

Presence of Commissioner Oettinger at Venice Film Festival 2016

Saturday, 3 September 2016 to Sunday, 4 September 2016

I. Scene setter

You will chair and attend several meetings and open the second day of our European Film Forum Venice 2016 "Financing European works in the digital era" taking place in the margin of the Venice Film Festival this year.

Agenda

Your schedule will be as follows:

Saturday, 3 September 2016

- 21:15 Welcome for Commissioner Günther H. Oettinger (from Watertaxi disembarkment)
- 22:00 Dinner together with Article 4(1)(b) of the Biennale Article 4(1)(b) MEPs and high AV professionals. Venue: La Biennale's private dining room in the Casino

Sunday, 4 September 2016

- 10:00 – 10:15 Welcoming speech by Commissioner Günther H. Oettinger for the second workshop of the European Film Forum on the future of cinemas. Venue: Spazio Incontri at Hotel Excelsior.
- 10:30 – 11:00 Bilateral meeting between Commissioner Günther H. Oettinger and Article 4(1)(b) the Biennale of Venice Article 4(1)(b) at the festival. Venue: Article 4(1)(b) Article 4(1)(b) (Palazzo de la Biennale)
- 11:00 – 11:30 Press point of Commissioner Günther H. Oettinger and Article 4(1)(b) the Biennale of Venice Article 4(1)(b) Venue: Press area of the Venice Film Festival (Palazzo de la Biennale)
- 11:30 – 13:00 Roundtable on online exploitation of European works in cooperation with the EPC, to be introduced and attended by Commissioner Günther H. Oettinger. Venue: Sala Torcello (Excelsior Hotel 3rd Floor)
- 13:00 – 14:00 Lunch of Commissioner Günther H. Oettinger and DG Roberto Viola with MEPs and participants in the round table and European Film Forum event.

The main topic

For the second time the European Commission is organizing a conference during the Venice Film Festival to present latest developments on the Digital Single Market proposals, and notably the copyright package and seek feedback from AV stakeholders on the planned changes of the Creative Europe MEDIA subprogramme, the EU's support programme for the audiovisual industry.

The Venice International Film Festival is also an opportunity to celebrate the 25th anniversary of the Creative Europe MEDIA programme and to discuss the recent update of EU audiovisual rules as well as the upcoming proposals on the modernization of EU copyright rules to be presented in the autumn. The forthcoming copyright package intends further increase the circulation of European works across borders and supporting the adaptation of the audiovisual sector in the digital shift.

You will be present at the second day of the European Film Forum on **What Future for Cinemas?** (in cooperation with the Biennale, UNIC and Europa Cinemas) and at the roundtable on **online exploitation of European works in unsold territories**.

II. Objectives

A) On the EFF and on the future of Cinemas

Show to the public, essentially composed of professionals of the audiovisual industry, that you share the objective of cultural diversity and understand the current challenges and opportunities for Cinemas:

- Europe's strength lies in its **cultural and linguistic diversity** and audiovisual works and cinema express and foster this diversity; at the same time this means a fragmented European audiovisual industry struggling to finance its production and to offer them prominently on the market in an increasingly competitive online environment;
- Cinemas play a key role the generation of economic value for European films, but need to adapt to the digital shift as well as to changing consumer's behavior and taste. Besides, **Cinemas offer a special and incomparable social experience** to cinema lovers.
- The Commission encourages the exhibitors to embed innovation and experiment new approaches to increase the value and dissemination of European films and reach out to new audiences.

B) Roundtable on exploration of EU works

- Inform and discuss with the participants the legislative and non-legislative proposals put forward in the upcoming copyright package to foster the on-line access of culturally diverse content across borders.

A specific briefing with LTT and defensives has been drafted for each individual meeting/event:

- 1) Briefing and speech of the second day of the European Film Forum Conference on the future for Cinemas? (in cooperation with the Biennale of Architecture)
- 2) Bilateral meeting with Article 4(1)(b) the Biennale of Venice Article 4(10)(b)
- 3) Press point (to be completed based upon decision on content by the cabinet and SPP team)
- 4) Roundtable with stakeholders on online exploitation of European works

In addition to the briefings following backgrounds are attached for your ease of reference:

Annexes	Status
- Cinemas in Europe	I
- Accompanying measures	II
- Cultural and Creative Sectors Guarantee Facility (CCSGF)	III
- Creative Europe MEDIA sub-programme	IV
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Contact(s): Article 4(1)(b) **DG CNECT, tel.** Article 4(1)(b)

**Commissioner Oettinger at the
European Film Forum Venice 2016 - Day 2 - What future for Cinemas?
Sunday, 4 September 2016, 10:00**

I. Scene setter

For DG CONNECT: Roberto Viola, Director General, and Article 4(1)(b) DG CNECT

For the Cabinet: Anna HEROLD (Cabinet of Oettinger)

Estimated duration: 15 minutes

In the framework of the European Film Forum, the European Commission in cooperation with the 73rd Venice International Film Festival and the Venice Production Bridge organises two workshops on access to finance (3 September from 15.00 to 17.15 – Sala Stucchi) and on the future of cinemas (4 September from 10.00 to 13.00 – Spazio Incontri) in the Hotel Excelsior, Lungomare Marconi, Lido di Venezia.

The first event will be the occasion to discuss the new guarantee facility for the cultural and creative sector recently launched with the European Investment Fund, as well as new modes of investments. The second event, which will be opened by European Commissioner Oettinger, in charge of the Digital Economy and Society, will focus on how cinemas can fully reap the benefits of digital technologies.

Your keynote of max 15 min. will be in English and this will be followed by two moderated panel discussions.

Agenda:

10:00 – 10:15h Speech of the Commissioner as opener of the second day of the European Film Forum on the Future of Cinemas.

Objective(s):

Show that the Commission appreciates the role of the cinemas as distribution channel for films but at the same time, wants to incentivize exhibitors to adapt and reap the opportunities brought about by the digital shift.

Their Position

- The conference gathers AV professionals from across the value chain, with a particular focus on cinemas exhibitors. So a wide range of Cinema owners will be present especially from associations like UNIC (International Union of Cinemas), CICAIE (Confédération Internationale des Cinémas d'Art et d'Essai) and Europa Cinemas.

- Cinemas need to survive in competition with VoD platform and downloading of films. Audiences nowadays have a myriad of entertainment offers available at the tip of their fingers.
- The exhibitors are gradually adapting their business models to the new market and consumer realities. Cinema theatres sit firmly in this new experience paradigm, with technology, services and design driving new possibilities in terms of attracting audiences for international, European and local films.
- The exhibitors industry is likely to argue that the European sector has quietly consolidated its position as a key building block of the global industry, now representing almost a quarter of World box office. 2015 was an extraordinary year for the industry in Europe: audiences are increasing in Europe 6% as well as revenues 12.5 % compared to the previous year. However, the increase in the box office was primarily driven by the American blockbusters.

Our Position

- The European Film Forum (EFF) was formally launched by you in February 2015 in Berlin. Its aim is to develop a strategic policy agenda for the film sector with respect to challenges and opportunities brought about by the digital revolution.
- The Commission's Digital Single Market (DSM) Strategy aims to improve access to digital and audiovisual content. It is essential to discuss how to enhance the competitiveness, visibility and innovation in European audio-visual works and how to ensure a sustainable financing of EU works.
- We seek to support competitiveness and cultural diversity in Europe's' Cinemas landscape. Cinema owners/operators are using new technologies, but a good allocation throughout Europe has to be developed. Cinemas are more than places to screen films, they are recreational spaces, where people dream, meet, exchange. This has to be part of future Cinemas.

Line to Take

- A strong, innovative and creative European film sector is important for the competitiveness of our economy but it is fundamental for the preservation and promotion of our shared European values and cultural diversity. Cinemas are a key player in this.
- There is no hiding from a digital world and this digital world is transforming many business and industries – Cinemas included. Consumers have more access to digital content, whether it is at home or on mobile devices and even across borders.
- One of the main Commission's priorities is the Digital Single Market strategy, which involves modernising copyright rules in the light of this digital revolution. The goal is to improve availability of creative and cultural content and we therefore want to support Cinemas that are both competitive and attractive for the consumers.
- This European Film Forum Venice 2016 is therefore important to us, as we listen and learn how to support the European Cinema landscape for both the European AV industry and the consumers.

II. Speech

Ladies and gentleman,

Introduction

I welcome the opportunity to debate, in the context of the Venice Film Festival and the Biennale of Architecture, on what is needed to make cinemas' future, a success story for the European audiovisual industry.

We Europeans can be considered the proud inventors of the cinema theatre. The world's oldest movie theatre was the Eden in La Ciotat, France. It was at the Eden that the Lumière brother screened their first moving picture in 1899, which shows a steam train pulling into a station, and passengers getting on and off. The legend says that, spectators were so terrified at the image of a train moving towards them, that they left their chairs in panic.

This is what cinema theatres were done for: to show the magical collective experience of moving images on a big screen in the dark.

The challenges of cinemas theatres

And today more than ever, Cinema remains a special and incomparable experience. That's what recent figures of the European Audiovisual Observatory show us.

2015 was an exceptionally good year for European cinema theatres, with an EU break gross box office record, which rocketed to around EUR 7.3 billion. This is 16% higher than the previous year and represents - the highest level on record.

The phenomenal figures are due to a great extent to the sustained investments made by cinema operators to embrace technological innovation, improve the cinema experience, display a more diversified programming and reach out to wider audiences.

Overall, 90% of the European cinemas have digitized their screens. But this robust figure hides significant differences across EU Member States. By the end of 2015 only total of 19 EU Member States had converted 90% or their screen base. We, on the political level, and you, as Cinema operators and owners, have to work on the digitization in those countries that haven't finished this process yet.

But we should not shy away: Box office growth was primarily driven by US major studio titles. US films took a market share of around 64%. In contrast, admissions for European films were declining. The European market share in the EU dropped from its exceptional 2014 record level of 33.5% to an estimated 26.1%, the lowest level in the past five years.

This shows that we need to work even more together, to make European works more widely accessible, visible and prominent. This is essential to foster our cultural diversity and promote our shared values. We would like to see more European films on display in cinemas across the Union and we would like Europeans to watch and enjoy them.

The digital challenge and the Digital Single Market

There is no hiding. We are living in a digital world. And this digital world is transforming many business and industries. New companies with different business models are challenging industry stalwarts which would have thought it unimaginable just a few years ago.

Even the film business is facing a digital transformation. This is here to stay. And this affects the modes of distribution of EU content. The citizen may enjoy a connected lifestyle, where content can be accessed and retrieved on different platforms and different legal environments.

The pace of innovation is relentless, consumer behaviour is changing and this presents challenges but also tremendous opportunities for industry. And this means, more than ever, that we have to do our best to support European audiovisual works and European cultural diversity, to be part of this game.

Within our Digital Single Market Strategy, we are working on various proposals, notably to modernise copyright rules in the light of this digital revolution. The goal is to improve availability and access of creative content, taking a step by step, pragmatic and targeted approach rather than a complete overhaul of the existing system.

In December last year, the Commission presented a first set of proposal focusing on portability. The Commission will adopt on 23 September a second package of legislative proposals to promote a wider access to content across the Union, taking into account the need to ensure:

- a fair balance between creators and users wish to access content more easily;
- a fair remuneration of those intervening in the creative process and
- a proper enforcement of copyright legislation.

We are aware of the importance of cultural diversity, diverse distribution channels and the need to embrace audiences in a linguistically and culturally relevant manner.

We have reflected these principles in our planned measures to accompany the upcoming legislative proposals, for example, the development and deployment of appropriate search tools as regards film on offer, both in cinemas and in VoD platforms, or for promoting a more efficient use and financing of subtitling.

Creative Europe

This year we are celebrating the 25th anniversary of the MEDIA programme.

And Europa Cinemas, a unique cinemas network focusing on the promotion and exhibition of non-national European films, is possibly one of the most tangible and visible success stories of our programme.

The reach of the network is impressive: it covers 41 countries, 616 cities, more than 1,000 cinemas and 2,357 screens. We are proud to partner with this vibrant community of cinema operators industry to disseminate the best of European culture. It is supported by Creative Europe MEDIA with an amount of 10.4 million Euros per year.

We know that many cinemas of the network have already embraced innovative approaches and are reaping the benefits of digital to enlarge their audiences.

And you are not alone in this endeavour. The Commission is fully committed to support Europa Cinemas in the implementation an ambitious innovation agenda.

As partners, we encourage to engage more strongly with younger audiences and to achieve a greater presence in some parts of Europe, notably Eastern Europe. But also, we would like to work hand in hand with the community of cinema operators in the development of new forms of promotion and distribution of European films.

In a digital world that is becoming more borderless, there are different solutions enabling European films to maximize audience. Our experience has shown that there is no one size fits all approach in this area that works. It depends on the films themselves and on the rules on the countries where they are distributed.

To fully reap the benefits of the digital transformation, collaboration across the value chain, between producers, sales agents, distributors and exhibitors is a must. Each actor remains dependent on the other for its own success. This is why, within the framework of MEDIA, the Commission will explore the development of collaborative partnerships for the cross border distribution of a slate of films and for all the cross border promotional and social media activities that this requires.

We see this as a good strategic move which will increase the access and visibility of high quality European films across countries. We will of course build on our strategic partnership with Europa Cinemas and also, increase the visibility of EU films in important industry gatherings such as CineEurope.

The cinema theatres themselves also need to adapt to make the big screen experience as attractive as possible. We know that Cinema is a complex structure – from a smoothly working ticket system to an attractive programme. From a perfect sound to a great screen. From a façade welcoming the audience to an interior design helping them, helping us to dream, to live and love stories. Thus, architecture and design are also important component for driving innovation in Cinemas. For decades cinema's designs have defined the user's experience. Today, technologies can provide to cinema-going public a unique, immersive entertainment experience of the type that only a big screen in the dark room can provide.

Conclusion

Before finishing my speech let me go back to La Ciotat and the Eden. The theatre went through difficult times and had to close in 1995. But after a refurbishment and facelift it reopened in October 2013 to become a flourishing art house theatre. It has now an all-new life with thrilling programming including heritage films and became a meeting place for the city.

The future of theatres is clearly linked to digital and new technology. But we also need intelligent and creative ideas allowing theatres to maintain and enhance the magic of the cinematic experience and make the most of a market with unparalleled diversity of languages, cultures and film content.

I hope the discussion will be fruitful and help drive our common agenda forward.

Author: Article 4(1)(b), I.3 DG CNECT, tel. Article 4(1)(b)

III. Background

THE EUROPEAN FILM FORUM (EFF)

The EFF was launched by the Commission in its 2014 Communication on European Film in the digital era. It provides a **platform for a structured dialogue** between policy makers and stakeholders in the audiovisual sector. Its aim is to develop a strategic policy agenda opening up new perspectives to address the challenges and opportunities of the digital revolution.

It addresses a problem, which is well-known: "few European films are distributed outside their production territories" and with time this gap between production and audiences is not decreasing, to the contrary. The Commission has proposed a diagnosis in particular: structural weaknesses of the European industry due its fragmentation, the shortcomings of financing, the weak investment in development, promotion and distribution and the shortcomings in entrepreneurial skills.

It has also proposed to join forces and address the problems identified through a comprehensive strategy covering different areas:

- review the financing environment: public funding including the issue of involvement of newcomers in the value chain; access to private financing through financial instrument;
- promote an innovative business environment: including adaptation of the copyright framework, and of the AVMS Directive; promote the possibility of experimentation notably with windows;
- strengthen the creative environment through training and the development of new skills notably in business;
- work on strategies and tools to increase both the possibilities of access and the demand for European films: visibility and discoverability, development of legal offers, work on subtitling, film education.

Today, more than 2 years after its official announcement, the EFF is a reality: it was launched last year in Berlin by Commissioner Oettinger in a debate with the audiovisual industry on innovative business models.

It has been the frame of several public events:

- in festivals on different issues identified as crucial such as audience development, new business models, talents and training, and on promotion, prominence and discoverability of European works;

In 2015, dialogues were organised at 7 key venues and in 2016 in 4. More are coming this year notably in:

- Venice on 3 – 4 Sept 2016
- San Sebastian on 16-24 September 2016
- Cinekids in October 2016 (dates for EFF tbc)
- MIPCOM on 17 - 20 October 2016 (dates for EFF tbc)
- Tallinn on 11 – 27 November (dates for EFF tbc)
- BOZAR on 1-2 December 2016

Beyond these events, we have

- developed a structured partnership with the Film agencies directors (EFADs): this is essential since public support comes essentially from MSs and regions (2.1 bn per year; 3 bn if we count tax incentives against 100 million from MEDIA);
- held informal meetings with stakeholders on a regular basis.

The EFF has also stimulated voluntary initiatives from the private sector (Working group of producers, distributors, sales agents, cinemas, broadcasters and VoD services) who proposed voluntarily to present solutions to improve the accessibility and circulation of films in Europe.

Finally, the EFF has also been the frame of policy discussions between the Commission, especially Commissioner Oettinger and Vice President Ansip and the different segments of the audiovisual industry including directors and film makers on regulatory issues i.e. the DSM, the copyright reform and the AVMSD.

The European Film Forum is designed to lead, by the end of 2017, to concrete adaptations of European funding systems and clear recommendations for Member-States and the industry. It will also be used in the context of the review of the MEDIA sub-programme of the Creative Europe programme.

Article 4(1)(b), **DG CNECT, I.3 tel.** Article 4(1)(b)

Europa Cinemas

Founded in 1992 with funding from the MEDIA programme (Creative Europe) and from the Centre national du cinéma et de l'image animée (CNC), Europa Cinemas is the first film theatre network focusing on European films.

It is supported by Creative Europe MEDIA with an amount of 10.4 million Euros per year.

Its objective is to provide operational and financial support to cinemas that commit themselves to screen a significant number of European non-national films, to offer events and initiatives as well as promotional activities targeted at Young Audiences.

Thanks to the support of Eurimages and the French Ministry of Foreign Affairs, the influence of Europa Cinemas extends to Eastern European countries, to the Balkans and to Turkey.

Europa Cinemas also supports exhibition and distribution of European films in Asia, Latin America and the southern Mediterranean countries within the scope of Europa Cinemas Mundus.

The network in figures

41 countries, 619 cities, 1,037 cinemas, 2,537 screens

MEDIA: 33 countries, 578 cities, 976 cinemas, 2,337 screens

EURIMAGES: 3 countries, 36 cities, 55 cinemas, 185 screens

MAE: 5 countries, 5 cities, 6 cinemas, 15 screens

IV. CVs of relevant participants during your presence

Article 4(1)(b)

Article 4(1)(b)

Article 4(1)(b)

Article 4(1)(b)

**Commissioner OETTINGER: Bilateral meeting with Article 4(1)(b) the
Biennale of Venice Article 4(1)(b)**

at 10:30 – 11:000 on 4 September 2016

Article 4(1)(b) **(Palazzo de la Biennale)**

I. Scene setter

The Venice Biennale has for over a century been one of the most prestigious cultural institutions in the world. Established in 1895, the Biennale has an attendance today of over 370,000 visitors at the Art Exhibition. The Venice Film Festival founded in 1932 as the first film festival ever organized worldwide and one of the "Big Three" along Cannes and Berlin.

La Biennale die Venezia is interested in reaching out to the future not only in bringing together different sectors of art but also crossing boundaries for example for being the pioneer in short listing Netflix's hugely discussed first feature film "Beasts of no nation" at the Venice Film Festival 2015.

For DG CONNECT: DG Roberto Viola, Article 4(1)(b)

For the Cabinet: Anna Herold

Estimated duration: 25 minutes

Objective(s):

- To thank for the cooperation and to already propose an exchange in the future.
- To underline the Commissions approach in supporting innovation in the creative sector encompassing both digital issues as well as innovative means of financing.
- To that skills and innovative training are an important aspect and that you therefore welcome the support of the Biennale College (skills programme of the Biennale) via Creative Europe MEDIA.

Their position

- La Biennale tries to balance quality (in an artistic sense) and market considerations.
- Furthermore they were working on ideas how to reform the Venice Film Market to offer the AV industry a modern and valuable support for access to market.
- They think it is it is not so much the market of selling produced films that is of interest but the financing of the production of films ('the last mile') and the to work on a larger distribution (particularly for European films).

Our position

- EC and la biennale have a common interest in further developing the links between the art world and the technology world at large.

- There room for deepening the collaboration. Thus, a brainstorming could be organised between EC services and la Biennale to explore avenues for co-operation on areas of common interest, covering audiovisual matters (DSM, copyright and the MEDIA programme) but spanning to other activities linking art and technology in various way (e.g. sustainable cities), digitalisation of arts works or Cultural and Creative industries.

II. Speaking points

- Thank you for the good cooperation with the Biennale.
- We are proud of our association with la Mostra, which is not only the first film festival ever created, but, also one of the most renowned worldwide and a leading European hub for the audiovisual industry.
- Beyond audiovisual matters, we also interested in the Biennale's approach to combine culture and technology, arts and industry, and skills and innovation. We would like to explore possible avenues for cooperation on these broader matters.
- We have a heavy agenda in the coming weeks and months on issues that will surely be of interest to you.
- Adapting to the Digital Age will require a carefully balanced policy toolbox, combining legislative and support measures, aimed to help the AV industry adapt and thrive in the digital era.
- On the legislative side, we will soon propose a number of legislative proposals to ensure wider access to content across the EU, a number of exceptions to digital and cross border environments p, achieve a well-functioning market place for copyright and an effective enforcement system.
- A number of industry-led support measures aimed to support enhanced availability and visibility of European content including cross borders will accompany these legislative proposals.
- Structured stakeholder dialogue is a cornerstone of our support agenda. We have initiated a constructive dialogue on a number of issues, from subtitling to promotion of European content. We will soon expand this dialogue to cover licensing and other legal issues hindering the distribution of woks on line.
- We are celebrating 25 years of MEDIA our EU programme supporting the audiovisual industry. This allows us to not only to take stock, but also to look into the programme's future outlook and

strengthen its contribution to the Digital Single Market strategy objectives

- I am pleased that MEDIA is currently supporting the Venice Production Bridge (former Venice Film Market) and will soon also support the Biennale College.
- I would like to discuss with you how we could help you strengthen the synergies between the Festival, the Film Market and the Skills programme activities, to consolidate Venice as one of the majors European film hubs.

Author: Article 4(1)(b), I.3 DG CNECT, tel. Article 4(1)(b)

III. Background

La Biennale di Venezia Cinema and Creative Europe MEDIA

The Venice Biennale has for over a century been one of the most prestigious cultural institutions in the world. Established in 1895, the Biennale has an attendance today of over 370,000 visitors at the Art Exhibition. The Venice Film Festival founded in 1932 as the first film festival ever organized worldwide and one of the "Big Three" along Cannes and Berlin. The 72nd Venice International Film Festival took place from 2 - 12 September 2015 and the Venice Film Market (VFM) the 3 - 8 September 2015.

La Biennale di Venezia is interested in reaching out to the future not only in bringing together different sectors of art but also crossing boundaries for example for being the pioneer in short listing Netflix's hugely discussed first feature film "Beasts of no nation" at the Venice Film Festival 2015. In this year's Festival 55 new feature films were screened in the Official Selection and 16 new short films. In general 3193 film (1740 feature and 1453 short films) were viewed.

The VFM 2015 showed again a very positive increase in the number of professionals attending the market, with more than 400 production companies and 200 distribution companies. In addition, some 1,700 professionals, including producers, film commissions and institutions, exhibitors, film festivals etc., attended the VFM.

I.6 started working with the Venice International Film Festival-La Mostra as part of La Biennale in 2015. Within the framework of the European Film Forum, an event on "Cross Culture – a driver for a Creative Europe" was held on 5 September 2015. In exchange with DG Roberto Viola and the President of the Biennale Paolo Baratta on 9 February 2016 a stronger collaboration was agreed. A result of this exchange is this year's EC event at the Venice Film Festival.

Creative Europe MEDIA at the 73rd Venice Film Festival

This year, **8 films supported by the MEDIA subprogramme** will be screened at the Venice Film Festival 2016, and some will compete, in the Festival's selections:

Official Selection - Venezia 73

- Une Vie, by Stéphane Brizé, supported at the development and distribution stages
- Frantz, by François Ozon, supported the distribution stage
- Les Beaux Jours d'Aranjuez, by Wim Wenders, supported at the distribution stage

Official Selection - Out of Competition

- The Journey, by Nick Hamm, supported at the distribution stage
- Safari, by Ulrich Seidl, supported at the distribution stage
- Planetarium, by Rebecca Zlotowski, supported at the distribution stage

Official Selection - Orizzonti

- King of the Belgians, by Peter Brosens and Jessica Woodworth, supported at the development stage

International Critics' Week

- Le Ultime Cose, by Irene Dionisio, supported at the distribution stage

Activities supported by Creative Europe Media

The **Venice Production Bridge** (former European GAP Financing Market / Venice Film Market), a co-production and a co-financing market for European projects having secured at least 70% of their budget. The objectives of the European Gap Financing Market (EGFM) are first to help European producers to complete their financing and then to create a networking opportunity for both the producers on one side and the financiers (including the distributors, the sales agents and the post-production companies) on the other side. As the projects have to have secured 70% of their budget, they are more appealing to equity and financial investors and financiers as well as the sales agents, distributors and post-production companies which are more and more interested to act as co-producers.

CE MEDIA supports yearly 60.000€.

Biennale College CINEMA & Hybrid: The Biennale College - Hybrid is a programme developed to navigate the most innovative and exciting technology of today - Virtual Reality. In its approach to exploring the aesthetic and narrative opportunities offered by this new form Hybrid provides filmmakers and creative professionals with the skills to prepare them to fully engage with 360° interactive immersive future. The Biennale College – Cinema is a creative community that explores the aesthetics of micro-budget feature length filmmaking (between 150.000€ and 250.000€) and the new integrated models of production which engage with an audience from the outset. The decision on the call was just now met and CE MEDIA will support the two projects with 190.000€ in 2016.

Art Cinema = Action + Management training cinema managers, operators and programmers in how to manage art house cinemas Grant. A training run by the Confédération Internationale des Cinémas d'Art et d'Essai (CICAE). CE MEDIA supports yearly 145.000€.

Creative Europe Desk Media offices Italy

The Creative Europe Desk Italy MEDIA offices (the one stop shops for Creative Europe, which exist in 38 countries) are present at the Venice Film Festival 2016 in the Italian pavilion to advice and support the industry.

Biennale College – Cinema

The **73rd Venice Film Festival** will screen **four feature films selected, developed and produced at Biennale College – Cinema**, a laboratory for advanced training dedicated to the production of low cost films. The laboratory was created by the Biennale di Venezia in 2012 and is open to young filmmakers from all over the world.

- **La Soledad** by Jorge Thielen Armand (director, Venezuela), Adriana Herrera (producer, Venezuela), Rodrigo Michelangeli (producer, Venezuela), Manon Ardisson (co-producer, United Kingdom) (first feature); with José Dolores López, Marley Alvillares, Adrializ López, Jorge Roque Thielen, María Agamez.
- **Mukti Bhawan (Hotel Salvation)** by Shubhashish Bhutiani (director, India), Sanjay Bhutiani, (producer, India), Sajida Sharma (producer, India) (first feature); with Adil Hussain, Lalit Behl, Geetanjali Kulkarni, Palomi Ghosh, Navnindra Behl, Anil K. Rastogi, Maya Alagh.
- **Orecchie** by Alessandro Aronadio (director, Italy), Costanza Coldagelli (producer, Italy) (second feature); with Daniele Parisi, Silvia D'Amico, Pamela Villaresi, Ivan Franek, Rocco Papaleo, Milena Vukotic, Piera Degli Esposti, Massimo Wertmueller, Andrea Purgatori, Sonia Gessner, Paolo Giovannucci, Niccolò Senni, Francesca Antonelli, Re Salvador, Silvana Bosi, Masaria Colucci.
- **Una Hermana (One Sister)** by Sofía Brockenshire (director and producer, Canada), Verena Kuri, (director and producer, Germany), (first feature); with Sofía Palomino, Adriana Ferrer, Saúl Simonet, Sebastián Carbone, Eugenia Alonso.

Biennale College – Cinema, organized by the **Biennale di Venezia** and supported by the **Ministry of Cultural Heritage and Activities – Cinema Head Office**. Academic collaboration is provided to **Biennale College – Cinema** by **New York's IFP**, **Torino FilmLab** and the Busan International Film Festival. **Alberto Barbera** is the Director, **Savina Neirotti** is the Head of Programme.

July 1 marked the conclusion of the application period for the **fifth edition (2016-2017) of Biennale College – Cinema**. Applications were received from over 65 countries. In the upcoming weeks, the selection process will be held to choose the next **12 projects and teams** which will be invited to participate in the first workshop in October, the initial stage of a development process that will conclude at the 2017 Venice Film Festival with the projection of three new low-cost films. The names of the 12 selected projects will be announced during the **Biennale College – Cinema press conference** at the Lido on the 4th of September.

IV. CV of relevant participant

Article 4(1)(b)

**Press Point of Commissioner OETTINGER and Article 4(1)(b) the Biennale of
Venice Article 4(1)(b)
at 11:00 – 11:30 on 4 September 2016
Press area in front of the Palazzo de la Biennale**

I. Scene setter

Disclaimer:

To be completed based upon decision on the content by the Cabinet of GH0 and SPP team and in the light of the developments on the upcoming communication / announcement on copyright.

The participation of President of the Biennale of Venice Paolo Baratta will add value and visibility to this event.

The short statement will be followed by a Q&A session with the invited international press (in ENG).

For: DG CNECT

For DG CONNECT: Article 4(1)(b) (I.3 DG CNECT)

For the Cabinet: Anna Herold Article 4(1)(b)

Estimated duration: 30 minutes

Author: Article 4(1)(b), **I.3 DG CNECT, tel.** Article 4(1)(b)

III. Background

25 YEARS OF MEDIA

MEDIA has supported the European audiovisual industry for the last 25 years.

For the last 25 years it has provided co-financing in the fields of development (fiction, drama, documentary), training for audiovisual industry, and promotion and distribution of European works. By focusing on early-stage development as well as distribution, the programme has given European film productions large competitive advantages over outside art-film productions.

MEDIA also has the aim of supporting access to finance for audiovisual companies, an objective which is addressed with the launch of the Cultural and Creative Sectors Guarantee Facility (CCSGF) earlier this year. Finally, MEDIA has an important role to play in European support for film literacy and cultural heritage.

There is no doubt that the high profile of the programme is linked to the support of the best of European film. Since 1991 MEDIA has co-financed some of the jewels of European cinema, critically acclaimed at festivals such as Festival de Cannes. This year, no less than 9 films supported by MEDIA will be competing in the Official Competition, out of 21 entries. In the past 25 years, 40 films cofinanced by the programme have been awarded the Palme d'Or, the Grand Prix or the Prix de la mise en scène.

TV series co-funded by MEDIA are also doing very well. In particular, the "Nordic Noir" genre is currently sweeping the television world. In videogames, MEDIA supported the development of European games such as "Trine 3" and "The Witcher3: Wild Hunt".

At this very difficult period in the evolution of the European project, audiovisual works supported by MEDIA can encourage citizens to engage with the big issues facing us all – the challenges of migration so poignantly addressed in films like last year's Palme d'Or winning "Dheepan"; international crime through series such as the MEDIA supported "Last Panthers" and "The Team"; the challenges facing young people in a Europe of evolving value systems in films like the Lux Prize winning "Mustang".

In Cannes, we launch the anniversary of MEDIA to celebrate European creativity, competitiveness and diversity. The year-long campaign will pay tribute to European works which drive our imagination. Our slogan is "we all love stories", and the European TV, video game, and cinema industries are our providers. MEDIA will be active on social media and at events and will provide content which puts our storytellers first. The celebration will be with two full days of programme in Bozar, on 1 and 2 December 2016.

Article 4(1)(b), DG CNECT I.3, tel. Article 4(1)(b)

Roundtable discussion with stakeholders on online exploitation of European works

4 September 2016, 11:30 - 13:00

Sala Torcello (Excelsior Hotel 3rd Floor)

I. Scene setter

This round table discussion will be held in the run up to the adoption of the second package of copyright proposals scheduled on 21 September. The package includes also a set of support measures intended to make European works more widely accessible. The round table will provide an opportunity to discuss in particular how to enhance access to and availability of European audiovisual works on video-on-demand (VoD) platforms.

The list of participating stakeholders (is attached together with photos and short bios as at the delivery date of the briefing.)

Updates will be sent prior to the meeting in the light of the developments on the upcoming communication / announcement on copyright and concerning participants.

For DG CONNECT: DG Roberto Viola and Article 4(1)(b)

For the Cabinet: Anna Herold

Estimated duration: 1h30 (11:30-13:00)

Agenda:

1. DG Viola - Opening remarks by Commissioner Oettinger as soon as you are arrived
2. Exchanges of views with the stakeholders: brief statements by each stakeholder followed by a discussion on how to foster access for European works online
3. Closing of the meeting by Commissioner Oettinger

Objective(s):

The purpose of this roundtable is to have an informal exchange of views with a limited number of audiovisual stakeholders on the measures aimed to foster the on-line dissemination of EU works and, unblock VoD exploitation rights included in the upcoming copyright communication of 21 September, and in particular on:

- Promoting licensing hubs, i.e. online tools that allow the digital distribution of EU works also in countries where they have not been released theatrically or where there is no national distributor.

- Seeking ways to incentivize stakeholders receiving support from MEDIA to be made available in territories where no distribution agreement has been signed.
- Discussing licensing and other legal issues hindering the exploitation of EU works in VoD platforms. The Commission will propose in the upcoming copyright communication a structured multiparty stakeholder dialogue to examine these legal issues. The dialogue will complement the negotiation mechanism set out in the upcoming draft Directive on Copyright in the Digital Single Market.

Through this stakeholder dialogue, we should see to:

- Better ascertain the level of support or scepticism on the Commission proposals and in particular on the negotiation mechanism, structured dialogue on licensing issues and possible incentives under the MEDIA programme to enhance access and availability of EU works on VoD platforms.
- Understand stakeholders' concerns and get back of legal issues that could be addressed in the kick-off the structured dialogue on licensing issues scheduled before the end of 2016

Their Position

- Most stakeholders welcome the copyright portability proposals but are unwilling to see the European Commission moving further on cross-border access.
- As regards the negotiation mechanism and stakeholder's dialogue, stakeholders are likely to request clarification regarding their purpose and mandate. Some might even question the usefulness and added value of such solutions.
- As regards the financial support measures provided by MEDIA, most stakeholders are likely to support the action and welcome any further increase on its budget. Stakeholders are likely to ask clarifications about the precise scope of possible incentive measures to encourage distributors to make available works receiving MEDIA support across border under certain well-defined conditions.

Our Position

- We encourage structured dialogue and engage with stakeholders to find suitable and concrete ways to accompany the copyright reform and foster the access and availability of EU works on line.
- We wish to support the audiovisual players to adapt to the digital shift, streamline licensing practices and unblock VoD exploitation rights

Line to Take

- Present the upcoming copyright package, focusing on the support measures aimed to boost the exploitation of EU works in VoD platforms.
- Underline the importance of the structured stakeholder dialogue on licensing issues along the negotiation mechanism to make more audiovisual, work available on line and unlock any potential licensing obstacles.

II. Speaking points

- Welcome to this meeting, this takes place at a very timely moment.
- In a couple of weeks' time, the commission will adopt a second comprehensive copyright package. One of the objectives of these proposals is to enhance the dissemination of European works on VoD platforms.
- A unified European marketplace of more than 500 million citizens represents a compelling proposition on paper. But the reality of our fragmented market is different.
- Two-thirds of European viewers say that they would watch more non-national films, if they were more readily available in their own language.
- We have to listen to them and we have to address the weakness of European film circulation.
- We do share a common interest in making European works easily available across Europe. The benefits will be two-fold: consumers will have easy online access to the content they search for and industry players will have access to a wider audience and will be able to experiment new solutions.
- Adapting to the Digital Age will require a carefully balanced policy toolbox, combining legislative and support measures, aimed to help the AV industry adapt and thrive in the digital era.
- On the legislative side, we will propose a negotiation mechanism that will overcome licensing obstacles and facilitate the

conclusions of agreements to make more audiovisual works available on VoD platforms.

- On the support side, the Commission is proposing a set of measures, including:
 - a structured multiparty dialogue on licensing issues, which will examine all legal and contractual issues hindering the exploitation of EU works on line. The ultimate objective is to streamline licensing practices and contribute to a more sustained and wider exploitation and wider availability of EU works. Our partnership with stakeholders is crucial. We will need to explore ways to incentivise rights holders make works widely available;
 - the creation of online tools that would allow the digital distribution of European works also in countries where they have not been released theatrically or where there is no national distributor. These are the licencing hubs. In practice, this could be done by enabling users to access content in various ways through partner websites while remunerating the rights holders automatically. Currently the MEDIA programme supports a prototype of licensing hub, i.e. ICE (International Cinema exchange) since 2015 (260.000 €) and H2020 supports RDI (Rights data Integration).
- DVD revenues have decreased, but VoD consumption is rising sharply. The barrier faced by small producers is that VoD services do not negotiate with individual producers. On one hand small producers are cut off the VoD services, while on the other hand

consumers do not enjoy a diverse offer. A well curated, attractive catalogue would bridge this gap. For this reason, we support the creation of a ready to offer catalogue from different producers to VoD services.

- The roundtable today is a good opportunity to discuss these different initiatives with you. I would be interested in hearing your views on these proposals and in particular, on how your business models could benefit from such initiatives.
- I would like to invite all the participants to respect Chatham house rules: you are free to use any information received. However, neither the identity, nor the affiliation of the speakers, not that of any other participants, can be disclosed.

III. Defensives

Why are ready to offer catalogues a priority for the Commission?

Understanding audience demand and media consumption habits has always been crucial, but remains a weakness in Europe. Revenues from VoD multiplied by x6.2 since 2009 to €1.5bn in 2013, but do not balance physical video losses. Countries are maturing at different rates: in 2012, the VoD market recorded a growth rate of 59% in Germany and 14.7% in France.

On one hand small producers are cut off the VoD services, while on the other hand consumers do not enjoy a diverse offer. The catalogue would bridge this gap.

Why does film distribution need a new approach?

European films are less widely distributed, they are available online in fewer EU Member States (2.8 EU Member States in average as opposed to 6.8 EU Member States for US films). 47% of EU films released in EU cinemas between 2005 and 2014 are available on at least one VoD service (5046 films out of 10.828), while 87% of US films released in the same period in EU cinemas are available on at least one VoD service (2.404 films out of 2.748).

In cinemas, the gap between European films (2.6) and US films (9.7) is even wider.

Film distribution may face other problems. Why is the creation of licensing hubs a priority?

The shift of media consumption from push to pull is challenging the media chronology, while the digital world is challenging physical borders. There are big differences between territories and lack of connection with potential audiences, for instance young people. We need a broader perspective, to better understand the audience and media consumption.

The so-called unsold territories, the countries where there is no national distributor, could be compared to the internet white spots. If we try to offer internet coverage everywhere, we are also keen on making European audio-visual works available everywhere.

Author: Article 4(1)(b) , I.3 DG CNECT, tel. Article 4(1)(b)

IV. Background

Online exploitation of European works

Aiming to ensure wider access to European works across borders, the Copyright Communication "Towards a modern, more European copyright framework" objectives to help the European audiovisual sector increase the availability and visibility of works online and to reach more audiences across borders.

Wider online dissemination of European works

What is the problem?

European films are produced by small production companies and are distributed territory by territory. There is no legal access to the works in the territories for which no agreements have been signed with local distributors.

How to tackle this missed opportunity?

By creating ready to offer catalogues of European works

The digital world is moving fast and creates new standards of speed and readiness. The world at our fingertips is no longer a figure of speech; it is the reality of the virtual world. The readily available catalogue is part of the efforts to keep the pace.

For small producers, it is impossible to negotiate individual deals with VoD services in countries where their films have not been acquired by a local distributor. The reason is that VoD services do not deal on an individual basis. To address this problem, we support the activity of **aggregation** enabling to offer directly to VoD services different films coming from different producers within a well curated coherent and attractive catalogue.

By developing licensing hubs

What is the goal?

Facilitate easy access to European audio-visual works.

Licensing hubs are online tools that would allow the digital distribution of European works also in countries where they have not been released theatrically or where there is no national distributor.

How does this translate in practice?

One way to do this is, for example, by enabling users to access content in various ways through partner websites while remunerating the rights holders automatically.

Currently the MEDIA programme supports a prototype of licensing hub i.e. ICE (International Cinema exchange) since 2015 (260.000 €) and H2020 supports RDI (Rights data Integration).

Together with stakeholders, the Commission will explore ways to incentivise rights holders to make available works receiving support for distribution through the Creative Europe MEDIA programme to also be made available in territories where no distribution agreement has been signed.

By encouraging structured stakeholder dialogue on licensing issues

The Commission will launch and steer in 2016 a structured multi-party stakeholder dialogue to examine licensing issues and related legal and contractual obstacles hindering the exploitation of European audiovisual works on VoD services.

We have to engage with industry players across the value chain (producers, authors, sales agents, distributors, broadcasters, aggregators, VoD platforms), who typically do not enter directly into commercial agreements with each other.

These efforts will facilitate industry agreements for a more sustained exploitation and wider availability of European works. This will contribute to streamline licensing practices and reach industry agreements for a more sustained exploitation and wider availability of European works.

The benefits will be two-fold: consumers will have easy online access to the content they search for and industry players will have access to a wider audience and will be able to experiment new solutions. The Commission will report on the results of this structured dialogue by end of 2018.

With more efficient funding and use of subtitling/dubbing

Cross-border distribution of audiovisual works depends on availability of different language versions. We are now exploring the possibility of innovative cost-effective ways to obtain subtitling. Three projects were selected in 2015 and are now being implemented. Results will be made public in 2017.

The Commission will also launch, by the end of 2016, a prototype of an online repository tool for subtitling/dubbing in order to allow easy access to and reuse of existing subtitling/dubbing by operators wherever they are established in the EU. This this make available all language versions in any country.

Making search and access to European works online easier

European audiovisual works do not enjoy the same brand awareness as their American counterparts. The small scale of releases and small promotion budgets largely contribute to this. Finding platforms where European works can be accessed legally and finding the content they want to watch is equally challenging.

How to enable users to easily find and access European audiovisual productions online?

By promoting the use of a common standard identifier

Unlike in the book sector where works are clearly identified by an identification number (ISBN), the audiovisual sector suffers from the absence of a common identification number, which would facilitate findability and licensing activities. Two main ISO standard identifiers coexist on the market i.e. ISAN and EIDR, which are not interoperable.

This impacts on the licensing activities which are burdensome and cannot be easily automated. The Commission is currently working with ISAN and EIDR to facilitate the deployment of standard identifiers on the market and a more efficient rights management, exploitation and research of European works.

By the end of 2016, the use of a common standard identifier should be one of the requirements for the support through the Creative Europe MEDIA programme.

By developing online search tools and EU aggregator

An online search tool would allow viewers to quickly find an online legal offer to watch the film or audiovisual work they are seeking. Different solutions are emerging in several Member States with or without public funding.

The European Union Intellectual property Office (EUIPO) is developing a search tool (Agorateka - the European online content portal) as well as a toolkit for creating national search tools, which will be fully operational by 2017.

Promoting legal offers and improving discoverability of European films are some of the main concerns the Commission is tackling together with the European Film Directors Association (EFADs) and the film industry.

The development of joint promotion strategies for European co-productions will be on the agenda of the Commission and EFADs in 2017.

By seeking a more sustained exploitation of existing works

Film heritage institutions, national film funds, the European audiovisual industry and the Commission share the aim of *an increased commercial use of existing audiovisual works* on the different channels of distribution available (cinema, VoD, catch-up TV, linear broadcasting).

Another key objective is a better exploitation of non-commercial rights in European films. These cover use by educational organizations, like schools, public libraries and other non-theatrical venues (e.g. hospitals).

Over time, these practices could create new demand for European films.

The Commission is exploring together with the EFADs and the audiovisual industry the possibility of creating in 2017 a catalogue of European films for educational purposes.

V. Participants list and CVs plus photos

Participants list (as at 23/08/ 2016)

Name	Organism
[REDACTED]	U-TAD
[REDACTED]	EIDR
[REDACTED]	EPC
[REDACTED]	Apple Film Production, Prezes Zarzadu/CEO
Article 4(1)(b)	EYZ Media GmbH
[REDACTED]	Zentropa International
[REDACTED]	Estonian Film institute
[REDACTED]	ISAN
[REDACTED]	Eurocinema
[REDACTED]	CNC

CVs of participants

Article 4(1)(b)

Article 4(1)(b)

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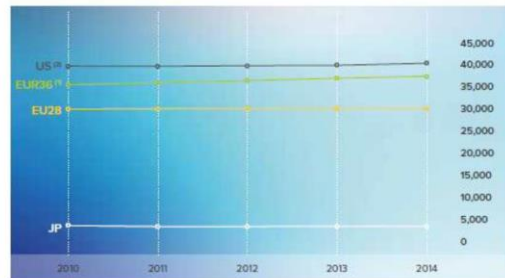
Article 4(1)(b)

ANNEX I Cinemas in Europe

Cinema: same screens, more digital

- The number of European screens grew by 1.57% on previous year to a total of 37,335 in 2014
- Digital penetration reached 91% in 2014 (93% in the EU).

→ Number of screens in Europe, USA and Japan (2010-2014)

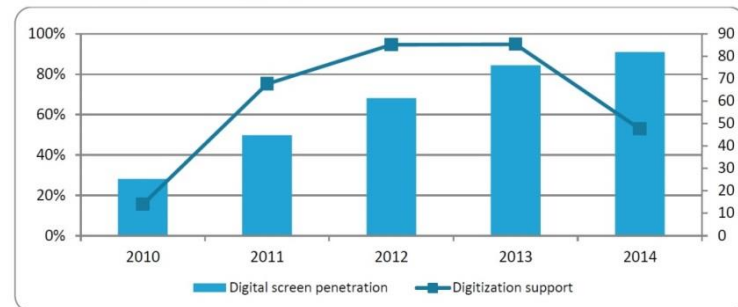


(1) EUR 36 refers to the countries covered by the European Audiovisual Observatory for which data were available, minus AL, AM, MA and ME.
(2) Including outdoor cinemas and video theatres. Excluding IMAX screens.
Source: European Audiovisual Observatory, National Film Centres.

The number of European screens grew by 1.57% on previous year to a total of 37,335 in 2014, well in line with the 0.94% and 1.39% growth in the United States and Japan respectively.

However, the number of screens slightly decreased in the European Union, by 0.14% on 2013, down to 29,943. (EAO Yearbook 2015 – Key Trends)

Figure 58 Evolution of digitisation support and digital screen penetration in Europe, 2010-2014
In EUR million and as a share of total theatrical screens, respectively



Source: OBS

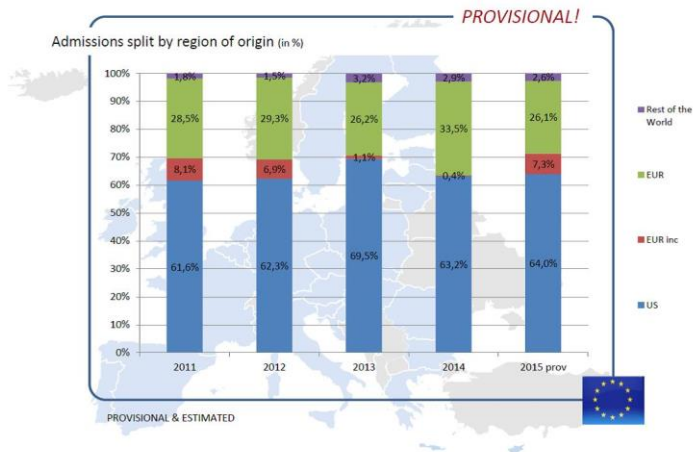
With 33,916 digital screens in Europe (27,932 in the EU), 2014 saw digital penetration reach a peak of 91% (93% in the EU). The evolution of digital screens varies significantly from country to country:

18 EU countries examined by European Audiovisual Observatory recorded digital penetration of 90% or above (LU, BG, CY, EE, FI, FR, UK, IE, NL, DK, AT, BE, DE, SE, IT, HU, HR, RO), which means that the digitisation process is finished or almost finished in those countries. 8 countries are between 60 and 90% of digital screens (ES, MT, PT, SI, PL, SK, LV, CZ). Only 2 countries are below 60% (EL and LT) – according to EAO data available from 2014.

Therefore, as visible in the table, the support for the digitisation of film theatres decreased significantly in 2014 after peaking the previous year when the digitisation process was still ongoing;

European Market Share in the EU down to 26.1%

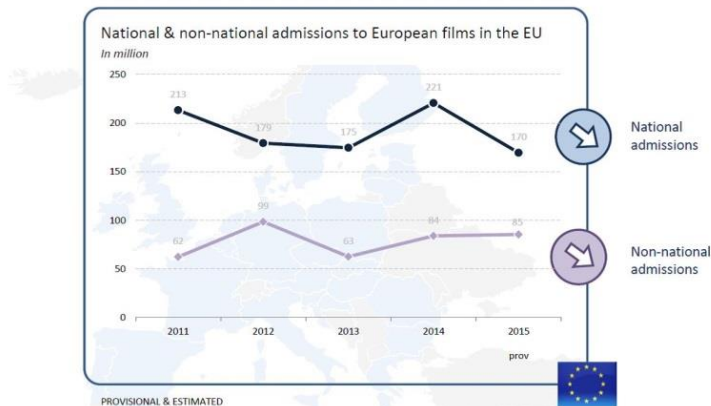
Source: European Audiovisual Observatory / LUMIERE database



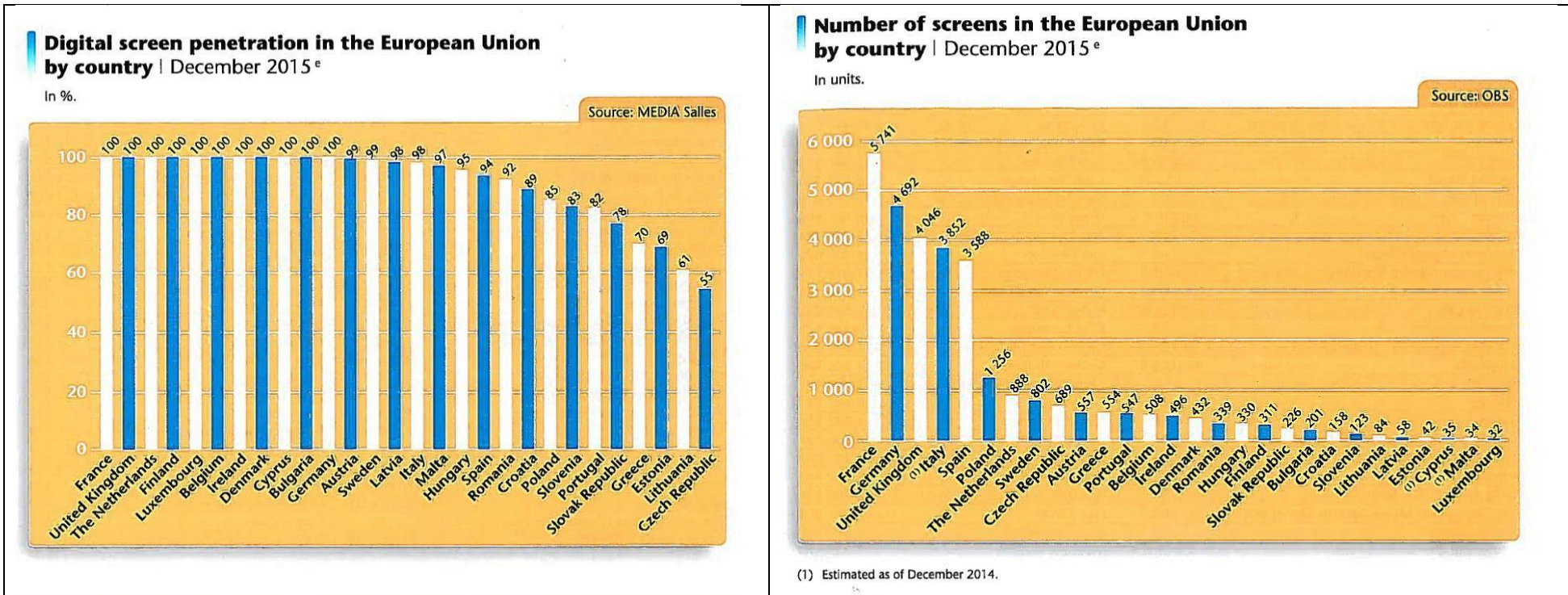
2014 proved to be an exceptionally good year for European films as a whole. Cumulatively selling about 302 million tickets in the 28 EU member states, European films took an estimated record market share of 33.2%. This is well above the usual range of 26% to 29%.

Admissions for EU films decreased after an outstanding 2014

Source: European Audiovisual Observatory / LUMIERE database



Unlike 2014, admissions growth in the EU in 2015 seems to be driven by the strong performance of primarily US blockbusters, therefore it seems that the picture will look quite different in 2015.



Magdalena DZBIK, DG CNECT I.3, tel. 56311

ANNEX II. Accompanying measures

Accompanying measures to foster cross-border access to content: progress and options

The Copyright Communication of December 2015 presented a series of new support measures, mostly funded by the MEDIA programme, accompanying the regulatory proposals. This note describes these measures, progress made so far and next steps.

Progress so far

We are implementing the measures and expect the first results by the end of the year. The measures are grouped below according to their objectives, with a technical annex providing more details.

I) Making films available in unsold territories

i) Ready to offer catalogues of European films. Films from many small producers are being aggregated into catalogues for VoD platforms online. Good progress is being made in delivering innovative and diverse catalogues. In 2015 with a budget of € 0.65 million 34 films were included in catalogues whilst in 2016 with a budget of 1.3 million, about 70 additional films will be included in VoD catalogues (as part of the MEDIA Online distribution scheme). However the main challenge is for Member States and industry to scale up their collaboration and support more catalogues.

ii) Develop licencing hubs. The purpose is to develop online tools allowing legal access to content by viewers across borders. However, progress of this pilot project has been slower than expected due to difficulties in raising agile seed funding. We are monitoring closely the progress and considering the use of the H2020 fast track instrument to increase funding for prototype development.

II) Promote a common system of identification of films

iii) Develop standard identifiers of works. The envisaged action is to promote either the use of a common identifier or interoperability between existing ones at European level. Good progress is being made as on 7 June industry stakeholders agreed an action plan which aims to find a solution by the end of 2016. The two standard identifiers have agreed to work together. The solution would be based on self-regulation and result in an industry code of conduct. Incentives could be increased by making MEDIA funding and national funding of content subject to use of the standard identifiers.

III) Make European films more findable and prominent

iv) Support the development of a European search tool. The search tool would enable viewers to find legal offers for films online at European level. Good progress is being made. CNECT is collaborating on the prototyping which is led by the **Office for Harmonization in the Internal Market (OHIM)**, with a view to deployment by Q2 2017. Discussions with Member States continue on how to federate existing national tools.

v) Promotion of legal offers, discoverability and findability. Investment needs to shift from over-production of new works to promotion and marketing of online works and services, in order to build audiences. Progress is uneven. On the one hand, a new

Online distribution scheme will be set up under MEDIA as part of the 2017 Work Programme with an increased budget of € 9.5 million from €5.7 million. However, discussions with EFADs (the national films funds) have been inconclusive and overall industry has been unable so far to develop collaborative models and pool resources for promotion activities.

IV) Smart subtitling and dubbing

vi) More efficient funding and use of subtitling and dubbing. New tools and processes are being developed, through two preparatory actions, for funding and sharing subtitling and dubbing. Projects are exploring the use of digital platforms and crowdfunding for production of subtitles, an online repository and supporting cross-border distribution through subtitling. Good progress is being made as a number of innovative projects have been selected from which we expect new insights. This is an area where EU intervention can clearly add value and trigger changes in industry and national funding. The European Parliament clearly supports action in this policy area.

V) Promote new models for exploiting and financing films

(vii) Find ways for a more sustained exploitation of existing European films. Classic European films are often not available and new business models need to be found to create a sustainable market for them. This action is at an early stage. In 2016 policy evidence is being gathered through an in depth study by the European Audiovisual Observatory, due in July 2016. The conclusions could feed into the copyright legislative proposals and into collaboration with industry on concrete measures.

viii) Develop alternative models of financing, production and distribution. Good progress is being made with the launch of the Cultural and Creative Sectors Guarantee Facility. Discussions have started with the EIF on possible frontloading and topping up with EFSI funds. The Guarantee Facility could then be used as the main platform for gathering other sources of financing. In particular the animation sector could be a good test bed for new investment vehicles because it is more entrepreneurial and open towards structured industry cooperation.

Conclusions

Overall, six months after the launching of the accompanying measures, the implementation process is on track. First concrete and/or interim results will be delivered by the end of the year, notably on the common standard identifier(s), the EU aggregator, ready-to-offer catalogues of European films and subtitling. The Guarantee Facility is ready to be launched and could be front loaded and topped up with EFSI funds.

The accompanying measures also aim to trigger changes in business practices by funding development of new technical tools as well as business models. Given the budgetary constraints our focus has been on supporting pioneering, innovative projects (e.g. Licencing hubs, aggregators). These need to be implemented efficiently and the results need to be showcased widely. In parallel, the collaboration with Member States and the industry is essential for these innovations to be scaled up and deployed at European level.

The overall success of the package depends on the engagement of the Member States and industry. Their active participation and financial contribution will be important in moving from pilot projects and other actions to deploying innovations at scale.

The co-operation with the EFADs has proved to be particularly valuable and helped to bring industry on board. It is worth noting that the UK, FR and DE film funds are taking the lead and strengthening coordination amongst themselves.

We now need to maintain momentum. As such, the Copyright package in September is a valuable opportunity to increase the visibility of these measures and build support for them. On this occasion, a joint statement from the Commission, EFADs and industry about the progress made thus far and prospects for future collaboration could give a strong positive signal. We could also announce at that moment a reinforced collaboration with the EIF and the EIB to financially support the cultural and creative sectors, building on the Guarantee Facility.

ANNEX III. Access to finance

The European Commission and the European Investment Fund (EIF) launched a €121 million guarantee initiative to support SMEs in the cultural and creative sectors via financial institutions on 30 June 2016. This scheme is expected to create more than €600 million worth of bank loans over the next six years.

On 18th July,, the EIF published a call for expression of interest to which eligible financial institutions (banks, guarantee institutions, leasing companies, etc.) will be able to apply. After a thorough selection process, the EIF will select financial intermediaries which can then make the new finance available to SMEs in the targeted sectors. Financial intermediaries will report thoroughly on the financial products they will propose to SMEs and their take-up.

This new initiative allows the EIF to provide guarantees and counter-guarantees, free of charge, to selected financial intermediaries in order to enable them to provide more debt finance to entrepreneurs in the cultural and creative arena. Guarantee institutions, commercial and promotional banks as well as other financial intermediaries benefiting from the €121 million guarantee will support more than ten thousand SMEs in a wide range of sectors such as audiovisual (including film, television, animation, video games and multimedia), festivals, music, literature, architecture, archives, libraries and museums, artistic crafts, cultural heritage, design, performing arts, publishing, radio and visual arts.

The financial instrument, set-up under Creative Europe– the main EU programme dedicated to the cultural and creative sectors, will be managed by the EIF on behalf of the European Commission. European SMEs should benefit from it as early as of the end of this year.

Commissioner for the Digital Economy and Society Günther H. Oettinger welcomed the initiative launched today: "Creative minds and companies need to experiment and take risks to thrive, for our society and for our economy. We are helping them to get the bank loans they would normally not get."

EIF Deputy Chief Executive, Roger Havenith, said: "Helping business to scale up and access market-based financing solutions is high on the European Commission's agenda. Providing credit risk protection and capacity building for finance providers are two essential ingredients in the recipe for support for SMEs in the cultural and creative sectors. The Cultural and Creative Sectors Guarantee Facility which we are signing today will help SMEs from the film to festival and music to museum arena across Europe to start up and develop."

The creative and cultural sectors represent more than 7 million jobs in the EU and account for 4.2% of the EU's GDP (source). Access to finance can be difficult for these sectors, primarily due to the intangible nature of their assets and collateral, the limited size of the market, demand uncertainty, and lack of financial intermediary expertise in addressing sector specificities.

The new Cultural and Creative Sectors Guarantee Facility includes capacity building activities for financial intermediaries, giving them specific expertise on key elements of these sectors (e.g. specific business models and credit risk assessment in the sectors). Capacity building would be provided by (a) capacity building provider(s) selected by the EIF (e.g. a consultancy company specialised in the way the cultural and creative

sectors work) following an open call for tenders. Such training will be free of charge for financial intermediaries.

The creation of this sector-specific guarantee facility is part of the Commission's efforts to support investment and make smarter use of new and existing financial resources, which is the aim of the Investment Plan for Europe. It also complements the work done under the Digital Single Market strategy to create the right environment for the cultural and creative sectors, and in particular smaller businesses, to thrive in the digital era.

About the EIF

The European Investment Fund's (EIF) central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

About the Cultural and Creative Sectors Guarantee Facility and Creative Europe

Set-up under the cross-sectoral strand of the Creative Europe programme, this new financial instrument is the first which such a wide scope in the culture and creative sectors. It pursues the same objective as the SME window of the European Fund for Strategic Investments (EFSI), which drives the Investment Plan for Europe: increasing lending to SMEs in order to scale up their activities.

Creative Europe is a 7-year programme (2014-2020) designed to support actors of the creative and cultural fields. It has a budget of €1.46 billion for the whole duration of the period. It is composed of the MEDIA programme helping the development and the distribution of European audiovisual works, the Culture programme, which supports culture sector initiatives promoting for example cross-border cooperation and literary translation, and the cross-sectoral strand. The objective of Creative Europe is to promote cultural diversity, encourage the circulation of European culture and creativity and strengthen the competitiveness of the cultural and creative sectors.

Article 4(1)(b), DG CNECT I.3, tel. Article 4(1)(b)
Article 4(1)(b), DG CNECT I.3, tel.

ANNEX IV. CREATIVE EUROPE MEDIA

When was the MEDIA programme born and what is the idea behind it?

The aim of the MEDIA programme is to increase the spread of European films, TV and video productions around the world as well as to safeguard cultural diversity. The MEDIA programme (*Mesures pour l'Encouragement et le Développement de l'Industrie Audiovisuelle*) was born in 1991. It aims improve the environment for European audiovisual productions without intervening in productions themselves; for example, by strengthening the national industries through the distribution of their productions within the European market but also fostering cooperation between them by increasing their access to the international market. It is an element of the EU's Creative Europe programme.

The MEDIA programme kicked off in 1991 and coincided with the implementation of the Television without frontiers Directive. It built on a joint declaration on *Audiovisual Eureka*, adopted by the representatives of 26 European states and the President of the Commission in Paris on 2 October 1989. The original budget was 310 million ECU. Today, 56% of the €1.46 billion Creative Europe programme budget is dedicated to its Creative Europe MEDIA (2014-2020) sub-programme.

How does the MEDIA programme help the film, TV and video industry?

Since 1991, the MEDIA programme has invested €2.4 billion in European creativity, creators and cultural diversity. Creation and creativity is left to artists, producers, creators and film-makers; what the EU does is to broaden their exposure and give Europe's creative industry the best chance to thrive.

The MEDIA programme has helped train more than 20,000 producers, directors, and screenwriters and enabled them to adapt to new technologies. While creativity is a given in this industry, business readiness varies between countries. MEDIA offers these professionals the means to catch up and learn the 'ins and outs' of the audiovisual business. In 2014, MEDIA supported 58 training initiatives, with long-standing partnerships for some (e.g MEDIA has invested €5.74 million in European Audio-visual Entrepreneurs - EAVE since 2005).

Each year, MEDIA invests in around 2,000 European films, television series and other projects which are distributed digitally in cinemas, on television and through video on demand services. The EU invests at an early stage of the development process, when authors are developing concepts and writing scripts. MEDIA also encourages co-productions, as co-produced films have 2-3 times higher circulation potential because they are created and designed to appeal to several audiences

The EU invests in access to content, including business events, tools for distribution, support to sales agents/ distributors and support to cinemas. While national films have a natural appeal for national audiences, there is rising interest and curiosity in foreign films, and we try to take advantage of this. Most of MEDIA programme funding (44%) is allocated to non-national distribution and online distribution. We help distributors to screen foreign films and provide funding for marketing, printing and advertising, subtitling and dubbing etc.

MEDIA also supports support Europa Cinemas, a network of 962 cinemas across Europe that are committed to screening European works. Some schemes in our programme are highly selective, and this provides a quality label that helps to raise the profile of some works, along with the financial support. For every €1 invested in the Europa Cinemas network, an estimated €13 is generated through additional audience for the audio-visual sector.

Finally, the EU supports audience development to stimulate interest in European audiovisual works, in particular through promotion, film literacy and festivals.

This work is supported nationally by a network of Creative Europe Desks throughout the Member States and other countries which participate in the MEDIA programme, with 79 offices to support potential applicants to MEDIA and promote the programme locally.

Does MEDIA-funding lead to critical success?

Since its launch, MEDIA has co-financed some of the jewels of European cinema. MEDIA has become expert in spotting promising works and help them scale up to achieve international recognition. MEDIA-funded films such as *La Grande Bellezza*, *Slumdog Millionaire* and *Goodbye Lenin* have received critical acclaim at festivals and award ceremonies from the Festival de Cannes to the Academy Awards.

Since 1991, 40 MEDIA supported films have been awarded the Palme d'Or, the Grand Prix or the Prix de la Mise en Scène at the Cannes Film Festival. This year in Cannes, 9 out of 21 films in the Official Competition alone are supported by MEDIA.

MEDIA supported films also been recognised at the Oscars. The last four Best Foreign Language film Oscars were awarded to European films supported by MEDIA: *Amour*, *La Grande Bellezza/ The Great Beauty*, *Ida*, *Saul Fia/ Son of Saul*. In 2016, 11 MEDIA-supported films received 18 Oscar nominations. The films are: *Son of Saul* – which won the Best Foreign Language Film award at the Golden Globes, *Carol*, *Youth*, *Brooklyn*, *45 Years*, *Mustang*, *Krigen*, *The 100 Year-Old Man Who Climbed Out the Window and Disappeared*, *The Look of Silence*, *Room*, *Amy* and the delightful *Shaun the Sheep – The Movie*.

Why are subtitling and dubbing important? How much EU funding is dedicated to subtitling and dubbing?

According to a recent Eurobarometer survey, 62% of Europeans only watch films or series that have either audio or subtitles in their country's language(s). Subtitling and dubbing represent a major challenge for the circulation of audiovisual works within Europe. It is, with promotion, one of the major costs covered by the Creative Europe MEDIA programme for supporting the cross border distribution of European films. In 2014, Creative Europe MEDIA spent around €4 million on subtitling and dubbing, helping some 500 films to reach new audiences. The Commission has recently increased this support (around 4.3 million for 2015). It has also launched, with the support of the European Parliament, two new projects, amounting to €4.5 million, to help with subtitles (innovative solutions for subtitles, including crowdsourcing and new subtitled versions for TV programmes).

What is the Cultural and creative sectors guarantee facility and will it do?

MEDIA supports access to finance for audiovisual companies through of the Cultural and Creative Sectors Guarantee Facility launched in June 2016.

Between 2014-2020 the Creative Europe programme has earmarked €121 million for a mechanism acting as insurance to financial intermediaries which offer financing for cultural and creative initiatives. This is because access to finance can be difficult for the cultural and creative sectors. Reasons are for example the intangible nature of their assets and collaterals, the limited size of the market, the uncertainty of demand, the perceived lack of business skills, and the lack of training – on the part of financial intermediaries – to address the sectors' specificities

Estimates suggest that, without taking action, the financing gap in the sector for 2014-20 could amount to €1.1-€1.9 billion per year. A lack of collateral alone may prevent 280,000-476,000 SMEs in the sector from obtaining financial intermediary loans.

The Cultural and Creative Sectors Guarantee Facility will have the potential to leverage €600 million in loans and other financial products for SMEs and micro, small and medium sized organisations in the cultural and creative sectors. The guarantee scheme is managed by the European Investment Fund, on behalf of the European Commission.

What is the Commission doing to ensure wider access to content across the EU?

In December 2015, the Commission proposed new rules on cross-border portability. We want Europeans who buy or subscribe to films, sports broadcasts, music, e-books and games at home to be able to access them when they travel in other EU countries. The Regulation will be adopted by European Parliament and the Member States this year in order to be fully operational in the course of 2017.

Also in December, the Commission gave details of upcoming legislative measures which will further improve cross-border access to creative content. These will include:

- Enhancing **cross-border distribution of television and radio programmes online**, in light of the review of the Satellite and Cable Directive;
- Supporting rights holders and distributors to reach agreement on **licences that allow for cross-border access to content** and on **cross-border requests by interested users from other Member States**. In this context, the role of mediation, or similar alternative dispute resolution mechanisms can be considered;
- Facilitating the digitalisation of **out-of-commerce works** and making them available online, including across the EU.

Using its Creative Europe programme and other policy instruments, the Commission will also:

- Further promote tools to bring more European works into the single market, including the creation of **ready-to-offer catalogues** of European films in order to help them reach online distributors, the development of **licensing hubs** to facilitate the licensing of works that are not yet available in a given Member State, and a larger use of **standard identifiers of works**. The use of common identifiers will help find rights holders more easily and facilitate licensing;
- Support the development of a European **aggregator of online search tools** which will be offered to internet users (i.e. an online indexation of available legal offers), as well as promote **more efficient public funding to develop subtitling and dubbing**;
- Intensify its **dialogue with the audiovisual sector** to promote legal offers and the discoverability and findability of films (in its future partnership with national film funds), to find ways for a **more sustained use of existing European films** (with the help of the European Film Forum), and to explore alternative models of financing, production and distribution in the **animation sector that are scalable at European level** (in a structured industry cooperation forum).

Article 4(1)(b) , DG CNECT I.3, tel. Article 4(1)(b)

ANNEX V. Level Playing Field

On-going discussion in the 'Level Playing Field' working group of The Creative Europe MEDIA Committee

The 'Level Playing Field' working group was established to reassess the measures introduced in Creative Europe MEDIA Sub-programme to better take into account the specificities of Low and Medium Production Capacity Countries, as there are deep differences between market realities in audiovisual sectors between Member States of the EU.

In January 2016 High Capacity Countries (FR, DE, IT, ES, UK) raised issues regarding the implementation of the 'Level Playing Field' principle under the different MEDIA schemes, which affects the operation of the MEDIA Sub-programme. Italy together with other High Capacity Countries signed a letter addressed to the Commission, highlighting impact of the latest changes in the system of '*automatic points*' on the projects coming from High Capacity Countries. At the same time, Low Capacity Countries support current positive discrimination measures, which take into consideration differences between markets in different countries. They highlight that the current system has brought about real achievements.

The discussion in the 'Level Playing Field' working group concentrates on the system of '*automatic points*', which is an operational measure put forward by the Commission to address structural weaknesses of countries with a restricted geographical or linguistic area, in order to enable companies and projects from across the EU to compete at the same level. However, it has to be underlined that MEDIA Sub-programme also provides for different types of support to Low and Medium Capacity Countries across the schemes (e.g. in award and eligibility criteria), automatic points being the most highlighted, but not the only way of addressing 'Level Playing Field' principle.

Therefore, one of the main tasks of the current Working Group (which is scheduled to meet again in the second part of 2016) will be to look at the outcomes and impact of the existing arrangements to see whether and to what extent they have met the objectives laid out in the legal basis. The conclusions will be reflected in the CE 2018 Work Programme as well as in the mid-term evaluation report that the Commission has to send to the EP and the Council in the second half of 2017.

Article 4(1)(b) , DG CNECT I.3, tel. Article 4(1)(b)

ANNEX VI. Italian AV industry - Country profile

TV services

With 4h22mn per day in 2014, television viewing in Italy ranks among the highest in Europe. The TV landscape is dominated by two groups:

- Public Service Broadcaster RAI manages three main terrestrial channels (Rai Uno, Rai Due and Rai Tre) and a portfolio of thematic channels. RAI accounts for over 37% of the audience market share, down from 41% in 2010.
- Private broadcasting group Mediaset gathers over 32% of the audience with its three main terrestrial channels (Canale 5, Italia 1, Rete 4) and its portfolio of thematic channels.

Other significant broadcasters include Cairo Communication (La Sette), US groups 21st Century Fox, owner of the pay-TV satellite service Sky Italia, and Discovery Communications.

A distinctive characteristic of the Italian audiovisual market is the large number of terrestrial local and regional TV channels.

On demand audiovisual services

By the end of 2015, 51 pay video-on-demand services were available in Italy, a relatively low number considering the size of the market. Among these pay VoD services, 11 were established in Italy.

Major players in the VoD Italian market include national versions of iTunes, Google Play, Wuaki TV Netflix, Viewster, Microsoft Store and Sony PlayStation Video.

National players include Telecom Italia Timvision, Mediaset Infinity and Chili TV.

Distribution

In 2014, TV reception is almost fully digitized, with 95.7% of the 23.6 million households accessing digital TV.

DTT is by far the first TV reception network, serving close to 69% of the households and includes pay-services delivered by Mediaset Premium.

DTT is complemented by satellite (with pay-service Sky Italia from News Corp, and free service Tivù, from RAI, Mediaset and Telecom Italia) and, marginally, by IPTV (Telecom Italia).

Cable TV is not available in Italy.

Funding

Advertising is the first source of funding for the audiovisual sector (46% in 2014, down from 52% in 2010). TV captures 48% of all advertising expenditure, a significantly higher share than the European Union average (32%)

Subscription revenues to pay-TV have regularly increased and represent 34% of total funding, up from 30% in 2010. 30.2% of households subscribe to a pay-TV offer, roughly two-thirds from satellite and one-third from DTT.

Public funding accounts for 19% of the sector's total revenues, relatively stable over the last years. On-demand revenues still only represent 1.4% of the audiovisual sector revenues, due to the very limited development of IPTV and absence of cable networks.

Public service broadcaster RAI is funded through a mix of public funding (61.3%, down from 68.5% in 2013) and advertising and other commercial revenues.

Audiovisual regulation

The audiovisual sector is governed by the Decreto legislativo 15 marzo 2010 n. 44 – Testo unico dei servizi audiovisivi e radiofonici.

Public service broadcaster RAI missions are also defined through a three year service contract with the Italian Government.

The converged regulatory authority AGCOM has responsibility for the regulation of the audiovisual sector.

Film

Italy produced 201 films in 2014 including minority co-productions (up from 141 in 2010 and 167 in 2013).

Admissions tended to decline, from 120.6 million in 2010 to 91.5m in 2014. Similarly Box-office revenues decreased from EUR 772.8 million in 2010 to EUR 574.8 million in 2014. The market share of national films of cinema admissions was 27.2% in 2014.

The main cinema distributors are the subsidiaries of the US studios, with the exception of RAI 01 Distribution and Mediaset Medusa Films.

Source: THE YEARBOOK OF THE EUROPEAN AUDIOVISUAL OBSERVATORY 2015

ANNEX VII. CE MEDIA support for the Italian AV industry (2015)

NUMBER OF SELECTED PROJECTS: 77 (+ 119 distribution projects for 26 Italian films + award of an automatic generation to 16 Italian distributors)

TOTAL ALLOCATED AMOUNT: 6.687.164€ (+ 2.641.171€ for the distribution of 26 Italian films, + 3.368.226€ made available to Italian 16 distributors for future reinvestments) = 12.696.561€

RESULTS BY SCHEME

Support to 5 Film Festivals: Total allocated amount € 205.000

SEDICICORTO INTERNATIONAL FILM FESTIVAL
IL CINEMA RITROVATO
Festival dei Popoli - International Documentary Film Festival
TRIESTE FILM FESTIVAL 26th Edition
Bergamo Film Meeting 2016 - 34th Edition

Support to 3 Access to Markets events: Total allocated amount € 255.000

WHEN EAST MEETS WEST
European Gap Financing Market
The Business Street & New Cinema Network 2015

Support to 6 Training to audiovisual professionals initiatives: Total allocated amount € 889.867

TorinoFilmLab 360° - A Multidisciplinary Lab & Market
Maia Workshops
European Social Documentary
"DigiTraining Plus: What do you do with digital now you've got it?"
The Film Garage
TIES THAT BIND

Support to 10 Development projects, out of which 2 are Slate funding supports and 8 Single Projects for a total amount of € 617.300

Development Slate Funding	VIVO FILM SRL	160.000
Development Slate Funding	GRAFFITIDOC SRL	117.300
Development Single Project Animation	SONNE FILM	60.000
Development Single Project Creative	SCIARA S.R.L.	25.000
Development Single Project Creative	IL PAPAVERO	25.000
Development Single Project Fiction	SHOWLAB SRL	50.000
Development Single Project Fiction	PARTNER MEDIA	50.000
Development Single Project Fiction	BENDICO SRL	30.000
Development Single Project Fiction	CRISTALDI PICS SRL	50.000
Development Single Project Fiction	SOLARIA FILM SRL	50.000

Distribution automatic support to 16 Italian distributors: total allocated amount €3.368.226

BOLERO FILM SRL
BIM DISTRIBUZIONE SRL
ACADEMY TWO SRL
MOVIES INSPIRED SAS DI JACONO STEFANO GIOVANNI AND C
PARTHENOS SRL
EAGLE PICTURES SPA
TEODORA FILM DISTRIBUZIONE SRL
SATINE FILM DISTRIBUZIONE SRL
NOTORIOUS PICTURES
VIDEA SPA
OFFICINE UBU SRL
I WONDER S.R.L.
M2 PICTURES SRL
MEDUSA FILM SPA
TUCKER FILM SRL
LUCKY RED S.R.L.

Distribution selective support to 3 Italian films: total allocated amount €631.300

MIA MADRE
LA MERAVIGLIE
IL CAPITALE UMANO

Support to 1 TV Programming project: Total allocated amount € 45.000

B&B Film srl – La via della riconciliazione (Documentary)

Support to 1 Audience Development project: Total allocated amount € 170.000

Fondazione Cineteca di Bologna – ABCinema Plus (Film Literacy)
<p>Project Description:</p> <p>ABCinema PLUS is the follow-up of ABCinema, a project co-funded by Creative Europe in 2014 aimed at the broad young audience (3-25). After a first year of activity, the project still aims to better coordinate and enhance the activities that, until one year ago, have been carried out independently by several of the most important Cinémathèques/Film Institutions across Europe. ABCinema PLUS wants to increase with 18 new titles the experimental online catalogue of Film Literacy activities and films built in the first year of the project (12 titles previously selected), allowing an exchange of best practice between peers and putting them in common in 2 different training sessions, in which each member of the group will be alternatively tutor or learner. The transferred skills, will continue to be tested in the field with specific initiatives by each partner from Oct-Feb and Mar-Jun, in correspondence with the school calendar of each country. External consultants will help the members during the exchange of experiences, in order to increase their user base, improve teacher training and to create groups of Film Literacy Ambassadors. Connections between partners and local Universities will be established, in order to guarantee scientific validation of the activities. The outcomes of ABCinema PLUS will be shared, analyzed and discussed during a final conference to be held during Il Cinema Ritrovato Festival (Bologna, July 2016) after the Annual FIAF Congress that in 2016 will be held in Bologna. This meeting intends to be an occasion for Archives, international stakeholders and practitioners to discuss the state of the</p>

art of European Film Heritage Literacy, best practice, major problems and which objectives Archives would like to achieve in the future in terms of Film Literacy initiatives and their outcomes. ACE (Association des Cinémathèques Européennes) will organize the event together with Cineteca di Bologna and will further disseminate the results.

Support to 1 International Coproduction fund: Total allocated amount € 170.000

MUSEO NAZIONALE DEL CINEMA - FONDAZIONE MARIA ADRIANA PROLO –
Torino Film Lab World Production&Distribution Fund

Project description:

TorinoFilmLab wants to initiate a TFL World Production Fund to complement the TFL World Distribution Fund launched last year through this call. The TFL World Production Fund will aim at supporting 4 projects (2 in 2015 and 2 in 2016) with a grant of 50.000€ each. Only first and second features with a specific focus on genre and/or a particular co-production structure that foresees minority coproducers from outside Europe entering European films will be accepted. The TFL World Distribution Fund will aim at supporting 3 projects with 40.000€ in 2016. Only projects that want to implement innovative audience development strategies designed specifically to accompany the release of selected projects in at least three territories will be accepted. These Funds will complete TFL's 360° range of activities of training, development and funding, both taking advantage of 2 established TorinoFilmLab training programs: Framework (Production) and Audience Design (Distribution). All awarded projects will not only be supported financially, but will be developed through our advanced training schemes allowing them to be competitive in reaching their audiences.

SUCCESS STORIES

- Thanks to strong admissions of non-national European films, **Italian distributors** have generated the third highest fund, straight after France and Germany. This fund is available to them for future reinvestments.
- **TorinoFilmLab (TFL)** particularly distinguished itself as a strong talent incubator. In 2016 out of the seven TFL-supported titles selected in Cannes, five hit films have received many Awards in Un Certain Regard and at the Critics' Week including the main prizes of the two sections.

COMMENTS

- General comments on Italian TV Programming projects: the number of applications coming from Italy is very low, in particular in comparison with other high production capacity countries like France, Germany or UK. One of the main problems related to the television industry is the fact that the Italian broadcasters (RAI in particular but also commercial channels like SKY) tend to maintain all exploitation rights in perpetuity when they are financing a production. This is not compatible with the criteria of the call which requests that the licence period allocated to the broadcasters is limited in time (7 or 10 years). This problem is existing since years and although it seems to change recently, the process of accepting these rules is very slow.

ANNEX VIII. European Film Forum agenda

European Film Forum Venice 2016
Saturday, 3 September 2016

15:00 - 17:15	<p style="text-align: center;">European Film Forum Venice 2016 - Day 1 Workshop 1 - Access to finance for the creative industries</p> <p>Moderator: Bruno Zambardino, Professor of Media & Entertainment at Sapienza University and Director of Media Observatory I-Com (confirmed)</p>
<i>14:30 - 15:00</i>	<i>Participant arrival + Welcome coffee</i>
15:00 - 15:15	Welcome Paolo Baratta, President La Biennale di Venezia and Introduction by Roberto Viola, Director General DG CNECT (confirmed) & Representative of the Biennale (confirmed)
15:15 - 15:30	Speech by Nicola BORRELLI, Director DG CINEMA, Ministry of Cultural Heritage and Activities and Tourism, (confirmed)
15:30 - 16:00	Fire-side chat on the EIF instruments to support the scaling up of cultural and creative initiatives. Gianluca Massimi, EIF Italy (confirmed)
16:00 - 17:00	<p>Panel with a banking sectors and (potential) beneficiaries of financial instruments in the cultural and creative sectors.</p> <p>Hubert Cottogni, Deputy Director of the European Investment Fund (confirmed)</p> <p>Sarita Christensen, Copenhagen Bombay, DK (confirmed)</p> <p>Mario la Torre, Professor Economics of Financial Intermediaries, La Sapienza University (confirmed)</p> <p>Marco Chimenz (President European Producers Club, EPC) (confirmed)</p> <p>Martina Colombo, CDP, Italian National Promotional Institution with experience in financial instruments (confirmed)</p>
17:00 - 17:10	Q&A
17:10 - 17:15	Conclusions by Christian Ehler, Member of the European Parliament, Co-Chair of the intergroup on "Creative Industries" (confirmed)

Venue: Sala Stucchi (Excelsior Hotel, Lungomare Guglielmo Marconi, 41, Lido Venice, 3rd Floor)

Reception for the 25 years of MEDIA in cooperation with the Venice Film Market / Mostra di Venezia

17:45 - 17:50	Speech by Roberto Viola, Director General DG CNECT (confirmed)
17:50 - 17:55	Speech by Silvia Costa, Member of the European Parliament, Chair of the Culture Committee (confirmed)
17:55 - 18:00	Speech by Paolo Baratta, President La Biennale di Venezia (confirmed)
18:00 – 18:10	Italian filmmakers/producers supported by Creative Europe MEDIA (tbc)

Venue: Terrazza dei Fiori (Excelsior Hotel, Lungomare Guglielmo Marconi, 41, Lido Venice, 3rd Floor)

Sunday, 4 September 2016

10:00 - 13:00	<p align="center">European Film Forum Venice 2016 - Day 2 Workshop 2 - What future for Cinemas? (in cooperation with the Biennale of Architecture) With the support of Europa Cinemas, UNIC, CICAÉ</p> <p>Moderator: Peter Cowie, Film historian and author (confirmed)</p>
<i>09:30 - 10:00</i>	<i>Participant arrival</i>
10:00 - 10:15	Welcome speech by Commissioner Günther H. Oettinger (confirmed)
10:15 - 10:30	Speech by Nicola BORRELLI, Director DG CINEMA, Ministry of Cultural Heritage and Activities and Tourism (confirmed)
10:30 - 10:45	Keynote speech by Ira Deutchman, Columbia University School of Arts (confirmed)
10:45 - 11:40	<p>Panel 1: Reaping the opportunities for cinemas in the digital era Panel discussion Silvia Costa, Member of the European Parliament, Chair of the Culture Committee (confirmed) Rich Klubeck, Partner in the Motion Picture Department, UTA (tbc) Phil Clapp, President of UNIC & CEO of UK Cinema Association (confirmed) Lionello Cerri, operator and producer Anteo Spazio/Lumière (confirmed) Agnès Salson, Tour d'Europe des cinemas and co-author of report "New practices in cinema exhibition in Europe" (confirmed) Q&A</p>
<i>11:40 - 11:55</i>	<i>Coffee break</i>
11:55 - 12:50	<p>Panel 2: Designing cinemas for a broader audience Panel discussion Thierry Decuypere, Agence V Plus (confirmed) Martine Odillard, Chairman Cinémas Gaumont Pathé (about importance of design for audience) (tbc) Detlef Rossmann (CICAÉ) (confirmed) Erwin Schmidt, Co-founder of Cinemathon (confirmed) Q&A</p>
12:50 - 13:00	<p>Lessons learned – What's the way forward? Interview with Luigi Morgano, Member of the European Parliament, Co- Rapporteur EU policy for cultural and creative industries (confirmed)</p>

Venue: Spazio Incontri (Excelsior Hotel, Lungomare Guglielmo Marconi, 41, Lido Venice, 3rd Floor)

13:00 - 14:00 Closing lunch reception

Venue: Terrazza Biennale (Lungomare Guglielmo Marconi, Lido Venice)

ANNEX IX. List of attendees' dinner and CVs & photos

Participant list for the dinner on Saturday, 3 September 2016 (as at 23/08/ 2016)

1. Commissioner Günther H. Oettinger
2. Roberto Viola, Director General DG CNECT
3. Anna HEROLD (Cabinet of Oettinger)
4. [REDACTED]
Article 4(1)(b) DG CNECT
5. Silvia Costa, Member of the European Parliament, Chair of the Culture Committee
6. Christian Ehler, Member of the European Parliament, Co-Chair of the intergroup on "Creative Industries"
7. Luigi Morgano, Member of the European Parliament, Co- Rapporteur EU policy for cultural and creative industries
8. [REDACTED]
9. [REDACTED] Biennale of Venice
10. Article 4(1)(b) Venice Film Festival
11. [REDACTED] Ministry of Economic Development
12. Nicola BORRELLI, Director DG CINEMA, Ministry of Cultural Heritage and Activities and Tourism
13. Gianluca Massimi, EIF Italy
14. Article 4(1)(b) European Investment Fund
15. Martina Colombo, CDP, Italian National Promotional Institution with experience in financial instruments
16. Sarita Christensen, Copenhagen Bombay
17. Phil Clapp, President of the International Union of Cinemas
18. [REDACTED]
19. Article 4(1)(b)
20. [REDACTED]

VIPs attending the Venice Film Festival on suggestion by La Biennale

21. N.N., VIP Biennale
22. N.N., VIP Biennale
23. Reserve list: Article 4(1)(b) Unit I.3 Article 4(1)(b)

CVs & photos

Article 4(1)(b)

Article 4(1)(b)

Article 4(1)(b)

Article 4(1)(b)

Article 4(1)(b)

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Article 4(1)(b)

Factsheet

Italy

and the European audiovisual sector



MEDIA budget invested in Italia (2007-2015): €66.3 million

Since 1991, **MEDIA** has provided support to strengthen Europe's audiovisual sector, including the film, TV and videogames industries, so that it can creatively convey the breadth of Europe's rich cultural diversity to audiences around the world. Over €2.4 billion has been invested in enhancing the careers of audiovisual professionals and in giving new audiences access to Europe's wealth of creative and cultural achievements in cinemas, on TV and on digital platforms.

EXAMPLES of success stories

Many Italian projects have benefited from the help of the MEDIA programme:

- ▶ **Torino Film Lab** (2010-2015: €2,297,300) – Training and promotion
- ▶ **MIA-International Audiovisual Market** (2008-2015: €897,000) – Promotion
- ▶ **Festival del cinema ritrovato** (2007-2015: €441,000) – Film Festival

...



▶ The Italian distribution company **Lucky Red** has been one of the main MEDIA beneficiaries in Italy since the launch of the MEDIA programme. Thanks to support from the Selective Distribution scheme the company has been able to invest more resources in promotion, while at the same time the support from the Automatic Distribution scheme allowed them to invest more in pre-sales and co-productions of European films.

▶ **Graffiti Doc** received support for development Funding three times in the last seven years. Without MEDIA support most of its documentaries would not have seen the light of day. One of these works, *Europe for sale*, received the Franco-German Journalism Prize also thanks to the MEDIA support which allowed Graffiti Doc to invest in research activities in over ten countries.



▶ **Mediterraneo**



▶ **Miele / Honey**



▶ **La meglio gioventù / The Best of Youth**



FOCUS on Italy

Number of inhabitants: **60,795,612**

Box-office in 2014 (€): **600,497,024**

Cinema admissions in 2014: **99,257,875**

Share of European films in admissions in 2014: **16,6%**

Share of national films in admissions in 2014: **27,2%**

Number of feature films produced in 2014: **180 (100% IT)**

Number of co-produced films in 2014: **21**

Number of Europa Cinemas theatres in Italy*: **146**

Number of available VoD services in Italy: National: **11** European non-national: **13** Total: **51**

* Europa Cinemas, supported by Creative Europe MEDIA, is a network of cinemas committed to screen a majority of European content



Shooting Star-MEDIA also supported the career of young European talents such as Elio Germano in 2008

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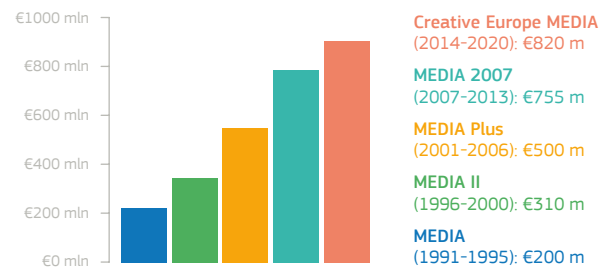


MEDIA throughout Europe

The EU has invested €2.4 billion in the past 25 years in the Audiovisual industry. Over €800 million has been earmarked to support the competitiveness and the diversity of the industry for 2014-2020. In 2016, no less than €103 million are due to be invested in a number of actions, including:

- Training to audiovisual professionals
- Support for the development of TV series/drama
- Support for non-national distribution of films
- Support for the development of video games
- Support to access markets
- Support for the development of films
- Support for film festivals showing European content
- Support for cinema networks
- Support for International Co-production funds
- Support for audience development projects
- Support to online distribution

The €121-million Cultural and Creative Industries Guarantee Facility will be launched in 2016 with the objective of stimulating availability of loan financing to initiatives in these sectors; and aiming to increase the competitiveness of these key European industries. The European Commission (responsible for strategy, budget, communication), the Education, Audiovisual and Culture Executive Agency (responsible for operational management of the funding schemes) and the Creative Europe Desks (local information points in States taking part in the programme) work together on the implementation of Creative Europe MEDIA actions.



MEDIA has contributed to innovation in the audiovisual industry in Italy, especially in the distribution and development sectors; furthermore through MEDIA training and networking events Italian filmmakers and producers have become more skilled and international and co-productions has now become an important reality.

By stimulating collaboration, co-production and non-national distribution, **Creative Europe MEDIA** greatly contributes to cultural diversity on Europe's screens.

For all questions on Creative Europe MEDIA programme opportunities, please contact your local desk:

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