



Film, interrupted

**Reports and reflections by film funding policymakers
worldwide in the pandemic year 2020**

Best Practice Exchange is an initiative of ACE Producers



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FILM, INTERRUPTED : the 2020 BPX report

This report is a record of discussions held during the year 2020 among members of Best Practice Exchange (BPX), a forum comprising leaders of agencies from across the world which provide public funding to stimulate, enable and promote new filmmaking for the cinema.

Funding provided by these agencies is the bedrock of ‘independent’ work for the big screen, meaning films made outside the main production centres of Hollywood and Bollywood, films that express all the other cultures, values and languages that mainstream movies do not encompass. Increasingly, these agencies now also support development and production of independent work for television and online exhibition.

Participation in BPX debates is reserved for the heads or senior executives of national, regional and cross-border film funding agencies worldwide. The 49 member-agencies and their representatives are listed on pages 6- 8.

Members of BPX met four times during 2020. The meetings were:

- **a workshop in Berlin, Germany** held during the Berlinale on 22nd February;
- **three online sessions** held on 13th, 15th and 20th October;

This report records, quasi-verbatim, the entire content of these meetings. Some interventions have been re-ordered in the interests of thematic flow and coherence for the reader. Nothing is included which did not arise out of the gatherings under review.

Earlier BPX reports, called **“When Cinema Hangs by a Thread”**, **“Views from the Bridge”**, **“Clearer Pictures”** and **“Crucial Times”**, covered the workshops and meetings held during the forum’s first six years of existence, 2013-2018.

During 2019 BPX held its annual workshop during the Berlin Film Festival in February but no report was produced of the event, which consisted of two presentations – of the Netflix worldwide service, and the British Film Institute’s audience fund and film audience network – followed by brief Q&A sessions which were not recorded. The agenda for the workshop is included in the Appendix to this report. No other formal meetings of BPX were held in 2019.

Best Practice Exchange is an initiative of ACE Producers, a 27-year-old organisation which provides advanced training for film producers from Europe and beyond, and is dedicated to improving the financing and distribution opportunities for independent filmmaking.

BPX activities are sustained by voluntary contributions and hospitality provided by its members.

Simon Perry
Senior Consultant, ACE Producers

Amsterdam, December 2020

MEMBERS

Helge Albers	FF Hamburg Schleswig-Holstein, Germany
Bero Beyer	Netherlands Film Fund
Natasa Bucar	Slovenian Film Centre
Sehad Cekic	Film Centre of Montenegro
Luis Chaby Vaz	ICA / Portuguese Cinema & Audiovisual
Gaga Chkheidze	Georgian National Film Center
Claas Danielsen	Mitteldeutscher Medienförderung, Germany
Isabel Davis	Creative Scotland
Christian de Castro	ANCINE, Brazil
Christa Dickenson	Telefilm Canada
Peter Dinges	FFA / German Federal Filmboard
Liza Diño	Film Development Council of the Philippines
Désirée Finnegan	Screen Ireland
Liselott Forsman	Nordisk Film & TV Fond
Mathieu Fournet	CNC, France
Helena Frankova	Czech Film Fund
Amit Goren	Makor Foundation, Israel
Laufey Gudjónsdóttir	Icelandic Film Centre
Jana Karaivanova	Bulgarian National Film Center
Makhosazana Khanyile	National Film & Video Foundation, South Africa
Rolandas Kvietkauskas	Lithuanian Film Centre
Claus Ladegaard	Danish Film Institute
Daniel Laguna	Film Fund Chile
Christopher Marcich	Croatian Audiovisual Centre
Graeme Mason	Screen Australia
Gordan Matic	Film Center Serbia
Kirsten Niehuus	Medienboard Berlin-Brandenburg, Germany
Maria Novaro	IMCINE, Mexico
Roberto Olla	Eurimages
Neil Peplow	British Film Institute
Erwin Provoost	Vlaams Audiovisueel Fonds, Belgium
Philippe Reynaert	Wallimage, Belgium
Dita Rietuma	National Film Centre of Latvia
Emmanuel Roland	CFWB, Belgium
Vikramjit Roy	National Film Development Corporation, India

Lasse Saarinen	Finnish Film Foundation
Edith Sepp	Estonian Film Institute
Annabelle Sheehan	New Zealand Film Commission
Martin Smatlak	Slovak Audiovisual Fund
Radoslaw Smigulski	Polish Film Institute
Roland Teichmann	Austrian Film Institute
Karen Thorne-Stone	Ontario Creates, Canada
Gorjan Tozija	Macedonian Film Agency
Alex Traila	CNC / National Cinema Centre, Romania
Claudia Triana de Vargas	Proimagenes, Colombia
Arben Zharku	Kosovo Cinematography Center

Member-agencies, new leaders TBC

Greek Film Centre
Hungarian National Film Institute
Israel Film Fund

Representative Members

(attend meetings with or on behalf of principal members)

Berenice Honold	FFA / German Federal Film Fund
Michel Plazanet, Catherine Souyri	CNC, France
Sally Caplan	Screen Australia
Daniel Saltzwedel	MB Berlin-Brandenburg, Germany
Virginie Nouveau	Wallimage, Belgium
Jeanne Brunfaut	CFWB, Belgium
Matti Paunio	Finnish Film Foundation
Chris Payne	New Zealand Film Commission
Zuzana Bielikova	Slovak Audiovisual Fund

Affiliate Members / Observers

Soon-Mi Peten	Creative Europe / MEDIA
Julie-Jeanne Regnault	European Film Agency Directors

ACE Producers:

Simon Perry

Honorary members:

Darko Baseski	<i>formerly</i> Macedonian Film Fund
Doreen Boonekamp	<i>formerly</i> Netherland Film Fund
Carolle Brabant	<i>formerly</i> Telefilm Canada
Susana de la Sierra	<i>formerly</i> ICAA, Spain
Pierre Drouot	<i>formerly</i> Vlaams Audiovisueel Fonds
Eric Garandeau	<i>formerly</i> CNC, France
Dave Gibson	<i>formerly</i> New Zealand Film Commission
Mimi Gjorgoska	<i>formerly</i> Macedonian Film Fund
Ruth Harley	<i>formerly</i> Screen Australia
Agnes Havas	<i>formerly</i> Hungarian Film Fund
James Hickey	<i>formerly</i> Screen Ireland
Hrvoje Hribar	<i>formerly</i> Croatian Audiovisual Centre
Nana Janelidze	<i>formerly</i> Georgian National Film Center
Boban Jevtic	<i>formerly</i> Film Center Serbia
Petri Kempainen	<i>formerly</i> Nordisk Film & TV Fond
Vassilis Kosmopoulos	<i>formerly</i> Greek Film Centre
Vincent Leclercq	<i>formerly</i> Pictanovo, Nord Pas-de-Calais Region, France
Pierre-Emmanuel Lecerf	<i>formerly</i> CNC, France
Zama Mkosi	<i>formerly</i> National Film & Video Foundation, S Africa
Hanne Palmquist	<i>formerly</i> Nordisk Film & TV Fond
Martin Rodriguez	<i>formerly</i> Film Fund Chile
Elena Romanova	<i>formerly</i> Russian Cinema Fund
Jozko Rutar	<i>formerly</i> Slovenian Film Centre
Jorge Sanchez	<i>formerly</i> IMCINE, Mexico
Monserrat Sanchez	<i>formerly</i> IMCINE, Mexico
Manfred Schmidt	<i>formerly</i> Mitteldeutscher Medienförderung, Germany
Katriel Schory	<i>formerly</i> Israel Film Fund
Tamara Tatishvili	<i>formerly</i> Georgian National Film Centre
Vera Zaverucha	<i>formerly</i> ANCINE, Brazil

The Sessions

2020 FORESIGHT

In February, Best Practice Exchange held its main workshop of the year during the Berlinale. This has been normal practice for seven years, taking advantage of the presence in Berlin of BPX members from every continent of the world. What was different in 2020 was that less than a month later life on earth, and the film world in which BPX member-agencies play a key role, were destined to lose all semblance of normality – as the pandemic shut down all the communal activity on which film industries almost entirely depend.

Almost, but not quite. It soon became clear that one component of the film eco-system was immune to the effects of the virus, in fact was benefiting mightily from the new environment in which people were rendered isolated and able to communicate only virtually. While it paralysed every other area of the business, the pandemic served simply to accelerate the growth in power and reach of the global streaming platforms. When BPX members met online nine months later to discuss responses to the crisis and share views on its long-term effects, uppermost in the discussions was the enormously enhanced dominance of the new major online studios and the power of that to disrupt and reshape the future of cinema as we have known it.

Meanwhile, when the pandemic's impacts on production and the traditional, analogue market became clear, the two topics debated at the Berlin workshop proved to have been pertinently chosen. Support for physical distribution and independent distributors had never been fully addressed at BPX before and, as the report shows, there were many gaps and variations in member-agencies' approaches to the whole issue. Support for international co-production, last discussed in depth during the first BPX workshop in 2013, was reaffirmed as the most important means of sustaining independent filmmaking and a supply of every year's best work to the world's major festivals and arthouse screens.

The online meetings held in October to evaluate impacts of the pandemic identified international co-production as particularly hard hit by the new restrictions, as likely to emerge only slowly from its current difficulties, but as more vital than ever to production not financed by the streamers. Independent distribution, and independent cinemas, were identified by many members as important targets for new, strategic public support. With distributors financially stricken by months without revenues, this alone will secure the release of national and arthouse films as soon as the pandemic lifts. And it may be that the survival of many cinemas, even of the big-screen experience itself, will rest ultimately in the hands of public funders.

SP

Best Practice and

DISTRIBUTION

Active Involvement of Film Agencies in the Distribution of Funded Films

We understood that audience development is part of our responsibility as a film agency. We had a major problem in our domestic market. We had lost our audience for our own films, and we realised we could not leave this to the discretion of the distributors or cinema owners or even the producers. We had to step in as a film agency and take the responsibility upon ourselves. We kept in mind that 80% of the income from our domestic market comes from only 20% of our potential audience. We had to find a way to balance this better. We had to find, re-invent and reach out to new audiences for our own films.

EMPOWERING PRODUCERS

First, we decided to support the producers themselves in the marketing and distribution of their films in the domestic market. Every producer who received production support from the Israel Film Fund had 12% automatically added and reserved to assist the marketing and release of the film in Israel. If we invested €500,000 in a production, there was a separate contract for €60,000 which waited for the film to be ready for release. If at that point we believed the film had real potential in the Israeli market we might increase the amount; if we felt the film merited only a small release, we might reduce it. But the extra investment was an agreement in principle. We felt, as a fund, there was no point in investing so much in the production of a film without also investing in its marketing and distribution.

The producer can decide to roll the money over to the distributor as a participation in the overall costs of the release, in which case the producer does not come to the deal empty-handed, but with a contribution to make, which gives them an edge. We made it a condition that the fund's money must represent not more than two-thirds of the total amount needed, in order to ensure that the overall p&a budget would be sufficient. In practice more than half of the feature films supported in this way were distributed – and still are – by the producers themselves, with the producers working directly with the cinema owners and with no involvement by distributors.

We are happy with this result because we had seen that the distributors were not prepared to take one penny of risk on an Israeli film, so why let them earn a fee for doing it? Of course it can be argued that distribution entails specific skills, but when it's a question of the producer's own film, the producer will do their very best. Where the producer is also the distributor, the producer is entitled to the distribution fee, and the fact that this is paid out of the first money coming in is also a strong motivation for the producer to work effectively.

Over the last 15-20 years this has led to the creation of a new job. Just as a producer will hire a line producer as a production manager, so they now hire a line distributor as a distribution manager – one of several guys who used to work for the majors in Israel, who now reports to the producer. The producer makes four-wall deals with the cinemas and manages all the promotion and press and the whole p&a budget themselves, while the line distributor handles the physical side of the work.

As a fund we saw that a producer slaves for three, four years to make a film and then, when the baby is finally born, it's given away for adoption. If the distributor is a nice parent, all may be well, but if not, the producer may see the film that belongs to them and the team that made it disappear from the market after one weekend. This was why our first initiative was to put the destiny of the film in the hands of the producer.

PROACTIVE INITIATIVES

Our second strategy as a fund was a series of umbrella initiatives to push and re-brand Israeli cinema in the market. My board agreed that we would fund one less film for production each year and use the money, between €300,000 and €400,000, on these instead.

We managed to get a law passed to allow senior citizens to get a 50% discount on tickets seven days a week to see an Israeli film. The law enabled the cinema owners to claim the other 50% directly from the ministry of welfare, not the ministry of culture, so the industry does not lose out. This has meant that in recent years audiences for Israeli films have increased by between 150,000 and 180,000 senior citizens, representing a new niche audience of 12-15%.

We arranged for the Israeli national lottery to pay for the installation of digital projection systems in 40-50 cultural centres, places which were built to house music and theatre and dance, but which can now screen films. In fact there are now some films which are not released in commercial cinemas but only in cultural centres, and sell up to 80,000 tickets. This called for proactive work by the fund, and we had one-and-a-half members of staff dedicated to finding any ways possible to screen our films in new venues.

We also introduced a season ticket scheme for Israeli cinema. People could buy a season ticket for six new Israeli films to be screened in cultural centres as previews before they went to commercial release. This gave a sense that they could see the film before anyone else, and every screening was attended by actors or the director so that it became an event. The scheme also created a strong word of mouth for each new film.

The basic idea was that a film funding agency has to take the initiative to reach out and promote our films – systematically buying newspaper space, radio ads, TV ads, ‘coming soon’ messages – and bring them to the taxpayer whose money we have used to make them.

When I came into this job 21 years ago Israeli cinema had a 0.3% share of the home market. It had been wiped out, it didn’t exist. Now the share is 14-15% each year.

- **Katriel Schory, (ex) Israel Film Fund**

IN AN OVER-CROWDED MARKET (1)

In Germany we have more than 250 national films coming out of production every year, so if the FFA enabled every producer to push their film onto the domestic market we might have a big problem. We have too many films, and so we need the distributors to make decisions whether or not to adopt our babies. They are the gatekeepers and we need them to make a second choice whether a film should be released or not. Unfortunately not every film we fund for production turns out to be a good film. So we operate a traditional system whereby we give money to distributors if they want to adopt.

The money we invest in distribution is around 20% of our overall budget. On the one hand we have a traditional selection process by committee, and on the other hand we have an automatic system. In Europe automatic systems seem to be becoming more and more popular, because distribution of national films is becoming more and more risky. In the last years we have seen several small and medium-sized distribution companies go out of business, and we need to offer the ones that are left some kind of planning security. An automatic approach can give them a budget for a whole year to support their investments in German films. This is a more and more effective means of providing long-term stability for distribution of national films in the domestic market.

This automatic form of support can also be invested in a distributor’s stock capital. Not invested project by project, but in the company itself, in order to strengthen its capital position, secure credit at the bank and enable a German company to compete with the majors. In other words the support is structural, and worth considering as an example of best practice in the funding field.

The third area of support we provide is special to the German system, in that big broadcasters, private and public, offer the FFA free access to advertising time for the showing of trailers of films we have helped to fund. The agency has annual media time worth more than €6 million, across several broadcasters, which it can allocate to distributors for the promotion of films. There is a new five-year law on this under discussion, and it may be that media time on German TV will be much less valuable by 2026, but right now this is a very modern tool. The distributors like it for one specific reason, which is that it is equivalent to a grant, not a soft loan like other forms of selective support.

One final point is that money made available to distributors under the automatic system can be used not to fund p&a costs, or as corporate investment, but to finance minimum guarantees on new films – helping to promote good relations between producers and distributors and encouraging distributors to invest in new German production.

- *Peter Dinges, FFA / German Federal Film Fund*

IN AN OVERCROWDED MARKET (2)

In the Netherlands we are facing an enormous increase in the number of films released each year – all films, not just Dutch films – from 260 films 10 years ago to nearly 500 now. The competition is so extreme that as a funder you can't hope to provide a solution, the market itself is the problem. Whether a film has money behind it or not, if it doesn't perform in the first three or four days it's out. This is why the Netherlands Film Fund insists on backing releases of films across all platforms, not just theatrical.

At the time of production a producer receives some money towards promotion and marketing of the film, then more can be added when the film is ready for release in cinemas, at which point the producer and distributor apply together. We provide support not only for domestic films but also for minority co-productions. We only back films that we believe can find an audience in the Netherlands.

There are different levels of support for different types of film, with children's films receiving the most. Curiously, a few years ago children's films were performing better than any other Dutch films, representing only 25% of all releases but accounting for 50% of admissions. But since the market became much more crowded, Dutch children's films have come under pressure and we have increased the amount of support given to them. We are working on a plan with the cinemas to introduce an annual children's film week, probably offering two tickets for the price of one, or some such scheme.

ARTHOUSE BEATS MAINSTREAM

Recently we added a new initiative, with a bit of a French accent, for the benefit of the many film theatres (as distinct from commercial cinemas) that exist in the Netherlands. These theatres grew up as venues for showing international arthouse films, but never showed Dutch films. Dutch arthouse films had a hard time getting released anywhere. A few years ago, however, the film theatres became keener to show Dutch films and approached the fund seeking a collaboration to assist them. We tried various ways of doing this, but have now settled on giving them a subsidy in the form of 0.25€ for every admission to a Dutch film.

There is now discussion of a wider application of this system of subsidy, within the framework of the European Audio Visual Media Services Directive, which could mean even more support for the showing of national films.

Strangely enough, in the midst of this new pressure on the market overall, the number of cinema admissions for documentaries has tripled, and for arthouse films the number has more than doubled. Ten years ago Dutch mainstream films performed strongly, but now they don't perform at all. They tend to be very imitative of each other, and all have 'hard' or 'love' in the title. These are films made not with selective support from the fund, but using the automatic production incentive, and it's noticeable that the spread of automatic funding schemes across Europe has led to a reduction in the diversity of films that get made. To meet this challenge and raise the diversity of films backed by the fund, we have decreased the number of films given selective production support each year from 30-33 to 20, giving bigger money to each and improving their quality. It seems to work.

The tradition in the Netherlands has been that the gap between mainstream and arthouse is huge – Dutch films have tended to be either very mainstream or very arthouse. I set out to try to build a bridge, for arthouse films to reach out to audiences more effectively, and for mainstream films to achieve a better standard of quality.

The arthouse filmmakers seemed to get this. One scheme we have devised is called 'talent development in an international context', whereby the producer, director and writer receive the whole amount of development funding for a project at the time of application and can then write the script, bring in international people to work with them on preparation of the project for the market, participate in training programmes, and complete the development process in a comprehensive way. We have also raised the amount of production funding available for films that are really ambitious.

The mainstream film producers seem to have a harder time changing their approach. This is partly a distribution problem, in that the risks entailed in getting a film out into the market are so big that the producers choose easy projects – based on a book, based on a series, sequels, prequels, any kind of known quantity that can help their appeal in the way the market functions at the moment. A few producers are managing to make the move towards better quality, but it takes time.

Besides the huge number of films being released in the Netherlands, we have 26 distributors in this small country and every year about three disappear and three others take their place. Each one insists on going it alone, refusing to find strength in collaboration and trying to make a business against impossibly tough odds.

- ***Doreen Boonekamp, (ex) Netherlands Film Fund***

UNDERSTANDING THE AUDIENCE

The overall budget of the Danish Film Institute for 20-25 feature films each year is €30 million, of which 10-15% goes into development, 75-80% into production, and 10% into promotion. This means promotion primarily for theatrical release in the domestic market, but across all distribution windows.

Until three years ago we had an automatic system, whereby we funded 50% of the promotion budget. But like all automatic systems it was a very stupid system. So we got rid of it, and now we have a selective scheme with decisions based on the quality of the film, the promotion plan, the positioning of the film, and our estimation of the cultural impact of the film for a Danish audience. It means we fund traditional arthouse films with 55-75% of the budget, 'quality mainstream' films with 45-55% of the budget, and commercial films with 20-40% of the budget. We generally fund the 'quality mainstream' films with the highest amount, typically between €130,000 and €140,000 per film.

The system seems to work. We have quite a high market share, there are good years right now, maybe due to our promotion funding but also because of the films. But the key question in promotion is when are you addressing the issue of the audience, when do you start discussing it? Most film productions have a very cloudy vision of the audience. Go on a film set in the middle of production and ask, who is going to watch this film and why would they pay €10 or €15 to watch it? On three-quarters of all film sets in Denmark, you won't get an answer.

As early as possible we need to work at this not from the point of view of marketing and promotion, but in terms of raising an awareness of the audience – who might be interested in a film and who might not. The questions to be asked are: what will the film convey to an audience, how will it connect to an audience, how will it be relevant to their daily lives and challenges? We already include funding for promotion of a project as part of its development process, but we are likely to increase the amount of funding provided at this stage for audience research – tests of story, script, artwork; comparisons with books, literature, other films – all tools of this kind.

We shall probably demand that early in development of a film there has to be a day called the 'audience meeting', where the filmmakers have to meet audiences and gain knowledge about audiences. Directors will often say they think about the audience from very early on – talking to their colleagues about the idea, to their friends, to people they went to filmschool with, to their family... This gave us the idea that at least in Denmark there is a 'false audience', being people who are part of our business, or from the social segment we belong to, but who actually have nothing to do with the real audience. All our new funding schemes will be aimed at improving understanding of that audience.

We plan to merge the types of support we give for domestic marketing and international marketing, focusing on audiences and changing the language we use from a marketing discourse to a sociological and anthropological discourse.

- *Claus Ladegaard, Danish Film Institute*

DISTRIBUTION BOOST

The Nordisk Film & TV Fond is a top-up financier a bit like Eurimages, but only for five countries where the number of films being made continues to rise but our budget is not growing. So five years ago we had to re-shape what we were doing, cut down the number

of films we finance each year from 25 to 21, and put the money for the four films we used to support for production into distribution, because the whole aim of this fund is to make films that will travel and cross borders.

With the new money we have enabled distributors to apply for slate support, and now we are extending this to allow a Swedish film, for example, to receive support for its release in Denmark or Norway. Then, three years ago, we started asking the filmmakers themselves for marketing plans of their films' release outside their home countries, and insisting that they wrote these when applying for distribution support at the same time as production support. Who are your audiences? What is the impact plan? Questions like these actually met with resistance, because filmmakers didn't at all like the idea that they should think about the other countries. But from our perspective as a pan-Nordic fund, it's very relevant for us to know these things.

We discovered that there was a lack of knowledge among producers about the other markets. Parts of the Nordic market are quite healthy, there are big distributors who work across borders, but they are mainly interested in big films now, whereas the smaller ones, the arthouse distributors, don't have the same chances. The producers were willing to learn, and the distributors wanted to join the discussion, so we introduced the Nordic Distribution Boost. It's a practical training workshop, the core idea of which is that when a filmmaker has made a first film that has received some exposure outside its home country, their producer – together with their local distributor – can apply to the Boost with the filmmaker's second or third project.

In 2018 we selected seven films for the Boost, and in 2019 six films, all in different stages of development. The people involved came together for a workshop, we hired experts in marketing and distribution, we made them pool information about their projects with the other producers and distributors, with reciprocal mentoring, and we had case-studies of successes and failures in the Nordic region. For example, for the Swedish film BORG Vs. McENROE, which the Swedish producer believed would be a big hit but which turned out not to be, the producer and distributors came to explain the reasons why.

So the Boost is a combination of learning from experts about marketing strategies, and from peers about experiences, in other markets. Among films that have come through the process, A WHITE, WHITE DAY has been released widely since it was in Cannes. Some films are still in production, so we don't know the complete results yet, but the third year of our scheme is budgeted and the idea seems to be one that can easily be reproduced elsewhere if you want to focus on the outreach potential of films that you fund.

We also did some research on admissions which, in the Nordic countries, are rather steady at around 50 million each year, but the number of smaller, arthouse titles, and their distribution results in the neighbouring countries, have been growing in recent years. Meanwhile the bigger films don't deliver such good results. Crime doesn't pay anymore, probably because there are so many films of the genre on Netflix. So the outlook for diversity is promising.

- **Petri Kemppinen, (ex) Nordisk Film & TV Fond**

DIFFERENT DOWN UNDER

The entire business model has changed. Everyone, particularly in the UK, is talking about how in production the producers are all broke; exhibition is now a terrible use of real estate; in distribution, the fees are so tiny, home entertainment has gone, they're making nothing. All the way down the line, there is no money. Way too many things are getting made, there is so much content that it's impossible for the market to support it all. A thousand films are getting released in Australia this year, of which 100 are Australian. That makes no sense.

At the same time there are Esports, Twitter, Instagram, all these other uses of our time. We talk about the challenge posed by Netflix. The challenge for Netflix is that there are not enough hours in the day to watch even what's on Netflix. What we're ignoring is the change in consumers, how they watch stuff. My counterpart in Australia's public broadcasting said something which is true: the ABC is good at making things for child care, and old age care facilities, and rubbish in between. We in feature films are doing the same, making stuff for the margins.

Film is now our smallest activity as an agency, but it takes an enormous amount of our time. Our smallest-cost activity is our online stuff, which is the most important thing we do in terms of audience reach. The other challenge for feature film activity is that of those 1,000 films released in Australia, the top 48 took 85% of the box office. There's no such thing anymore as a film growing, or word of mouth. But also we're making films for a mythical audience who when they get home from work on a Thursday night won't go out to see a movie. They turn on Netflix and find something they like, and if it's three hours long (thank you Mr Scorsese) they can pause it and come back. We have to think who our audience is, why they want us, why they might want to go to the cinema.

As an agency we are actually coming from a position of strength, in that Australian films recently had the best market share ever, and lots of successes. But the numbers are still tiny, so we're not going to make any money. Still, the reason we are given money to get films made is for someone to see them, for them to have an impact. We are supporting an arthouse film to be made by a female-led team about violence against women, which no one will rush out to see on a Thursday night at the cinema but which is an important film by a brilliant filmmaker. The film hasn't even started production yet but we're already working with women's groups and interested parties globally to promote it, and because the director is famous in the art world we're talking to the Australian consul in LA about screening it at the Getty Museum.

We can't do that kind of work on all 139 projects that we funded last year, but we do work differently on behalf of films we support from the way we did in 2018, or 2008. As agencies we all have to adapt to the new audience realities. There's no money in domestic distribution, but we can make some films that have great success abroad, we can have people behind the camera who are big stars. We are not giving up.

(Claus Ladegaard) Too many films have been made in Europe every year for the last 15 years, and it has nothing to do with business models or the new platforms. The interesting thing is that there's one area of the whole media business not affected by the platforms, and it's feature films and cinema. Attendances in Europe went up by 4.5% last year, so somehow we are surviving Netflix.

(Simon Perry, ACE Producers) That's not true of English-speaking countries. Here at BPX we've seen before that evolution of markets in anglophone countries is distinct and different from markets everywhere else. Take the case of Philippe Bober, the sales agent and co-producer working at the very arty end of European filmmaking, for whom the traditional all-rights distribution model works extremely well, with growth every year.

(Graeme Mason) There is an opportunity looming with regard to cinema. The Hollywood studios are going to stop distributing their mid-range independent films outside the US. They will give them theatrical releases domestically and then put them through their own streamers in the rest of the world. Releasing them theatrically in other territories like Australia loses them money, because there is no home entertainment anymore, so exhibitors are coming to me saying they can see they won't have content for their screens. They want to know if they can work with us directly, rather than through distributors or producers, in order to fill those screening slots with Australian films.

- **Graeme Mason, Screen Australia**

HANDS-ON EXPERTISE

In the Philippines there is no funding mechanism to support domestic distribution of local films. As an agency the FDCP has marketing and promotion expertise within its own team, and works directly with exhibitors to create opportunities for distributors and producers to get Filipino films shown. It also provides training for producers in publicity, press relations and showmanship techniques.

In practical terms, there are three types of support.

One is a partnership with a major exhibition chain that owns half of the cinemas in the country, and gives us access to eight cinemas in the Metro Manila region. In these cinemas we can programme Filipino arthouse films for one week each, guaranteeing exposure for 50-60 films throughout the year. It costs the agency at least \$100 per day per screen to ensure that our films are played. A good many of these films would be films that are featured in film festivals across the world and may be familiar to you.

Secondly, we have five cinemathèques in the country which are operated by the FDCP and in which the agency can itself distribute not just local films but a lot of international films that don't normally find space in commercial venues. This is how films we have secured through Unifrance and from other European filmmakers find an audience in the Philippines.

Finally, we have two schemes to enable distribution of more commercial Filipino films through so-called 'festival' events each year organised in partnership with all cinemas in the

Philippines. One event is in December, when almost 1,000 cinemas nationwide will screen eight new, popular Filipino films for two weeks. This has been running for 45 years now and contributes significantly to a domestic market share for local films that has risen to 30% recently.

Then there is a similar event in September for independent films of quality, called Feast of Filipino Films. This runs for one week and showcases elevated genre and other examples of diverse filmmaking rather than the 80% of mainstream releases which are romantic comedies. Admissions for this event over the last three years have reached 1.3 million in the week, and films have earned between \$3 million and \$6 million. There is an ongoing call for 10 films to be screened at this year's event, and we will provide each selected film with \$40,000 towards marketing and promotion costs. We, the FDCP, promote the event very strongly with press conferences, caravans, school visits; and we see that the audience is between 13 and 45 years old, teenagers and millennials who respond to popular films that are a lot more edgy than the regular commercial fare. We also see that the event gives independent producers real hope that they can compete successfully with major studios.

Most films acquired by Netflix in the Philippines come from the Feast of Filipino Films. And the films chosen in each of the last three years to compete for an Oscar all came from this event.

- ***Liza Diño, Film Development Council of the Philippines***

MONOPOLY AND APATHY

The situation when I arrived at the Croatian Audiovisual Centre nine months ago was that producers received distribution support as part of their production funding but didn't use it on distribution, they rolled it up into the production; the exhibitors claimed to have no time available for independent or Croatian films; and the only distributor willing to handle Croatian and other arthouse films used the output deal he had with Disney to subsidise part of his infrastructure in order to do it.

Then, a month ago, the Disney guy sold his distribution business to the guy who owns most of the screens in the country, and who distributes almost all the product from the other major studios. So now we have a market concentration whereby about 80% of distribution is controlled by one company, which also owns about 65% of the screens in the country – and which does not like handling independent or Croatian films.

We will be setting up a new, separate fund for distribution. It will probably be tied to producers but will not form part of the production budget. I've introduced a system whereby producers, when they present projects for production funding, are required to demonstrate a sense of the audience. We will not fund anything for production that cannot show some inherent forethought of its audience.

We have just signed an agreement with the Croatian association of independent cinemas, which is part of the Europa Cinemas network, and this commits them to screen a certain

number of independent titles. And we shall be involving the producers and directors in personal appearances to promote their films at screenings, as happens in Israel, because it's the only really effective way of bringing local films to a local audience. We have some support from television in the form of discounted advertising time, but the overall picture is not bright.

- *Chris Marcich, Croatian Audiovisual Centre*

ADVANTAGES OF BEING A SMALL COUNTRY

French-speaking Belgium, like Israel, is a small market and our films have a small market-share, so a few years ago I met Katriel Schory and decided after our discussions that the Katriel Diet should be applied in Belgium. We had an automatic scheme in place whereby €1.3 million was reserved for supporting distribution in the traditional way, and I decided to withhold €500,000 of this in order to develop some new initiatives that we, the agency, would support directly, working proactively with the producers and distributors.

One initiative was holding preview screenings of new Belgian films for trendsetters, inviting people who don't necessarily care about cinema – businessmen, cooks, singers, celebrities – to watch a film and then go back to their own network and talk about it. They meet the director and actors and crew at the screening, and feel flattered by the attention.

Another new idea was holding preview screenings in towns where there is no cinema, one-night screenings in cultural centres with the director and the team attending. Again, people invited feel happy to have the chance to see the film before anyone else, and when it's released they talk about it and the word of mouth spreads to cities where there are cinemas.

We have also created a specific type of support for events to launch films in the market. For some films, what distributors normally do to put a film out is not the best way to launch it. Such films benefit from some kind of event to boost their release. We support 10 events like this each year and the result is that the box office of films launched in this way has tripled compared with those traditionally released. It works particularly well for documentaries. Each film needs very specific handling to give it relevance and appeal, and this is more easily done in a small market.

One more initiative to mention is that every year, for each film we have supported, we hold a meeting with the producer, the distributor and the director, at which we analyse what happened to the film from the time when it received production support through to the end of its cinema career. We look at what went right and what went wrong, and we can adjust our schemes as we learn from our experience. Sometimes it's painful, especially for the director, but it can be very useful because they realise that not everything is the fault of the distributor or the cinema, sometimes it comes from the script.

So far we have not achieved a big increase in the market share for our films, but we have succeeded in greatly improving the image of French-speaking Belgian cinema. We believe

we need to do two things in order to increase admissions for our films: one is to create more diversity in the types of films we support; and the other is to improve their quality. We shall be providing more support for development as a way to produce films that are better equipped to reach audiences.

- *Jeanne Brunfaut, CFWB, Belgium*

TIPS AND TACTICS

A few points on how far a fund should intervene in the distribution of films it supports...

Before deciding to support a film we the agency met with the team and would ask them why they wanted to produce this particular movie. The answer could well determine whether we support them or not. Even before getting into the film's eventual distribution we wanted to know, what kind of film are you aiming to make, and why?

Then, to try to be sure the filmmakers were doing their homework on the project with this in mind, we financed public readings of the scripts. The actors are all seated around a table, there is an audience listening, and the whole screenplay is read by the actors so that we can get a sense of the pace and start to know, before the film is made, whether the public relates to the content.

We also held focus group screenings of our films before picture lock, so that the producer and director could hear the reactions of a public audience and judge whether the cut is as good as it needs to be.

And the last point is perhaps the most stupid. Many producers save on the budget line for a stills photographer, spending the money on other things. Then comes the day of the film's release and there are no stills. Sony Pictures Classics wants to distribute the film and 200 pictures are needed. The producer says, we will take frames from the film itself. Any good publicity agency will tell you that this is no solution. So the fund would take the item out of the budget and separately ensure that there would be a stills photographer on the set for at least 10 or 11 days of the shoot, so that there could be no shortage of pictures needed for promotion at the end of the day.

- *Katriel Schory*

CAN WE DIG DEEPER?

Before taking over the Netherlands Film Fund I have been running a film festival for five years, and for the purpose of best practices here I am referring to that experience in order to figure out a more umbrella approach – rather than a project-by-project approach – which can relate to securing the audience of the future.

During the last five years the Rotterdam Film Festival hasn't changed its curatorial line at all, which means we programme hard-core arthouse stuff, yet audience attendance has gone

up by 15% or so. That's hopeful, and PARASITE winning an Oscar is also very hopeful, and MONOS from Colombia [see next page] doing well is very hopeful. But our main consideration in allocating resources of time and people has not been just to pick the low-hanging fruit of the old geezers who come to us every year. We cherish them and they're very welcome, but we've made huge efforts as a festival to make sure we attract not just young people but diverse audiences from all over the city. About 28,000 of our tickets go to kids, buses full of kids from four years old upwards, and they love what they see. But it takes a lot of time and effort to connect with groups within the city and the country that recognise they are part of what cinema can be, and not just with prosecco- and cappuccino-drinking ladies of 55-plus.

My question is, what best practices are there to be learned from each other as film funds or agencies so that we can become effective in bringing about this change? Of course we have to make sure the marriage is good between the producers and distributors, because life begins after the premiere and not before, so the distributors have to be in at the conception of a project – all that is logical. But to me the really relevant question is, how do we take the whole pattern of consumer-change into our prerogative?

- **Bero Beyer, Netherlands Film Fund**

RESEARCH?

My time is very much taken up with the 20-something generation, partly because my children are that age. This is the games generation, very smart when it comes to storytelling, they read a mainstream film in 10 seconds and they are bored. I've experimented with showing Fellini to them – 8 ½ – they find it fascinating because they can't guess the outcome; they look at Bresson and the atmosphere fascinates them; they look for the unique, which can include fantastic Marvel films that renew storytelling with meta-irony.

So I'm asking you, what quality research do you have on this 20-something generation which could ensure we bring them into the cinemas? What do we really know about consumer behaviour?

- **Liselott Forsman, Nordisk Film & TV Fond**

HUGE STRUCTURAL CHALLENGES

Proimagenes runs two funds, derived from a share of box office revenues payable to exhibitors, distributors and producers: 70% goes to support production, and 30% to support distribution and other activities. We provide selective support at all stages of a project from screenwriting through to domestic promotion of the film, and tax incentives for private investors in production. Between 1997 and last year, the number of Colombian films supported annually by the fund has risen from one to 48. But it must be noted that when eight films were released in a year their market share was 16%, whereas now, when 48

Colombian films have to compete with 304 films released overall, their market share is 3.4%.

Colombia is a country of 50 million people with a surface area twice that of France, mostly rural, with 1,100 cities of which only 66 have cinemas. Last year admissions reached a record level of 73 million, mostly in city centres, and with 98% going to Hollywood films. There are structural problems, in that Hollywood films can occupy all of the country's 1,300 screens and leave no space for any European films, for example. There is also no distribution of other Latin American films even though there are 400 million Spanish speakers in South, Central and North America. This lack of diversity in our cinemas' programming will only be remedied through educational measures to enable access to non-Hollywood films at an early age.

There is a cultural problem as well. Like consumers everywhere, Colombians are changing their behaviour in where they watch audio-visual material; at home they are not watching streamed films, but series. We at Proimagenes provide incentives for distributors to show Colombian films in commercial cinemas and in other alternative venues, and we support 70 festivals around the country which showcase our films. But last year a Colombian film called MONOS, which premiered in Sundance and then here in Berlin, and was the most-watched local film in Colombia with 268,000 admissions, was shown on only 28 screens.

There is no alternative circuit to the mainstream distribution system which never prioritises Colombian films over Hollywood product. There are just nine screens dedicated to showing national films, for which tickets are free, and there is a platform called Retina Latina, also free and much used by academic institutions, which has shown 400 films on relevant local themes over the last five years.

We have also realised lately that the type of content we mainly support is not to the taste of the general audience. We tend to support drama, serious drama, because these are the projects that are selected for funding by our national and international juries. You have to add to this the fact that a '15' classification restricts the size of the audience, the change in viewing habits of consumers, and all the other problems you have cited here in terms of producers' inability to consider the audience. Clearly we need to give producers much better market tools if independent, auteur-driven dramas are to have any hope of finding audiences in Colombia.

- *Claudia Triana de Vargas, Proimagenes, Colombia*

A SCHEME RIPE FOR REFORM

Eurimages, the pan-European fund for co-productions, has been providing distribution funding up to now only to countries that were part of Eurimages but not part of the MEDIA Programme and so could not access MEDIA support for distribution. So out of the 41 countries that are members of Eurimages (Ukraine just joined in January) only a few were benefiting from the distribution scheme, and those countries are very diverse: Canada, for

example, Turkey, Russia, Switzerland. You can imagine that each of them had very different policies with regard to national distribution support.

Another complication arising out of Eurimages' focus on funding co-productions was that the country eligible to apply for distribution support might not be the film's main co-producing country, so Turkey, for example, might be the applicant on behalf of a predominantly Dutch film. There was no connection between what we were doing in production and what we were doing in distribution. Furthermore the countries benefiting from the support were also the countries deciding on the support, because they would know the territory, which led to an incestuous situation that was not conducive to good decision-making. There was also the problem that all 41 member-countries were paying for the scheme while only a few countries could benefit from it.

So the last awards under the old distribution support scheme will be granted in March and then we shall close it. We shall launch a study, consulting the market as we all do when we need to devise a new scheme, and the ideas proposed will be considered by the Board of Management. The idea is to link production and distribution by considering distribution aspects of a project as part of the process of providing production support.

We do not have enough money to give distribution support to every film for which we provide production funding. In any case it may not be possible to find adoption homes for some of them, and some may be able to stand on their own feet without needing support. The aim will be to give a bonus to certain films which we are convinced deserve production support but which from a marketing point of view appear to be weaker than others. Eurimages' editorial line does not necessarily favour films that appeal to a wide audience, but rather we need to believe that every film we support has its own audience. Where we believe that a film has strong relevance and its story needs to be told, but the producer needs a helping hand in securing an audience for it, Eurimages will make the bonus available.

The bonus will be awarded, or not, at the time that a decision is made on production funding. We shall need to know who the producer is talking to in terms of a marketing and distribution strategy. As we heard from the Danish Film Institute, filmmakers are notoriously unfocused with regard to who their audience might be, but we shall need to force them to make an initial analysis. This may determine whether or not a film should be a candidate for the bonus. If so, the scheme should provide the filmmakers with tools to undertake more in-depth marketing analyses.

WHICH FILMS?

Who gets the money? Not all films we support are alike and the situation regarding presales, distribution deals in place, etc, at the financing stage will differ from project to project. In many cases it will be the producer who should logically be the recipient of the funding because who better than them can bring the project to its niche audience? But if

there is a domestic distributor on board it will probably make sense to give the money to them, or to a sales agent for use in other territories.

What attitude does Eurimages take to films that find distribution via Netflix or a major streaming platform? This can happen to a film – like ATLANTIQUES which was in Competition in Cannes – which before production seems to correspond closely to the description of a film deserving support through the new bonus scheme, and we would not want to punish a producer for accepting the Netflix offer. We don't like the fact that there are no further revenues available from streaming deals, but as long as there is no legislation in Europe to prevent buy-outs we have to live with the way the market works.

Of Eurimages' annual €26 million budget, only €800,000 has been spent on distribution up to now, which may explain why many of our films stay on the shelf. For the new scheme, there will be no one-size-fits-all approach, and the scheme must be cost-effective and not disproportionately expensive to run. The study should flush out these issues.

- **Roberto Olla, Eurimages**

Best Practice and

CO-PRODUCTION

Co-operation and Reciprocity by Film Agencies in International Co-production

At the first BPX workshop seven years ago in Israel there was a very intense debate about co-production – what strategies film agencies needed to develop for the support of international co-production, and also how proactive could they be in order to encourage co-productions, equip producers going to co-production markets, and become involved in the cinemas of other countries as a way ultimately of making the money of one's own agency go further.

I ran the national film fund in Great Britain for 10 years at a time when the British were one of the most active co-producing countries in Europe. The reason was that at the time we had even less money than Britain now has – it still has less than most other countries in this room, in relation to its size, but then it had even less – and the device of co-production was extremely efficient at allowing us to make more films with the little we had. We were involved in as many films as the British Film Institute now supports, on a far smaller budget but partnering systematically with the market and, even more significantly, with other countries so that 65% of all the films we supported were co-productions.

Co-production is an indispensable tool for small countries with small markets, but it's noticeable that wealthier countries like Germany and France now co-produce on a regular basis more than ever. All countries need all other countries and co-production is the mechanism.

- ***Simon Perry, ACE Producers***

EQUIPPING PRODUCERS IN A SMALL COUNTRY

In Lithuania, which is a small market of 2.8 million people, the only element of film support identified as a priority in the country's first film law in 1996 was co-production. In 2014 we established a scheme for minority co-productions, although there is no separate budget for these. This may change soon, but it was helpful at the start to retain flexibility in the

balance between majority and minority co-productions we agreed to fund and for this not to be governed by a fixed amount of available money. Between 2014 and last week we supported 43 minority co-productions from 21 countries, of which only six countries are featured more than once in the list. There are obvious target countries like our neighbours – Latvia, Estonia, Poland – and some natural connections based on cooperation between producers.

There are problems we faced, and amendments we have made to our policies during this five-year period. Besides creative issues there are two problems, one of which is the difficulty for producers in a small country to make the required financial contribution to a co-production, when apart from an award of public money there are no additional resources available. So involvement in a bigger-budget project is usually a huge challenge for them. The other problem is that minority co-production films do not perform well on screens in minority countries' markets.

From the structural point of view we created two levels of minority co-production support. If the creative input from the Lithuanian producer is just one or two heads of department, the production can apply for up to €100,000 with, of course, a requirement to spend 100% of this in Lithuania. But if it happens that one of the five 'authors' of a film is a Lithuanian national, then the production can apply for up to €200,000. So far one Estonian and one French film have been supported with higher amounts – €150,000 to €180,000 – while all others are in the lower bracket even if some of them have larger creative participation.

To help meet the additional resources challenge we allow the Lithuanian tax incentive, which currently rebates 30% of expenditure, to apply to majority and minority co-productions. The minimum spend requirement is low, €43,000, so more or less any production is eligible. If minority co-productions shoot in the country, they can earn a lot from the incentive and more easily make the required minimum contribution to the budget. Also, Lithuania was one of the early countries to ratify the revised European Convention, to take advantage of the 5% threshold which allows our producers to join more high-budget co-productions.

We support the national marketing and distribution in cinemas of films we finance, providing 50% of the p&a costs, and minority co-productions can avail of this scheme. Already some have been released with our small support and done well, notably Sergei Loznitsa's STATE FUNERAL. In due course we plan to extend the scheme to distribution via platforms, since with 379 releases the domestic market last year is over-crowded and some films like feature documentaries do not need a cinema release. In addition we undertake initiatives with our neighbours in Estonia and Latvia to organise screening weekends and events for Baltic films.

- ***Rolandas Kvietkauskas, Lithuanian Film Centre***

THE GO-TO REGION FOR GENRE MOVIES

Wallonia is the south part of Belgium, the French-speaking part, a region based on coal and steel for years and so everything collapsed in the mid-20th century. The regional film fund Wallimage was set up 20 years ago with primarily economic motives, meaning we exist to create employment, wealth and to stimulate businesses. Jeanne Brunfaut has described the initiatives taken by the national agency in French-speaking Belgium to support distribution of films, and Wallimage works in a complementary way by making capital investments in distribution companies. We are not supporting individual projects but helping independent distributors to carry on their work in a sustainable way.

With regard to co-production, four years ago we became worried because we felt that three trends in the local market were not healthy for us. First, our long love story with France was coming to an end. France introduced a tax credit scheme for French production which undermined the attraction of co-productions with French-speaking Belgium, and this had a dramatic effect because at the time 80% of our co-productions were with France.

A second concern that arose was what could be described as the Liselott Forsman syndrome. I realised that our films were really not connecting with young people. Since young people are the future of our business we had to find a way to appeal to those audiences. And then the third thing that happened to change our outlook was the arrival of Netflix, which changed all the rules.

We are optimists and so we decided to turn these trends to our advantage, starting with Netflix. As a small region we were in no position to fight them. We asked ourselves, can we use them? They are very powerful but they are nothing without content. So we analysed what they were showing on their platform and discovered that their catalogue contained a high proportion of genre films, fantasy films in particular. What was interesting was that films like that were no longer being released in cinemas: to see fantastic or zombie films in Belgium you had to go to a fantasy-themed festival. But we saw that on a platform those films could find a global audience, still a targeted audience but worldwide.

So we made a strategic decision to focus on genre movies, which appeal strongly to young people, and committed the agency's whole promotion budget to supporting an event called the Frontières film market. This is a Canadian initiative which comprises three meetings each year: the first is somewhere in Europe, at which the organisers scout and select genre film projects which are being prepared for production; the second meeting is in Cannes, for which Frontières provides money for 10 teams of filmmakers to make teasers of their projects, and these are shown to a packed room full of buyers and potential co-producers with an interest in good genre movies; and the final stage of the process, in Montreal, is a real co-production meeting with public and private money on the table.

We agreed to become the main sponsor of the Frontières organisation. We had a piece of tremendous luck in that the first movie we supported through this relationship was a French movie called GRAVE (RAW) by Julia Ducourneau, and it was a world success. Not only in the press, but also with our targeted audience. When RAW was in Cannes, Wallimage even became considered as the king of genre movie financiers. After that, we didn't need to

advertise, and in the three years since we've found that all our calls for submissions – and we have five calls a year – include three or four genre film proposals.

The new policy has resolved all the worries we had four years ago. Young people watch and enjoy genre films; it's a way for us to work with the devil, Netflix, because they buy these films; and the French love affair is even coming back, because the CNC created a special fund for genre films. This is the story of how Wallimage became a fantastic film fund, a co-producer of choice based on the content of what we support.

- ***Philippe Reynaert, Wallimages, Belgium***

HISTORICALLY CO-PRODUCTION FRIENDLY

The Hamburg fund has a budget of around €16 million now. We've always been, and still are, very open to involvement in international co-productions. We don't have a specific pot for supporting minority co-productions but the fund, and Hamburg producers, have a long history of work in this area. We've recently restructured our budget and now have two separate funds for production, one for projects costing less than €3.5 million and one for projects above this threshold. We shall probably increase the amount of support available for lower budget films and are actively looking for co-production projects in that range.

In terms of the assistance we give to Hamburg producers we work project-by-project, but we also enable them to become part of the European network and to join European training programmes. And we are extending our interest in co-development since this can be a good way to initiate co-production. We currently have co-development schemes with the Medienboard Berlin-Brandenburg, and with the Istanbul Film Festival for Turkish films.

- ***Helge Albers, Filmförderung Hamburg Schleswig-Holstein, Germany***

RESPONDING TO GOOD TIMES

Some of the interventions undertaken by other funds here are quite surprising to me because in Berlin we don't so much feel the need to stimulate activity, as rather to respond selectively to calls on our resources. But the existence of our fund is of course a market intervention in itself. We are not actively pushing co-production. There is a lot of activity and interest in the Berlin capital region, and we try to support that and help it to prosper and grow.

As a general observation, we're finding that some films made with our support, which in the past we would have considered to be very much for a niche audience, are now really going somewhere, finding a bigger audience. Overall we seem to be in a really interesting period, even a kind of boom time. Last year for the first time there was a public debate and producers were saying we need more staff, there's a shortage of people to man our film sets, which was a new and unexpected sign of good times. There is interest in work of excellence at both the artistic and commercial ends of the spectrum, which is great. At the

same time we worry about the prospects for projects and producers that occupy a middle ground, where we see companies struggling. We keep this in mind when evaluating co-productions for support.

- ***Daniel Satzweidel, Medienboard Berlin-Brandenburg, Germany***

RESILIENT STORIES, WIDER TALENT POOL

Iceland, which can be regarded as a fraction of a small country, can also be seen as a test case for the quality and success of co-productions. Not from the point of view of money, but of the expanded talent pool that co-productions can provide in a fraternal way through filmmakers choosing the right collaborators. Iceland's membership of the Nordisk Film & TV Fond has a very positive influence on this widening of the talent pool.

Another point is that successful co-productions entail natural gatekeepers, professionals who review a project and criticise it in a good way before investing in it.

Since filmmaking started in Iceland every project has been co-produced. Filmmakers have discovered the importance of keeping their own way of storytelling and Icelandic stories have proved to be very resilient when being realised as co-productions.

Together with our filmmakers and my predecessors at the film fund I am very grateful for the collaborations with other countries from which Iceland has benefited in the past, and now we have been able to pay back – in terms of providing qualified crews, editors, designers and so on. This is another aspect of our co-production success story.

- ***Laufey Gudjónsdottir, Icelandic Film Centre***

CO-DEVELOPMENT AND CO-DISTRIBUTION

The Israel Film Fund had two schemes for collaboration with the Nordrhein-Westfalen fund in Germany.

One scheme was a joint development agreement whereby we funded projects from a five-page treatment to a full script if both sides felt they had the potential to become official German-Israeli co-productions. Both funds contributed to a joint pot of money, there was a call for applications in each country, pre-selections were made by each fund and those projects were translated into English. The two funds met and together selected three or four projects which were awarded a more significant amount of money in order to be developed jointly. It worked quite well for a while.

There was another scheme that was even more interesting, and relevant to what was discussed here earlier today. The head of the NRW fund explained that their films had difficulties to be distributed in Israel, and that our Israeli films also had a hard time to be released in Germany. Both funds had schemes in place to support distribution of their own films. We then agreed that the two funds should support, on a joint reciprocal basis, the

distribution of up to three feature films each per year – three German films to be released in Israel and three Israeli films in Germany.

In practice this meant that when an Israeli distributor could show me a solid contract to release an NRW-supported German film in Israel, I would treat the film as if it were an Israeli film supported by our fund and make an equivalent award of support for it from our distribution funding. This could happen up to three times a year, and the NRW treated up to three Israeli films a year on the same basis for their release in Germany. While the agreement lasted I enabled the distribution in Israel of eight German films. They were not co-productions, it was simply an agency-to-agency collaboration at the distribution level, and it worked well. It only stopped because the head of the NRW fund changed and his successor had no interest in the scheme.

SUPERMARKET Vs. HIGH STREET SHOPPING

On the subject of international co-production, producers have been coming to me saying that if they propose a project to Netflix and Netflix is ready to finance it, it's a one-stop shop and all the money is there. On the other hand if they have to piece the budget together from different funds and different countries it can take three or four years and even then may not be possible. Can the process not be simplified, the funding regulations and legal systems made less restrictive?

- ***Katriel Schory, (ex) Israel Film Fund***

The European Co-production Convention makes the process much easier than when we had to rely on bilateral treaties, and even more so since the Convention was revised in 2017. Of course it remains true that funding rules relating to expenditure and 'effects' in different jurisdictions can be a challenge to mesh together, but this is the price of working with the economically-driven funding schemes that have grown up in so many countries, regions and cities during the last 20 years. Moreover, without those new schemes, the steep decline in market funding available to independent films over the same period would mean that a great many would now be impossible to finance at all. In a film financing world where the market is now a choice between all (e.g. Netflix) or nearly nothing, landing a deal with Netflix is fine if you can do it, but if you can't, it's hard to see how the alternative funding routes can be made much simpler.

- ***Simon Perry***

THE COMPATIBILITY MINEFIELD

The Netherlands does now has an outward looking attitude to international collaborations. The same number of minority co-productions are submitted for funding each year as majority Dutch co-productions, and an average of 60-70% of all Dutch films are co-

productions. The fact that more arthouse films now successfully cross over and reach large audiences is one of the results of our co-production policy.

While many funders are now much more open to co-production and see it as a key to success, I do feel it's important that the systems are made more compatible. The revised European Convention is there, but it was introduced in 2017 and still not every country has ratified it, so it can't yet be used in the way it should be. Besides the very long time needed to deal with the regulations, the biggest obstruction to co-production is all the spending obligations.

Because there is too little private financing available producers often cannot fulfil the multiplier 'effect' required for the local expenditure. Germany has historically been a backbone of international co-production funding, but nowadays it's becoming very tough to co-produce with Germany because of the way its spending obligations work. We have seen projects that have had to return their German funding because they did not have the cash with which to incur the necessary expenditure in Germany. When what we need is quality content, why do we insist so strongly on economic criteria for our funding? There are plenty of automatic schemes that work on this principle, and it should be left to them to do it.

- ***Doreen Boonekamp, (ex) Netherlands Film Fund***

Where regional film funds have been created by local governments specifically to address economic and employment problems resulting from the death of industries, as in Wallonia and other places, it's not realistic to imagine that non-economic criteria could replace the way they work at present. What is needed are new film funding schemes that are not territorialised, and new agencies with different objectives. Meanwhile cross-border funds such as Eurimages and the Nordisk Film & TV Fond are good examples, and at least there are some national funds that provide co-production funding with less stringent expenditure requirements than German funds.

- ***Simon Perry***

ECO-CORRECTNESS

There is a debate going on among filmmakers in Scandinavia with regard to production incentives, that while they enable a lot of international co-productions, they are not good for the environment. They protest that for money reasons filmmakers and actors need to travel to several countries in order to cover the budget and this is not ecologically responsible.

- ***Liselott Forsman, Nordisk Film & TV Fond***

TWO LANGUAGES, DIFFERENT AUDIENCES

At Telefilm we have been reviewing and modernising a good many of Canada's co-production treaties. We are involved in a lot of minority co-productions and would like to do more Canadian majority co-productions. This will depend on our budget, and although our government has made a commitment to raise Telefilm's funding we don't yet know to what extent.

We have to combine a co-production strategy with a responsibility to our audiences at home, and here we have a dichotomy because French-speaking audiences in Quebec are big consumers of their own product, while the appetite of English-speaking Canadian audiences is greatly impacted by Canada's proximity to the giant of the US. So it's exciting that this year we are seeing an increase in co-production applications from Quebec producers.

Co-production is at the top of our list of priorities. Our decisions are driven by consideration of quality, talent, diversity, inclusion – and one of the biggest considerations now is looking at how film sets can be green, in fact how the agency itself can be green.

In fact we're undoing a decade-old system of decision-making, re-thinking the balance between selective and automatic, the results of which should be known after the summer. This is part of a general review of the agency, with 97 regulatory recommendations from an independent committee to be taken into account.

- ***Christa Dickenson, Telefilm Canada***

THE EUROPEAN NATION IN THE UK

Before moving recently to Scotland, which is a country within a larger country, I worked at the British Film Institute as the person in charge of co-production and can reflect first on my experience there. Production spend overall in the UK went up last year by 16%, which is enormous. So if I was at CineMart or another co-production market and a producer pitched a project to me as a minority co-production with an offer of post-production and some heads of department, it was a non-starter from the point of view of the BFI because that level of contribution to our industrial development was of no interest to us as the basis of a co-production.

The successes we had were with co-productions like LITTLE JOE with Austria and DIRTY GOD with the Netherlands, where the creative impetus was the UK's unique selling point: if Wallimage can claim to be the fund for genre films, the UK can claim to be able to position films and elevate them in the market, perhaps with the English language, or with tools around the creative process.

Coming from that journey into Scotland, which cannot say it benefits from an enormous production boom, I've come into a world where decisions on co-productions, or indeed any production, are more closely allied to production benefits such as which crew members actually get to work that season. A decision I make with my screen commissioner as to

whether a film gets made or not has a very direct impact on the level of activity in the industry.

However, we see co-production as very much a growth tool. Scotland as a country is philosophically and culturally European, and like any other small country it needs co-production. We have a history of sending our producers out into the world and coming back with great projects – such as Bouli Lanners’ WISE BLOOD, which was made as a co-production with France and Belgium, and FALLING FOR FIGARO, with Australia. We spent about £1 million [*pounds*] of our £4 million budget on minority co-productions last year, on those feature films and a couple of documentaries. We shall continue to prioritise co-productions in this way.

The other thing to say is that while we are a nation and don’t accept to be called a region, we are away from the centre of the UK and do not have the distribution or the sales capacity that comes with a capital location. At the same time it does mean we can work more closely with Europe, in fact as closely as we can with London. When we make co-productions with England, in a strange way they have the same shape as when we co-produce with a European country.

- *Isabel Davis, Creative Scotland*

CO-PRODUCTION REVISITED

Although we are seeing a production boom in the UK, one of the figures that has been hidden by the statistics is that independent production last year went down by 45%. That was a figure which brought into sharp focus that we need to look at what needs to be done for the independent sector, because the changing business model that has been much discussed around this table is threatening cultural diversity in the UK. We are very similar to Canada in that we have the giant of the US to contend with, which is very good at what it does and has the scale to do it, but which can swamp us and the stories we need to tell in order to shape the nation we want to be.

So at the BFI we are now looking closely at co-production once again, and the co-production relationships we need to put in place with Europe. I was one of the last producers to get money out of Eurimages [*the UK left Eurimages in 1995*] and not being a member-country of Eurimages has been very unhelpful with regard to the UK maintaining networks in Europe. Whether or not we shall be able to rejoin Eurimages is something we are now looking at. In any event we need to find ways to develop that toolkit and those skills again in order to rebuild a European production base, and to go out and re-engage in co-production discussions with our European counterparts. And I need to put forward a robust case for how we structure a BFI co-production fund. I’m convinced that the independent sector can survive, and cultural diversity can be protected, if we work together as a cinematic community, as we had done for decades, to find ways to protect those languages, those voices, and those stories that matter.

On environmental issues which were raised here, and the question of green certification, we developed an ISO [*international organization for standardization*] document that regulates codes of practice in the industry, in this case dealing with sustainability. But the British Academy of Film & Television Arts (BAFTA) rather than the BFI has taken the lead on this and works through an initiative called 'albert'. I suggest this could be a topic for future discussion here at BPX.

- **Neil Peplow, British Film Institute**

Best Practice and THE PANDEMIC

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Best Practice and

THE PANDEMIC

**Film Agencies' Responses to Impacts on their Industries in 2020
New Priorities and Policies for 2021**

CANADA

Christa Dickenson, Telefilm Canada

The federal government in Canada put aside C\$500 million to go across arts and culture, of which an envelope of C\$150 million came to film and TV. A quarter of this went towards cinema and the rest to television, and Telefilm administered it quickly. The orders from government were to 'keep the lights on', we were not able to be all things to everybody and it was hard to create parameters of which companies to support. We focused on pre-existing clients of either Telefilm or the Canada Media Fund which looks after television and digital media.

Refer to the Telefilm Canada presentation in the Appendix

We set aside up to 15% of the money we were given for top-up support to make sure that companies didn't go under, wage subsidies to ensure they could sustain themselves. The support they received was not project-based; the aim was that when things recover they can go into production.

We also took the opportunity to address issues that we in North America feel strongly about: systemic racism and under-representation. We looked at non-private data covering corporate ownership and various identities, and provided top-ups for companies to assist the less privileged. We also looked at these issues from a regional perspective and a gender perspective. This was in addition to providing top-ups for interrupted shoots on any films in which we were involved as an agency.

That was phase one of our emergency relief funding. There was a second phase towards the end of the summer. This was not a huge amount of money but it was aimed at helping clients who were not Telefilm clients but who are part of the audio-visual sector at large.

Like many other provinces and countries we were facing the problem of insurance, without which the production industry is dead in the water. After federal and local conversations with trade associations we have access to C\$50 million of insurance coverage to enable stalled film and television projects to go into production. These can be projects with Telefilm's involvement or not, but they must be Canadian productions. The province of Quebec was in fact way ahead of us, having started their own programme with the same amount of coverage several months ago, so we've already seen some production get off the ground there.

To be clear, the scheme is to support projects that are trying to be made, not films and TV that are already in production. Telefilm will act as the assessor of pre-applications to determine whether a project is eligible or not for the Covid insurance scheme, based on various criteria, and then if there is a claim a professional adjuster will be brought in to settle it. We are in the process of agreeing guidelines for the scheme with the government in Ottawa and as soon as those are published I will forward them to BPX.

New funding models considered for 2021 and beyond

As for the future, in Berlin I mentioned that we were about to embark on a major consultation around our Success Index, which is the architecture by which we determine whether our funding is automatic or selective. That went on hold because of the pandemic, but we are now three weeks into a series of forums on topics such as talent to watch, development and, this week, the Success Index, which is really the means by which the allocation of big awards of funding is decided.

The Success Index is almost a decade old, and it comprises criteria like theatre releases, international box office, festival premieres, etc. In the new universe, are there components we want to add, to weight differently in the calculation? Is the Index something that is still fit for purpose, or should we consider a completely new model? We must make sure we evolve, that we right some wrongs from the past, and that everyone in the eco-system has a place. Our emergency funding was not only for productions, it was for the entire eco-system, including festivals, training schools, even cinemas. Right now we are injecting money into cinemas to keep them alive.

When it comes to production funding, we're looking at funding fewer, better projects. This also applies to international co-productions – how can we do fewer, but at really a much higher level? – and we may even set targets for minority versus majority co-productions. Also, with regard to under-represented communities we have things to fix. Like many colonial institutions in Canada we are systemically racist. We currently provide aid to an indigenous screen office, there's a black screen office that's about to be created, and we've now set aside C\$500,000 for development of racialised projects. Time will tell if we are doing enough.

CANADA

Karen Thorne-Stone, Ontario Creates

The impact of the pandemic has been felt all across the country, the provinces and the territories, and so what I will say about Ontario isn't unique – the same things are playing out in regions everywhere in Canada. Ontario Creates is responsible for all the creative industries, so we're also dealing with interactive digital media and publishing and music and so on. The impact of this virus has been severe and created hardship right across all of those sectors, from warehousing and printing and recording and live music through to film and television production. Even to our infrastructure and construction activities, since we were in the midst of building new studios that all had to be paused.

But animation was able to continue, interactive digital media to a large extent as well, and some of those companies are now able to step in as part of the recovery process. They are able to add value for our other sectors that we would not have thought about before – that cross over between skillsets and abilities. In some cases there's been a real economic loss, in some cases we think it's more of a timing issue. It will take time to figure out to what extent things have been outright cancelled and to what extent they're going to come back, but later.

In Canada the government supports, both at the company level and the individual level, have been pretty good. They've put terrific supports in place for wage subsidies and rent relief at the federal level in addition to the support that Christa talked about. The provinces have relied very much on the national money, and there hasn't been a whole lot of new money made available at a regional level. But we have dramatically adapted all of our programmes and our policies to provide the maximum possible flexibility to companies in terms of how productions spend money and keep the lights on. Mainly we've wanted companies to survive through this. But we've also put a lot of emphasis on online training and development activities that could be done while the industry was otherwise on hiatus.

Government recognition of the importance of film and TV

From a public health perspective things have been reasonably well managed in Canada. There have been hotspots obviously, and it's been a bumpy road to get business back up and running, but we have had a kind of phased reopening. The importance of film and television to the economy was recognised by the government early on, and they were among the first industries that were given permission to get started. That's what allowed the Toronto film festival to proceed with its hybrid model – lots of creativity there with drive-ins as well as the in-person theatres and the online programming.

Some regions were more affected than others, so we were having an uneven reopening process across the country, and then last Friday the cinemas were shut down again. We'd been open a little bit, 50 people per screen, and then everything closed again. It's hard on the producers and distributors as well as the cinemas.

We put in place the strongest possible programme of health and safety protocols that we could. Our foreign service production has actually recovered first, because we're doing so much better than the US in terms of both numbers of cases and the strength of our health and safety systems. At the same time the US studios can self-insure, so while insurance has been a huge obstacle for our domestic producers, service production has prospered. The national insurance solution for Canadian production that is on the horizon will help a lot, although there's a question as to whether it's enough money, and the provinces are not yet contributing to the solution.

The Canada-US border has been closed since March. People can move across the border for business purposes, so the film industry can bring talent and crew into Canada but then you face quarantine, 14 days in a hotel and then cohorts and pods and all the health and safety precautions. Ironically that's given a lift to domestic talent and crew members because it's much easier for US productions to use local people behind and in front of the camera if they can. But a further irony is that there's a logjam as business returns to normal because we don't have the capacity to handle it all.

All of Ontario Creates' funding goes directly to producers, not to distributors or exhibitors. We provide some money to producers to help them get their product into the market, in other words for promotion and marketing, so our client is the producer and not the distributor. We definitely do fund festivals, the support that TIFF needed in order to be able to go online was largely provided by Ontario Creates. But we're not helping distribution or exhibition companies to survive in the way we're doing for producers.

Looking ahead, we've found during the pandemic that regardless of the sector, the hardship endured by companies with indigenous or black owners, or operated by people of colour generally, has been more severe. They tend to be smaller companies, with less access to our supports, and we need to be particularly sensitive in the future to the additional hardship they face.

Whether or not any of the various types of new government funding we've requested for 2021 will come through we won't know until this fall, but I'm not sure the creative industries will be top priority across the whole economy because they are not a life and death sector like some others, and the government has now taken on more debt than any of us have seen in our lifetime. So I'm not hopeful about new money, but from a policy perspective the ability to be as flexible as we can be, to think differently about our eligibility criteria, will remain at the forefront of how we operate.

We may well, for example, find ourselves foregoing the requirement for a film to receive a cinematic release as a fundamental condition of funding. It wouldn't surprise me if that ends up going the way of the dodo bird, at least for the immediate future.

ICELAND

Laufey Gudjónsdottir, Icelandic Film Centre

Here in Iceland, distribution and cinemas are suffering most from the pandemic. On the production side things have been going rather well. There was a two-week break in early spring on a major Netflix series, and then they continued – it was the first big international production to pick up again.

We support filmmakers to take onboard all the extra costs and measures, most productions have medics on site and strict government rules to follow. Here as in Canada the government was very positive towards the sector throughout the period, they realised it was something worth prioritising. The Icelandic Film Centre got some extra funding because of the Covid crisis, and we used most of it on providing more generous development support on various projects we think will be more ready to shoot next year or whenever life gets closer to normal again.

Production of local comedies is a new success story

We've also put more emphasis on supporting local comedies, which seem to be a great solution for the cinemas because in the time when audiences could go back to the cinema they have been doing really well. These are films on which we have never focused on before, but people are hungry to see something and these are the only films that cinemas can offer. They don't really travel outside the domestic market, but here two of them have been doing really well. They're low-budget, quick to produce, and they're a way for us to support new talent.

But now we have new restrictions, only 20 people allowed per screen, and cinemas are closed again for at least two weeks. We were so lucky during the first wave, we recovered very quickly and went back to normal life for the last half of May and the whole of June and July, we could kiss and hug, no masks – but then we got it again.

Looking ahead through the winter and into next year, production is definitely going to survive, but the situation for cinemas and distributors is more worrying. Production in Iceland is based on co-production, and that's going to be a different world. Up to now it's going okay, mostly with our regular collaborators like the Nordic countries, Poland and Germany, but we see signs and signals ahead that are not so bright. However, insurance is available for projects filming in Iceland if they stick to the rules, with medics on set, so this is not a problem here as it is elsewhere, at least not yet.

As for the question whether big-screen cinema exhibition will survive, well, opera has survived with nothing new to offer for the past 250 years! I don't believe the pandemic will kill the big-screen experience. Some arthouse cinemas seem to be thriving better than the multiplex chains, with more variety and a range of suppliers from which to get films, not just the major studios. Personally I get bored of small-screen viewing – I cry when I watch some of the films nominated for the European Film Academy Awards on a

TV screen. But how traditional distribution companies will survive without the oxygen of cinemas until things get back on track, who knows?

UNITED KINGDOM

Neil Peplow, British Film Institute

The UK went from having a very busy production sector to having nothing in production from March 20th, and also all the cinemas closed and we had very strict travel restrictions in place. So we created a screen sector taskforce in which 70 organisations worked together and channelled all the responses to government – the key areas of support required and ideas for the best solutions to the issues – in a way that meant we were not crossing or duplicating lines of communication.

A group of the taskforce focused on inward investment and production guidance, publishing the guidance and pushing for quarantine restrictions to be lifted on key cast and crew. We were very quick off the mark and the guidelines were among the first from any industry to go through government. Another group was responsible for independent film and TV production, focusing on health and safety guidance for broadcasters as well as an insurance scheme for film production.

There is now something in place called the Restart Scheme which should launch on Friday [16th October] and which is a £500 million fund specifically to cover shutdown costs associated with Covid. It's effectively part of a project's financing plan, providing a guarantee of up to £5 million per project towards restart costs if required, alongside production insurance which must be already in place. The cut-off date for applications to the scheme is 31st December, which has created a bottleneck of projects rushing to get underway by that date, but the confidence it gives means that independent productions are actually starting to shoot.

Additional costs to productions as a result of implementing health and safety guidelines are around 20%. The BFI has received no new money to meet those costs, we are simply providing more from our existing resources.

The taskforce also looked at independent cinema and the support needed there. We had to consider the health and safety protocols needed in venues, which required additional money, and so a fund was created to give grants to individual cinemas to enable them to achieve this.

But the biggest amount of money made available by the government was the Cultural Recovery Fund. This is a pot of money set aside for all cultural activity in the UK – £1.57 billion – from which UK cinemas have so far been allocated £30 million as a contribution towards their ongoing business costs. The aim is to allow them to break even while they are shut. The indie arthouse sector is actually in better health than the mainstream chains, with the ones that provide interesting programming and know their local market still attracting

audiences. And it's been decided that under the new 'three tiers' regime of restrictions across England, cinemas even in the most severely restricted tier can remain open.

There are two chains, Vue and Odeon, which are still operating on weekends. But the country's largest chain, Cineworld, closed its doors last week, causing probably unnecessary collateral damage to the arthouse sector in that the Picturehouse circuit of cinemas, which Cineworld acquired recently, went down with it. Picturehouse had a different business model to Cineworld, which is highly leveraged and runs on very small margins. As a standalone business Picturehouse would still be viable, but its closure now means a serious loss of income for independent distributors.

Opportunities for distribution of independent films

There may be another £10 million or £20 million that the government can theoretically allocate to the exhibition sector and we are asking if this can be applied to funding the distribution costs of independent films. The Hollywood studios' decision to withhold many of their releases during this period has created an opportunity to push into mainstream cinemas some independent films that normally would have been swamped by the bigger titles. We saw two local titles, SAINT MAUD and ROCKS, released this weekend, and the BFI itself released another, MOGUL MOWGLI.

When the multiplexes get back into operation, they may need to consider who owns their business. It looks very much as if the Hollywood studios own their business, because without Hollywood product to show they are just empty warehouses with bulk-buy popcorn for sale. They may have to think how they can diversify their programming so that they are not over-reliant on the studio model. Furthermore the launch of SOUL, the new Disney movie, via the Disney+ platform without subscribers having to pay anything extra to watch it seems to be a significant indication that Disney sees a future in streaming first, with possibly huge implications for the importance of theatrical first and the traditional pattern of release windows. How the majors view exhibition going forward is bound to be a determinant of what the multiplexes' business model will look like.

We are also in the midst of Brexit right now, one consequence of which is the UK's withdrawal from the Creative Europe MEDIA programme. We've been talking with government about putting a replacement programme in place and should hear a decision on that within four weeks.

With regard to co-production, we're funding two co-productions at the moment which have been difficult to close financially given different guidelines in different countries, and difficult with regard to the need to move substantial numbers of cast and crew between countries. But looking ahead I believe co-production is going to be increasingly important to the UK industry in order to be able to finance independent cinema. UK producers will need to look more than they have done at international collaborations and partnerships in order not only to raise the necessary finance but also to be able to demonstrate an international appetite for a film and put in place international distribution upfront.

Opportunities for an agency to self-examine

These pandemic times do seem to have affected us at the BFI in terms of how we look at ourselves – at systemic racism within the BFI, in our recruitment, in our funding processes, in our programming, and how we address these things with an anti-racism policy. The vision of the new director, Ben Roberts, is to ensure that we are open, inclusive and accessible. We have had time during the last months to think about this not just as a short-term initiative but as something with longer-term impact.

During lock-down while we were trying to firefight Covid, there was also the Black Lives Matter campaign. We realised that in our efforts to ensure that the industry didn't fall over, we were tending to reinforce the existing structures and hierarchies. But what Black Lives Matter did was remind us that we needed to challenge those structures and hierarchies so that we weren't just reinforcing the privilege that had been there previously. We were very reactive in trying to address the immediate problems, but BLM gave us a positive thing to consider and prevented us ignoring the long-term issues of diversity and inclusion that still needed to be looked at.

We were not expecting such a sizeable intervention as the government's Cultural Recovery Fund. In order to deliver on that and ensure that the public sees the benefit of it, we have to think about the entire country, about inclusiveness throughout the regions to people who may not have thought about a career in the industry, but also about the local cinemas that are vital in ensuring that all communities have access to culture. We believe that independent cinema must stay alive, as a vibrant and community-building cultural venue, and the government appears to be supportive of this view. There may even be an opportunity in the current situation. If the Picturehouse circuit goes up for sale because Cineworld is going bankrupt and has to break up the group, could the BFI buy Picturehouse?

IRELAND

Désirée Finnegan, Screen Ireland

Screen Ireland works across feature film, TV drama, animation and documentary, and in March we had to halt all production. The first task for the agency was to support the Irish national productions that needed to stand down then. In the end we implemented about 15 measures across the industry which were focused on sustainability through what at the time we thought would be a few months.

There were various schemes, most significant of which was a slate funding scheme through which we supported 26 Irish production companies and about 100 feature film and high-end TV drama projects. We also brought in, for the first time, some direct funding for creative artists themselves, working with directors on a concept development scheme, working with actors, and providing further support for writers both emerging and established. The

animation sector is a key priority for us and the sector has demonstrated incredible resilience in adapting their working models to deal with the implications of remote working and to keep going through the pandemic.

Ireland was allowed by the government's recovery road map to re-commence production on 29th June and we supported our producers' association here in devising industry protocols which were helpful in getting the industry back up and running. And the other big challenge was the insurance challenge, as many here have mentioned. We put together a Production Continuation Fund which covers 10 productions at any one time from pre-production through to the end of principal photography. We also launched a support fund for increased costs incurred by health and safety provisions, up to 20% of budget in some cases. A number of large international productions started back up in August and September, of which four are now completed.

The Covid case numbers are now increasing in Ireland. We have a five-level system and most of the country was at Level 3, but since last night parts of the country have gone up to Level 4. The level system provides that cultural institutions, which include cinemas, cannot re-open in Level 3 or above, which has presented the exhibition sector with a huge challenge. Exhibitors and distributors have come together to make the case for re-opening at Level 3, which Screen Ireland is advocating strongly. We are also looking at other measures to support cinemas since we would agree with other BPX members that to preserve the cinema experience is a key priority.

Our marketing team is working with festivals, with sales agents, and looking at organising virtual trade missions to keep those connections and relationships as strong as possible during the crisis.

Huge budget increase for 2021

On a positive note, Screen Ireland's budget was announced this week and we've been awarded a record level of funding – a 52% increase on our original allocation for 2020 – for which, thanks to the pandemic, there is a very great need. We have to look at the Production Continuation Fund for next year, and at the prolonged necessity of meeting additional Covid-related health and safety costs. And across the whole value chain there is no doubt that the recent accelerated rate of change means that the new money will have come at an appropriate time.

The industry scored a hit during the pandemic with the show NORMAL PEOPLE, which was helpful in highlighting the soft power value of content and the need for public funding to keep supporting the independent originators of IP. The animation industry here – Cartoon Saloon was mentioned earlier – has done great work too, and we shall want to ensure that the additional funding goes to support success stories like these.

THE NETHERLANDS

Bero Beyer, Netherlands Film Fund

The Netherlands Film Fund went into supporting productions hit by the pandemic, increasing our funding to enable productions to comply with the corona protocols that we created and that we update regularly to stay within the guidelines. We're spending millions just making sure those productions can continue. We also realised early on that insurers were backing away from pandemic risks, so we had to step into that void as well. We came up with a pandemic insurance facility which is essentially a subsidy that we provide. It's being extended into next year, which is a good thing because pandemics are here to stay, whether it's Covid 22 or 23.

In much the same way as European countries had to step in a couple of years ago to combat terrorism threats together, we're trying to align that insurance policy with our closest co-production partners, Germany and both parts of Belgium. The aim is to apply our pandemic insurance facilities equally to co-productions, using a pro rata structure that is easy and workable. We know that in the case of Germany and France, which are thinking the same way, some productions fall through the cracks because of a lack of alignment, and so we are working to fix that with our partners.

The support package for the cultural sector that we received from our ministry meant in particular that we could offer more development funding to enable writers and directors to work from home. And we put out a separate call for productions – shorts or docs or features – that would use the concept of the lockdown as a starting-point for stories that would reflect the ways in which we interact with each other during the crisis. These initiatives were designed to stimulate new production and keep it moving forward. At the same time we recognise that without a continued increase in support from the government the higher cost of all production means that in the future we shall need to cut into the number of films we can fund.

Global streamers challenge visibility and independence of local filmmaking

We in Europe have a very different view from the English-speaking countries on the other side of the world as to how to connect with the streamers. *[See report from Australia, pages 59-61]* The basis of this is the European Audio Visual Media Services Directive which will mean that in a year or two there's a new law requiring the streamers to invest directly in production. This will affect how we as a national film fund can collaborate with the streamers, or whether we even want to collaborate with them.

The Netherlands made a partnership with Netflix involving substantial extra money from them for stalled Dutch productions. But the main challenges for us in dealing with the streamers, in the coming half-year and the next years, are visibility and independence.

Taking the second point first, we do not want our Dutch and European producers to be degraded to service producers when working with the streamers. We shall make a huge

effort on their behalf to maintain their independent positions and to retain ownership of the IP they have developed and made. Our main challenge as funders will be to ensure that this happens, and it will be an element of the process of putting the AVMS Directive into law in every country.

As for the visibility challenge, 2021 will be chaos in terms of distribution and exhibition, not only because of the number of backed-up titles waiting to be released but also because only a few people can actually attend screenings. Recently some of the pressure has eased thanks to the withdrawal of most Hollywood titles from distribution – there was TENET for a while, but now there’s no new Bond film – and this created space for local films and arthouse films to benefit from longer periods of play-off and access to more screens. This actually meant that some of the smallest, most culturally relevant productions were among the top ten box office titles because people were eager to see new films on big screens.

Stronger support for theatrical distribution

This seems to demonstrate that as public funders we need to be active in creating an environment where theatrical distribution is smarter and more strongly supported. If not, and if we accept that online distribution has become the dominant way for people to watch feature films, we risk seeing audiences lose interest altogether in the cinema experience. There is a strong case for giving substantial support for distribution, even to provide some kind of guarantee facility that films waiting to be released next year will go to cinemas, even with only the limited capacity imposed on them. It’s vital that in the coming months, even with only 30 people allowed in each theatre, good films are available to be seen on big screens and people realise that this is the place they still want to see them.

With the visibility challenge in mind, at the Netherlands Film Fund we are considering funding distribution more actively, rather than being focused only on production. The four main Dutch festivals – the Dutch film festival in Utrecht, IDFA, International Film Festival Rotterdam and Cinekid – have recently collaborated on the back-end development of their hybrid event platforms in order to come up with a more cost-effective way to use both digital means and analogue means to make the festivals happen in both spheres. We backed this initiative because we thought it was a smart idea not just for festivals but also for smaller cinemas to invest in, to use digital tools to promote access to cinemas.

In the next two years, as we wait for the European directive to take effect, which will mean a whole new bulk of investment in local production made available by law from the streamers, it’s our responsibility as public funders to create space and visibility on cinema screens for independent production. This will mark a fundamental change for us as a funding agency. We have to re-think the mickey-mouse money we have given to support distribution up to now and become much more outspoken about supporting p&a budgets, marketing efforts, in order to take advantage of the empty cinemas for the benefit of independently-made films.

ISRAEL

Katriel Schory, (ex) Israel Film Fund

As we come out of the pandemic the streamers, with their very deep pockets, are likely to play a much stronger role. Quite a number of filmmakers may want to develop, and write, and produce, and direct what the streamers like and are looking for. For us as public funders this should raise concern about the independence of our filmmakers and their creative freedom to make the films they want to make – which may not necessarily be what the streamers want to buy.

As film agencies we should be more active now than ever before in allowing other voices to be heard, not just those that the streamers want to hear and support. Notwithstanding the importance of visibility for new films, and of filmmakers' participation in the future revenues of those films, the main point is preservation of the content itself and the artistic expression of our filmmakers when they are faced with the temptations presented by the new, hugely wealthy majors.

No better time for agencies to fund distribution

On the matter of supporting distribution, I have been talking to the film funds in Israel and to the cinema owners about an idea for the 14 or 15 Israeli feature films that are finished now and ready for release. The film funds are ready to provide extra financial support for these films if the exhibitors will make a commitment to give them a window as soon as the cinemas open, before they start showing American blockbusters again. Maybe Israeli films will mean a bigger financial risk for the cinemas, but the funds will provide support to compensate for this risk.

In Israel there is also a new private equity fund being set up to finance distribution costs of Israeli films. We have located a group of private business people who are ready to provide support, not for production but strictly for p&a costs of \$50,000 - €70,000, spreading the risk across a series of films. This private fund will supplement the distribution support that is already available through the Israel Film Fund – roughly 12% added to the production grant given to each Israeli film supported by the Fund.

(Simon Perry, ACE Producers) The opportunities that have opened up for the release of domestic and independent films in mainstream cinemas, which would otherwise be standing empty because Hollywood has been withholding its product, may even continue after the Covid crisis has passed. The majors – as Disney just announced, and others seem likely to follow – are considering switching the launch of some of their new films from theatrical to online, and this could mean more and more space becoming available in multiplexes next year. All the more reason for film agencies to provide funding for independent distributors, who have plenty of films waiting to be released but no recent revenues with which to cover their p&a costs.

(Katriel Schory) We can also act as streamers ourselves. Before the pandemic, three years ago, I devised the idea of the Israel Film Fund VOD platform. All the 400 feature films supported by the Film Fund since its inception are available for the general public to rent for roughly €1.50 per view. We got the distributors to agree that the rentals can go to the producers and filmmakers in full, without any commission for the Film Fund or any other intermediary. The politicians are very happy because they see that the public has an additional access to films made with tax-payers money.

Recently I suggested to my successor at the Film Fund that the service should be made free of charge during the pandemic. Where producers were not happy to let their films be made available for free, the Film Fund compensates them. So now the Film Fund earns even more points with the politicians because they see we are using its library to provide a special service to the public while they are locked down in their homes.

BELGIUM

Jeanne Brunfaut, CFWB, French-speaking Belgium

When Covid happened in Belgium we managed to launch a €6 million new funding plan in three weeks. I found €6 million in my pocket and the next day the minister said, Go for it. The plan was a set of new funding initiatives: for filmmakers, a call for projects looking for development funding; for producers, an increase in production support to cover the cost of on-set security measures, and an increase in support for TV series.

The most interesting part of the plan related to distribution and theatrical release. We decided to support sanitary measures for cinemas, everything they would have to pay for in the way of masks and so on. And we provided distributors with money to release Belgian and European films, so that they would take the risk to do this even if they didn't have much hope there would be people in the cinemas. We kept this going through the summer, until September.

Smart subsidy for cinema tickets

We also ran a scheme that was very successful called 'Je peux pas, j'ai cinéma' ('I can't, I'm going to a movie'). We, the agency, bought tickets to arthouse cinemas for the regular price and then we made them available to the public for €1 each. It was a way to support the cinemas and also to make people go to cinemas, so it was a win-win situation. It worked perfectly, and now the government has decided to do the same for theatres, dance and other performing arts. We ran a big campaign on TV and radio, and we've heard from people who never went to cinemas but who decided to go because of the scheme, and from families who could now afford to go.

Our other big initiative was a guarantee fund that we set up in order to be able to provide production insurance from 1st July. The fund ran until September, we then decided to

extend it to December, and now I'm negotiating with the government to allow it to continue through 2021. All shootings could resume in July and so far we have not had any difficulties or claims, but in the coming weeks it could be more problematic. We can only hope that the job of stepping into the shoes of insurers who will not cover Covid risks will not be too costly.

For next year the main concern must be theatrical releases. Arthouses are doing okay by comparison with multiplexes, because they still have films that are interesting for their public. Their audiences know what they're going to see in those cinemas, they want to see it and so they still go. Cinemas are not shut down for the moment, but the situation in Belgium in terms of Covid cases has been getting worse and it's certain that we shall have to keep some support measures going for cinemas next year. For distributors as well.

Finally, we have decided to allow more time for producers to get their films into production. Usually they have three years from when our funding is committed in which to raise all the other finance, now they have one more year because we know financing will be more challenging and we need to be more flexible.

GERMANY

Sarah Duve-Schmid, FFA / German Federal Film Fund

The FFA is looking at the process of saving the industry in phases, Covid phases.

For Phase 1, back in March, together with the federal ministry of culture and media and the eight regional funds we managed to find adequate short-term solutions to enable the industry to survive the lockdown period. This meant funding for interrupted or cancelled productions, deferment of levies and repayments, flexibilisation of existing funding schemes as far as this was possible, and increases in arthouse theatre ticket prices. We also had a €20 million fund to meet costs of interruption of funded productions and sanitary measures.

Big funding numbers for a second phase

After the initial drain was stopped in March and April we needed the industry to re-start their activities and this is what we called Phase 2. We are still in it and it's taking longer than we expected. In June, a specific programme initiated by the ministry was announced. From an overall budget of €1 billion for culture, €165 million has been earmarked for the audio-visual sector. The money is targeted at the whole value chain: €70 million for cinemas, a large fund for production, and €40 million extra for distribution of local productions within the next six months. So local productions are saving the cinemas right now.

We even have a €90 million grant for the FFA which is normally levy-financed. And we have a €50 million guarantee fund for insurance of Covid-19 losses during productions, to which the federal states contribute according to a complex formula.

This was only the beginning. No one knows when we will be able to go back to normal, or whether there will ever even be a normal. We talk a lot about the pandemic winners, the online streaming services, but we are not anticipating a whole new world order and since the streamers are paying into the FFA's budget at the moment we are happy they exist.

The next phase will be Phase 3. Although we thought that this would follow the end of the pandemic next year, I am not so sure now after yesterday's news of sky-rocketing infections in Germany and all over the world. We are thinking from week to week and month to month. Right now we're trying to save the industry, then we need to reassess it, see what's left, what we need and what we're going to do – along with all of you maybe.

GERMANY

Daniel Saltzwedel, Medienboard Berlin-Brandenburg

At the Medienboard Berlin-Brandenburg we have done more or less the same things as all of you have mentioned, as well as contributing to the insurance fund that's been set up. We put €10 million aside for that. We've provided urgent help with €3 million of support from our own resources, which we are trying to get back from our regional government because it's a lot of money for us in the context of an annual budget of €30 million. Part of what we do is make conditional loans to companies and projects, and normally some of these pay back, €3 million a year on average, but we don't think we shall see anything coming back this year or next year. So we have to work out how to compensate for that money. We are going to be a bit worse off, but a lot of people in our industry are struggling, particularly in the more adventurous corners of our industry.

I strongly believe that the middle ground of filmmaking – between cultural on the one hand and commercial on the other – is going to disappear. The question, for 10 years or more, has been who will deliver this message to the producers – some of whom say they agree, but somehow don't seem to think it applies to their own work and their own companies. So I think there will be some tough selection processes to be faced. At MBB we are clear that we need to be more decisive in avoiding the middle ground and putting more money into projects that we think are going to be more successful.

Streamers are here to stay, and welcome

Obviously we are committed to the cinema, and the cinema industry, and we shall keep supporting that, but I cannot say I agree with Bero Beyer because we are not going to fund empty cinemas. There's a fight going on, there's a huge cultural change, and we have to accept that. Film students I speak to don't have a problem with doing a crazy arthouse thing on one day and doing something big for Netflix the next. We need to adapt to that. We can't rewind and undo the effect that the streamers are having on the kind of films we make.

Extreme as it may sound, I see us having discussions about devising economic incentives to attract productions for the streamers – which may leave no rights in the hands of producers – to be made in Berlin or in Brandenburg. This is not something we are discussing publicly at the moment, but there are questions that are posed to us by the scenarios we see developing now, the acceleration of change has been huge and I don't see any going back to what we had before. It's hard, but it's what it is.

I've also been speaking to small cinema distributors and actually they are very happy. Their product is being shown everywhere at the moment, running in cinemas for three or four weeks. In terms of audience relevance the numbers are still small, but in terms of cultural relevance their films need to be seen. At the same time we have to keep in mind that we need to serve the whole spectrum of public taste. We take the view that we don't want to tell industry what to do, but rather have industry put questions to us to solve and find tools for. The changes in our own everyday lives are indicative of how everything has been turned upside down by the pandemic, and we should embrace the streamers in one way or another.

Looking at the long term, we are making the argument that for maybe the next three or four years we are going to have more work to do and need extra money to put in corners we are not used to. There are productions that were still in the planning phase when the pandemic hit, but now that they can prepare for shooting they realise they face 5%, 10% or 20% higher costs in terms of hygiene regulations. We've made provisions for these projects and expect them to need at least an extra €1 million. The emphasis of our funding is on production, but while our support for distributors is modest, we recently doubled our annual award to cinemas in the Berlin-Brandenburg region so that it's close to €1 million, and we will continue to increase that.

(Bero Beyer) Just to be clear – even if the vaccine magically appears, we will not go back to business as usual. We need to embrace the changes that are here now, and were actually overdue, by being smart and recognising how the streamers work and how there is also a space for independent production. As public funders the kind of cinema we stand for should be independent, experimental, innovative, infuriating, challenging, all that... And at the same time we should be smart enough to enable filmmakers to travel easily between that world and the world of making great shows for streamers, which is just as valid.

GERMANY

Claas Danielsen, Mitteldeutscher Medienförderung

First of all, MDM is very happy because the three federal regions that join forces to finance our fund have agreed to provide us with new money equivalent to what we have had to spend in supporting projects which had to suspend shooting because of the pandemic. This money will now go towards finishing those films – it's €1 million in addition to our annual budget of about €15 million.

Threats to arthouse co-productions

The co-production situation that was already mentioned is of great concern to us because MDM has always supported many international co-productions. We know from many producers that it's almost impossible to finish some of the films that have to shoot in different countries, and that their enthusiasm for international co-production during these chaotic times is heavily impacted. Co-productions form a kind of backbone of MDM, and we are particularly worried that the difficulties being experienced will affect the kind of stories that are being told, the subjects that are being tackled, and where our films will lead us as an audience in terms of different countries and cultures. A decline in co-productions could have a serious effect, culturally speaking, on what kind of films we see and how they are being made.

We notice that producers try to adapt to providing content that the streamers are looking for. They turn to developing treatments for high-end TV series, and the more delicate, arthouse films that are typically co-produced internationally are becoming fewer and fewer. The tendency we have observed over the last two or three years, for producers to try to get a piece of the pie that the streamers have thrown into the business, has been accelerated by the corona crisis. More now than ever, digitisation speeds everything up across all sectors, including the challenge of financing arthouse, festival films. A contributing factor over recent years has been the withdrawal by public broadcasters in Germany and all over Europe – who were once important partners of producers and funders of these films – from supporting work that is a key part of the identity of MDM. If we didn't have Arte, arthouse co-production would already be in a very fragile state.

In Germany, like everywhere, the cinemas are suffering grave difficulties. The regional funds like ours, and the federal funds, have all tried to give support financially. We can only do it by giving prizes to cinemas that offer a good annual film programme. I'm afraid that now we are going back into lockdown again some cinemas will face bankruptcy, and I worry very much about the theatrical market – especially for cinemas in smaller towns in the countryside all over our region. The same worry applies to production companies: how long will some be able to survive?

Our main strategy henceforward is to continue the funding of development and production at our regular level and not to reduce that, even if we are sure to find that fighting to have our budget increased by the counties that finance us will be tougher and tougher as cuts are imposed on all forms of public funding.

GERMANY

Helge Albers, Filmförderung Hamburg Schleswig-Holstein

What we see at the moment in Hamburg is a big shift in many ways, and in other ways it's not that much of a shift. Hamburg is a co-production-friendly region, it was historically and

it still is, and the projects we see now look very much the same as those we were funding before Covid. In terms of their financing structures, I'm doing an evaluation of the financing plans of projects that we've considered over the last three years in order to get a sense of the part played by the market in them. Where we see complete market withdrawal in certain areas, we may need to react to that. My suspicion is that we will, if not now then in the near future, see finance plans with large amounts of public funding only.

At the same time, in the Hamburg region between now and 2024 we foresee a cut in public funding overall of about €5 billion which will affect every public sector. As a film fund we shall probably be happy if we can stay at our current level, so maintaining this is definitely one of our priority policies, while also looking at new models to attract funding from outside the public sphere.

Any growth in funding must come from private sector partnerships

As an example I can talk about our collaboration with the Warner corporation. At the beginning of the year Warner Bros came on board for a three-year period with €1 million annually to support regional projects, and this is a model I am trying to adapt and develop for other players. It's interesting to understand how a major player and a public funding body can work together in terms of mutual compliance. The issues are complicated but we've arrived at a place where I think both sides are happy.

I don't see a blueprint in this. Objectively I think that large corporations have no obligation to participate in European financing schemes, but since they have been working with European talent and structures built by public money for decades, there is an argument for integrating them into the overall financing system. In which way is debatable and there are different ways to go. Output deals are not something I would advocate, they are not something we can easily structure.

Warner, which has its German headquarters in Hamburg, signalled to us that they feel they should contribute more to the local industry. So we set up a separate fund with them, which will be used to support films that have a larger commercial impetus and that are rooted in the region. Not a large number of applications to the fund have come in, but since all of those projects would normally have been submitted to our main fund the scheme allows us to conserve our own resources and pass the bigger projects to the new fund. In this way the Warner relationship eases the constraints on our regular budget.

If we see any growth in our budget it won't be from the public sector. There are growth areas in the public sector, but support for traditional theatrical film funding is not one of them. There is support for innovation, for sustainability, for diversity. There are topics that can be developed using some pockets of public money but the model of traditional film production and distribution is the least attractive.

In terms of future policies, I'm convinced that diversity is a fruitful field and a big asset for development. So we're pushing hard to establish diversity standards, which are not only vital for political reasons but also for the benefit of the industry at large. There are big

possibilities that we have not yet tapped into. We are getting a very mixed bag of reactions to this initiative, including great applause. We've introduced a diversity checklist for applicants to the fund, mandatory for all projects, which assesses diversity in front of and behind the camera: crew, cast, story, all areas. We shall push further ahead with this once we get a better understanding of the effects the policy is having.

PORTUGAL

Luis Chaby Vaz, ICA / Portuguese Cinema & Audiovisual Institute

In Portugal the ICA took a dual approach to dealing with the crisis. The first stage was addressing the problems arising from the lockdown. We introduced various measures, both creating flexibility in the way we work with producers and exhibitors, and finding extra money to maintain the work capacity of production companies and guarantee their cashflow. We also started to work on safety measures, not only for theatres but for the resumption of productions.

After this first stage of the pandemic we realised we needed to prepare for the sector to re-start. We thought we had time to do this gently, but unfortunately the second wave came, and stronger than before. Yesterday we had 2,000 cases of infection, the worst day so far, not as bad as our neighbours in Spain but we are still very scared. Our government tends to react very quickly and yesterday they introduced new state of emergency measures which we are trying to interpret to see how they will impact our industry.

How to preserve independent filmmaking

In the midst of this we are discussing the transposition into law of the new European Audio Visual Media Services Directive, which is causing the battle of the century here in Portugal. The government and the institute are being very much criticised for the way in which we are dealing with the streamers and the solution we are providing. In Portugal we have only an independent cinema environment, there is no mainstream industry. So all the questions being asked centre on one thing: how can we keep our independent production independent? Meaning what kind of relationship are we going to create with the streaming companies?

This is being discussed right now in the parliament, so I am working a lot with members of parliament and all the other stakeholders to explain the boundaries set by European law on the one hand, and on the other what we think can be a good trade-off with the streaming companies. It's a very tense political situation, arising just as the annual budget is under discussion in parliament.

Yesterday I was in a big meeting with the exhibition companies. Here in Portugal there is a very big concentration of power in the exhibition and distribution sectors. There is one company that holds a 70-75% share of both exhibition and distribution – not the same

company but the same group – and it is struggling a lot because the Hollywood studios are withholding most of their films at the moment. Of course that creates space and opportunity for independent works to be shown but unfortunately the company is not used to doing that any more, they don't know how to promote independent films or engage with audiences, since their business now consists of passively releasing the movies delivered to them by Hollywood. They can't just pick up some Portuguese films, or films from France or Lithuania, put them on their screens and hope people will come and watch them. They need to adopt a whole new approach to engaging with audiences, creating a proper space in which to show that kind of work, and spending enough money on p&a budgets that can promote it properly.

The position of the ICA is to try to achieve a balance between the preservation of a strong curatorial role for our cinemas on behalf of independent filmmaking, and the creation of a new and good relationship with the streamers as they move into production here in Portugal.

AUSTRALIA

Graeme Mason, Screen Australia

We in Australia were on course for a record year in terms of production, exhibition and broadcast – and that meant both local and incoming production – when Covid brought it all to a spectacular halt. At Fox Studios in Sydney we went from having 5,000 people working on the sets to, two weeks later, tumbleweed and security guards only. We shut down a A\$2 billion industry, with all cinemas across the country closed and 13,000 people out of work. Every scripted show in the country shut down pretty much overnight.

But what we are finding is that the pandemic has just exacerbated and accelerated changes that were happening anyway. Independent cinema – production, distribution and exhibition – was already unbelievably challenged and hanging on by its fingernails; free and pay TV networks were already in trouble because of streamers; the problems were just exacerbated and the decline moved on faster. Film is unquestionably the most impacted, in terms of funding, production, distribution and exhibition.

Screen Australia contributed to all the shutdown processes and costs of production that was underway. The agency works across all screen activity: film, television, online; scripted, unscripted; kids' programming, animation. We were trying to bail out everyone to protect their assets, lock them up safely for when we could come back. We developed protocols to allow productions to go forward safely. We even talked to newsrooms, current affairs teams, shiny floor shows, cookery programmes, reality TV shows – and worked out protocols that meant they were able to keep producing their programmes during lockdown. Across all the activity that we managed, the lowest level of overcost as a result of the pandemic was A\$22,000, the highest was A\$1.3 million, just to comply with Covid rules that we had introduced.

We quickly realised that in the year ahead we would have less money for new production because we would have to do bail-outs on every project that was already in production. The logistics were often complicated, as in order to get projects completed we had to pull crews off other work and negotiate to delay projects that were scheduled to start. We did it, and so far managed to get everything except one show finished. Baz Luhrmann is back doing THE BIG ELVIS, a huge film with 1.000 people on set.

We came up with an insurance scheme and the government is helping us with that. In fact, because the government couldn't insure our sector but not hospitality, travel and so on, it's an assurance to insurers and funders that if Covid takes out any of up to 10 named key individuals covered by FPI insurance, those people are covered for the Covid risks. We have to manage that so that the government's overall exposure is never more than A\$50 million.

The level of cooperation and coordination between Australian states has been impressive, as Screen Australia and the agencies in each state have come together to work collectively. This is something I hope can continue into 2021 and beyond.

As well as recent changes to Australia's content quotas on television, the government has just changed the level of the offsets, which are our production rebate schemes. The film offset has come down from 40% to £30%, while the offset for small screen production has gone up from 20% to 30%. This new flat level across all types of production reflects a reduction in emphasis on supporting Australian films – typically arthouse films – which attract smaller audiences compared to the kind of material watched during the pandemic by Australian audiences on their sofas from Netflix, Amazon and the like. As a result, we at Screen Australia are changing our way of thinking and will firmly embrace working with the streamers.

Some of our sector were upset that in a new law just introduced the streamers are not required to observe a content quota. There is a quota on free-to-air and pay-TV broadcasters but not on cinemas or streamers. We did get an extra A\$33 million added to Screen Australia's normal budget to ensure that content can get made with the higher costs imposed by Covid.

Fewer projects with more support for each

Looking ahead, we are definitely considering supporting fewer projects, with deeper funding for production and deeper promotion of them. We are not at the moment able to consider helping distribution or exhibition. But there was legislation here to provide rent relief, and this includes cinemas so that shopping centres can't force them to pay their full rent. However that is no help to an owner-operator of a small cinema, of which there are many in the regions. Finally there is a scheme called job-keeper, whereby the government is still paying a minimum percentage of people's wages. This has helped big distribution companies and big cinemas, but indie producers are still struggling.

We see Screen Australia's policy going towards cultural and creative on the one hand, and commercial on the other, in all sectors. The middle ground, I see us walking away from, at

least for a time. We have a co-production going at the moment, the new Jane Campion film. She's one of the great cinema people of our part of the world. The film she's doing now for the New Zealand Film Commission and Screen Australia is funded by Netflix. No one except Netflix would give her the money for the film and the vision she had. We feel we have to find the right places for our storytellers to fund their films, but also to get them seen. In my part of the world, I'm not convinced that what I grew up doing, going to see the new French film at the cinema, is going to come back. I believe that this experience of the pandemic and after, in English-speaking territories, has moved us to a different place.

NEW ZEALAND

Chris Payne, New Zealand Film Commission

The key impact of the pandemic here in New Zealand has been the acceleration of change that Graeme talked about. The disruption has accelerated the existing rapid pace of change in the sector, in particular the decline of theatrical, combined with challenges around insurance and other factors. This has created issues about the financing of independent films, in New Zealand or anywhere, and about the whole value chain.

Refer to the NZFC presentation in the Appendix

A lot of the new funding the NZFC has received has been targeted into business support programmes, €570,000; and we provided additional development funds to help production get going again as soon as the brakes come off. We were the first national screen agency to launch screen sector health and safety protocols in early May, which paved the way for production to resume here – after a go-hard-go-early approach to lockdown that our prime minister pursued. We resumed local production first – local features, local TV drama – and then, increasingly over time, international production.

New Zealand is relatively fortunate compared to some other national cinemas in that partly due to the tyranny of distance, which was hitherto a challenge for us and has actually been a blessing, our industry has been relatively sheltered. We've only had 25 deaths and around 1,800 cases of Covid, and there are no cases in New Zealand any more now as it's all being stopped at the border. This has meant we have become a sort of safe harbour for international production.

We worked with government early on to introduce a Screen Recovery package which included a fund of €7.6 million targeted at 47 productions that were stalled in production, pre-production or post-production. My colleagues here are currently receiving applications for those 47 productions to enable them to restart. We've also worked with government and other screen agencies to develop and shortly launch a premium drama fund, which is €28.3 million that will support 10 high-end feature film or series drama projects – in addition to our existing baseline funding. And alongside all that we have a screen sector Capability Fund of around €300,000 which is designed to help the industry, both businesses

and filmmakers individually, to come through Covid and move into the post-Covid world whenever that may be.

Like many national cinemas we have approached the insurance indemnity consideration. We haven't yet announced anything publicly but we're close to doing so and I'll be happy to provide more information on that subsequently.

We've worked closely with immigration to allow critical workers to be exempted to come into the country, meaning James Cameron and John Landau with AVATAR through to Jane Campion and the various requirements of her production, and also extending to very small local productions that may require one cast member, for example, to come into the country. There's a production underway currently called PUNCH, of which the NZFC is a significant financier, which has Tim Roth as one of the key cast. He applied to come into the country, he was approved, he went through two weeks of mandatory isolation, was tested a couple of times, then popped out the other end and onto the set.

With our head of marketing I've been working closely on attempting to replicate what we'd be doing in a real word setting, online. So she has run meetings with sales agents for experienced producers; I've done the same with financiers globally; and just today we finished close to 100 half-hour meetings with each of AMC, Apple TV+, Disney+ and Netflix. That's been well received by our producers who have seen a number of the big studios and streamers come here and produce content, and now see that they are open to producing New Zealand content – in part to keep their subscriber base here happy but also because they know we are one of the few industries that is able to resume production in a meaningful way. We've also arranged online mentorships, and delivered a significant number of industry webinars.

Animation and co-production ambitions

Moving to 2021 onwards, some of this activity is ongoing: elements of the recovery package shortly to launch, the insurance indemnity that should go public in a month or so, and more flexibility around our terms of trade applying to health and safety, development, marketing, the full spectrum. And we've made modifications to our incentive regime to take account of what productions are working through at this stage.

I'm particularly passionate about animation, and the idea of helping to position New Zealand as a digital destination and partner of choice as much as a physical destination based on locations. The missing piece in terms of the health of our industry has been longform and feature film animation. There've only been three animated feature films made domestically in the 40+ years of the NZFC's history. We look at Ireland with companies like Cartoon Saloon, and other companies in other countries with strong animation industries, and say there's no reason why this couldn't equally happen here in New Zealand.

I'm working with the animation sector to help it to grow, through minority co-production, and majority co-production over time. We're also looking at the rise of virtual production,

and what that means for a country on the other side of the world that is known for its locations – how to operate in an environment that could go increasingly digital, and then obviously in VFX and post-production as well.

Ironically, we are seeing a lot of interest in co-production, particularly in relation to New Zealand's treaty with Canada. Like Ireland, we have a liberalised treaty with Canada that allows for the involvement of one or two non-party nationals – they could be an American writer or director – and also de-couples finance from creative involvement. The key benefit of that is we're seeing a number of co-productions where people aren't having to travel. One project we did recently was written by an American, otherwise the entire cast and shooting crew were in New Zealand and the entire post-production crew was in Canada. No one had to travel.

We're also seeing interest out of Los Angeles, with American independent productions that may have subsidiary production entities in Canada which are looking to use that treaty. They can bring people into New Zealand through the critical worker exemption, or not travel people at all. New Zealand producers are really starting to pick up on this.

(Simon Perry) A great thing about animation is that it's all co-production. It doesn't matter how many countries are involved in a film, where they are or the distance between them, everything is done online. This is a normal way of working, and it makes animation proof against Covid. Some countries, like Ireland, have developed an animation infrastructure while others haven't, and of course animated feature films are expensive, but a country can join a co-production even without an infrastructure or without much money. We have several producers in the ACE Network who have diversified their activities into animation deliberately because it can be a good business. Creatively, too, it's a theatrical medium, animated features are definitely cinema. It's something for film funds to consider, more than ever in these Covid times.

THE PHILIPPINES

Liza Diño, Film Development Council of the Philippines

[Note: €1 = PHP 57 approximately; \$1 = PHP 48 approximately]

According to the Philippines' national economic authority the film industry was ranked as the hardest hit business sector, which actually helped us to lobby for government support. The inspiration for my participation in BPX was to seek guidance from other film commissions on seeking help from our government to develop our own film fund.

Refer to the FDCP presentation in the Appendix

The Philippines' average annual box office recently has been PHP 11 billion, with 52.5 million admissions. Up to now our cinemas are still closed and the year's projected box office is PHP 9.5 billion.

A difference with other countries is that our cinemas are real estate assets. The owners are real estate developers and the cinemas are inside shopping malls. We have very few stand-alone cinemas. In terms of being able to cope with closure, the shopping mall owners are able to cushion the impact. However, although there are islands in our archipelago that have more relaxed quarantine measures, SM, which is the biggest chain of cinemas, prefers not to re-open and so cinemas are still closed everywhere. The practice in Asian exhibition industries, especially in the Philippines, is a cartel system.

There are over 100,000 displaced workers, across film, television, and other audio-visual activity including animation and advertising.

The FDCP helped in drafting protocols, together with the departments of health and employment, in order to enable production companies to re-start. But only 25% have resumed production. There was an issue over our introduction of protocols across the sector because in Asia no minimum standards of working conditions have been set, and the new protocols were not as welcomed as they should have been. An advantage of the pandemic was that production companies were compelled to comply in order to resume shooting.

In the film industry 80% of workers are freelancers, and government programmes like unemployment insurance and other supports are not available to them. Under the Disaster Emergency Assistance & Relief programme (DEAR) the FDCP reallocated funds for these purposes. It's not much, up to \$200 for each worker, but for a developing country like ours it's an immediate lifeline. We could extend support to 5,000 workers and release around PHP 30 million.

One problem plaguing efforts to support the industry was its informality and lack of official organisation. Workers are not registered, some companies are not registered. The FDCP created a verifiable database and a single application system, a window for us to accommodate the workers who need support. The FDCP national registry identifies and supports registered workers, and we've also started registering audio-visual companies, film festivals, and film organisations all over the country.

Proactive, direct support programmes

The Safe Filming Program allows us to issue government assurances and official documents relating to the film protocols. The department of tourism has its own protocols, the department of labour has protocols, but the FDCP centralised all of these into one set of protocols that is sector-specific and can support our industry.

This also allows us to engage with international productions that are interested to shoot in the country. One of the achievements that we have launched this year is the FilmPhilippines Incentive Program. Despite the pandemic we were able to accommodate and extend support to international productions which shot in the Philippines: a Russian film shot in March, and a Hollywood production which was able to spend PHP 365 million and employ 92% Filipino workers. We prioritise supporting local production but were

determined to provide an international incentive as well, which offers a 20% rebate on spend in the Philippines. We also just made awards from our international co-production fund to two projects, \$150,000 to each.

The most important Covid-19 intervention that we launched this year was the CreatePHFilms Funding Program, through which we provide financial support to our Filipino filmmakers at various stages of project development from scriptwriting onwards. Most film commissioners have public funding schemes like this in place, but we didn't, in fact south-east Asian countries generally don't have structured programmes for their stakeholders. It was perfect timing for us to introduce this kind of support for our filmmakers.

Another landmark of the year has been the creation of the FDCP Channel, which is a distribution platform on which we can present independent films that don't have deals with platforms like Netflix or other global online distributors. Many of our producers are only now exploring online distribution. Eighty percent of film revenues still comes from theatrical distribution, where domestic films have a 30% market share. With cinemas closed, the FDCP channel can monetise Filipino films in a new way.

The FDCP's Fiesta of Filipino Films which is held every year has been moved online this year and will be hosted by the FDCP Channel. Between October 31st and November 15th subscribers can pay \$10 and choose from 150 films, with proceeds going 100% to the producers. They will also have access to workshops and talk sessions, as we will try to replicate the experience of a film festival online.

Lastly, with regard to policies, a number of interventions are currently being discussed in congress, and the FDCP is lobbying hard for them: health and safety protocols; the Eddie Garcia bill, named for an actor who was killed in a TV studio accident, which will guarantee better working conditions; recovery funding to compensate for hardship caused by Covid-19; and measures to institutionalise film incentives, to protect the position of local films in the distribution process, and to reduce the 'informality' and non-registration of industry workers.

COLOMBIA

Claudia Triana de Vargas, Proimágenes

In Colombia we have 1,200 screens, which all closed on March 18th. We were in the middle of our very important international film festival in Cartagena. After that the country went into full lockdown with all businesses closed. In August there was some re-opening, some drive-in cinemas are operating, 30 out of 36 registered sites, but the income is marginal and they are tightly controlled. It's mostly independent cinemas and cinematheques that are open now, venues that are supported by local mayors and public funding.

There are national health and safety protocols in place, and the government allows food to be sold, but none of the mainstream cinemas are opening. There are five big companies in Colombia that have 96% of the market between them. None are open, and the main excuse

is that there are no Hollywood blockbusters being released. It's true that the local distributors are suffering a lot, but it's the exhibitors whose business is really broken. In the near future I foresee that we'll have fewer screens, six multiplexes have already shuttered, and while 2019 was a very good year at the box office, this year's figures are running at 17% of last year's.

We have been putting in place a whole system of support funds for production and throughout the audio-visual value chain. The national public fund is financed by a percentage of the national box office. The fund has been administered for 16 years by Proimagenes, collecting the levy on cinemas and allocating grants from the proceeds. Over 16 years we have administered \$150 million of funding this way.

There is also a privately financed fund, which has been running for the same number of years, whereby private investors are encouraged to channel funding to film projects. Colombian companies can deduct 165% of their investments from their corporation tax liabilities. This fund has provided roughly the same amount as the national fund, \$150 million, over 16 years. The problem is that in 2021 it's clear that almost no one will have any tax to pay, so the fund will be starved of money.

We have another fund which has been in place for eight years, financed from the national budget through the ministry of commerce, and this provides a tax rebate for foreign and Colombian productions that spend at least \$400,000 locally. Now, while other support schemes have been reduced during the pandemic, we have a new incentive that provides a rebate not just for films, but also for TV series, reality TV shows, games, videoclips, any audio-visual projects. The rebate is 35% of expenditure on services and talent incurred in Colombia. This became law in May and in six months we have approved rebate payments of \$6.5 million. Projects need to obtain a certificate from the ministry of culture in order to be eligible for this incentive and Proimagenes manages this process.

Closed cinemas mean no levy collected to fund the agency

But it was the percentage levy on the theatrical box office that was the main source of finance for our most important, national fund, and after eight months of no box office income at all we face a real crisis. With the prospect of receiving no finance from this source during the first half of 2021, we are considering ways of fuelling the support machine from other areas of the exhibition sector. We are thinking very seriously of bringing the streaming platforms into the levy system. They pay no tax right now in Colombia, apart from VAT, and we are investigating whether part of the VAT they pay could go to support the national fund.

This is becoming an established system in Europe, notably in France, and it would be helpful to have information about other countries in the EU. Cinemas are not going to die, but the streamers are here to stay, and they should make a contribution to the industry to compensate for what it is losing as a result of streamers' impact on theatrical exhibition.

FINLAND

Matti Paunio, Finnish Film Foundation

In Finland also, domestic production managed to resume as early as June because the lockdown was not as strict as in other places. This was partly because production companies found it easy to comply with the hygiene protocols. On the negative side, there were postponements for several months and this caused extra costs. Production insurance is a problem here, too, and as yet there is no national guarantee available such as other countries have. This is an issue which we are continuing to look into for the future.

At the Foundation our aim has been to keep the wheels turning and we haven't changed our policies as such. We haven't adopted a particular policy with regard to diversity of content. The general approach has been towards keeping things running as normally as possible, and as much as possible. Like a lot of other agencies we are being as flexible as we can be with regard to the regulations that govern our funding of productions and co-productions.

The roughly 100 cinemas in Finland re-opened in August and, like everywhere else, the lack of Hollywood hits apart from TENET hit them hard. But there has been an upside to that in that the production companies and distributors have taken advantage of the empty screens to open domestic films, some quite widely, and there have been some surprise hits even in absolute numbers. We don't know how long this can continue but for now it's good news in the midst of the crisis.

Appetite for cinema still strong

The cinemas are running at 30-40% capacity and apparently attendances are around 50% of normal. The biggest film festival in Finland, the Helsinki International Film Festival popularly known as Love & Anarchy, was able to take place in September, and with 30% capacity in cinemas the audience was 50% of normal – a good sign that people are ready to visit cinemas. But this was just before the second wave of the pandemic struck.

As for additional funding, the government provided extra money in the spring to support theatres, and then in the fall the Foundation received extra funding for new film productions, although the numbers are not huge compared to some neighbouring countries. Later today [20th October] there is a call for applications by productions that have suffered interruption and postponement during the crisis and need support for the extra costs involved. But these are one-off grants to combat the effects of the pandemic this year and we do not expect to change our policies or the level of our funding next year.

LATVIA

Dita Rietuma, National Film Centre of Latvia

In the spring and summer the situation in Latvia with regard to Covid was rather okay, we had only a light lockdown, and we were able to start shooting again early, in June. The summer was very busy, there were a lot of crews filming in Latvia, we made national films and also some cash rebate international projects. Right now a British actress, Elizabeth Hurley, is not far from me here in the old town where a fairytale is being shot. And our international film festival is on now, in a hybrid version, but still with live audiences in the big cinema.

So things are carrying on, although unfortunately Latvia lost its status as the safest place in Europe together with the Vatican, and our Covid numbers are now increasing rapidly. I'm not optimistic about the end of the year, and not optimistic about our cinemas. Right now they are operating, but admissions are very low since people seem to have a psychological barrier about cinemagoing and getting together in big crowds.

The agency didn't spend its cash rebate money this year, but we did better than expected since in May it seemed impossible that we should have any foreign film crews in Latvia. But they came and somehow we managed. With regard to next year, we are entirely dependent on government subsidies and I am not getting any signals that our money will be reduced. I believe we shall remain with our modest €6 million budget to support the whole film industry in a country of two million population.

State funding for TV for the first time

We did receive extra funding for Covid support, €2 million, with which we launched a call for TV series production for the first time in the history of the National Film Centre. For the 30 years since Latvia regained its independence the financing systems of TV production and film production were segregated, but thanks to Covid we were granted a new budget line of government funding for TV series. We had a lot of applications, the ideas were great, and it was possible to select two high quality TV series for support. This will be an instrument with which the NFC can fight for more special funding in the future.

It has not been possible for the NFC to secure extra funding to support cinemas, but the cinemas could apply directly to government for support through another budget line for entrepreneurs. That said, the outlook for cinemas is not good and we have to do something for them next year. Tomorrow I shall know the budget numbers for 2021 and then we will figure out whether we can devise some support for distributors, of which there are only three or four in Latvia, and for cinemas.

LITHUANIA

Rolandas Kvietkauskas, Lithuanian Film Centre

In Lithuania, too, cinemas were closed, there were travel restrictions, problems of planning shoots and so on. But in such a small country we had less of a choice of tools with which to solve insurance and other problems. For a while though, government decisions to fuel the economy by encouraging spending were quite beneficial towards the film industry: paradoxically, our agency's funding was doubled this year, meaning we received €6.2 million more than usual.

Since Lithuanian filmmaking depends so much on state funding and so little on private sector investors, this increase makes a real difference. I don't see real damage being caused to the ownership and independence of productions because in our small market the agency's funding, being the main source, can ensure that filmmakers retain these aspects of their work. Lithuanian producers regard streamers and other distributors as just a tiny part of their income and their finance plans, so loss of these things is a danger they can avoid.

We not only provided extra money for production and other conventional purposes, but we also consulted with the industry as to what else we should spend the new money on. The agreement was first to spend more on new developments and productions in order to keep the process fully operating, and then to respond to criticism that the agency had no dedicated funding programmes for distributors or cinemas. We were encouraged to reconsider our relationship with multiplexes, because while producers have plenty of public money to invest in their projects, and artists have individual grants to help them work on them, if when subtitles finally arrive on the film there is nowhere to show it because the cinemas are closed then the money is wasted.

New direct support for independent distributors and exhibitors

The economy of multiplexes depends on the big titles, but with no films coming from Hollywood they have to rely on independent cinema and give more screentime to auteur films than they used to do. But even with this advantage the statistics show that independent films achieve only a slightly higher audience share than they had before. In normal times the market share for domestic and European films was up to 30%, and this still seems to be the case but in a market not more than 40% of the size it was, because of the restrictions on attendance imposed by the pandemic.

So to meet this challenge the Lithuanian Film Centre established a one-off scheme worth €2.8 million to support smaller cinemas and independent distributors, but there is still a question of what will happen next year. In Lithuania the government is introducing a big horizontal economic plan for 2021 to support innovation, and we have some cause for optimism in that the minister of culture managed to squeeze audio-visual and the games industry and some cultural industries into this plan. However, funding in itself is not the

whole story, but rather the changes in the whole framework and the need to find a way to maintain the value chain in the future that is coming.

SLOVAK REPUBLIC

Zuzana Bielikova, Slovak Audiovisual Fund and Film Commission

Starting with the situation at the Slovak Film Commission, I can report that everything closed when the pandemic first hit in March, but in fact the first wave was not so hard for us and this helped to promote the idea that Slovakia is the island of good health in Central Europe. Unfortunately now the second wave is pretty hard but production continues.

We worked very closely with the government and health organisations to establish the protocols and guidelines for filming, but it was very difficult to maintain the international film crews here and there were a few foreign productions that were withdrawn from Slovakia and decided to film on different locations. This applied particularly to productions needing film studios as we don't have any appropriate bigger studios and could not accommodate their needs. Then recently we had another project here in Slovakia at the beginning of October, a big fantasy kids' film from Warner Bros, but after the first week they decided to postpone their shoot until March next year.

With regard to support for Slovak production from the Slovak Audiovisual Fund, the first big step was relaxing requirements and postponing deadlines in order to simplify the fund's processes and mitigate the negative effects of the crisis on the cultural community. Requirements for theatrical release of supported films have been changed, since many that were due to be released this year are now delayed until next year.

Unlike in other countries, our government does not understand that culture is an important part of a community and we wait a long time to receive any answers and any support from that quarter. The difficulty is compounded by the fact that we have a new government from the beginning of March which had to jump straight into solving all the problems of the pandemic at once.

New funding likely to favour cinemas rather than production

We received the first support money from the ministry of culture last month and the Audiovisual Fund invested that in assisting cinemas. Now we are waiting for another amount of support which will go towards assisting individuals working in the film industry, meaning freelancers who received no support yet. No gatherings or events like concerts could happen during the whole summer because of the restrictions, so all these people suffered and now the cinemas are closing down again. We are sure the support for them will come but it takes a long time. As for the amount, it looks as if the ministry of culture is buying time because no one knows how much it will receive from the ministry of finance.

There will be more money to support cinemas, I believe, less into production, although there will be wage support for all film workers because these people lost their jobs and have received no compensation from the government yet.

Even without direct support domestic productions are going ahead. Some were postponed but the bigger projects are being filmed, including co-productions with the Czech Republic and Poland. The Audiovisual Fund receives a fixed amount of money from the ministry of culture each year under a contract which has not been cancelled, so while we can't expect an increase in our funding we know we can count on the same amount next year as every year.

KOSOVO

Arben Zharku, Kosovo Cinematography Center

Kosovo is a young country and the film agency has been operating for just 12 years, usually supporting around 30 projects per year – feature films, minority co-productions, animation, documentary, development, etc. From March, everything shut down, cinemas were closed and just re-opened on 1st October when the number of Covid cases was very low. Now everything is back to a kind of normal, but we're afraid that the second wave will hit us soon.

The government introduced a package of grants designed to support arts and culture in general, but unfortunately it has been delayed because at the height of the Covid crisis the government itself failed and was not able to pass the laws needed to confirm support for different industries. Now we are working with the ministry of culture since they want to provide extra money for the film industry, but specifically for script development, animation and short films, and also for projects by young filmmakers who have recently graduated from university and for whom finding work in an inactive industry could be hard.

Government support slow but cinemas at 40% capacity work well

The film industry arrived late in Kosovo because there was a general interruption of more than 15 years due to the conflicts, but there is a strong TV industry with a lot of companies making commercials, sitcoms and other TV production, and they don't rely so much on this agency. More money came into our fund during the last three years and there was more focus on our activities, but then unfortunately everything went quiet with the arrival of the pandemic. We have requested additional money by the end of this year, and the ministry of culture is asking if we could make use of money that some other cultural institutions have been unable to spend. This should mean that we can enable companies with funded projects that will be ready to shoot next year to survive until then.

When the cinemas re-opened it was actually brilliant. They have to work with only 40% capacity, but they are complexes with many screens and with audiences at that level they

are perfectly viable. The agency was active in supporting cinemas and persuading the government to let them re-open. In the last two years 20 new screens were built in Kosovo, meaning we have 25 in the country now, and about 40% of the population of 1.7 million are regular cinemagoers. So while the numbers of infections are big, we are putting pressure on the government not to close cinemas again with the second wave since at only 40% capacity there is no clear evidence that they are places where the virus can be easily spread.

Our cinemas are currently breaking all records in the region. The audience is young, they love cinema, and especially local films. A film we supported last year called ZANA, which premiered at the Toronto festival and is a horror drama, heavy and not easy, broke box office records.

MONTENEGRO

Sehad Cekic, Film Centre of Montenegro

In Montenegro we have had similar experiences to those of other countries but on a smaller scale given the size of the country and the market. We went through the lockdown rather smoothly with a low number of infected people, and we organised support programmes for freelancers and cinemas. Then in June we got back to normal stuff, film festivals were held and some production started. But Montenegro is heavily reliant on tourism and when the summer season started we imported new problems: there were a lot of new cases of corona and this hit the economy of the country hard.

We also had a major political change in Montenegro and now find ourselves in a very complicated situation. After two or three years of progress for Montenegrin cinema, which in some areas had been very underdeveloped, we now don't know what will happen with our budget and, in addition, we don't know what we are facing right now in terms of the pandemic: how long will it last, will there be a vaccine, and when?

Montenegrin cinema is all co-produced

One of the lessons we learned during this period is that while Montenegrin cinema is in its essence co-production cinema, and we can cover all the production phases within Montenegro, now with all the border protocols affecting people coming from other countries we are working on making Montenegro less dependent on some facilities to be found in the region. The goal we had in mind when we established the Film Centre was to co-produce a lot, not only to give money and receive money from other countries but in that exchange to raise the professional level of Montenegrin film workers. It brought us very good results, but the downside of relying on co-production and using the facilities of other countries for, say, sound design in post-production is that you lose those facilities in your own country.

Montenegro is a region of ex-Yugoslavia and the people of these countries are very well connected. There are regular joint events where producers present projects and use networking and marketing opportunities as much as they can. It's impossible to imagine Montenegro making only national films, in essence it is a co-production country. So we do rely on the resources of other film funds as well as our own, but right now we don't know how other film funds in the region will react to the crisis. We don't want to be closed, we want to be open and investing widely; but in the 2020 situation people were spending the quarantine days forced to work just in Montenegro and it was complicated for many productions.

Finally, during the pandemic we have emphasised our investment in community cinemas – in eastern Europe it is common for cultural centres to have their own cinemas – in order to have more space for Montenegrin cinema and independent films to be shown. This is an initiative that's creating a promising outlook for 2021 and 2022.

ROMANIA

Alex Traila, CNC / National Cinema Centre

In Romania we don't have an exotic South American climate but we are definitely far from Europe in terms of what we do for cinema. Right now we are in between two elections, the local elections that just happened after being postponed by the lockdown, and the general election which is due in December.

The funding of the CNC is derived 100% from levies on different parts of the industry, which is a good thing in a normal situation because it prevents interference by politicians. But it's a bad thing when the whole industry is closed and there are no revenues, and when the politicians don't want to step up to help. The political calculation was explained to us very bluntly: the industry does not bring enough voters, and does not contribute enough to the gross domestic product.

Levy funding system dysfunctional and no direct government assistance

The CNC's fund is normally about €12 million, provided by the levies, and this year we brought in just under half of that, which has been spent on activities that we are legally bound to support. There is now less than €1 million left, which makes it impossible to organise any kind of call for applications for new support this year. Furthermore it's unlikely we shall have more money next year, since cinemas are now closed again after being open for only a month, and TV advertising time is now dominated by 'messages of national interest' related to Covid and is not being sold commercially. So the two main sources of our levy funding have dried up, and a contribution from lotteries and gambling has never been made because of a loophole in the law that enables the fiscal agency collecting that money to retain it and spend it elsewhere. If that contribution were made, it could double the CNC's normal budget.

The other news is that the cash rebate scheme launched in 2018 was not re-launched this year. Payments are outstanding on projects previously submitted last year, and there was no new call for applications this year.

The whole industry risks being bankrupt by the middle of next year. All the production happening now was financed before Covid, and there is no prospect of new finance. The industry tried to secure an insurance guarantee fund from the government, but the request went nowhere. The only possible solution, although the structure of some production companies may exclude them from this, is some grant funding from the Resilience Programme of the EU. In principle this is available to all sectors of the economy but film production companies in Romania may not be eligible under the European definition system that categorises enterprises. There is also no protection in Romania for freelancers working for production companies.

If the result of the general election is that the party currently in power remains in office, we can at least hope to continue the dialogue that we have developed with them up to now. The good news is that the industry has managed to organise itself into a single representative body. For the first time the producers have just one guild, and the cinema industry as a whole is accepted into one of the associations that represent a whole sector of the economy. For the medium term this is promising, but for the short term there is no knowing what can be done to change the situation.

GREATER EUROPE

Roberto Olla, Eurimages

Eurimages was probably the first to be hit by the lockdown, and the hardest hit of any film organisation, in terms of the difficulty of holding physical meetings. Eurimages is an international fund and all our meetings are – or were – physical, with representatives flying from different corners of Europe, and from Canada and Argentina. The first thing we had to do was re-invent the way we take decisions. Our regulations do not allow written procedures, and if we had obeyed the rules to the letter Eurimages would have been paralysed. So we had to consult all the member states in writing, asking them to give unanimous authorisation to written procedures henceforward. A paradox, but we did it, and we have now been working on the basis of written procedures through two calls for projects, one in March and one in June.

While written procedures allowed us to take decisions we realised we were missing the human element of the process, the exchange between delegations that gives added value to a fund like ours. So we devised a hybrid meeting, meaning we pretend we are meeting physically even though we are connected online. We had 41 delegations online, I did not sleep for a couple of days before we launched the experiment, but it worked. Last week we had meetings every day, Monday to Friday. Of course it is not the same as meeting physically, we cannot fight the way we fight when we are physically together, but decisions

were taken. The final decisions on projects were made using the written procedure but the debates beforehand and on other matters were conducted through discussions.

So much for our method of operating. We adopted other practical measures to allow professionals to keep on applying for Eurimages support.

Flexibility and adaptation of procedures, regulations

First, since the first meeting of the Board of Management this year was postponed due to the need to put written decision-making procedures in place, we granted shooting derogations that meant films that had already started to shoot were still eligible to apply for support almost one-and-a-half months after the deadline.

As you know, the last instalment of Eurimages support is conditional upon the project being released theatrically. But the second measure we took, where projects could not achieve this because of the lockdown, was to allow producers to treat a VOD release as equivalent. The Board approved this, but the profession did not welcome it unanimously. Some professionals felt that it was legitimising a practice that is happening more and more, to sidestep a theatrical release and go straight to VOD. We allowed it in cases where a project was already in distribution when the lockdown occurred, or had a release date scheduled during the lockdown. We are not allowing it indiscriminately. Some countries, like Ireland, are now experiencing lockdown again and we will apply this model whenever necessary.

Another measure we introduced concerns the length of time an award of Eurimages funding remains valid. Normally producers have 12 months – from the moment the Board decides to make an award – to close the support agreement and start shooting. We extended this to 20 months, because there are still difficulties of obtaining insurance and of covering the rising costs of health and safety protocols which can add 10-20% to a budget.

At the last Board of Management meeting we decided to ease the rule whereby a producer cannot apply for support for a new project if they have not repaid a previous Eurimages award to a film that has generated revenues which should be flowing to the fund. We of course allow repayment in instalments, but until now the rule was that it was not possible to apply again until the entire award had been repaid. Now, without changing the provision, the interpretation of the provision is that if the payment of instalments due is respected, a further application is accepted even if full repayment has not yet been made. This will avoid penalising companies that lack cashflow for reasons arising from the current situation.

Although the practice of co-production is heavily impacted by the pandemic, due to difficulties of international travel, securing insurance across several countries, and so on, and although every film we consider for funding is a co-production, we did not see much change in the level of applications received at the last call for projects. We received the same number of applications as we normally receive at that time of year, and films are being shot. But, looking further ahead, it's important to remember that the interpretation of co-production treaties – which determine the level of artistic and technical cooperation in co-productions – is in the hands of national agencies. If national agencies are very strict

in the application of the rules regarding those levels, then the co-production may be prevented from happening or from happening in the way the filmmakers want.

Our impression is that most agencies have proved to be flexible in this regard during the pandemic. A distinction needs to be made between agencies that simply greenlight a project on the basis of its compliance with the treaties, and agencies in some places – in Germany, for example – where local spending requirements are linked to the level of support granted. But just as Eurimages has been flexible, our feeling is that many agencies have been flexible, not only in pouring in extra money when needed but also in interpreting in a very flexible way the rules of the co-production game.

Appendix



Berlinale Workshop 2019

Friday 8th February 2018, 14.30 - 17.30
Relexa Hotel, 8 - 9 Anhalter Strasse, 10963 Berlin

AGENDA

14.30-15.45

Best Practice and New Distribution Platforms

The Netflix worldwide service:
presentation by Matt Brodlie, Director Original Film (creative) and
Glenn Nano, Product Manager Originals (technical), Netflix

Netflix and public funding for film – possible collaborations:
discussion with Katarina Hiersemenzel, Director Public Policy,
Netflix Europe/Middle East/Africa

Break

16.15-17.30

Best Practice and Audience Development

The British Film Institute's Audience Fund and Film Audience Network:
presentation by Ben Luxford, Head of Audiences, BFI

Responses to the presentation and discussion of audience development
initiatives undertaken or contemplated by BPX members

Best Practice Exchange is an initiative of ACE Producers





Berlinale Workshop 2020

Saturday 22nd February 2020, 9.30 - 13.00
Relexa Hotel, 8 - 9 Anhalter Strasse, 10963 Berlin

AGENDA

9.30 *Introduction of new BPX members*

9.45 – 12.45 *Best Practice issues arising in specific fields of funding agencies' work
– two debates, including a short break*

1. Active Involvement in the Distribution of Funded Films

Presentations to be made by agencies describing the support they provide in addition to development and production finance – to assist promotion of films to festivals, to subsidise domestic distribution, to boost world sales prospects, to operate 'reference' schemes keyed to box-office and awards success, to invest in new VOD platforms, etc.

Strategies behind these measures to be identified and discussed: for example, to raise the profile of national artistic talents, to strengthen producers' businesses, to reinforce independent distribution companies, to encourage and increase public access to films made with public funding, to help create a sustainable industry.

Which forms of support appear to be most effective? Can an increase in the domestic market share of national films be attributed to any new agency policy? Can any agencies point to measures that have led to better recognition of a country's cinema and attracted tangible interest and investment from overseas partners? And has there been other pro-active behaviour on the part of the heads and staff of agencies, not necessarily entailing direct subsidy, that has enhanced the image of 'their' films and talents in the eyes of other countries' industries?

A bigger role in the distribution of their sponsored films ought to enable agencies to gather more useful data on the comparative success of their output in the world market – data which may be vital

to making the case to governments for continued support of the creative industries. If this is not happening to the extent it should, what can be done?

2. Co-operation and Reciprocity in International Co-production

The work of agencies in promoting international co-production was a strongly featured topic of the first BPX workshop, held more than six years ago in Israel, but has not been examined in any depth since then.

Updates from agencies are due with regard to their openness to collaboration with other countries on behalf of producers in pursuit of finance for independent production, for example:

- by reserving part of their national funding resources for minority co-productions;
- by introducing economically driven incentive schemes for international productions based on local expenditure;
- by ratifying the 2017 revisions to the European Convention on Cinematographic Co-production;
- by pro-actively establishing agency-to-agency relationships for the purpose of tracking and encouraging reciprocal funding opportunities;
- by adopting any other relevant policies.

12.45 – 13.00 Timings and locations of next BPX workshops

Best Practice Exchange is an initiative of ACE Producers





Online Members' Meetings, October 2020

Tuesday 13th October at 16.00 CEST
Thursday 15th October at 09.00 CEST
Tuesday 20th October at 16.00 CEST

AGENDA FOR EACH MEETING

- Introduction of any new BPX members attending
- Short presentations by each member describing:
 - The most significant impact of the pandemic on the film industry that their agency exists to support, and
 - The new priorities and policies being actively considered by their agency for implementation from 2021 onwards, to enable the production process, the distribution sector and audience development activities to return to creative and economic health
- Debate and exchange of views on future best practice by agencies

(Running time: 75 minutes approximately)

Best Practice Exchange is an initiative of ACE Producers





COVID-19

IMPACTS AND NEW PRIORITIES

Presentation to BPX

Christa Dickenson



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Canada in times of pandemic

PARTNER OF CHOICE



The Covid-19 pandemic has disrupted the Canadian feature film industry in a unique way. On one hand, the emergency health measures implemented in mid-March have interrupted production on the sets and reduced close contact in filming. On the other, the crisis, out of the blue, interrupted commercial releases in theatres, at the same time drying up the prime sources of distribution revenue for films already produced.

The Federal Government has supported the Audio-visual Industry via Emergency Relief Funding, in two phases:

- Phase 1: \$500 million for the Arts, Culture and Sports, with a specific emergency assistance to digital media, television and film companies in the form of \$ 27 million for Telefilm clientele and \$ 88.8 million for the Canada Media Fund, which Telefilm administers;
- Phase 2: an additional \$27.8 million Emergency Support Fund for Cultural, Heritage and Sport Organizations, providing financial assistance to additional companies and organizations that were not eligible for Phase 1 of the COVID-19 Emergency Relief Fund.

Emergency Relief Funding

PARTNER OF CHOICE



COVID-19 Emergency Relief Fund

Equitable allocation, Top-ups for under-represented communities and interrupted shoots

Emphasized operational readiness, Prioritizing training and evolved HR policies

Active dialogue with industry, proactive communications elevating customer satisfaction



Attract Additional Funding and Investment



Evolve Funding Allocation Approach



Optimize Operational Capacity



Enhance Brands Telefilm & Canada

TELEFILM
CANADA

Top-ups for under-represented communities and interrupted shoots – Phase 1

PARTNER OF CHOICE



PHASE 1	# Beneficiaries		Amount	
	n	%	\$	%
Total	472	100%	26 830 232	100%
Base Financial Participation	472	100%	20 670 875	77%
Affected Projects Top-Up	15	3%	428 358	2%
Regional Companies Top-Up	190	40%	2 090 000	8%
Underrepresented Groups Top-Up	236	50%	3 641 000	14%
<i>Women</i>	156	33%	1 716 000	
<i>LGBTQ2+</i>	51	11%	561 000	
<i>Persons with disabilities</i>	6	1%	66 000	
<i>Indigenous</i>	27	6%	297 000	
<i>Official language minority communities</i>	26	6%	286 000	
<i>Racialised Communities</i>	65	14%	715 000	

Top-ups for under-represented communities and interrupted shoots – Phase 2

PARTNER OF CHOICE



PHASE 2 - Movie Theatre Program	# Beneficiaries		Amount	
	n	%	\$	%
Total	42	100%	752 000	100%
Base Financial Participation	42	100%	400 000	53%
Regional or Underrepresented Groups Top-Up	32	76%	352 000	47%
<i>Regional Company</i>	29	69%		
<i>Women</i>	13	31%		
<i>LGBTQ2+</i>	4	10%		
<i>Persons with disabilities</i>	1	2%		
<i>Indigenous</i>	1	2%		
<i>Official language minority communities</i>	5	12%		
<i>Racialised Communities</i>	6	14%		

Top-ups for under-represented communities and interrupted shoots – Phase 2

PARTNER OF CHOICE



PHASE 2 - Audiovisual Training and Development	# Beneficiaries		Amount	
	n	%	\$	%
Total	14	100%	606 135	100%
Base Financial Participation	14	100%	485 135	80%
Regional or Underrepresented Groups Top-Up	12	86%	121 000	20%
<i>Regional Company</i>	5	36%		
<i>Women</i>	7	50%		
<i>LGBTQ2+</i>	2	14%		
<i>Persons with disabilities</i>	0	0%		
<i>Indigenous</i>	1	7%		
<i>Official language minority communities</i>	3	21%		
<i>Racialised Communities</i>	5	36%		

Top-ups for under-represented communities and interrupted shoots – Regional Breakdown

PARTNER OF CHOICE



Provincial Breakdown by phase, Amount \$

Province	Phase 1		Phase 2 - Movie Theater Program		Phase 2 - Audiovisual training and development		Phase 1 + Phase 2	
	\$	%	\$	%	\$	%	\$	%
Ontario	10 899 726	40,6%	181 000	24,1%	371 250	61,2%	11 451 976	40,6%
Quebec	9 731 179	36,3%	139 000	18,5%	170 885	28,2%	10 041 064	35,6%
British Columbia	2 610 926	9,7%	143 000	19,0%	16 000	2,6%	2 769 926	9,8%
Nova Scotia	1 221 630	4,6%					1 221 630	4,3%
Alberta	713 715	2,7%	172 000	22,9%	32 000	5,3%	917 715	3,3%
Manitoba	662 126	2,5%			16 000	2,6%	678 126	2,4%
Newfoundland/Labrador	363 751	1,4%					363 751	1,3%
New Brunswick	307 241	1,1%	21 000	2,8%			328 241	1,2%
Nunavut	148 875	0,6%	16 000	2,1%			164 875	0,6%
Saskatchewan	49 000	0,2%	80 000	10,6%			129 000	0,5%
Prince Edward Island	73 438	0,3%					73 438	0,3%
North West Territories	48 625	0,2%					48 625	0,2%
TOTAL	26 830 232	100%	752 000	100%	606 135	100%	28 188 367	100%

TELEFILM
CANADA

Top-ups for under-represented communities and interrupted shoots – Regional Breakdown

PARTNER OF CHOICE



Provincial Breakdown by phase, number of projects

Province	Phase 1		Phase 2 - Movie Theater Program		Phase 2 - Audiovisual training and development		Phase 1 + Phase 2	
	\$	%	\$	%	\$	%	\$	%
Ontario	168	35,6%	14	33,3%	7	50,0%	189	35,8%
Quebec	159	33,7%	6	14,3%	3	21,4%	168	31,8%
British Columbia	62	13,1%	8	19,0%	1	7,1%	71	13,4%
Nova Scotia	27	5,7%		0,0%		0,0%	27	5,1%
Alberta	18	3,8%	7	16,7%	2	14,3%	27	5,1%
Manitoba	14	3,0%		0,0%	1	7,1%	15	2,8%
New Brunswick	10	2,1%	1	2,4%		0,0%	11	2,1%
Newfoundland/Labrador	8	1,7%		0,0%		0,0%	8	1,5%
Saskatchewan	1	0,2%	5	11,9%		0,0%	6	1,1%
Nunavut	2	0,4%	1	2,4%		0,0%	3	0,6%
Prince Edward Island	2	0,4%		0,0%		0,0%	2	0,4%
North West Territories	1	0,2%		0,0%		0,0%	1	0,2%
TOTAL	472	100%	42	100%	14	100%	528	100%

TELEFILM
CANADA



Relief Fund – Customer Satisfaction*

Enhance Brand Telefilm



Extremely grateful of TFC's support of filmmakers during the pandemic, of receiving responses/next steps from the front line team within 1 or 2 business days once applications opened



Ease of access to info online; guidelines are (fairly) clear and received in advance of application opening date – Essential Info Guide, recording of Town Hall very helpful supplementary info and people are referencing them



Very limited technical issues with Dialogue portal reported. Most queries about “where to find the application”, or to confirm that subsidiary/parent company accounts are linked



Ineligibility of past TFC clients (pre Apr 1/17) has come up on few occasions



There were a handful who contested TFC's decline/refusal



Top-up for underrepresented groups: Applicants were wanting more details about how the funds would be disbursed upfront versus having to wait until the 3-wk window to pass to learn

*Based on a 100% response rate to over 150 inquiries received (not including duplicate/ongoing exchanges with clients)

TELEFILM
CANADA

| 10

Insurance Issue

PARTNER OF CHOICE



Among the most complex and expensive situations the industry is facing are the basic needs of Insurance Coverage that extends to COVID-19 and Sanitary / Health Measures to get film sets up and running and ensure their safety and that they remain uninterrupted.

On September 25, the Federal Government announced an initiative to compensate for the lack of insurance coverage for audiovisual productions interrupted or abandoned due to COVID-19.

This \$50 million Short-Term Compensation Fund for Canadian Audiovisual Productions (STCF) is a temporary measure that will allow the industry to restart, and will compensate independent production companies for the interruption or shutdown of an eligible audiovisual production, due to confirmed cases of COVID-19.



In Quebec, the provincial agency - SODEC, has established, since July 15, 2020, a temporary revolving coverage program that will end on January 31, 2020.

This program aims to offer financial assistance to producers, covering a portion of the eligible expenses related to a temporary or permanent interruption of filming in Quebec due to COVID-19, when the interruption is not covered by the general audiovisual production insurance in force for the production.

Equity and Representation

PARTNER OF CHOICE



By late spring, as the world united with the Black Lives Matter movement, issues of systemic racism were brought forward, including in the Canadian Audio-visual Industry.

As a Partner of Choice, Telefilm Canada is committed to developing an industry that reflects a culture of mutual respect, dignity, and inclusivity; to creating a more representative film community, inclusive of Black, Indigenous, People of Colour creators as well as filmmakers from additional underrepresented communities and identities by giving greater access to our funding portfolios for current and future clients who have historically been disadvantaged by our processes, and work culture.

An Equity and Representation Strategic Framework and Action Plan was kicked off officially on July 2020, with immediate actions dedicated to creating a more inclusive industry.

One of our most important action to date relates to Data Collection, as Telefilm will now be collecting additional data on the corporate control of applicants and on key creatives (director, writer, and producer).

New Priorities

PARTNER OF CHOICE



Telefilm needs to develop new ways to further, and better, support companies that want to develop a competitive portfolio at the international level, especially through coproduction.

In order to optimize most effectively all of our programs, we must start with the backbone of our program architecture – the Success Index.

As such, Telefilm is initiating a pan-Canadian industry consultation on the Success Index. The consultation will also guide the optimization of our funding programs, including Development, Production, and Talent to Watch.

Telefilm wants to ensure that its programs remain relevant in order to help creators successfully adapt to the profound changes taking place in the audiovisual sector, changes that have not only accelerated, but have become even more pronounced during the COVID-19 crisis.

New Priorities

PARTNER OF CHOICE



Other programs and initiatives that Telefilm has already put in place or is looking into to better support the industry:

- Has updated the Development program with additional pool of funding to enhance access and opportunity for racialized filmmakers;
- Has pledged financial support towards the creation of a Black Screen Office in Canada, which will expand the reach of stories and works by Black filmmakers;
- Continues to improve support of movie theaters that are severely hurt by COVID-19 as they have remained closed for most of the last 6 months;
- Continues to showcase Canadian films via consolidated promotion campaigns at major international festivals, albeit virtually

In Conclusion

PARTNER OF CHOICE



The film industry is changing rapidly and on a global scale.

Our focus is on remaining competitive through thought-leadership, by optimizing our practices to best serve our clients of today and tomorrow, and by being bold in our pursuit of our goal.

Today more than ever, our clients need a strong and influential player— one might even say, “a partner of choice.”

PARTNER OF CHOICE



Stay safe and well!

New Zealand
FILM COMMISSION



Te Tumu Whakaata Taonga

BPX ONLINE MEMBERS' MEETING

Thursday 15 October 2020

Zoom

Chris Payne

Head of International Relations

www.nzfilm.co.nz

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QUESTION ONE

The most significant impact of the pandemic on the film industry that your agency exists to support.

ANSWER

Acceleration of Change

Disruption has accelerated the existing rapid pace of change in the sector, in particular the decline of theatrical, creating issues with how independent films are financed and throughout the value chain.

*What have we been doing during the COVID-19 period?
A selection of activities follows.*

- **Targeted Slate/Project Development Funds**
 - Business Support Programmes (€570k)
 - Additional Development Funds (€424k)
- **Launched Screen Sector Health and Safety Protocols (7 May 2020)**
Developed with Industry and Government
- **Announced Screen Recovery Package (1 July 2020)**
 - Screen Production Recovery Fund (€7,6m)
 - Premium Drama Fund (€28,3m) [Guidelines Being Finalised]
 - Screen Sector Capability Fund (€311k)
- **Insurance Indemnity Solution**
Developed with Industry and Government [Guidelines Being Finalised]

- **Borders Policy – Critical Workers Exemption**
Supporting Industry & Government
- **Virtual Market Participation**
e.g. Marché du Film Online – Provided Accreditations to 100 NZ Industry, and Delivered Two Virtual Panels and an Award-Winning Virtual Pavilion
- **Virtual Meetings Series for Experienced Producers**
 - *Sales Agents: 28 producers | 21 sales agents | 121 meetings*
 - *Financiers: 21 producers | 21 financiers | 111 meetings*
 - *US Platforms: 50+ producers | Four US platforms | 94 meetings*
- **Hunga Taunaki ā Rorohiko Online Mentorship Programme**
- **Regular Webinars for Industry**

QUESTION TWO

The new priorities and policies being actively considered by your agency for implementation from 2021 onwards, to enable the production process, the distribution sector and audience development activities to return to creative and economic health.

2021 Onwards – Continuing / New Activity – A Selection

- **Screen Recovery Package**
 - Screen Production Recovery Fund (€7,6m)
 - Premium Drama Fund (€28,3m) [Guidelines Being Finalised]
 - Screen Sector Capability Fund (€311k)
- **Insurance Indemnity Solution**
Supporting Domestic Productions and Official Co-Productions
- **Increased Flexibility**
 - Terms of Trade and Funding Guidelines Modifications
 - NZSPG Modifications

2021 Onwards – Continuing / New Activity – A Selection

- **Expanding the Sector – “Digital Destination and Partner of Choice”**
 - Animation – Feature & Other Long Form (Domestic/Co-Production)
 - Virtual Production
 - VFX & Post-Production (Growing Existing Activity)
- **Innovation in/New Approaches to Co-Production**
e.g. New Zealand-Canada Treaty (Increased Flexibility and Benefits)
- **Aotearoa New Zealand Screen Sector Strategy 2030**
Industry-Led; NZFC Supporting its Implementation and Workstreams

New Zealand
FILM COMMISSION



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BEST PRACTICE EXCHANGE ONLINE MEMBERS' MEETING

OCTOBER 20,2020

Mary Liza B. Diño

Chairperson & CEO

Film Development Council of the Philippines



MANDATE

The **Film Development Council of the Philippines (FDCP)** promotes and supports the development and growth of the local film industry as a medium for the upliftment of the aesthetic, cultural, and social values of the country for the better understanding and appreciation of the Filipino identity.

FILM DEVELOPMENT COUNCIL OF THE PHILIPPINES

MISSION

The **Film Development Council of the Philippines (FDCP)** is the national agency under the Office of the President of the Republic of the Philippines responsible for film policies and programs to ensure the economic, cultural, and educational development of the Philippine film industry. It aims to encourage the film industry to create quality films – from development, to production, to distribution and exhibition - and to conduct film-related events that enhance the skills of the Filipino talents. The agency also leads the film industry's participation in domestic and foreign film markets and local and international film festivals to promote and position Philippine cinema to be globally competitive. It is also tasked to preserve and protect films as part of the country's national cultural heritage through film archiving.

VISION

We envision a globally competitive film industry that contributes to the economic development of the country while championing our culture and heritage.

THE FILM INDUSTRY IN NUMBERS AS AFFECTED BY THE COVID-19 PANDEMIC

RANKED TOP 1 HARDEST-HIT BUSINESS SECTOR IN THE PH

A survey of the Department of Finance through the National Economic and Development Authority (NEDA) placed arts, entertainment, and recreation at number 1 in the Top 10 hardest-hit business sectors caused by the pandemic with the tourism sector coming in second.

PROJECTION OF PHP 9.5 BILLION REVENUE LOSS

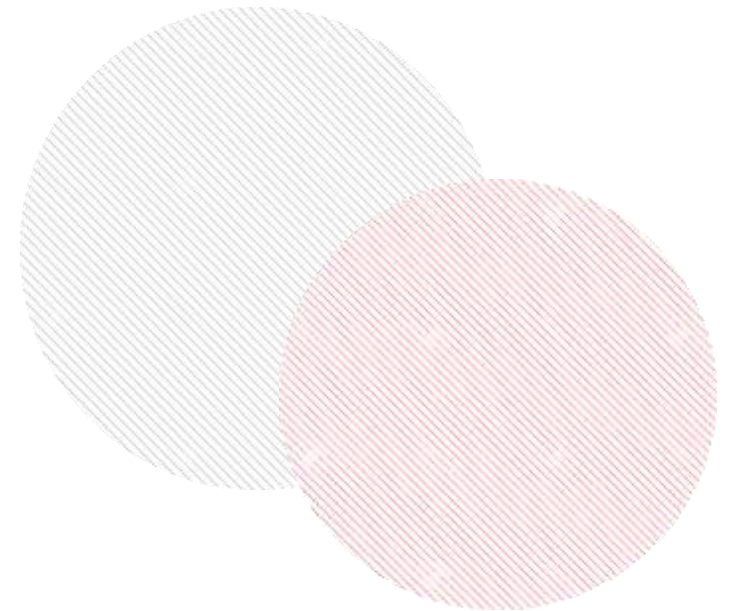
For the Philippine Cinema Box office (Exhibition Sector), there was a 47.52% income loss for the first quarter of 2020 (from January to March) compared to the 2019 Box Office. That means from an expected P1.8 Billion gross box office receipts; the gross went down to P 900 Million. With the cinema closures and the uncertainty of reopening date, there is a projection of 9.5 Billion pesos loss in revenue from the sector, losing 50 million audiences in 2020.

OVER 100,000 DISPLACED WORKERS

It is estimated that there are more than 100,000 workers in the film industry who have been displaced because of the pandemic, most of whom do not have a financial recourse.

ONLY 25% HAS RESUMED PRODUCTION

Through the data gathered by the agency, an estimated 180 film projects were canceled during the ECQ, with each production averaging at 15 Million Pesos per project projecting a 2.4 Billion pesos loss in the production sector. Only 25% of the industry has resumed shooting to this date.



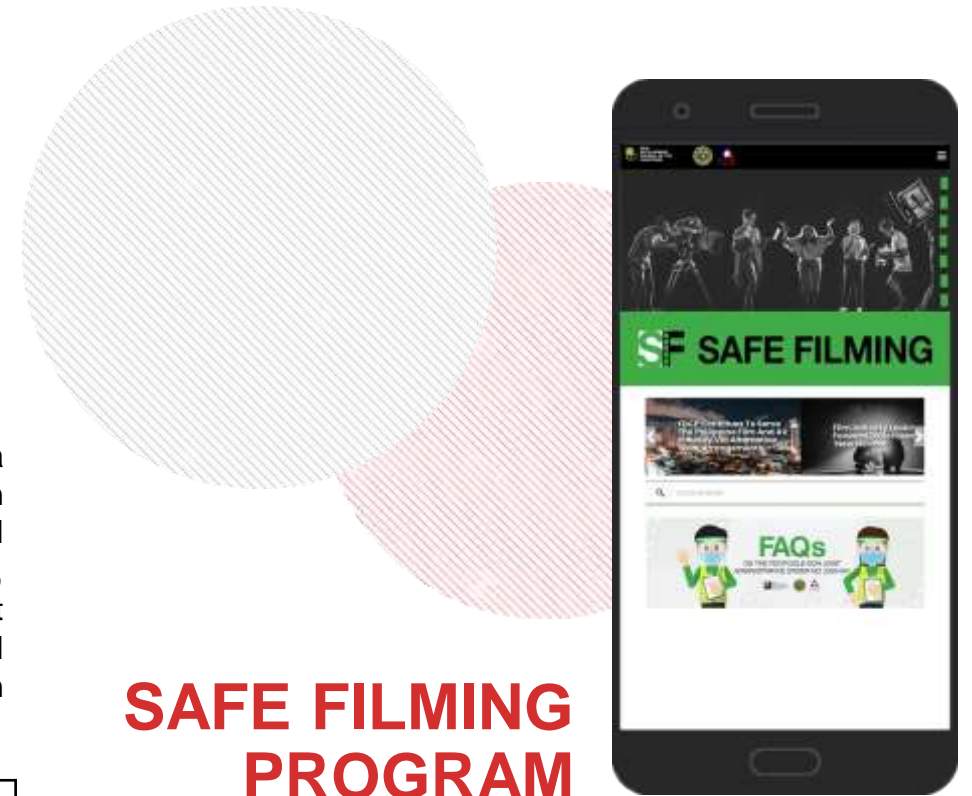
INDUSTRY SUPPORT

NATIONAL REGISTRY



The **FDCP National Registry** aims to organize a veritable database of all active film and television workers, audio-visual companies, audio-visual organizations, and film festivals all over the country, and open avenues for opportunities and activities that will promote the growth and development of the local audio-visual industry and promote its participation in both domestic and world markets.

Category	No. of Registered Workers
Workers	5,680
Companies	225
Organizations/ Associations	5
Events And Festivals	32



SAFE FILMING PROGRAM

The **Safe Filming Program** aims to create a global resource website that outlines the principles of safe production and provide information about systems, resources, forms, and all related documents and issuances to ensure working safely in Philippines for both local and international film productions. It shall also be a platform for an active collaboration with international film commissions and stakeholders to share best practices and updates especially with the constant assessment and management and risks of infection transmission.

INDUSTRY DEVELOPMENT



FULL CIRCLE LAB PHILIPPINES

Full Circle Lab Philippines is a capacity-building program aimed at supporting Filipino and Southeast Asian filmmakers. Through organizing the various labs ranging from the stages of pre-production to post-production, the program enhances selected projects from around the globe, elevating a particular film to its highest potential and allowing it to reach international standards.

FILM INDUSTRY CONFERENCE

The **Film Industry Conference** is a compendium of intensive workshops for film industry professionals, and aspiring filmmakers on a range of topics -- film programming & curation, marketing, camera, lighting, and sound, post-production, writing, and guidance to contracts and legal documents – featuring internationally-renowned and locally-acclaimed speakers. The workshops are conducted through one-on-one sessions, panel sessions, and film lectures



PRODUCTION SUPPORT



FILMPHILIPPINES INCENTIVES PROGRAM

FILM LOCATION INCENTIVE PROGRAM OR FLIP supports the service sector part of the industry where foreign productions work with line production companies in the Philippines can avail of a **20% cash rebate for their PH SPEND**. Audiovisual content in any format (live action, documentary, animation, short films, television series, web content, or content for alternative distribution platforms) in partnership with a duly-registered Philippine line producer may apply to the FLIP. A minimum spend of P8,000,000 is required.

INTERNATIONAL COPRODUCTION FUND OR ICOF supports the IP creation sector part of the industry where local productions co-produce with international co-producers in creation of films. A cash rebate of between 10%-40% co-production support based on eligible spend in the Philippines will be offered to the grantee with an eligibility requirement of Five Million Pesos (P5,000,000.00).



CREATEPHFILMS

CreatePHFilms is a funding program administered by the FDCP to encourage the production of quality films and the artistic creation of Filipino filmmakers through financial support for project development, production, post-production, and distribution.

DEVELOPMENT
SCRIPTWRITING
PROJECT
DEVELOPMENT

PRODUCTION
SMALL BUDGET
LARGE BUDGET

POST –
PRODUCTION

FILM
DISTRIBUTION

DISTRIBUTION SUPPORT

DOMESTIC DISTRIBUTION

Where foreign films still dominate the film distribution landscape in the Philippines, FDCP is making headway in initiating and implementing strategies to augment the positioning and revenue for original Filipino films in the country.

- **FDCP CHANNEL**

The **FDCP Channel** is a web and mobile app and web-streaming platform, available through IOS and devices to answer to the demands of the dominantly digital audience of today and provide an alternative platform for independent producers and distributors of Filipino films.

The Pista Ng Pelikulang Pilipino 4 festival will premiere in this platform on October 31, 2020.

- **CINELOKAL**

CineLokal is a partnership with SM Cinemas, the biggest cinema chain in the Philippines, that dedicates eight (8) cinemas for screening FDCP-curated films aimed for theatrical release. This allows FDCP to screen films that are worthy of a mainstream audience, but do not normally get booked in commercial cinemas, including but not limited to small and independent films, and foreign (Asian, European, etc.) content.

- **CINEMATHEQUE CENTRES**

The **Cinematheques**, as managed by the FDCP, are alternative venues for the screening of classic and contemporary Filipino films and a hub for film development programs and on-ground events that promote cultural exchange and nurture community's film culture.



Manila (100 Seats)



Davao (120 Seats)



Negros (77 Seats)



Iloilo (80 Seats)



Nabunturan (98 Seats)



Zamboanga (160 Seats)

INTERNATIONAL DISTRIBUTION

Films of the Philippines are gaining ground in world film festivals across the globe, appealing to different audiences that appreciate our unique brand of stories and visuals. FDCP is at the forefront of national efforts to ensure that our films reach international horizons and steadily achieve the standards of other foremost film cultures.

• SPOTLIGHT: PHILIPPINES

Spotlight: Philippines aims to promote Philippine Cinema globally through partnerships with international partners. This program showcases retrospectives or highlights significant milestones in our film history by curating films for international venues and exposing Filipino films to new global markets, thus building the brand of Philippine Cinema.

Festivals where Philippines was Spotlight:

1. Osaka Asian Film Festival
2. Far East Film Festival
3. Fukuoka International Film Festival
4. Busan International Film Festival
5. Exground Filmfest
6. Singapore International Film Festival
7. Karlovy Vary International Film Festival
8. Guanajuato International Film Festival
9. Locarno Open Doors

• PHILIPPINE EMBASSY ASSISTANCE PROGRAM

In partnership with the Department of Foreign Affairs and DFA Cultural Diplomacy Unit, FDCP has created the **Philippine Embassies Assistance Program (PEAP)** which provides assistance to Philippine Embassies and posts around the world to hold Filipino film festivals in their respective countries and the conduct of other film related and cultural activities.

This program was implemented to support Philippine embassies and posts in screening Filipino films to the diaspora to strengthen their spirit and promote and expose the Filipino culture for the foreign audience through cinema.

• UNIPHILIPPINES

Through the **UniPhilippines**, FDCP promotes the Philippines' participation in the major international film markets and widens the access of Filipino films to global distributors and audiences.



CHALLENGES (LACK OF POLICIES)

The film industry needs strengthening through the power of effective policy, in consultation with stakeholders and communities and their unified cooperation. FDCP works closely with other branches of government providing context to their initiatives in creating policy and legislation for more effective implementation.

INTELLECTUAL PROPERTY RIGHTS

In the Philippines, while the film and audio-visual industry is covered by the IP Law (RA 8293), there is no national IP rights system that is specifically contextualized for the film and audio-visual industry to address issues on acquisition of chain of title which involves a series of documents establishing proprietary rights in a film, remuneration rights for all stages of film production and valuation from each sequential cycle of exploitation of the film.

With the current shift on the film distribution having several platforms (theaters, online streaming sites, pay television and free television, etc.), the policies related to film distribution rights should be clearly defined and imposed to maximize commercial returns for each film.

DISTRIBUTION POLICIES

There is a need for a more equitable and efficient manner of distribution for Filipino films vis-à-vis its standing against foreign films in numbers of screens in national cinemas and other platforms. Regional productions across the country also need critical support for inclusion into the mainstream film culture, to give Filipino films better opportunities for exposure and revenue.

MINIMUM STANDARDS ON WORKING CONDITIONS

Many film and audiovisual workers are not afforded adequate safety and protection on the job, and many are still not compensated commensurate to their work and hours of work. Accountability for work-related accidents and health and safety issues is not clearly delineated..

DATA GATHERING & EVIDENCE-BASED APPROACH

BOOST (BOX OFFICE ONLINE SYSTEM AND TRACKER)

This is a non-intrusive industry data collection system that will give real-time and up-to-date box office information from cinemas across the country. The data will include information on the films, ticket sales, schedules of screening and others. This initiative will enable FDCP and other pertinent government agencies to monitor and analyze ticket sales and audience attendance which will serve as basis for development programs and government policies for the support of the industry.

MARKET RESEARCH ON THE FILM INDUSTRY

We need systematic and in-depth research on all aspects of the industry – history, culture, sales and revenue, audience profiles and behaviors, trends through time periods, challenges and limitations, and data from other countries that may have relevant implications for the development and current trajectory of our industry.

PARTNERSHIP BETWEEN PUBLIC AND PRIVATE SECTORS

Improved, real cooperation between government agencies and the salient organizations and communities that represent the interests of the private sector will hasten policy development and industry support initiatives, for faster and more effective implementation.



CHANGES IN THE POLICY STRUCTURE

FRAMEWORK ON THE INTELLECTUAL PROPERTY RIGHTS IN THE FILM AND AUDIOVISUAL INDUSTRY

A Framework on Intellectual Property Rights governing the Film and Audio-visual Industry is essential as this would outline all the rights that should be accorded to producers and content owners as films are produced and distributed. This would also serve as guide in protecting the integrity of the creations of each artist, filmmaker and producer in the industry.

INSTITUTIONALIZE CINELOKAL

One Screen per 6-Screen (or more) cineplexes must be dedicated exclusively for Art Films or Local Films.

INSTITUTIONALIZE DISTRIBUTION POLICIES

that would guarantee Filipino films to be in cinemas for a minimum duration of seven (7) days, or one week.

ENACT THE EDDIE GARCIA BILL INTO LAW

The proposed Eddie Garcia Act (owing to the senior actor Eddie Garcia who died as a result of an on-set accident for a television program) seeks to protect television, film and theater workers from job-related safety and health issues, promote proper working conditions and provide them with a safe work environment.





BEST PRACTICE EXCHANGE ONLINE MEMBERS' MEETING

OCTOBER 20,2020

Mary Liza B. Diño

Chairperson & CEO

Film Development Council of the Philippines