------------------------------|--|----------------------|--------------------------------|--|-------------------|
| Argentina | < €10,000      | N.A.                             | €500-1,000                      | 100%                                     | P&I Section          | EU MS                          | No   | 1,000-2,500       |
| Colombia  | €50,000-70,000 | €500-1,000                       | €200-500                        | < 10%                                    | P&I Section          | EU MS & EU right               | Yes  | >20,000           |

<sup>112</sup> €500-1000 for the majority (62.5%).

<sup>113</sup> In Lebanon, Tunisia and Morocco the EUFF is 100% funded by the EUD; in other ENP countries, embassies of European Member States are always providing funds together with the cultural institutes (embassies are the unique funding partner in Georgia only), EUNIC in one case, private companies in one case (Egypt). When the EUD does not fund 100% of the EUFF, it contributes to a low share of the budget: 25-50% in Azerbaijan and Egypt. The only case where the EUD funds a large part of the EUFF budget is Moldova. 2 EUDs have not indicated the share of their financial contribution

<sup>114</sup> European programmes and instruments are the major source of funding with 75% of EUD in ENP countries using these funds. Among them 83% (5 out of 6) use their global allocation and 1 EUD uses the European Neighbourhood instrument. 25% of EUFFs in ENP countries are funded thanks to the PI section's budget.

| EUD         | Total budget   | Licensing per film per screening | Subtitling costs <sup>112</sup> | Share of EUD contribution <sup>113</sup> | Origin of EU funding      | Source of films <sup>114</sup> | Curator / subcontracted selection of films        | Number of viewers |
|-------------|----------------|----------------------------------|---------------------------------|--|---------------------------|--------------------------------|---|-------------------|
| Costa Rica  | < €10,000      | N.A.                             | N.A.                            | 10-25%                                   | P&I Section               | holders /                      | No  | 500-1,000         |
| Ecuador     | < €10,000      | N.A.                             | N.A.                            | < 10%                                    | P&I Section               | /                              | Yes - entire organisation subcontracted           | 10,000-20,000     |
| El Salvador | < €10,000      | > €1,500                         | €1,500-2,000                    | > 75%                                    | P&I Section               | /                              | No  | 500-1,000         |
| Guatemala   | > €70,000      | N.A.                             | €200-500                        | 10-25%                                   | P&I Section EU programmes | /                              | Yes - entire organisation subcontracted           | >20,000           |
| Honduras    | <€10,000       | N.A.                             | N.A.                            | N.A.                                     | P&I Section               | /                              | No  | 500-1,000         |
| Nicaragua   | €12,000        | >€1,500                          | €500-1,000                      | 100%                                     | P&I Section + EIDHR       | /                              | No  | 5,000-10,000      |
| Paraguay    | <€10,000       | <€100                            | €500-1,000                      | 50-75%                                   | P&I Section               | /                              | No  | 1,000-2,500       |
| Peru        | €3,000         | €100-200                         | €200-500                        | 10-25%                                   | P&I Section               | EU MS                          | Yes (film specialist within the local university) | 10,000-20,000     |
| Uruguay     | <€10,000       | <€100                            | <€200                           | 100%                                     | P&I Section               | /                              | No  | 1,000-2,500       |
| Venezuela   | €10,000-20,000 | >€1,500                          | €1,500-2,000                    | 50-75%                                   | P&I Section               | /                              | No  | >20,000           |



- **Other developed countries**

| EUD       | Total budget   | Licensing per film per screening | Subtitling costs <sup>115</sup> | Share of EUD contribution <sup>116</sup> | Origin of EU funding | Source of films <sup>117</sup> | Curator / subcontracted selection of films       | Number of viewers |
|-----------|----------------|----------------------------------|---------------------------------|--|----------------------|--------------------------------|--|-------------------|
| Australia | €30,000-50,000 | N.A.                             | N.A.                            | 25-50%                                   | P&I Section          | /                              | Yes - entire organisation subcontracted          | 2,500-5,000       |
| Norway    | N.A.           | N.A.                             | N.A.                            | 10-25%                                   | P&I Section          | /                              | Yes (films are selected by local film institute) | 2,500-5,000       |

<sup>115</sup> €500-1000 for the majority of them (62.5%).

<sup>116</sup> In Lebanon, Tunisia and Morocco the EUFF is 100% funded by the EUD; in other ENP countries, embassies of European Member States are always providing funds together with the cultural institutes (embassies are the unique funding partner in Georgia only), EUNIC in one case, private companies in one case (Egypt). When the EUD does not fund 100% of the EUFF, it contributes to a low share of the budget: 25-50% in Azerbaijan and Egypt. The only case where the EUD funds a large part of the EUFF budget is Moldova. 2 EUDs have not indicated the share of their financial contribution

<sup>117</sup> European programmes and instruments are the major source of funding with 75% of EUD in ENP countries using these funds. Among them 83% (5 out of 6) use their global allocation and 1 EUD uses the European Neighbourhood instrument. 25% of EUFFs in ENP countries are funded thanks to the PI section's budget.

## **Annex 4 - List of persons and organisations interviewed**

### **Audiovisual sector:**

- Susanne DAVIS, European Film Promotion (phone interview 15/12/2014)
- Iveta DIMOVA, European Film Agency Directors Association (02/04/2015)
- Fatima DJOUMER, Europa Cinemas (phone interview 12/01/2015)
- Marion DÖRING, European Film Academy Awards (phone interview)
- Christine ELOY, Europa Distribution (22/12/2014)
- Darryl ELS, Bioscope Independent Cinema Theatre Johannesburg and Programmer at the EUFF in South Africa (Skype interview 25/06/2015)
- Claus HJORTH, Danish Film Institute (phone interview 18/12/2014)
- Daphné KAPFER, Europa International (22/02/2015)
- Jerome PAILLARD, Cannes Film Market (14/01/2015)
- Christine PERNIN, former organiser of the online EUFF in China (18/12/2014)
- Menem RICHA, Europa Cinemas (phone interview 2/06/2015)
- Yoann UBERMULHIN, UniFrance (Skype interview 18/12/2014)
- Susan WENDT, Europa International & Trust Nordisk films (phone interview 17/12/2014)

### **EU Delegations:**

- Branko ANDJIC, EU Delegation to Argentina (phone interview 19/03/2015)
- Sandra AUMAN and Yasmina SIOUD, EU Delegation to the US (phone interview 12/12/2014)
- Geneviève-Anne DEHOUX, EU Delegation to South Africa (phone interview 11/12/2014)
- Silvia FALLA, EU Delegation to Colombia (phone interview 20/03/2015)
- Giorgio FICARELLI, EU Delegation to Uganda (phone interview 23/03/2015)
- William FINGLETON and Marcin GRABIEC, EU Delegation to China (phone interview 10/12/2014)
- Safaa KADDIOUI, EU Delegation to Morocco (phone interview 19/05/2015)
- Luis PISELLI ALVARADO, EU Delegation to Peru (17/03/2015)

### **EU Institutions:**

- Inês ALVES, DG DEVCO (19/06/2015)
- Pietro DE MATTEIS, FPI - Partnership Instrument (14/07/2015)
- Sandrine D'HOEDT, EEAS – Strategic Communications (13/07/2015)
- Nicolò GASPARINI, EEAS – Strategic Communications (13/07/2015)
- John DICK, EACEA (29/06/2015)
- Chrystelle LUCAS, DG NEAR (19/06/2015)
- Diego MARANI, EEAS (14/07/2015)
- Roberto OLLA, Eurimages (Council of Europe) (19/02/2015)
- Jindrich PIETRAS, LUX Film Prize of the European Parliament (17/06/2015)
- Marisella ROSSETTI, LUX Film Prize of the European Parliament (20/02; 3/03 2015 and 17/06/2015)

- Alain RUCHE, EEAS (5/12/2014)
- Xavier TROUSSARD, EU Joint Research Centre, former DG EAC (4/12/2014)
- Bogdan WENTA, MEP and Katarzyna BINISZCZYK, Head of Office (7/01/2015)

#### **Embassies and Cultural institutes:**

- Peter ANDERS, Goethe Institut China (phone interview 18/12/2014)
- Frédéric CHAMBON, Audiovisual attaché Institut Français in South Africa (Skype interview 20/03/2015)
- Helena KOVARIKOVA, EUNIC Global (5/12/2014)
- Antoine SEBIRE, Audiovisual attaché, French Embassy in Colombia (phone interview 24/03/2015)
- Marion THEVENOT, Institut Français Paris/IFCinema (Skype interview 31/03/2015)
- Robert Adams, Director Brussels Office, Romanian Cultural Institute (ICR) (phone interview 18/09/2015)

#### **Other stakeholders:**

- Theresa HOPPE, KulturVisión Foundation organiser of the Eurocine Festival in Colombia (Skype interview 20/05/2015)
- Gaëlle LISACK, author of the More Europe report "European External Cultural Relations: Paving New Way (G. Lisack, 2014) (Skype interview 26/06/2015)
- Isabelle SCHWARZ, European Cultural Foundation

## **Annex 5 - Case studies on film festivals**

- 1- European Film Festival (South Africa)
- 2- Festival Eurocine (Colombia)
- 3- Semaines du Film Européen (Morocco)
- 4- Online EUFF in China
- 5- MyFrenchFilmFestival (MYFFF)
- 6- Festival of German Cinema In China (second edition-2014)

### **European Film Festival (South Africa)**

*The European Film Festival in South Africa is a 'new style' EUFF, professionally organised and run like a 'commercial' film festival. It reaches almost 10,000 viewers in 5 cities around the country and a local cinema network for independent films is one of its main partners.*

#### **Key figures:**

First edition 9-18 May 2014: 80 screenings (excluding opening and 3 outreach programme screenings) 6,885 entries (excluding opening event) and a total occupancy rate of 80% or above in Johannesburg and Pretoria. Total audience of 7,092 people average occupancy rate of 66% (above the local cinema network target of 50% seat occupancy).

Second edition: 8-17 May 2015: 12 films.

#### ***Presentation***

As in many other host countries, the EUD in South Africa used to source the films from the embassies. As a result the programme lacked consistency and the EUFF did not reach wide audiences in the country. In 2014 however the EUFF was revived on the initiative of a local exhibitor who asked the local Institut Français to breathe new life into the festival. Since then the EUD has adopted a completely different approach to the organisation of an EUFF and hired a local expert for the programming.

The EUFF in South Africa is currently the second most important film festival in the country after the Durban Film Festival, in which mainly African films are presented.

The European Film Festival is hosted by Ster Kinekor (SK) Cinema Nouveau, coordinated by the French Institute of South Africa (IFAS), and organised in partnership with the EUD and 12 other European cultural institutes or embassies in South Africa: the British Council, the Camões Institute, the Goethe-Institut, the Italian Cultural Institute, the Embassy of Belgium and Wallonie-Bruxelles International, as well as the Embassies of Austria, Denmark, Finland, Netherlands, Poland and Spain.

IFAS is in charge of coordinating the festival organisation, in liaison with the EUD, SK Cinema Nouveau, and the participating embassies/cultural agencies. A festival programmer, film distributors, a social media marketing agency and other contractors/providers are subcontracted to ensure the professionalization of the festival organisation. To make the film festival more appealing and with a coherent editorial line IFAS also decided to organise it around a theme ("Beyond Love" was chosen for the 2014 edition and "A woman's world" in 2015).

During its second edition in May 2015, ten ambassadors from the participating countries and others attended the opening event, together with the press and festival partners' guests. In order to bring disadvantaged community members to the screening an outreach program was also set up by the city of Johannesburg. The program covered the costs for tram and cinema tickets for weekday special afternoon screenings for a targeted audience such as townships youth (16-25 years old), in liaison with partner NGOs and schools in Gauteng.

### ***Selection, rights acquisition and screenings***

Films are selected by a professional festival programmer (Darryl Els, head of Bioscope independent cinema and film expert) who also works for the Berlin FF and the Durban FF. The festival programmer communicates his selection to IFAS, the festival organiser then reports it to all the partners. The latter have to respect the decision of the programmer unless there is a political reason to reject a film. All the featured films are the recipients of numerous awards and accolades at international film festivals and competitions, including the Oscars and the Cannes Film Festival. Showing award winning films from Cannes, Venice, Berlin, Toronto and nominated/awarded European films at the Oscar is a good selling point. The EUFF can therefore be marketed as the "Best of independent European cinema". Not only EU Member States are represented but also non-EU European countries.

The films are shown in cinemas of Ster Kinekor "Cinema Nouveau" (theatres of the Ster Kinekor network that are dedicated to independent non-Hollywood films) where an entrance fee is charged. Because there is no real distribution network for European films in South Africa (even though there is an interest and a niche market that can be commercially exploited) the curator often needs to contract directly with the sales agent. Ster Kinekor "Cinema Nouveau" that is also a local distributor acquired a number of films in a win-win approach (lowering the festival costs and ensuring a critical mass and joint communication efforts for the cinema).

### ***Financial resources***

The global budget for the EUFF in South Africa is €37,500. The EUD's contribution to the EUFF (50 %) is financed through the ICI Plus programme. The rest of the budget is financed by cultural institutes and embassies. The overall contribution of the EUD amounts to €19,500.

The organisers always estimate a minimum €35,000-€40,000 budget as a financial prerequisite to finance the festival and organise it. Because the screening rights fall between the traditional non-commercial rights and commercial rights they represent the most consistent part of the budget, taking up 50% of it. On average each film costs €3,000, a figure that according to local sources is close to the minimum guarantee normally paid to distributors for showing films in commercial theatres.

### ***Promotional resources and events***

IFAS is in charge of the promotion and marketing of the EUFF and subcontracts Inquisition, a social media agency, to carry out this task. Marketing and communication tools mainly consist in a communication kit and posters, postcards and brochures, communicated to the partners by IFAS.

In addition, a combined marketing campaign between Ster Kinekor, IFAS, the festival partners and the social media agency resulted in more than 50 media clippings, for a total PR value estimated at €326,000.

### ***Main lessons learnt***

The EUFF in South Africa has a coherent, high quality and attractive film selection (recent films, internationally awarded, never screened before in South Africa). It has an independent and experienced programmer, with knowledge of film sales and distribution, able to create a cohesive and appealing film programme and to negotiate with film distributors. Also, choosing an appealing and carefully selected theme for the film programme and festival makes the EUFF attractive and accessible to a wide audience. The local cinema network working as a partner is also keen to ensure the relevance of the festival. Another asset is the strong marketing/communication campaign which combines multiple communication tools and contributions from different partners. The festival is organised in a fully professional way, based on a sufficient budget/financial capacity, and human resource/expertise capacity.

## **Festival Eurocine (Colombia)**

*The KulturVision foundation has been organising the Eurocine since 2011. The festival ranks among the 4 to 5 most successful film festivals in Colombia and attracts more than 20,000 viewers. The foundation's status enables it to raise funding from private organisations.*

### Key figures:

First edition 1998

In 2015 the Festival Eurocine took place in 4 cities: Bogotá (April 15-26), Medellín (April 30-May 7), Cali (May 7-12), Manizales (May 12-17). In addition, community screenings were held in Fusagasugá, Bucaramanga, Rionegro, Guatapé, Pereira, Socorro, Manizales, Neiva, Ciudad Bolívar (Antioquia), San Gil, Pasto and Barbosa. 49 films were presented in the last edition, shown in commercial cinemas.

### **Presentation**

In 1994 the Festival Eurocine was set up together by the Colombian film library (Cinemateca), the French Embassy and the EUD in 1994. Its primary goal was to bring European films to Colombia. In 1998 when the Goethe Institut became responsible for the organisation of *Eurocine*, they founded the KulturVisión foundation. This foundation took over the organisation of the festival. EU Member States nor the EUD are a member of the foundation.

Every year *Eurocine* presents between 30 and 50 films, including short films and documentaries. Film screenings and workshops are organized in 15 cities gathering around 30,000 persons across the whole country. From the selection, 10 films are also screened free of charge in *Eurocine comunitario*. They are aimed at connecting people from various cities and backgrounds and increasing awareness of Europe. Community screenings are held throughout April and May in Bogota (public libraries network), and other cities at cultural centres, auditoriums, high schools, universities, university libraries, cinemas, local theatres, the Alliance Française and chambers of commerce.

*Eurocine* is one of the oldest film festivals in Colombia, together with the Cartagena Film Festival. National cultural institutes of the EU MS also run their own film festivals (FR, ES, DE, IT) which tend to have priority over the EUFFs for the supply of good quality films.

### **Selection, rights acquisition and screenings**

Eurocine is divided in different sections: Official Section (*Sección Oficial*), Focus on... (*EnFoco...*), Art&Cinema (*Arte&Cine*), Classics (*Clásicos*), Europe in short films (*Europa en Cortos*) and community screenings (*Eurocine Comunitario*). For each section the EUFF shows art-house films but also films that have been commercially successful in their home country. All the selected films have been awarded at European and/or international film festivals.

KulturVisión's approach is to make a good selection of films and not to rely on the embassies (often not the newest or the best quality films). Films have to be recent and respect a geographical balance between the European MS. In addition, each year (except for the 20th anniversary) a special focus is given to the cinematography of a specific country. After selecting the films KulturVisión asks MS embassies if they can make these films available. If this is not the case, films are negotiated with the corresponding right holders. It is nevertheless difficult to get the rights cleared, even though Colombia is a

small market and the festival could offer an opportunity for films to be screened (sometimes) for the first time in the country. Another obstacle is the lack of local distributors. Rights often have to be negotiated in Euros which makes it more difficult for the foundation to pay them as their funds are in Colombian pesos.

The foundation manages to secure commercial rights for 2 or 3 screenings of each film and 1 non-commercial screening for 10 films for *Eurocine Comunitario*. Rates are approximately **€1,000 for up to 7 screenings**. Commercial rights are needed for the films that are shown in regular cinemas and where an entrance fee is charged and a profit is made (40% cinema and 60% foundation).

### ***Financial resources***

*Eurocine's* budget comes from fundraising and the sales of tickets. The funding is mainly sustained through private funding and eight companies sponsored the last edition of Eurocine. Embassies also make a contribution of three million pesos (approximately €1,200) some of them offer to pay for expenses to permit talents to travel to the festival. There is a good relationship with the EUD, although its role is limited (the EUD provides approximately €1,000 in funding and helps to print communication material).

The overall budget of the Eurocine festival is €55,000.

- EUD €1,000 EUD and MS embassies (between €800 and €2,400 per country). Jointly they contribute between €10,000 and €14,000
- Ticket sales approximately €12,000.
- Sponsorship (financial or in-kind) €31,000

### ***Promotional resources, partners and events***

The foundation promotes the EUFF on its website and social media (Facebook, Twitter, Instagram). The EUD also contributes to the communication through its own accounts.

In addition, some side events such as master classes were occasionally organised with film professionals. Directors and producers were invited to promote their films. The foundation arranges their visits and deals with the embassies to cover their travel and accommodation expenses.



## **Semaines du Film Européen (Morocco)**

*The European Film Weeks are entirely funded and organized by the EUD. The EUD subcontracts a local operator, who works in partnership with the European network Europa Cinemas.*

### Key figures:

The European Film Weeks reach between 5,000 and 10,000 viewers in three to four cities around Morocco (Rabat, Marrakesh, Tangier, and Casablanca), a country where European films are rarely shown in cinema theatres. It takes place in commercial cinemas.

Last edition: 5-26 November 2014; Next edition: 9-23 November 2015

### **Presentation**

The European Film Weeks have existed since 1991 and will run their 24<sup>th</sup> edition in 2015. Each year a selection of the best recent award winning European films is offered. The local subcontractor is responsible for the artistic direction. They work closely with Europa Cinemas to establish a list of 8 films from Cannes, Berlin, Venice and other film festivals to present during the event.

Not being a competitive event, the European Film Weeks has a special place and no direct contestants in Morocco. Due to a decreasing number of cinemas in Morocco, combined with bad screening conditions and an underdeveloped cinema-going habit, pirated DVDs are widely used to watch the latest films. In this context European Film Weeks offers screenings of recent quality films that are called for by the audience (at a reasonable price). In the last edition 8 awarded European films and 2 documentaries were presented. European and local audiovisual professionals were also invited to present their films (for example Pierre Olivier Bardet, producer of 'National Gallery' and the Moroccan director Narrimane Yamna Faqir). Every year the EUFF attracts more and more people due to its high quality films and it has become a popular event.

There is no predetermined theme for this EUFF, films are selected based on their quality and the awards obtained at competitive European film festivals (Cannes Film Festival mostly). The aim is therefore to show the best of European cinema (further details provided below). In the early days of the Semaines du Film Européen, the EUD used to take films provided by MS embassies (mostly from the UK, France, Italy, Spain, Germany) but the films were of poor quality and the selection unequal in terms of geographical balance. What is more, embassies tended to provide older films showing a pleasant image rather than films showcasing excellence, creativity and diversity of European cinema. The *Semaines* tries to meet the demand of the audience for recent quality films.

The only competitor of the European Film Weeks could be the Cinemathèque of the Institut Français (IF) which hosts regular screenings of European films, mainly French ones. However, EUDs and IF have a 'gentlemen's agreement' to allow some French films to be screened first at the European Film Weeks, as the latter can bring much more visibility to French films, as its has a larger audience.

### **Selection, rights acquisition and screenings**

The EUD launches a yearly call for tender to subcontract the organisation of the event. The tender specifications require the expertise of a subcontractor to ensure a 'coherent programme adapted to the local audience'. So far, it has always been awarded to the same company whose managing director graduated in cinema studies and then was

theatre manager at a MK2 cinema. Moroccan born, he was first a movie-goer and has known the *Semaines* from the very start. In addition he benefits from a good knowledge of the local taste. According to the EUD, the quality of the programming is due to his competence.

The **selection criteria** are set out in the call for tender issued by the EUD: they specify that films have to be recent (produced in 2012 minimum but preferably from 2014 and 2015 for the 24<sup>th</sup> edition), presented or awarded at A-list and B-list festivals such as Cannes, San Sebastian, Berlin or Venice. Films have to be in original language, subtitled in French. Unlike other EUFFs in the Mediterranean area, embassy packages are not used to ensure films are selected on the basis of their quality. The EUD intervenes (only if necessary) to ensure the geographical balance of the film programme and the subcontractor will then propose a list of about 20 titles that he transmits to Europa Cinemas.

Using its network, Europa Cinemas negotiates with the right holders concerned. Out of the 20 films proposed they select between 5 and 10 films. The *Centre du Cinéma Marocain*, a partner of the EUFF, then grants the screening licences for the films finally selected. The rates per film range from €1,000 to €1,500.

Film copies are not directly bought by the EUD, Europa Cinemas negotiates French subtitled copies on behalf of the subcontracted company. The territory of reference for Morocco is France, so copies of films are always negotiated with French subtitles.

Europa Cinemas indicated that it could be interesting to work with a network of EUFF organisers in the Mediterranean area. This would allow economies of scale to be created.

### ***Financial resources***

The European Film Weeks are entirely funded by the EUD. It has a budget of €156,860 from the "Cultural, studies and information activities" budget line that is part of the global allocation. The increasing costs to clear the rights for the films and bring copies to Morocco means the budget has increased consistently over the last years. However, the repeated success of this EUFF means the EUD has not difficulty obtaining the budget allocation needed. The HQ in Brussels never declined their request today.

An entrance fee of under €1 is charged. The price was originally set up as a matter of principle and was originally given to a charity, it now goes directly to the subcontractor.

### ***Promotional resources and events***

The local subcontractor and the EUD take care of the promotion and marketing. Dedicated pages on social media are set up (Facebook page – 2.454 followers, Twitter account – 179 followers). A dedicated website is also set up and a communiqué to promote the EUFF is published on the EUD website.

Side events linked to the European Film Weeks are also organized in universities and film academies.

### ***Main lessons learnt***

The model of the European Film Weeks is something that could easily be implemented elsewhere, in the first place in the Mediterranean area where contacts have been established for a long time through the Euromed programme of the EU. The network's broad knowledge of local situations (difficulties and constraints, market or absence of market, various mindsets) could be very useful to implement similar experiences in other countries.

## **Online EUFF in China**

*The on-site EUFF has been running in China since 2008 but the EUD also organises an online edition of the festival that runs for three months. The first edition in 2012 was a success, reaching an audience of 17 million viewers with 17 films. However the second one in 2014 suffered a serious setback and the online EUFF has not reached such a number of viewers since.*

### ***From traditional on-site screenings to online EUFFs***

The creation of the online EUFF dates back to 2012 when the EUD entrusted a local subcontractor – Hopscotch China – with strong links with the European film industry (notably UniFrance) to propose a selection of European films to the Chinese audience for free during three months.

The objectives of the online EUFF are to reach out to the largest number of people across the whole territory (and thus go beyond the on-site version of the EUFF that takes place in Beijing, Chengdu, and Shenzhen) by showing popular films in European countries to the local audience; to promote European film production and ultimately to sell some of the films to local broadcasting platforms on a more regular basis by proposing films that would be commercially viable in China.

With a programme of 17 films including 15 feature films, the 2012 edition of the online EUFF was a great success amongst the Chinese audiences: more than 17 million viewers, 21 million clicks and 8 million viewers for the most watched film (Jacques Audiard's *Rust and Bone*).

In contrast, during the second online EUFF launched in April 2014, the audience dropped to 337,000 viewers. The film selection was held responsible for this drop in success. Even though a more balanced geographical representation of films was proposed, it was generally acknowledged that they were of poorer quality. In addition the local VOD partner (LeTV) was not up to the task.

In November 2014 the EUD organised the third edition of the festival (3 months) together with an off-line component in commercial cinemas and cultural institutes over 3 weeks. With more promotional effort and a better selection of films it achieved 1.5 million viewers.

For the upcoming fourth online EUFF in October 2015, the VoD partner will change from LetV to IQIYI. 50 films will be part of the programme and the EUFF will be combined with several local film festivals as 9 selected films have already been released as a unit of the Beijing International Film Festival on IQIYI.

### ***Selection, rights acquisition and screenings***

Collaborating with a professional agency during the first edition ensured high quality films and support from the film industry in Europe. European right holders perceived the exposure to larger audiences as a way to increase the sales value of their films. Thanks to its contacts in the sector, the festival organisers worked with distribution companies holding worldwide video-on-demand rights for the films so that the Chinese online service provider did not have to pay for screening rights and could take revenues from advertising at the beginning of each film. In order to avoid competition between the online and the on-site event, films were first screened in theatres before being available online for free.

The next editions did not take place in the same context. On the one hand the festival organiser did not have such connections with the European film industry and was not

able to source films with online worldwide licences. On the other hand film professionals became very reluctant to allow online screenings of their films in China because of the piracy threat. Therefore good quality films were not easily available and high screening fees had to be paid by the local content provider.

The EUD contracted another company for the last edition – 7 Horns a Hong Kong and China based film festival organiser (that notably worked for the Beijing International Film Festival) – that itself established contacts with an Austrian distributor and an independent Italian producer to help with the procurement of good quality films thanks to their connections in the European film sector.

Organising the online EUFF in China requires planning over a six-month timeframe prior to the screenings:

- M1-4: selection of the films and allocation of the funds between acquisitions, translations, promotions and management departments.
- M3-5: authorisation of online screening obtained from right holders and payment of screening fees for each film.
- M4-6: films are translated and subtitled and delivered to the web hosting partner. The website is designed and tested. Promotions partners are contracted.
- M5-6: information is sent out to promotions partners and the media. An opening event with a Press Conference and a reception is set up for the launch date. The website is activated.
- M6: start of the screenings with continuous promotion.

### ***Challenges of running an online film festival in China***

Dealing with right holders and finding a digital platform are two pitfalls in the organisation of online EUFFs.

The Online EUFF organisers have to face a double challenge: on the one hand they are required by hosting and promotion partners to find exclusive films featuring European talents known in China to attract the local audience. But on the other hand, films that are easier to promote are not easily made available for online screenings. Indeed it is extremely difficult to convince right holders to show films online before other distribution channels are exhausted. This is largely due to high piracy threat to films online. Indeed, even though technical restrictions were put in place on the website forbidding download, the risk could still come from intermediary operators.

To be able to organise an online film festival, the EUD needs to find a local internet content provider (ICP). Indeed, only qualified ICP can supply videos online. The EUD entered in conflict with its former ICP (Letv) as the latter did not show interest in marketing European films that it considered having a low promotional value.

Regulations of the audiovisual sector bring additional hurdles to screening European films and to the organisation of film festivals in China. The Chinese government has annual quotas on foreign films (34 films). Film distributors are therefore reluctant to buy European films, as they prefer to use the quota to buy Hollywood blockbusters that will guarantee higher revenues. Showing films on digital platforms was a loophole in the regulation that the EUD in China as well as other film entities of the EU Member States such as UniFrance Film, the British Film Institute and the EYE Film Institute of the Netherlands had used to circumvent the quotas and introduced their national films into the Chinese market.

But to be able to do so, not only is approval from the authorities required for the ICP but also for the online screenings themselves. The EUD was therefore trying to reach an agreement with the Chinese government to allow all films released during the onsite EUFF in commercial cinemas to be screened online without further requirement. But the Chinese government has recently changed the rules and films can no longer be shown on VOD platforms if they have not first been released in commercial cinemas.

### ***Financial resources***

The EUFF (both online and on-site) is funded by the Information budget of the EUD. In 2012 the online festival had a budget of €40,000. It went down to €20,000 for the second edition in 2014 and amounted to €30,000 for the third. The budget is mainly used to cover screening rights, subtitling as well as the management of screenings.

Only €5,812 were spent in marketing and promotion in 2012. In the last three editions, the VoD partner was responsible for the website design and promotion through its network. The promotional budget should be increased in 2015.

EU Member States cover travel expenses for European talents to attend on-site screenings and events.

The EUD benefits from in-kind support from local cinemas and the online platform that let it screen the films for free but the EUD is not allowed by the EEAS to receive private funding.

### ***Promotional resources and events***

During the first edition of the online EUFF, an online quiz was launched for the audience to win prizes (gifts provided by the EU Member States).

The online EUFF is combined with the onsite festival that takes place immediately beforehand and includes workshops and encounters with European talents.

The online service provider is responsible for the promotion of the festival through its own platform. Social media accounts (Weibo) have been set up to promote the EUFF to a large community of users.

The impact of the festival is evaluated on the basis of the number of viewers and the press coverage. Although it is one of the objectives, the EUD does not measure the impact on sales. This information is collected by the producers and distributors.

### ***Main lessons learnt***

Online film festivals have the potential to reach out to much larger audiences than traditional on-site film festivals. But small budgets lead to poor quality events and insufficient marketing and promotion.

Quality films are very important in attracting the audience: one or two attractive commercial films can bring more viewers to the online platform. To achieve a good selection with quality titles, working with (a) European film professional(s) with a broad network in the European industry can significantly help.

The choice of the VOD partner is also pivotal. The online EUFF in China is conceived as a content delivery channel. It is important to have it running continuously – or over the longest period of time possible to cultivate regular viewers.

## **MYFRENCHFILMFESTIVAL**

*My French Film Festival (MYFFF): an innovative online film festival simultaneously accessible in 195 countries ([www.myfrenchfilmfestival.com](http://www.myfrenchfilmfestival.com)).*

Key factors:

- All the films are available to viewers around the world on the myfrenchfilmfestival.com online platform.
- The festival is also available through 26 partner platforms, which vary from territory to territory, including 25 VOD platforms in more than 90 countries. Below a graph is given of the extensive network with which UniFrance has partnered to organise its 5<sup>th</sup> MYFFF. It also shows the countries where the film festival was free of charge and where it was not.

### **Network of VOD platforms that are partners of MYFFF**



(source: [www.myfrenchfilmfestival.com](http://www.myfrenchfilmfestival.com))

- 5<sup>th</sup> edition: January – February 2015: 600,000 viewers throughout the world. The 2014 edition reached 4 million viewers but in 2015 MYFFF could no longer make the films available on a Chinese digital platform due to changes in the legislation.
- 23 films (20 in competition):
  - 10 French feature films (1st and 2nd films released in France in 2013-2014) of which 2 were Belgian films.
  - 10 short films
  - 1 heritage film and two French Canadian films (out of competition).
- 13 languages (Arabic, Bulgarian, Chinese, English, French, German, Italian, Japanese, Polish, Portuguese, Russian, Spanish, and Turkish).

### **Presentation**

MYFFF is an online film festival organised by UniFrance Films reserved for first or second feature films. Founded in 1949 UniFrance Films<sup>118</sup> gathers more than 900 French industry professionals (producers, talents, sales agents...).

Through this event, UniFrance can now show 23 films in 195 countries, with more than 6 million viewers. Furthermore, the Internet is a place for first and second feature films to find an audience while they would be more difficult to sell for example because the director is not famous.

During the festival, directors and international press juries meet in Paris to hand out three awards: the *Chopard* Directors Award (Jury of foreign film directors, presided by Michel Gondry), the *Lacoste* Audience Award (online viewers worldwide can vote for their favourite films on the festival's website) and the International Press Award (6 journalists from major foreign media vote for the winning film).

MYFFF counts on various types of partners: festival partners (Renault, Chopard, Lacoste, iTunes), media partners, platform partners (guarantee 26 VOD platforms) and institutional partners. UniFrance also stated that all French organisations support the project. This is crucial to increase communication and to spread the festival around the world.

### ***Selection, rights acquisition and screenings***

Looking at the selection criteria, MYFFF considers only first and second feature films released in French theatres the same year and that are sold in less than 10 territories. International film distributors put forward 60 proposals for the selection of feature films, then the Executive Committee of UniFrance (10 people) together with directors, producers, sellers and UniFrance personnel choose the 10 final films. Short films are chosen by the Short Film Committee of UniFrance. Local audiences' taste is not taken into consideration on the motive that even if some kinds of films are appreciated everywhere, it is impossible to consider local tastes for a worldwide festival. The quality of films is therefore the principal selection criteria.

As regards the licensing process UniFrance negotiates directly with the right holders. The organisation puts aside a budget for the free of charge territories and pays right holders a flat fee that depends on the territory. In non-free of charge territories UniFrance gives the right holders a 50% share of the money earned from the transaction. In addition, if the film is viewed on a digital platform, 50% of the revenues go to the right holders and 50% to the platform.

In the early years of the festival, UniFrance needed to convince the right holders to participate in MYFFF. Nowadays they are really keen on taking part in the festival as it has become another source of income for them.

UniFrance negotiates screenings with the digital platforms: in non-free of charge territories they keep 50% of the revenues. In free of charge territories they make money from the advertising they can put before the film. The organisation Under the Milky Way – a service company dedicated to the digital distribution of films and audiovisual programmes that acts as content aggregator for several Video on Demand platforms – is the intermediary to deal with major players such as iTunes, Google Play and Amazon. The latter are not favourable to a free festival and charge users a fee to watch the films.

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<sup>118</sup> UniFrance films is administered by French state authorities, in particular the CNC (Centre national du cinéma et de l'image animée), under the authority of the Ministry of Culture. The association operates on the basis of an annual budget presented by its Board of Directors to the CNC which allocates the funds. UniFrance films' budget is supplemented by funding from the Ministry of Foreign Affairs for operations jointly carried out, with diplomatic ties around the world, with the support of Ubifrance and its own resources (fees, partnerships...) (see uniFrance's website: <http://en.unifrance.org/corporate>)

### **Financial resources**

The total budget for MYFFF is €500,000. Sponsors contribute up to 80% of this amount however the contribution of each partner is confidential. Of the total amount €100,000 are spent for subtitling the films in 13 languages and €90,000 to pay screening fees in free of charge territories. The remaining part of the budget is allocated to advertisement, mainly on Facebook.

Considering the rate for Internet users, all short films are free of charge worldwide. The festival is entirely free of charge in China, Latin America, Poland, Russia, Turkey, and India. For the rest of the world territories: the rental of a feature film was €1.99 and the 'features pack' costs €9.99 for a single access to all feature films. In France, only short films and classic films are made available to the public.

### **Promotional resources and events**

The promotion of the event is mainly done via Facebook advertising. This is the only activity that is subcontracted to a separate agency. The agency also develops a Facebook application (a game through which users can win a trip to Paris) as a way to expand the duration of the festival for the community when films are no longer available online. Promotional material such as posters and trailers made by famous French directors are also used. In addition, interviews with film directors and analysis of the films are organised at the end of the festival.

### **Main lessons learnt**

MYFFF is a local platform that manages to reach new audiences and which attempts to create a community of people eager to watch French and European films. Organised in a professional way, MYFFF manages to cover both the traditional and the new audiences more active online through online events and a traditional onsite festival. Furthermore, because it is impossible to take into account the local taste for 195 countries, an efficient marketing campaign before and during the festival is seen as a key for its future success. Films are first (or second) feature film productions from young directors thus potentially limiting the audience reach.

MYFFF is used as a tool for France's cultural diplomacy abroad. The Minister of Foreign Affairs indeed stated in the brochure of the MYFFF that "*The festival is supported abroad by our embassies and a network of audiovisual attachés who are in the vanguard of our diplomacy of influence and economic diplomacy, in the service of the expansion of our film industries on every continent*".



## **Festival of German Cinema In China (second edition - 2014)**

### ***Presentation***

The Festival of German Cinema in China is jointly organised by the Goethe Institute in China and German Films<sup>119</sup>. Held for the first time in 2013, its main objective is to promote the German film production, building on the network between the German and Chinese film industries as well as to carry a positive image of Germany.

The Festival organised in 2014 was held in four cities (Beijing, Shenzhen, Chengdu and Hangzhou) and lasted for two weeks. It was highly attended by the Chinese public with 88% seats sold out on average (slightly less in Hangzhou). The festival got audience and media attention thanks to the quality of its programming, numerous associated events in various locations made available by local partner cinemas and its main sponsor, Audi (also main sponsor of the Berlin Film Festival) .

### ***Selection, rights acquisition and screenings***

A jury composed of representatives of the Goethe Institute, German Films and of the German film sector selected 16 films for the last edition.

The festival only screens films that are less than one and a half years old. The jury picked popular films, such as 'Suck Me Shakespeare', which got more than 7 million viewers in Germany, as well as films awarded by the national film academy (e.g. 'Home from Home') or nominated for Oscar's awards (e.g. 'Beloved Sister'). Other films were either produced by well-known German filmmakers or made from a very German perspective. 'The Cabinet of Dr. Caligari', newly digitally restored, was screened with musical accompaniment.

The Goethe Institute holds worldwide rights for some of the films. For the others, German Films negotiated with their respective world distributors. The Goethe Institute took care of the subtitling, for the majority of films in both Chinese and English, only some were subtitled in a single language<sup>120</sup>. The subtitling of films is burdensome and costly, as films also need to be translated in order to go through censorship of the State Administration of Press, publication, Radio, Film, and Television of The People's Republic of China (SARFT).

### ***Financial resources and subcontractors***

The overall budget of the festival in 2014 was €150,000.

The Festival was sponsored by Audi, ARRI, Kempinski Hotel Beijing, Kempinski Hotel Chengdu and Kempinski Hotel Shenzhen. Audi provided the venue (Audi City Beijing) for the opening ceremony.

### ***Promotional resources, partners and events***

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<sup>119</sup> German Films is the national information and advisory centre for the promotion of German films worldwide

<sup>120</sup> 'New Found Land' showed by Georg Maas in the Art Gallery of Sichuan University only translated into English, 'The Hairdresser' and 'The Whole Shebang' directed by Doris Dörriem only translated into Chinese.

With the main purpose of promoting German film production, the Festival of German Cinema organised 20 different events in the 4 different cities to enhance the communication with the Chinese audience and the film industry. Those events included live questions and answers after the show, lectures<sup>121</sup>, workshops and a 'peer to peer' dialogue between German film-maker Doris Dörrie and Chinese documentary film-maker Andrew Lone and panel discussion opened to public was held. There were four opening ceremonies, one in each city.

Amongst partners, academic and cultural institutions cooperated in associated events by providing venues and support to the organisation; cinema theatres offered screening spaces and facilities at a reduced price and media partners ensured press coverage of the festival.

**Almost a third of the budget (€48,000) was used to contract a PR agency** to handle marketing and promotion of the festival. The communication was based on promoting the event on the three most popular social networks in China, namely: Douban (an online social community divided into small groups by topics of interest), Weibo (blog) and Wechat (with similar functions as Facebook), for marketing.

### ***Lessons learnt from the German Film Festival's experience***

- A good budget enables serious and professional work.
- Quality movies, especially awarded films or award nominated films Name dropping (i.e. in this case announcing celebrities of the film industry attending the festival) is an essential way to promote a film in China.
- Choosing a local professional PR agency is more efficient. It can save a lot of time on communication and it permits to select the best local promotional channels.
- Importance of associating the local film industry.
- Excellence in organisation brings serious sponsorship funding.

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<sup>121</sup> For example before the opening, Christiane von Wahlert, managing director of the Voluntary Self-Regulatory Body of the German Film Industry gave a lecture on 'Film classification in a globalized world'. She presented the measures of protection of minors from harmful media in Germany and the report on the International Film Classifiers Conference that was held in Norway.

## **Annex 6 - Other film-related initiatives with which synergies could be built**

- 1- Embassy packages prepared by EU Member States
- 2 -Selection process – the example of the European Film Awards
- 3- Selection process – the example of the LUX Prize of the European Parliament

### **Embassy packages**

The preparation of a package of films, although relatively recent, is a common practice of EU Member States. This case study particularly examines existing packages in Denmark, France, Netherlands and Spain by illustrating their main features and modus operandi of national packages of films. These countries have been selected on the basis of the information we received from a survey that was circulated among the members of EFADs (European Film Agency Directors Association) as well as interviews with a number of national cultural and film institutes.

#### ***Presentation***

A number of countries such as Denmark, France, the Netherlands or Spain have embassy packages of films. The film packages, across France, Denmark and the Netherlands have cultural (general culture or film culture), educational (France) and promotional (Denmark and the Netherlands) purposes. Feature films, documentaries and short films are included in the packages.

Films are made available for screenings in embassies or cultural institutes in third countries at public screenings, local festivals and events, film societies/clubs and educational contexts. The films are intended for smaller settings and smaller theatres, rather than larger - often commercial - settings.

The number of films in a national package varies from at least 3 (plus short films) to much larger packages.

France and Spain are two of the countries with a longstanding tradition in the configuration of embassy packages. France holds both a physical (DVD, Blu-ray, 35mm, DCP, BETA) and online catalogue (of films to download in SD and HD) counting more than 3,000 and 450 titles respectively. In Spain, the Filmoteca of the Minister of Foreign Affairs counts around 300 films. The number of films acquired each year has been reduced due to the budgetary constraints in times of economic crisis. All in all each year between 10 and 15 films are acquired or renewed. Nowadays the collection is only available in digital format.<sup>122</sup> In general, all the packages are updated on a yearly basis.

The online use of film packages is not available, due to rights and licence agreements of the films, with the exception of France, which holds a 500-film catalogue, mostly with recent works (IFCinema<sup>123</sup>).

### ***Selection, rights acquisition and screenings***

The responsibility for choosing and compiling film packages for use by embassies and cultural institutes in third countries lies with the country's film institute, the culture ministry or the foreign ministry (in France, Spain) - or a close cooperation between several bodies (e.g. the Ministry of Foreign Affairs working with EYE, the Dutch Film Institute in the Netherlands). Recent works are the priority, but award-winning films are difficult to obtain as companies own commercial rights in most territories – in which case the embassy shall negotiate with the local distributor. Criteria for selection differ amongst the countries, from new works for young audiences with an educational value for France, to consensual content (e.g. with respect to nudity or political controversy) in the Netherlands.

Rights are only acquired for non-commercial use, although where appropriate a minimal fee can be charged to the audience for watching the film – e.g. to pay for the infrastructure or electricity. In France licences are negotiated on a worldwide basis although territorial restrictions apply when films have been sold in certain territories. In Spain licences are subject to additional restrictions: films must be screened in theatres with less than 150 seats and in only one screening<sup>124</sup>. In France and the Netherlands, film institutes are responsible for negotiating rights with distributors and producers - often on behalf of the Ministry of Culture. Rights can expire after several years or remain valid for a longer period (as in Denmark).

In the case of French embassies and cultural institutes, English and Spanish subtitling are always available, with 25 other languages covered in total. French embassies and Instituts Français abroad are financially supported to create subtitles in other languages.

As regards the format of the films, these are usually made available via hard copies: DVD, Blu-ray or DCPs. In addition to physical formats, IF Cinema also runs an online database where films are made available for downloading.

The Danish, Dutch and the French packages provide promotional material, or media kits, which include photographs, articles and trailers. France also provides education kits in relation to the educational objectives of the film package.

### ***Financial resources***

The cost of acquiring rights for a film varies depending on the film itself, the geographical coverage and the duration of the rights. It can amount to €4,000 for 3 to 4 years in the online catalogue (France's "IF Cinema") and up to €9,230 on average (Spain's "Filmoteca") in a physical catalogue. Overall, the total budget for rights acquisition in 2012 was €120,000 in Spain for the physical catalogue, and €300,000 in France for the online catalogue.

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<sup>123</sup> <http://ifcinema.institutfrancais.com/fr/>

<sup>124</sup> Ignacio Herrera de la Muela, 'La Promoción Cultural Española en el Exterior: La Actividad Cultural y Promoción del cine del Instituto Cervantes (1991-2004)'. Universidad Complutense Madrid 2008, p. 234 [online] <http://eprints.ucm.es/8733/1/T30614.pdf>

Subtitling can also induce additional costs: when film packages are created and a language is not available amongst the built-in subtitles, film institutes carry out the translation work. For French films, the translation is done through translation services of embassies/cultural institutes, or through partnerships with film schools.

## **Selection process – the example of the European Film Awards**

### ***Presentation***

The European Film Awards is a pan-European ceremony founded in 1988, which rewards successful European films in 21 categories. It is organised by the European Film Academy (EFA), a joint venture which unites more than 3,000 European film professionals (film industry, film academies, film institutes, filmmakers, artists, etc.) with the common aim of promoting European film culture. Throughout the year, the EFA initiates and participates in a series of activities dealing with film politics as well as economic, artistic, and training aspects. The programme includes conferences, seminars and workshops, and a common goal is to build a bridge between creativity and the industry. These activities culminate in the annual presentation of the European Film Awards (Berlin on odd years, and another European city on even years).

The ceremony takes place a month after nominations are announced. The co-organisers in each city can decide to organise a film week or film screenings and are responsible for selecting the venues.

### ***Selection, rights acquisition and screenings***

The selection of films is a two-step procedure. The films selected are always from the previous year: people will therefore not discover any new films during the EFA Awards Ceremony.

First, a list of 20 preselected films is suggested by film professionals (coming from the 21 European countries with the most EFA Members). They vote for one film from among the national feature films released in their country or screened at festivals. Provided the turnout is satisfactory (25%), top films are included in the selection. A second list of 20 to 30 films is made by a committee composed of members of the EFA Board and a group of experts appointed by the Board. In this case, films are suggested by European film institutions, festivals, trade magazines, media partners, members of the European Film Academy, EFA Patrons and producers of European films. As a result, the committee shortlists around 40 films, half of them proposed directly by EFA Members, the others selected from all proposals received as explained above.

The second step consists in submitting the selected 40 to 50 films (they represented 31 European countries and 26 languages in 2014) to EFA Members (over 3,000 in Europe). The films are made available to EFA Members by Video on Demand (VOD). Producers of European films whose films are not among the recommended films may - upon payment of a fee - make their films available to the EFA Members by VOD. EFA members make the final selection by voting for the nominations in the different award categories.

Film producers, distributors and world sales companies (most are members of EFA) make their films available to the EFA Members, thus giving all films in the EFA selection an equal chance to obtain an award. No rights are therefore paid to the right holders, as no public screening normally takes place. Only in a few rare cases did the right holders refuse to make the film available.

All films must be submitted in the original languages with English subtitles, and EFA does not provide subtitles. Should the co-organiser (e.g. the city) of the award ceremony organise a film week or another screening of the nominated films, it is responsible for negotiating the screening rights with the right holders. EFA helps with providing the names of the contact persons.

### **Financial resources**

EFA's yearly budget varies between €1.6m to €1.8m (covering the selection, nominations and awards ceremony). The budget depends on the city where it is being organised. Every year EFA has to find funds to finance the EFA Awards Ceremony.

The European Film Awards Ceremony is presented jointly by the European Film Academy and its production company EFA Productions GmbH. It is financed independently from the European Film Academy, through private and public sources as well as international TV sales.

Traditional partners are usually ministries of culture, city councils, Creative Europe (MEDIA sub-programme), national lotteries, national film boards and agencies.

Private sponsors (confectionery manufacturers, venues, insurance companies, beverage brands, telecoms, etc.) most often provide in-kind payments rather than proper funding. They change each year, as the location of the ceremony varies.

There is however no sub-contractor, except for hiring some technical equipment.

### **Promotional resources and events**

A catalogue was produced in 2014 containing detailed information on the different films and filmmakers. It was made available online and as a PDF download<sup>125</sup>. An online promotion is usually launched, making use of extracts of the films. Since 2006, the promotion is also ensured by the broadcasting of the ceremony by the in-house production company. In 2010, the ceremony was broadcast in over 80 territories around the world.

Two noteworthy side events must be mentioned: FAN of Europe and the EFA European Film Academy Young Audience Award.

The former is a meeting of the network of national film academies with the EFA. The network regularly meets outside the context of the award ceremony. They share information and experiences to develop ideas for joint activities to promote European cinema, as well as educating and nurturing young talent.

The latter is an award granted by kids from close to 30 cities. Selected films are targeted at 12 to 14-year olds, and eligible genres are full-length feature, animation and documentary films. The momentum of this award is the presentation of three nominated films in closed screenings on the occasion of the Young Audience Film Day in each city. At the end of the screenings, the members of the young audience having attended the events vote for the winner of the award. The winner is announced on the day of the ceremony.

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<sup>125</sup> Available at the following: [www.europeanfilmacademy.org/fileadmin/user\\_upload/MAIN-dateien/pdf-downloads/EFASelection2014\\_Catalogue.pdf](http://www.europeanfilmacademy.org/fileadmin/user_upload/MAIN-dateien/pdf-downloads/EFASelection2014_Catalogue.pdf)

## **Selection process – the example of the LUX Film Prize of the European Parliament**

### ***Presentation***

The LUX Film Prize is an event organised by the European Parliament and piloted by its Communication Department. The prize has existed since 2007 and is annually granted to one European film out of a selection of 5 films from the 28 Member States. The aim of the prize is to reward films addressing social and political issues, and contribute to building a European identity, celebrate European values and illustrate the diversity of European traditions.

The prize enables the circulation of European films to be enhanced, at the same time raising their profile, two of the main challenges of European audiovisual production.

### ***Selection, rights acquisition and screenings***

Ten films are initially nominated by 20 cinema professionals (producers, distributors, cinema operators, festival directors and film critics, approved by the CULT Committee of the European Parliament) out of a list of 100 suggestions they put forward. This pre-selection is based on the films' artistic quality and capacity to trigger political debate. The 10 films are presented at the Venice film festival and the last 3 are showed to MEPs, who elect the winner.

The European Parliament directly negotiates the rights with film distributors– although Europa Distribution and Europa International help in providing contacts. The rate depends on whether the film has already been screened (in which case the rate is higher) and the presence of local distributor on national markets (generally rates are higher in Denmark, the United Kingdom and Italy). The average price is €300 to €500 per screening. For more screenings in one country, a flat fee is usually negotiated (e.g. €1,000 for 5 screenings), but it also happened that the European Parliament obtained the rights for free upon offering subtitling. The film distributor must display the two logos on the film the LUX Film Prize as well the European Parliament.

The 3 competing films are screened in the 28 Member States<sup>126</sup> for a month and half at festivals, film libraries and Europa Cinemas theatres during the "LUX Film Days". Subtitling in each of the Member States is carried out through subcontracting to professional services.

### ***Financial resources and subcontractors***

For 2015, the budget for organising the LUX Film Prize was €400,000, made available by the Communication Department of the European Parliament, amongst which:

- €30,000 to €40,000 to acquire screening rights
- €90,000 to €100,000 for subtitling into 24 languages (although this amount depends on whether the films have already been subtitled in certain countries, and the length of the films)

The European Parliament uses in-house assets and resources to organise the awards ceremony, the meetings and the management of the selection committee, but it resorts to subcontracting for certain activities such as communication, organisation of festivals, subtitling and the production of copies of the films in DCP format. Subcontracting takes place within framework contracts.

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<sup>126</sup> LUX Film Prize organisers intend to extend the selection to 5 films in the coming years.



### ***Promotional resources, partners and events***

Considering the LUX Film Prize is presented as a unique opportunity to boost the circulation of films, adequate resources are allocated to this aim and help in reducing the costs of cinema professionals (sales agents, producers and festival organisers).

Amongst the support measures are:

- the subtitling of finalist films in 24 official languages of the EU;
- the production of a Digital Cinema Package (DCP) per EU country with corresponding subtitles;
- education flyers on each of the finalist films in the 24 official languages of the EU;
- the production of adapted versions for visually and hearing-impaired persons (for the prize winner);
- additional promotion of the 10 shortlisted films;
- LUX Film Prize quality label for visibility.

Although the Communication Department of the EP is responsible for the LUX Film Prize, other bodies are assisting it: the bureau of the President and Vice President of the EP, a working group on communication policy in the EP as well as the Culture Committee. Besides, a number of partners support the prize through a variety of actions:

- Film festivals and events include the nominees in their selection - Quinzaine des Réalisateurs in Cannes, Berlinale European Film Market, Karlovy Vary International Film Festival, Venice Days and other film festivals in EU Member States.
- Europa Cinemas try to screen the films in their cinemas in each Member State.
- Europa Distribution, which is a partner in content debates and conferences in the European Parliament, and also presents the films in the Karlovy Vary International Film Festival.
- Europa International, helping with the negotiation of the rights abroad.
- EC Media Desks, which ensure promotion and marketing at the national level (mostly based on promotional material provided by sales agents or film distributors).

The Goethe Institut and media (Cineuropa, Filmnewseuropa.com, Arte) also contribute in spreading the word and provide help to the organisation of the LUX Film Prize. It must also be recalled that the LUX Film Prize does not resort to private sponsoring.

The LUX Film Days can be deemed one of the main events to promote the prize in Member States. Another noteworthy side project is "28 Times Cinema", an initiative designed for younger people. This project, supported by the European Parliament since 2010, gives the opportunity to 28 young film-lovers, selected through the cinemas of the Europa Cinemas Network, to represent each of the 28 European countries at the Mostra Internazionale d'Arte Cinematografica in Venice. These young people attend the LUX Film Prize screenings, and participate in debates and practical workshops with directors, authors, film professionals and MEPs. The rationale behind such event is to train young European ambassadors who would be active in the promotion of European cinema in their respective country: such is the case of the LUX Film Days, during which former participants of 28 Times Europe promote the screening of LUX Film Prize contenders, involving the audience in public debates on the films and on Europe.

## **Annex 7 – Proposal for a Global Online EUFF**

The global online EUFF could be modelled on ' MyFrenchFilmFestival ' (MYFFF) set up by **UniFrance Films**, the French organisation in charge of promoting French cinema throughout the world.

MyFrenchFilmFestival.com website site was available simultaneously in **195 countries** throughout the world and on 26 VOD platforms (e.g. iTunes in 90 countries) for one month from 16 January to 16 February 2015. The 5<sup>th</sup> edition reached more than 600,000 visitors. In total 23 films were shown and made available in 13 languages (including 5 non-official European languages). The short films were free worldwide and the feature films were free of charge only in certain territories (Latin America, China, India, Poland, Russia, and Turkey). In the rest of the countries a film festival pack (€9.99) or a single film (€1.99) could be purchased for viewing.<sup>127</sup> (See case study in Annex 5).

For the ESP to be able to organise a global online EUFF it would need to have a specific dedicated team within its structure (online team). Apart from the support measures mentioned in the report the online team would be required to:

- Centralise the promotion and marketing activities to make the global EUFF a "cool brand". Facebook advertising is crucial and an extra budget would be needed.
- Create synergies with existing projects funded under the Creative Europe programme<sup>128</sup>. For example the "Walk This Way" project run by the international aggregator Under The Milky Way and The Film Agency that manage the exploitation of more than 30 European films on VOD platforms across Europe through direct support of technical and marketing expenses.<sup>129</sup> They could assist in two manners:
  - Preparation of the package of European films selected for viewing on VOD platforms.
  - Digital marketing activities with the expertise of The Film Agency.
  - Facilitate cooperation with VOD platforms that the international aggregator Under The Milky Way operates with around the globe.

Another possibility would be to cooperate with the EUROVOD platform, a network of independent European VOD platforms specialising in art-house films and independent cinema, although these platforms are more focused on reaching a European audience.<sup>130</sup>

- Negotiate territorial licensing rights. The ESP will need to have an adequate budget to compensate the right holders if all the films will be viewed for free. To reduce costs the model of the MYFFF can also be applied to share revenues with right holders in certain cases. (see box below). It should be noted that the online

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<sup>127</sup> The 4<sup>th</sup> edition of MYFFF had been an unprecedented hit with visitors from **205 territories** accounting for **4 million screenings**. They had more than 3.5 million viewers in China. For the 5<sup>th</sup> edition the number were significantly lower as ten days before the launch of the film festival uniFrance was confronted with a new Chinese rule that no longer made it possible for them to organise an online film festival in China that would only last one month. Despite the massive loss of viewers in China the results of the 5<sup>th</sup> MYFF were better than previous years.

<sup>128</sup> Creative Europe MEDIA Sub Programme issues calls to support transnational marketing, branding and distribution of European audiovisual works on VOD services; to promote innovative actions testing new distribution modes in order to improve the circulation and the global audience of European audiovisual works.

<sup>129</sup> <http://walkthisway.cineuropa.org/wtw.aspx?t=list&t2=news&l=en>

<sup>130</sup> <http://www.eurovod.org/>

French film festival is programming films with less commercial appeal thus making the rights acquisition easier.

- Engage with the EUDs to organise simultaneous onsite films events in a number of territories.

A pilot project could be set up to organise a joint online film festival in 5 countries. If successful the global online film festival could be extended to cover more countries.

UNIFRANCE MODEL FOR NEGOTIATING THE RIGHTS FOR THEIR ONLINE FILM FESTIVAL<sup>131</sup>

UniFrance Film negotiates directly with the right holders (i.e. the sales agent or local film distributor if the film has been released in the country). There is a separate budget for free and paid viewing territories.

1) In the **free of charge territories** the right holders are paid a flat fee depending on the territory (for example €1,000 for Russia for each feature film and €1,000 for short films worldwide). This budget is around €90,000. The following territories are free of charge: China, Russia, Latin America, Africa, Poland and Turkey.

2) For the **non-free of charge territories** no budget is foreseen. Right holders receive 50% of the money from the transactions both on the MYFFF website and VOD platforms. If the film is viewed on a VOD platform UniFrance takes nothing and 50% of the revenues go to the right holders and 50 % to VOD platforms.

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<sup>131</sup> In the beginning UniFrance needed to convince the right holders to participate in MYFFF. However, this has changed now they also receive money from the festival. Almost all right holders now wish to participate in the festival. Right holders are less interested and more reluctant to make their films available if their films are going to be sold at a later stage of have a real commercial value abroad.

## **Annex 8 – General Guidelines for the preparation of the call for tenders**

Below are proposed guidelines for a future call for tenders to select the European Service Provider (ESP) responsible for managing the European Film Festival Scheme.

### Objectives of the contract

#### *General objective:*

Provide assistance to the EEAS, EC and EUDs in the organisation of EUFFs to increase their professionalization, effectiveness and sustainability.

#### *Specific objectives:*

- Ease the access of EUDs to European films notably in relation to rights clearance;
- Ensure that EUDs receive information and benefit from technical assistance to take the lead in the organisation of the festivals;
- Support professionalization of EUFFs in particular in relation to the programming, marketing and promotion endeavours;
- Take advantages of the possibilities offered by new technologies;
- Foster exchange of knowledge and good practices among the EUDs;
- Make the most of existing synergies, in particular with the relevant institutions of the MS, their embassies and cultural/film institutes;
- Build bridges with the industry to engage them more in the organisation of EUFFs and their side events.

#### a) Tasks to be implemented

Task 1: Advise in the constitution of the leadership board; prepare agenda and deal with the logistics for the meetings, liaise with the members of the board.

Task 2: Prepare a European package of films.

Task 3: Prepare a database of information on accessible films from the MS Embassy packages as well as the films for which the EC has the non-commercial rights (e.g. ACP Culture+).

Task 4: Coordinate the exchange of information among EUDs on EUFFs (through an online platform and regional meeting), provide ad hoc training sessions on the organisation of film festivals on the occasion on regional meetings of the EUDs.

Task 5: Create a common visual identity and a communication strategy for the EUFFs together with a brand. Ensure proper engagement and communication with specialised media.

Task 6: Setting-up a help desk: address questions posed by EUDs, prepare a DIY festival guide, provide information on funding, etc.

Task 7: Explore potential public-private partnerships and raise funds (in case public-private partnerships regulations for EUDs change in October/November 2015 as suggested by the Strategic Communications Unit of the EEAS)

Task 8: Manage a selective scheme for funding support open to a limited number of festivals that comply with quality standards.

b) Target groups

The primary target group of action will be the EC, EEAS, EUDs. All the EUDs will benefit from the activities to be implemented by the ESP, except for the selective funding scheme that will target only the partnership countries. Other target groups and stakeholders will be the Members States (Embassies, Cultural/Film institutes), the European Institutions active in the film sector as well as the industry in relation to some of the activities to be developed by the contractor.

c) Timing

The Contractor is expected to carry out the above-mentioned activities during a minimum period of 2 to 3 years initially. The period of time is necessary considering the amount of work in the establishment phase. The contract could be renewed subject to satisfactory performance on the part of the Contractor and submission by the Contractor of an acceptable work programme and budget for the ensuing annual period.

Tenderers are therefore expected to provide in their bids a detailed description of the activities to be carried out during the first year, but should nevertheless explain and present the objectives, methodology, outputs, etc. envisaged in a longer-term perspective.

d) Allocation of time and resources

It is estimated that the human resources currently required for the management of the activities relating to the contract should be:

- 30% time and the preparation of the European package of films and the database of information.
- 30% time for managing the leadership board the coordination of the activities run by the EUDs, the helpdesk and the exploration of potential PPPs.
- 20% the communication and branding strategy.
- 20% for managing the selective schemes for funding.

As far as financial resources are concerned, some of the tasks mentioned above will entail important fixed costs. The contractor should ensure that sufficient resources are devoted to:

- Screening fees, subtitles and preparation of copies – at least 30% of the total budget should be allocated to the preparation of the package;
- High-quality promotional material.

e) Technical and professional capacity criteria

*Criteria relating to tenderers:*

Tenderers (in case of a joint tender the combined capacity of all tenderers and identified subcontractors) must comply with the following criteria:

- The tenderer must prove experience in the organisation of film festivals and preferably have been involved in the artistic programming, negotiation and acquisition of rights as well as in the logistic organisations of film festivals including the development of a promotional and marketing strategy to ensure festival's outreach. Involvement in online film related events will be considered as a plus.
- The tenderer must prove experience of working in an international and intercultural context, preferably in cooperation with different organisations/networks, with at least three projects delivered in the last three years. Together these three projects should provide a picture of the tenderer's experience across all these aspects.
- A good knowledge of the field of European diplomacy as well as of the cultural policies of the EU in the media field should be demonstrated together with in depth knowledge of the European audiovisual industry.
- The tender should provide evidence of an extended network of contacts with European sale agents, film agencies and European networks representing the industry

*Criteria relating to the team delivering the service:*

The team delivering the service should bring together a combination of knowledge, skills and competences as highlighted below:

The team should include, as a minimum, the following profiles:

- *Project Manager and senior expert in Licensing:* At least 10 years proven experience in project management, including overseeing project delivery, quality control of delivered service, client orientation and organisational development, with experience in projects of a similar size and coverage (international scope), with experience in team management. At least 5 years experience in the audiovisual sector. The senior expert should have worked previously in tasks related to the programming, rights licensing and organization of film festivals and have a good knowledge of the audiovisual sector notably contracts and licensing agreements. Experience on online film festivals will be a plus.
- *Senior Expert in Communication:* at least 10 years' proven professional experience in the field of communication services with experience in the audiovisual sector .
- The project manager and senior expert should be assisted by an office assistant.

Language quality check: at least 1 member of the team should have native-level or equivalent language skills in English as guaranteed by a certificate or past relevant experience.

## **Annex 9 – Proposal for a EUFF Evaluation Framework**

Evaluation drives organisational learning and lessons to be learned from the work evaluated.

Below is a proposed evaluation framework, based on EUFF objectives and experiences from the BFI regarding its film festival (London Film Festival and Flare) and its recent blockbuster seasons (Gothic in 2013/14 and Sci-fi in 2014/15).

The framework is built around six areas and objectives:

- Perceptions of the EU and Europe
- Perceptions of European films and cinema
- Audiences and their motivation
- Partnerships
- Education, talent and skills
- Cost, income and value of EUFFs

The aim of the framework is to tap into whether the EUFFs are changing people's views of Europe, the EU, European cinema and longer-term partnerships with local actors and organisations have been established. In addition to this, from BFI's experience, it has been worthwhile to have an understanding of the cost of running an EUFF and its long term efforts in order to obtain future funding, as such the framework includes measures directed at costs and earnings.

The framework has tried to account for the range of EUFFs and as such has indicated core and non-core indicators and measures. Non-core are indicated in the framework below.

It is expected that a further discussion will take place to refine and finalise the framework making it more appropriate to evaluating all EUFFs.

## Proposed Framework

| Evaluation Objective  | Indicator   | Measure  | EUFF Objective  |
|---|---|--|---|
| <b>Perceptions of the EU and Europe</b>   |   |  |   |
| Change in the audience's understanding, knowledge and appreciation of the EU and Europe that is due to the film festival        | Impact of film festival on appreciation of the EU and Europe.                 | Audience perceptions, views and awareness of Europe and EU before and after festival.                                      | EU diplomacy – to engage on social issues and share European values<br><br>To foster cultural exchanges |
| <b>Perceptions of European film and cinema</b>  | Impact of film festival on appreciation of European film and European culture | Audience perceptions, views and awareness of European film and cinema before and after festival.                           | Foster cultural exchanges<br><br>EU diplomacy – to engage on social issues and share European values    |
| Change in the audience's understanding, knowledge and appreciation of European film and cinema that is due to the film festival |   | Level of satisfaction of film festival<br><br><i>Preferences for future EUFFs</i>  |   |
| <b>Audiences and their motivation</b>   |   |  |   |
| Identify new and existing audiences to the film festival  | Measure new and existing audiences to the film festival                       | Number of audience members that are new to the festival<br><br>Number of audience members that are not new to the festival | Foster cultural exchanges   |
|   | <i>Audience demographics (local and non-local audiences)</i>                  | <i>Age, gender and ethnicity breakdown of audience</i>   |   |
| Identify the audiences motivations for attending a particular screening at the  | Outline usual film viewing behaviour, including film preference and wiliness  | <i>Film type preference</i>  |   |



| Evaluation Objective   | Indicator  | Measure   | EUFF Objective  |
|--|--|---|---|
| film festival, compared to the their usual film habits               | to and distance travelled  | How often do they watch film                              |   |
|  |  | <i>Usual platform on which film watched</i>               |   |
|  |  | <i>Distance usually travelled to watch film at cinema</i> |   |
|  |  | Reason for attending festival                             |   |
|  |  | Level of 'fan-ness' for European film                     |   |
|  |  | How often European film usually watched                   |   |
| <b>Partnerships</b>  |  |   |   |
| The reach of local partnerships and their impact beyond the festival | Identify the number partnerships within the festival and their role. | Number of local partnerships                              | EU diplomacy – fostering collaboration amongst European stakeholders at the local level |
|  |  | Number of new local partnerships                          |   |
|  |  | industry  |   |
|  |  | Role of local partners in the film festival               |   |
|  | Direct impacts to the festival that are due to partnership           | Amount of funding provided by partnership                 | Promotion of cinema and a platform for trade in the AV                                  |
|  |  | Event or action that resulted from local partnership      |   |
|  |  | Event or actions that resulted from local partnership     |   |
| <i>Indirect impacts, those beyond the</i>                            | <i>Event or actions that occurred</i>                                |   |   |

| Evaluation Objective                                     | Indicator  | Measure   | EUFF Objective  |
|--|--|---|---|
|  | <i>festival that are a result of the partnership in the film festival.</i> | <i>outside the film festival as a result of local partnership</i><br><br><i>Event or actions that occurred outside the film festival as a result of local partnership</i> |   |
| <b>Education, talent and skills</b>                      |  |   |   |
| Attendance at education events and showcasing new talent | Types and subjects of education events                                     | Number of education events  | EU diplomacy – fostering collaboration amongst European stakeholders at the local level |
|  |  | Types and number of subjects covered  |   |
|  | Attendance at education events   | Number of attendees at education events   |   |
|  |  | Education events attendees and industry representatives view of education events on developing appropriate talent and skills and enabling career progression              |   |
|  | <i>Films by students and new talent</i>                                    | <i>Number of films shown by local film and media students</i>   |   |
|  |  | <i>Number of film shown by new local talent, who are not students.</i>  |   |
|  | <i>Networking events attendance</i>  | <i>Number of networking events at film festival</i>   |   |
|  |  | <i>Number of attendees at networking events</i>   |   |
|  |  | <i>Network events attendees and industry representatives view of</i>  |   |

| Evaluation Objective  | Indicator   | Measure   | EUFF Objective   |
|---|---|---|--|
|   |   | <i>network events on promoting EU films, EU culture and local partnerships</i>  |  |
| <b>Cost, income and value of EUFF</b>   |   |   |  |
| Establish the cost of holding the film festival, compared to previous years and size of admissions.                 | Total cost of holding festival, earnings and direct | Direct and overhead cost of running the festival<br><br>Total earnings from admissions and events<br><br>Number of admissions (both paid and unpaid) to film screenings<br><br>Number of films shown at festival<br><br>Number of and range of genres of films shown at festival<br><br>Number and list of individual countries showing films at festival | Promotion of cinema and a platform for trade in the AV industry<br><br><br><br><br><br>Foster cultural exchanges |
| Establish joint third country-EU funding, outlining sources of funding and respective amounts                       | Funding received to hold festival                   | Total amount of funding from EU<br><br>Total amount of funding from local actors or organisations<br><br>Total amount of monetary donations<br><br>Total amount from other sources  |  |
| <i>Value of the film festival beyond explicit earnings from the box and event attendance; identify tangible and</i> | <i>Brand value of film festival in general</i>      | <i>Monetary value PR</i><br><br><i>Monetary value of social media</i>   |  |

| Evaluation Objective     | Indicator   | Measure   | EUFF Objective |
|--------------------------|---|---|----------------|
| <i>intangible assets</i> |   | <i>Monetary value of digital</i>                            |                |
|                          |   | <i>Monetary value of above the line</i>                     |                |
|                          |   | <i>Monetary value of events</i>                             |                |
|                          |   | <i>Monetary value of risk/safety of the festival</i>        |                |
|                          |   | <i>Monetary value of uniqueness/exclusivity of festival</i> |                |
|                          |   | <i>Value of brand equity</i>                                |                |
|                          |   | <i>Monetary value PR</i>                                    |                |
|                          | <i>Brand value of sponsorships and partnerships</i> | <i>Monetary value of social media</i>                       |                |
|                          |   | <i>Monetary value of digital</i>                            |                |
|                          |   | <i>Monetary value of above the line</i>                     |                |
|                          |   | <i>Monetary value of events</i>                             |                |
|                          |   | <i>Monetary value of risk/safety of the festival</i>        |                |
|                          |   | <i>Monetary value of uniqueness/exclusivity of festival</i> |                |
|                          |   | <i>Value of brand equity</i>                                |                |

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