

Creative Europe - Open Public Consultation

1.

1. In line with the European Commission guidelines, contributions to this open public consultation will be published. For the purposes of reporting, how would you prefer your consultation to be published?

In full - this means that you consent to the publication of any information in your completed form, including your identity

2. You can reply to this consultation by answering a questionnaire on-line and/or submitting a written contribution. Please indicate how you prefer to proceed:

Provide answers to the current questionnaire (if you wish to support or illustrate your answers by attaching documentation, this possibility is provided later on in the questionnaire)

An extract of the main questions and topics covered by this Open Public Consultation can be downloaded [here](#).

2. Part I - About you

In this section we ask few questions about you as respondent that will allow us to better understand your perspective and frame your answers:

3. In what capacity are you responding to this consultation?

On behalf of an organisation/ institution

4. What is the name of your organisation?

International Federation of Film Distributors' Associations (FIAD)

5. What type of organisation are you representing:

International organisation (e.g. UNESCO)

6. In which sector is your organisation primarily active? (Tick all that apply)

Audiovisual

7. Please indicate what your organisation does in the audiovisual sector (Tick all that apply):

Distribution of audiovisual works

8. Is your organisation registered in the Transparency Register?

Yes

Please indicate the registration number:

ID: 757797110981-25

9. Have you or your organisation received financial support from the Creative Europe (2014-2020) Programme?

Yes, my organisation or I have received financial support from the Creative Europe Programme (MEDIA or Culture Sub-programmes, or the Cross-sectoral Strand)

10. From which perspective would you like to take part in this Public Consultation – would you like to comment on the MEDIA or Culture side of the programme, or would you prefer to comment on the Programme as a whole?

Creative Europe Programme as a whole

3. Part II - Programme objectives and priorities

11. How familiar are you with the Creative Europe Programme?

I have detailed knowledge of its objectives and priorities

4. Part II - Programme objectives and priorities - MEDIA Sub-programme

12. In your view, to what extent are the MEDIA Sub-programme priorities still relevant to the challenges and needs within the sector you operate in?

	Not really relevant	Still relevant	Extremely relevant	No opinion
Enhance skills of audiovisual professionals for the use of new technologies and business models to develop their audiences			X	
Support operators in developing European audiovisual works, including co-productions, with international circulation potential			X	
Facilitate European audiovisual operators' access to principal markets and business tools		X		
Support theatrical distribution of European audiovisual works (transnational marketing, branding, distribution and exhibition activities)			X	
Promote transnational marketing, branding and distribution of European audiovisual works on all other non-theatrical platforms		X		
Stimulate interest and improve access to European audiovisual works by supporting audience development (promotion, events, film education and festivals)			X	
Support the development of new business models for distribution European audiovisual works	X			

13. Do you think there are other priorities not currently covered by the MEDIA Sub-programme that should be considered?

Yes

Please describe the other priorities that should be considered and motivate your choice.

Over the last few years, the MEDIA Programme has made valuable efforts to adapt to better address the needs of the European distributors. We think that both the Automatic Scheme and Selective Schemes are essential to film distributors and need to be maintained in the future Programme.

The theatrical window is the mother of others windows in the sense that the theater exploitation allow the distributor to cover partly or entirely both its financial investment in the film (minimum guarantee, coproduction) and the distribution costs (technical, sales, marketing, promotion) while building the visibility of the film to guarantee an optimal exploitation on other windows. Thus, in the majority of cases, the secondary markets performances are proportional to the film's theater attendances.

Therefore, if the MEDIA Programme should preserve its capacity to adapt to the new ways of distributing and promoting films induced by the digital transition by adjusting eligible costs, it should mostly focus in supporting theatrical releases through the automatic and selective schemes. Reducing those schemes funding would result in poor performances across all windows and thus weaken European films' market share, leaving the door open for more concentration and less cultural diversity. FIAD wishes to stress that principle as the MEDIA Programme seems to value new distribution strategies such as day-and-date releases which are perceived by film distributors as a value loss.

In addition, it is essential that MEDIA Programme has the possibility to address and take into account all changes in technology as and when they arrive. Today the priority is to support the creation of digital masters for all European films and therefore the extra costs incurred by the distributors during the digital transition and the digital costs linked to the various distribution channels. The MEDIA Programme needs to be able to offer a new, additional and ambitious support, including new eligible costs that may arise in the near future, in order to deal with the digital changes.

Less importance should be placed on the promotion of unsold films online. Distributors know their local markets and make calculated decisions on which films have the potential on their market and therefore it worth to invest money on. "Access to film" does not mean much and it will not bring the anticipated results if it does not come with improving promotion and marketing of already bought films in various platforms. It is this area that the Programme should give more focus on.

FIAD will ensure the value of the Creative Europe programme is promoted at both European and national level. There is a common interest to ensure a positive exposure of the Commission's work. This will also be important during the review of the Creative Europe Programme and the discussions in the European Parliament and Council over potential budget cuts, as well as placing the programme in a good position when competing with other funding programmes.

Other priorities to be considered:

1. Put more emphasis on co-productions
2. Distributors should be involved more upfront in the development phase of a film
3. Increasing incentive to distributors/exhibitors

14. The MEDIA sub-programme currently funds the following types of project:

Professional training

Development of feature films, documentaries and animation (Single projects and Slate funding)

Development of video games

Production of TV series and programmes of drama, documentaries and animation

International co-production funds

Distribution of feature films (automatic and selective support as well as international sales agents)

Cinema networks

Support to festivals

Promotion of works online (support to VOD platforms, services and catalogues of European films)

Actions supporting access to markets

Film education

Do you think there are other types of project that the Creative Europe Programme should support?

Yes

Please describe the other types of project that should be supported and motivate your choice.

The focus of the European Commission should not only be on access to works but also to ways to improve promotion and marketing which is essential when building audiences for European films.

Maybe less importance should be placed on the promotion of unsold films online. Distributors know their local markets and make calculated decisions on which films have the potential on their market and worth to invest money on. Access to film by itself does not mean much. Improving promotion and marketing of already bought films in various platforms is where the Programme should give better focus.

15. The Creative Europe Programme should create synergies with other funding instruments available at national, EU or International level.

Please comment on the extent to which the MEDIA Sub-Programme of Creative Europe is complementary to:

	Fully overlapping	Mainly overlapping	Partially complementary	Fully complementary	I don't know
National funding opportunities/instruments for the audiovisual sector			X		
Other EU funding opportunities/instruments for the audiovisual sector			X		
Other international funding opportunities/instruments for the audiovisual sector					X

6. Part II - Programme objectives and priorities - Creative Europe

21. Please comment on the extent to which you agree with the following statements:

	Strongly disagree	Disagree	No opinion or uncertain	Agree	Strongly agree
Integration of MEDIA, Culture and the Cross-sectoral Strand under the Creative Europe Programme has improved the coherence and impact of the European Union's support to the cultural and creative sectors			X		
The new Cultural and Creative Sector Guarantee Facility has the potential to strengthen the coherence and impact of the Creative Europe Programme				X	
Greater focus on entrepreneurship and competitiveness of the creative and cultural sectors is a strength of the new Programme			X		
The new scheme 'Support to the Development of European Video Games' strengthens the coherence and impact of the MEDIA Sub-programme			X		
Integrating MEDIA Mundus within the MEDIA Sub-programme of Creative Europe has improved its coherence and impact			X		
The new scheme 'Audience Development' strengthens the coherence and impact of the MEDIA Sub-programme					X
The new scheme 'International co-production funds' strengthens the coherence and impact of the MEDIA Sub-programme					X
The focus of the current MEDIA Sub-programme has been strengthened by the discontinuation of the following schemes that were supported under the predecessor MEDIA Programme (2007-2013): Support for interactive audiovisual works, Initial training and Digitalisation of cinemas.					X

23. In your view, to what extent are the Creative Europe Programme objectives (listed below) still relevant to the challenges and needs within the sector you operate in?

	Not at all	To a small extent	To a moderate extent	To a large extent	To a very large extent	I don't know
Preserving and promoting cultural and linguistic diversity					X	
Enhancing the competitiveness of the European cultural and creative sectors				X		
Increasing the capacity of European cultural and creative sectors to operate transnationally					X	
Increasing the transnational circulation of European cultural and creative works					X	
Increasing the transnational circulation of European artists and other professionals				X		
Developing audiences for European cultural and creative works					X	
Increasing access to European cultural and creative works by children, young people, people with disabilities and other under-represented groups.				X		
Enhancing innovation and creativity in the European cultural and creative sectors				X		
Strengthening the financial capacity of companies and operators in cultural and creative sectors					X	

24. Do you think there are other objectives not currently covered by the Creative Europe Programme that should be considered?

Yes

Please describe the other objectives that should be considered and motivate your choice:

As already mentioned above, it is essential that MEDIA Programme has the possibility to address and take into account all changes in technology as and when they arrive. Today the priority is to support the creation of digital masters for all European films and therefore the extra costs incurred by the distributors during the digital transition and the digital costs linked to the various distribution channels. The MEDIA Programme needs to be able to offer a new, additional and ambitious support, including new eligible costs that may arise in the near future, in order to deal with the digital changes.

The focus of the European Commission should not only be on access to works but also to ways to improve promotion and marketing which is essential when building audiences for European films.

Other priorities to be considered:

1. Put more emphasis on co-productions
2. Distributors should be involved more upfront in the development phase of a film.
3. Increasing incentive to distributors/exhibitors

7. Part III - Programme results achieved

This section explores the extent the Creative Europe Programme has reached or is reaching its objectives. The section proposes questions for Culture and MEDIA sub-programmes and for the Creative Europe Programme as a whole.

25. To what extent is the MEDIA Sub-programme achieving the following priorities:

	Not at all	To a small extent	To a moderate extent	To a large extent	To a very large extent	I don't know
Enhance the skills of audiovisual professionals for the use of new technologies and business models to develop their audiences			X			
Support operators in developing European audiovisual works, including co-productions, with international circulation potential				X		
Facilitate European audiovisual operators' access to principal markets and business tools			X			
Support the theatrical distribution of European audiovisual works (transnational marketing, branding, distribution and exhibition activities)					X	
Promote the transnational marketing, branding and distribution of European audiovisual works on all other non-theatrical platforms					X	
Stimulate interest in and improve access to European audiovisual works by supporting audience development (promotion, events, film education and festivals)				X		
Support the development of new business models for distribution European audiovisual works		X				

27. To what extent is the Creative Europe programme achieving the following objectives:

	Not at all	To a small extent	To a moderate extent	To a large extent	To a very large extent	I don't know
Preserving and promoting cultural and linguistic diversity					X	
Enhancing the competitiveness of the European cultural and creative sectors			X			
Increasing the capacity of European culture and creative sectors to operate transnationally				X		
Increasing the transnational circulation of European cultural and creative works				X		
Increasing the transnational circulation of European artists and other professionals					X	
Developing audiences for European cultural and creative works			X			
Increasing access to European cultural and creative works by children, young people, people with disabilities and other under-represented groups.				X		
Enhancing innovation and creativity in the European cultural and creative sectors			X			
Strengthening the financial capacity of companies and operators in cultural and creative sectors				X		

8. Part IV - Costs and benefits of the action

28. To what extent do you agree with the following statements concerning the efficiency of the MEDIA Sub-programme?

	Strongly disagree	Disagree	No opinion or uncertain	Agree	Fully agree
The budget of the Creative Europe MEDIA Sub-programme is sufficient to address the key European challenges faced by the audiovisual sector		X			
The results of the Creative Europe MEDIA Sub-programme could have been achieved in a shorter period of time			X		
The results of the Creative Europe MEDIA Sub-programme could have been achieved using less funding	X				
The current project selection procedures under the Creative Europe MEDIA Sub-programme ensure there is timely information on project award decisions		X			
The Creative Europe MEDIA desks effectively reach out to potential applicants and support them in the application process				X	
Other policy instruments or mechanisms could have been more cost-effective than the Creative Europe MEDIA Sub-programme in addressing the audiovisual sector's needs		X			

9. Part V - Benefit of an action at EU-level

30. To what extent do you agree with the following statements about the MEDIA Sub-programme's added value?

	Fully disagree	Disagree	No opinion or uncertain	Agree	Fully agree
The Creative Europe MEDIA Sub-programme has duplicated existing actions on national, European or international level		X			
The Creative Europe MEDIA Sub-programme has complemented existing actions on national, European or international level by supporting audiovisual subsectors or operators that would not have received support otherwise				X	
The Creative Europe MEDIA Sub-programme has complemented existing actions on national, European or international level by enabling industry collaboration across borders and across the value chain				X	
The Creative Europe MEDIA Sub-programme has contributed to improving the national, European or international support measures for the audiovisual sector				X	
Lessons learnt from the implementation of the Creative Europe MEDIA Sub-programme have been applied elsewhere				X	
The Creative Europe MEDIA Sub-programme has integrated lessons from other cultural and economic sectors			X		

10. Part VI - Sustainability and dissemination of results

33. To what extent would the current activities supported by the Programme be affected if the EU support was withdrawn or substantially decreased?

Most of the current activities or elements of the programme would be significantly affected without EU support

11. Part VII - Forward looking questions

35. In your opinion what are the trends and drivers that will shape the future of the cultural and creative markets and in particular the audiovisual market? Please distinguish by sector.

Audiovisual sector

The likely scenario is cooperation and it is already happening, at least to a certain degree.

Film distributors and cinema operators are exploring how both parties can work together in order to increase cinema attendance by existing customers as well as reach out to new target groups that so far do not go to the cinema. The discussion focuses on the importance of collecting, analysing and sharing data insights in the industry and examined how third parties might be able to help implement data-driven audience engagement strategies in the industry.

Any reform must be based on the realities of the market and not on second guessing what it will look like in the future.

Culture sector

36. In your opinion what are the most important issues/ problems/ opportunities/ priorities for the cultural and creative sectors to be addressed by the future Programme? Please distinguish by sector and indicate areas/ topics by order of priority.

Audiovisual sector

Film distribution is a valuable part of the film value chain, ensuring that films reach audiences across Europe.

Traditional distribution is the core and heart in guaranteeing the multilateral cinema exploitation of difficult films. The film distributors and world sales are the key one stop shops for international exchange of European films as they have proven to have the economic interest, the commitment and the market knowledge.

The distribution of films through existing and proven distribution avenues, such as cinema, must continue to be recognised and be the focus of the MEDIA programme. The concentration on digital and in particular certain digital projects with questionable purpose should be reconsidered because they consume much needed funds.

The large majority of European films suffers from not being backed in a similar way as films by major studios and therefore has much fewer chances of succeeding commercially. This is a key weakness of the European film industry, which is to some extent partially compensated by a strong film festival tradition. The focus of the European Commission should not only be on access to works but also to ways to improve promotion and marketing, which is essential when building audiences for European films.

The MEDIA Programme should preserve its capacity to adapt to the new ways of distributing and promoting films induced by the digital transition by adjusting eligible costs; it should mostly focus in supporting theatrical releases through the automatic and selective schemes. Reducing those schemes funding would result in poor performances across all windows and thus weaken European films' market share, leaving the door open for more concentration and less cultural diversity. FIAD wishes to stress that principle as the MEDIA Programme seems to value new distribution strategies such as day-and-date releases which are perceived by film distributors as a value loss.

In addition, it is essential that MEDIA Programme has the possibility to address and take into account all changes in technology as and when they arrive. Today the priority is to support the creation of digital masters for all European films and therefore the extra costs incurred by the distributors during the digital transition and the digital costs linked to the various distribution channels. The MEDIA Programme needs to be able to offer a new, additional and ambitious support, including new eligible costs that may arise in the near future, in order to deal with the digital changes.

Maybe less importance should be placed on the promotion of unsold films online. Distributors know their local markets and make calculated decisions on which films have the potential on their market and worth to invest money on. Access to film by itself does not mean much. Improving promotion and marketing of already bought films in various platforms is where the Programme should give better focus.

Culture sector

37. In your opinion what priorities should be maintained and what new priorities should be introduced in a possible successor programme to Creative Europe? Please distinguish by sector.

Audiovisual sector

FIAD strongly supports the Creative Europe Programme which provides an important source of revenue for cross-

border film distribution, benefiting FIAD's members. The European production and distribution community has become largely dependent on public support. The support from the automatic and selective distribution schemes from the MEDIA Programme is particularly key in giving distributors the opportunity to launch non-national films in European theaters. Those schemes are at the core of the MEDIA Programme main objective: allowing European audiences to discover non national feature films on big screen by enhancing transnational film circulation. This support is essential in this special period of digital transition that implies higher costs to release films. The distribution of films through existing and proven distribution avenues, such as cinema, must continue to be recognised and be the focus of the MEDIA programme.

The concentration on digital and in particular certain digital projects with questionable purpose should be reconsidered because they consume much needed funds. We would like to highlight the disastrous outcome that may result from the European Parliament recommendation on its report on the implementation of the Creative Europe programme adopted on 2nd of March to change the bonus system for simultaneous releases in theatres and VOD (paragraph 32).

In a "day-and-date" release, the movie becomes available online the same day it opens in theaters. This cannibalization approach would hurt the physical video market which remains, despite his current decline, a significant value driver for right holders in comparison with VOD. According to a study of the European Audiovisual Observatory on "Origin of films in VOD catalogues", which was published in April 2016 the exploitation of individual films, theatres and DVD still prevail. TVOD amounts to less than 10% of individual exploitation of content.

The current business model based on release windows should not be changed. The decision should be left to the market. We support the development of VOD models, as long as there is acknowledgement that a cinematographic work can only generally be successful –and reach audiences – if it is exploited according to a sophisticated release schedule (the "media chronology").

The possibility to adopt short time delays between each form of exploitation of an audiovisual work (cinema, digital media, online, TV, etc.) is crucial to the audiovisual industries' financing and distribution model, and its importance to the sector's economic viability and financing model has been recognized by the Court of Justice of the European Union on several occasions.

The theatrical release is the launch of the lifecycle of a film. If you have simultaneously release then these costs may not be recouped. The sequenced and exclusive exploitations of a film throughout the different windows of media chronology are essential to maximize its revenues and to amortize significant production and distribution costs. Removing chronology would mean no pre-sales, and no financial backing as money is invested with a demand for exclusivity. This would undermine the funding for production.

New opportunities of revenue from digital distribution such as VOD/SVOD players are still marginal due to a sector very much concentrated and not fully integrated in the value chain. Thus, simultaneous releases would consistently decrease value through consumer switching from the theater run, which exploitation is by far the main contributor to the film amortization, to VOD which is a marginal value driver for right holders. Releasing multiple digital copies straight away puts the film more at risk from piracy. An early VOD exploitation would make the film available sooner on illegal platforms, decreasing revenues all over the value chain. This proposition is especially unacceptable to us given that the previous experiments launched by MEDIA ("The Tide Experiment") showed very bad results. Furthermore, this initiative clearly conflict with the AVMS Directive which says that the question of specific time scales for each type of showing of cinematographic works is primarily a matter to be settled by means of agreements between the interested parties or professionals concerned (Recital 77 of the Directive)."

Furthermore, we strongly believe that the financial means of the program, which are currently insufficient have led to a rather low proportion of successful applications (32% in MEDIA excluding automatic schemes), and should be increased as the European Parliament report on the implementation of the Creative Europe programme pointed out in paragraph 1. Also, a major issue for the participating distribution companies to the Programme is the high administrative costs, which for smaller companies is substantial. Furthermore, this administrative burden reduces the number of applications. Indeed, a drastic selection combined with the significant time and resources needed to fill out the applications could lead European players to a more cautious approach that may affect the financing of projects in the long run.

We also share the views of the European Parliament on the need for further simplification of applications and administrative procedures along with increasing transparency, in particular regarding unsuccessful applications (paragraphs 11, 14 and 15). A major issue for the participating producers and distribution companies is reliability especially in the area of selective support. The fact that the payments can be modified towards the end of the year due

to budget shortages is a significant disadvantage. As opposed to the automatic scheme, the effort in the selective system to submit in a grouping is relatively high. Hence, certainty in planning is all the more important and is endangered if cuts are to be expected towards the end of the year. We believe that any initiative enhancing the program readability and predictability for European players goes in the right direction.

Culture sector

38. To what extent do you think the following issues need to be addressed to maximize the impact of the successor to the Creative Europe Programme?

	Not at all	To a small extent	To a moderate extent	To a large extent	To a very large extent	I don't know
Increased budget					X	
Better defined priorities			X			
Increased use of cross-cutting calls						X
Increased coordination/synergy with other EU programmes				X		
Better access for newcomers				X		
Increased focus on capacity-building activities						X
Increased focus on market instruments			X			