



MEDICI – The Film Funding Journey

Reports Previous Workshops

First Workshop Report – 25 to 27 April, 2012 – Sigtuna (Sweden)

Module 1 – The Role of Public Film Funds

Mission, Challenges and Shared Questions

However public funds are structured (as an independent organization or as a division within a governmental entity), they all face new challenges and shared issues (budget cuts, political vs cultural issues, economic benefits...).

Or, in other words:

- How do the public funds understand their mandate?
- What do they do and why?
- Do they represent the voice of the public entities or of the audiovisual sector?
- How can they bridge political versus film sector issues?
- How - as a public service - can they be proactive as a leader in policy making?
- Are there innovative ways of addressing film policy?

1. Mission of Film Funds

- To contribute to a diversity of films, widening the choice for consumers.
- To make sure that the best films are funded and please a maximum of people.
- To provide professionals with better filmmaking conditions.
- To foster good and shared practices in production, encouraging the exchange of working methods.
- To encourage professionals to work together, in particular within coproductions.
- To support producers to anticipate the distribution of their films earlier and more strongly.
- To give producers a precise road map, including the objectives and expectations set forth by the ministries and politicians.

Obstacles

- Funders are in the audience's service: they are linked to the government, but work in tandem with an industry. In trying to help the film industry, they are called upon to look at things the latter's perspectives.
 - Having become more involved in the production process, funders have altered the role of the producers. Therefore, the positioning of the roles of respectively producers and funders has become somewhat paradoxical.
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2. Challenges

How to deal with budget cuts?

- By making a more thorough analysis of the projects.
- By maintaining quality but finding other ways to evaluate the projects: selection should depend more on the balance struck between the costs of a film and its commercial possibilities.
- By supporting low budget projects (which need not take on the cheap look of student films), i.e. the likes of simple stories that can travel.
- By keeping financial support per film as before (consequently financing fewer films) to fulfill the audience's quality expectations.
- By supporting fewer projects but keeping the same number of coproductions.
- By being cautious about a potential shift of majority coproductions into minority ones, which can force producers to lose part of their rights.
- By providing professionals with international high quality expertise to help them keep up with international connections and markets.
- By thinking of ways to decrease the share of public film funds in the financing of films

How to marry cultural and economic considerations?

- The "exception culturelle" more than the "exception économique" should rule Europe.
- Currently there is real competition between countries as to the risk of having economic factors replace cultural ambitions.
- National film funds have mainly cultural objectives, while regions are more concerned with economic factors. National funds look at and support the industry as a whole, while regions are more interested in the economic impacts. Under the auspices of their cultural mission, national funds can take risks; they can be the first to provide financing. Regional funds, on the other hand, seek to support films promising to make a strong economic impact. Film professionals have to face and handle all these puzzling differences. How can the various funds collaborate to make life easier for producers and help them to make good films?
- There are differences between regional funds. Some are more culturally inclined (like Film I Väst in Sweden), while others are more driven by economic considerations. This state of affairs cannot be changed.. Regional funds are freer than national funds; they do not have bilateral treaties. They can

adapt more rapidly.



Cooperation among film funders

Why?

- Today, financing has become extremely complex for producers, both within their own countries and abroad. The situation has changed from what it was 15 years ago. Funding from regional funds is on the increase: it now represents over 25% of the funds available to finance projects.

How?

- By knowing and understanding each other better, in order to achieve improved collaboration.
- By exchanging experiences and sharing points of views with colleagues belonging to the same profession.
- By sharing views freely, thinking laterally, outside the box.
- By delving more deeply into the day-to-day problems and reflecting on one's own practices.

3. Shared Questions of Daily Management

- What kind of projects do funds wish to support: small or mainstream projects?
- The industry is changing... and the funds have to change. Do they want to take risks or remain within their comfort zone?
- How to make the right choices? How to find the right balance within the decisions taken?
- How to measure quality?
- How to improve paperwork, to make life easier for producers with respect to administrative aspects?
- Should funds be flexible? Why do funds give money to films—for economic (such as employment) or artistic reasons?

Some **highlights** about the case studies of MODULE 1

Illustrations by **Daniel DePierre**



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Module 2 - Partnership with Industry

Relations, Development and Expectations

More and more, the viability of the audiovisual sector depends on public money, increasing the responsibility of the film funds.

Or, in other words:

- What kind of relations do funds have with the industry? To what extent can public funds answer the needs and the wishes of the industry?
- How should public funds position themselves? As facilitators? And/or as leading organizations, i.e. policy makers? Or as both?
- How can funds collaborate with the industry effectively, support it in its development?
- To what extent can the film industry become involved in the policies and management of the funds?
- The film industry is often represented on bodies (boards, selection committees...) of all the funds, taking a direct part in funding policies. Where do funds draw the line? At what point do they distinguish between involvement and interference?
- What can be expected of the producer in this context? More responsibility? More entrepreneurship? How does this fit in with a protected and regulated environment?

Nota bene: the following elements reflect the various opinions and practices of the participants and must therefore not be understood as final conclusions.

1. Relations with the Industry

Dialogue and involvement

- There are different ways of talking to the industry and keeping up a dialogue with the professionals. It remains an ongoing communication, and changes of rules are made together.
 - Not only producers are at issue. Funds have to be open to other professionals too. It is important to encourage all professionals. Problems always exist, but everybody should be treated at the same level, given the same consideration, whether a small or a major producer.
 - Events, services and activities are set up on the funds' initiative, but feedback from professionals can be culled at the end of the year, with an eye to revising / changing / improving the plans for the next year.
 - Funds can organize regular consultative meetings with the professional associations to discuss all issues. Smaller working groups can explore some issues in more detail.
 - Discussions regarding the representativeness of the boards speaking for the different categories of professionals within the funds, the constitution of selection committee involving professionals in equal proportion, the choice of experts for documentaries, features, distribution, festivals are... endless, but also represent a real dialogue.
 - One option to be developed: panels of experts to evaluate the market prospects.
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FUNDER INVOLVEMENT

Positioning

- Funds are an interface between the government and the professionals.
- Given that the budget of many funds comes from both the State (60%) and private investors (mostly TV for around 40%), and that the director of the fund is a civil servant, funds should take a neutral position.
- A fund should have ambitions in order to deserve the professionals' trust: it should be transparent, have good rules (and stick to them!), and know what it is doing.

Transparency

- Transparency is a big issue. Due to the fact that public money is involved, any decision - in particular why support has been refused to a project - should be explained.
- All information can be published online: applications, budgets, decisions with explanations, and all signed contracts. Even board meetings can be open to the public.
- Is transparency contradictory with confidentiality? The public might be shocked at how public money is being invested, and it could damage chances for films at the development stage to raise money from other funders.
- The whole industry could benefit from being more transparent, including about the failures.
- Too much public transparency (including failures for example) can change the decisions made on films by the film commissioners. The latter might opt for safer choices.
- Funds believe in transparency. Yet they cannot say the entire truth, since it is not a purely mathematical matter and could be counter-productive.



THE DECISIONS OF PUBLIC FILM FUNDS MUST BE TRANSPARENT AND ACCESSIBLE.

2. How Can Funds Develop the Industry?

- How far a fund goes depends partly on the size of the country. Funds play a different role in Germany and/or France than in smaller countries.
- Being the customers, producers have to please the funds. Funds and producers serve each other - a tricky state of affairs. Including the audience in one way or another could help break this vicious circle.
- Often due to small markets, the industry depends heavily on public money. They then make films for the funds, and the funds let them do so. They should, however, help the producers to become stronger, more independent. Not only with respect to each "isolated" project, but as a general approach by filmmakers and producers.
- In larger countries, there are some strong companies, quite independent. These develop activities for TV, thus improving their financial capacity.
- If producers work more with private partners, they are no longer creative but executive producers...
- One option is to concentrate on the more ambitious companies: quality and box office are concentrated on 8 to 10 companies doing the most films a year. Such companies can also identify and work with new talents, because they have stronger muscles.
- To concentrate investment on 10 to 15 aging producers is dangerous; funds need new blood, people who think differently.
- Funds should not work only with experienced producers, but also support small companies and beginners (including legal coproduction issues).
- Should funds really help producers with a small office, one computer/printer and a credit card of 10.000? Will they survive? Where are they heading?
- The task is to make the producer stronger so he can negotiate better.
- Sustainability is an issue. What kind of companies should the funds support? A balance should be struck between small companies and bigger ones with a slate of projects at an international level.
- The development of companies is a key factor. Funds should encourage producers with partners, with companies involving several people.
- Funds also need to strike the right balance between the market and public money; they should stimulate the market, target the audience. What makes up an audience? It is so fragmented. There is a need for a diversity of films for different types of moviegoers. Success is not only a question of money but also, on the cultural side, that of obtaining recognition at festivals.
- Ethics is important. A fund is not a studio either: it is in a tricky position. To come through clearly,

funds should take on an advisory role.

3. What Funds Expect from the Industry

- For the most part, a producer's experience is essential to a fund's decision-making process. Sometimes, the producer can be asked to team up with another producer who is in a stronger position, with an eye to improving financing chances, gaining a better distribution strategy, etc.
- Funds need producers ready to fight for the film they consider to be the best, to link up with persons who are ambitious, knowledgeable and skilled (in connection with scripts, working with talents...on through to the film's distribution) and thus destined to become good, creative producers.
- There is a need for reliable producers who understand the relationship between funders and professionals, and who are willing to put their trust in talents.
- Passion is very important. Filmmaking is such a risky business: like a fisherman, a producer will develop several projects but will land but one fish ...

Some **highlights** about the case studies of MODULE 2

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Module 3 - Strategies

Quality Improvement, Film Sector Sustainability, Market Access

In some countries, films are going to have a hard time due to budget cuts or the disappearance of film funding mechanisms. In other countries, quite to the contrary, more money is available for investment. It is a major challenge for film funds to identify strategies that best serve the responsibility and control of public support, and that deliver films able to meet and fit in with the cultural and economic environment.

Or, in other words:

- How to develop strategies that could best serve the needs of the industry and compensate the financial instability of public funding?
- What are the core activities that would better serve the industry (scriptwriting, development, production, distribution, promotion, professional development...)?
- How can the dynamics and diversity of national cinema be sustained and strengthened?
- Do the funds want to support films or companies (and thus sustain the film industry)?
- How can the importance of art-house film funding be conciliated with the necessity of offering mainstream films to European audiences?
- What's the best way to scout for the best talents and stories?
- Is there enough training in marketing?

Strategy 1: Improving the Quality of the Projects

Development support

- Croatian Audiovisual Center: Development is a key element. Time and peace of mind. Five to 7% of the programme's budget should go to development. We give around 5.000€ to writers for a first draft; the rest goes for project development by teams producers/writers/directors. The number of applications has doubled, although the fund does not have more money...
- Danish Film Institute: Development skills should be maximized. We need much more development prior to pre-production. In 2006, 6% of the annual budget of the fund was spent for development; in 2011 it came to 20%. We need to investigate new methods and involve other people - actors, composers, costume designers etc. We should experiment more in this field.
Another challenge is to create a new kind of commissioners: we have to find them or else teach them the job. We need to create a culture of development. All development involves danger... and be careful not to develop everything and anything
Development grants can go from 100 to 300.000 €, depending on the film budget. All the money should be spent prior to production.
- Netherlands Film Fund: 10 to 20% given to the development stage: up to 30.000 € for development of a project with a producer, or up to 20.000 € if no producer is attached to the project yet.
We do a lot on talent development, especially with broadcasters, to provide a platform for young talents.
- FilmPool North: We offer a development scheme for projects to which no producers are attached yet: the results are good, especially for female directors/writers. This scheme covers the early stage of development, research, the time allotted to authors ... and to finding the best producer.
- Israel Film Fund: 25% of the budget is free of restrictions and can be used as wished by the fund. Money is given to writers to encourage/invite them to write, but we have to be more pro-active.
- Finnish Film Foundation: Sixteen percent of production funding goes for development/scriptwriting = 111 scriptwriting supports and 77 development supports. A film commissioner follows the project from

script to editing if necessary. Two drafts of the script have to be written before the project can qualify for development phase. One out of 5 scripts gets produced.

Script doctoring

- Israel Film Fund: Providing script doctoring is very profitable. It is almost normal nowadays for a writer to work with a script doctor. Our relations with the UK Script Factory and other training organizations are good; we have created a pool of script doctors.

Training

- Israel Film Fund: Training is important. Funds can identify weaknesses; they can design and/or initiate training modules and invite experts, often from abroad.
- Croatian Audiovisual Center: In small countries with a small industry, professionals are encouraged to participate in training programs such as EAVE or EURODOC, in order to improve the quality of their projects.
- Israel Film Fund: All teams that have been granted funds can have access to a bank of 8 development sessions; writers/directors can be on their own.



Strategy 2: Maintaining a Sustainable Film Sector

Slate Funding

- Swedish Film Institute: Since 2006, SFI has been offering Slate Funding - up to 100.000 € for several projects developed by a producer over 1 or 2 years. We want to render producers more responsible.
- Norwegian Film Institute: Slate funding has been granted for 6 years now. Results are positive with the following ratios:
 - 25% of the overall budget should be the producer's investment;
 - the selection is made on the basis of a slate of 3 to 5 projects;
 - the quality of the projects matters less.

Support to Coproductions...

- It is important for producers to be involved in international cooperative projects: these strengthen their companies.

- To stimulate such areas as coproductions implies strong relationships with politicians and professionals.
- It is important to strike a balance between coproductions and minority coproductions and their respective financial envelopes, as well as to define clear criteria for the selection of the minority coproductions.

... But what about reciprocity?

- Reciprocity should be implemented in a clever way (for example by enhancing long-term relationships between production companies), but not on a technical level. Otherwise, it could force producers to fake their cooperation or to create partnerships that do not make sense.
- For funders, what does “reciprocity” mean? There is a difference between reciprocity at the State level (which is based more on reciprocity among comparable countries) than at the producer level (among comparable production companies).

Recoupment position

- Netherlands Film Fund: Our recoupment position will be revolving (50% reinvested in the development of new film productions belonging to the subsidy recipient; a maximum of 50% can be used by the subsidy recipient to meet arrangements with risk bearing investors and any entitled parties for the corresponding film production). All horizontal, we are among the last to recoup in order to give revenues a chance to first go back to producers and directors rather than to us, so they can be reinvested in future productions.



Strategy 3: Accessing the Market

Support projects that can reach an audience/convince producers to produce different film genres

- Danish Film Institute: After 2006, it became important to make our professionals understand that audiences no longer wanted the low-budget, realistic stories they were in the habit of producing (the Dogma concept), in order to avoid press coverage on badly spent money.
- Swiss Federal Office of Culture: We do not have quotas for the selective process. There is a committee comprising 5 decision-making persons (whose recommendations the FOC always follows) to select the most satisfactory projects. The real issue has to do with comedies: the German and the French have a very different sense of humor... How can such cultural differences be dealt with?
Funds should be more pro-active, telling professionals what is needed - for example, more comedies.

Improve project marketing

- Danish Film Institute: What is the weakest link? It is marketing, which is predictable and not innovative. Producers & directors have too much power over the marketing, even though they know nothing about it. Marketing people become involved too late in the game. A solution could be to allot grants for marketing development, because it should be part of the process at an early stage.

The number of films

- In Germany, there are 100 new German films per year. Can the market and audience really see all those films? Exhibitors think there are too many. Producers and directors do not agree - they say we need more.
- In Austria (and other countries), funds want theatrical releases in exchange of their film support. They do not want to reduce the number of films being supported, but the number of "foreign" films on the screens.
New distribution platforms may offer new solutions.



Some **highlights** about the case studies of MODULE 3

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Module 4 – Continuity and Newcomers

Existing Mechanisms, Proposals for the future

On one hand, the number of creative talents is constantly on the increase, as is the number of films being produced; on the other hand, funding budgets are unstable and more often on the decrease.

Or in other words:

- Is there any support mechanisms for “first-time directors” funds could be inspired by?
 - Are there any support mechanisms for “first-time directors” that could serve to inspire funds?
 - How large a share of the funding budget can be given to first-time directors?
 - What budget size should be attached to first-time films in relation to overall budgets?
 - Who should take the responsibility of financing first-timers?
 - Should there be a specific scheme OR label for first-timers?
 - How should the evaluation be done (e.g. according to the film topic and/or themes? by the producers? by the professionals surrounding the director?)
 - Should a first-timer be “taken under wing” to secure the making of a second film (guidance etc.) as well?
- What sort of proposals would be applicable?
 - Is it possible to strike the right balance between first-timers and established directors?
 - How can second-timers be evaluated in the light of a failed first feature?
 - Can we limit the number of films?

1. Existing Mechanisms (6 Examples)

Finnish Film Foundation: To assess a project, we don’t look at the person behind it (saying that especially for directors who have not been successful with their first film), only the project.

Among 22 supports for production: 8 first-timer films and 5 by second-timers. Those projects were funded through different programs: Calling card scheme, Low Budget scheme (300 to 400.000 €), 50/50 new scheme for commercial films...

- Our question: Do we take too much risk?

Swedish Film Institute: It is too easy to enter the Swedish film industry. In Sweden, new talents mean more funding from politicians.

The results: SFI financed between 2002 and 2010:

- SFI financed 204 films by 108 production companies,
- 8 of those companies made 5 films
- 67% of those companies made only 1 film
- 121 directors made only 1 film (69%) over 9 years

The more films you make, the better you do in terms of box office. If you do your first film with an established producer, you gain more exposure.

- One question remains: how can quality be measured?

Centre du Cinéma/Wallonia-Brussels Federation: We have tried different approaches. Some years ago, we were

told to support new talents: the funding was split 50% for first-time directors and 50% for experienced directors (i.e. having produced more than 1 film). A few years later, the fund for experienced directors became too small and it was very difficult for second-timers to compete with more experienced ones. We then decided to create a third college devoted to experienced directors (like the Dardenne brothers, Jaco Van Dormael...). Six years later, the same problem occurred: this third college ended up with too many experienced directors and not enough budget! One year ago, we decided to try another funding structure by merging first-timers with second-timers, and reverting to 2 colleges. Our observation: this does not solve the difficulty of making a second film — in 2011, out of 40 applications, only 4 were submitted by second-timers.

- Second-timers are an issue: what makes it so difficult for them to make their film? Lack of creativity? A hard time finding a producer?

Israel: One third of the supported directors are first-timers. Particular attention is given to young talents with an innovative/experimental approach. This scheme has proven successful.

Norway: We have launched an initiative for emerging talents to encourage the new generation of feature film directors. Entitled "New ways to long films," the scheme is supposed to uphold moderate affirmative gender action; it is thus seen as a means of improving gender balance in Norwegian film production.

Ireland: We give a disproportionate amount of funding to new talents. Financing ranges from micro budgets to 2 Mio €

- The English language represents a problem (Irish talents stolen by the US). How can we hold on to good talents?

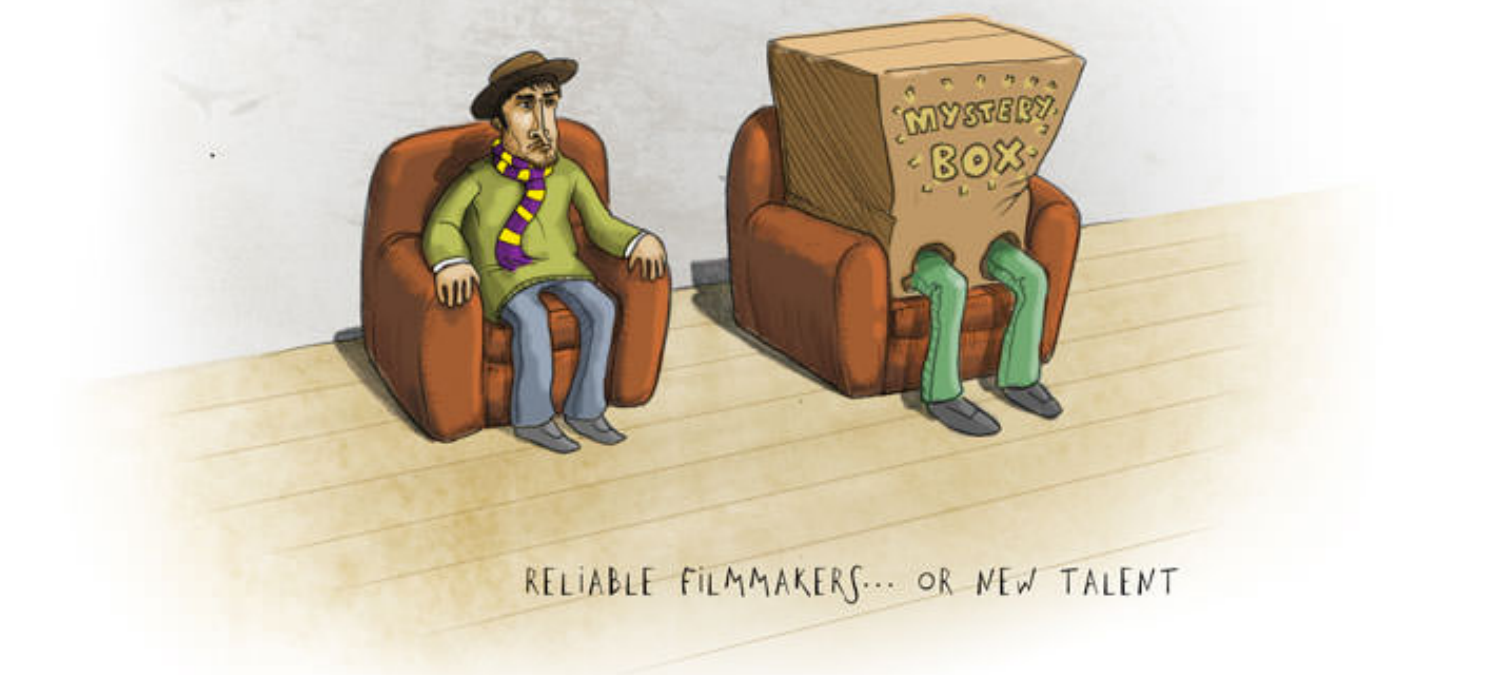
2. Some Proposals Discussed for the Future

Newcomers

- There should be a minimum allocated to newcomers. Around 25% of budget to new talents?
- A first feature should finance itself on the domestic market. Encourage filmmakers to make a low budget film as a proof of his/her talent.
- They should not be granted a separate fund but a particular attention. Not necessarily linked to low budget films.
- Should the fund foster relations with new talents? Or the producers?
- Different approaches by national and regional funds, especially regarding the switch from first-time to second-time.

Second time directors

- Not only the director but also the producer of a first film should be "taken under wing" to ensure the production of a second film.
 - Regional funds nurture new talents. So first films should have the support of regional funds, and second films more that of national funds.
 - Lowered expectations for first films than for second films: budgets are lower, with more investment in kind and crews that are more open to negotiate. If the first film is good, there are high expectations for the second; if not, national funds will show little/no interest. But regions still lend support, even if the first film did not do well.
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RELIABLE FILMMAKERS... OR NEW TALENT

Conclusions

- Funds are responsible for tracking new talents and should take responsibility for financing them.
- A special scheme may not be called for, but a label, a special attention. The wording "New Talents" instead of "first-time director" sounds better.
- For micro.budget films, we should take the pressure of a theatrical release off their shoulders; other distribution platforms should be accepted.

Illustrations by [Daniel DePierre](#)



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Case Studies — MEDICI — First Workshop — Highlights

Module 1 — Three case studies

Questions to **Roberto Olla, Executive Director — Eurimages (supranational fund)**:

Eurimages has an overview of many (almost all) funding mechanisms in Europe. Do the funds share the same view of their role as public funders? What is the reach of a public fund? How does it deal with political pressure?

⇒ *Our mandate*

There is a limit to my role, given the Statutory documents. Eurimages was born because the MEDIA Programme could not take care of cultural matters. As a Council of Europe Fund, it does not have an economic mission, nor does it seek to make a commercial or industrial impact. Its core value is clearly cultural.

Our main objective is cooperation in the cinema sector; we seek to foster good and common practices in production, and to encourage the exchange of work methods. We want to incite people to work together using coproductions as an instrument of collaboration, not only at the production stage but also to improve market access. After 23 years, we can say producers share a common language.

Helping films circulate better is very important to us. MEDIA does it very well: they have more money. Given that coproductions improve the circulation of films outside their original market, Eurimages should help producers to give earlier and stronger consideration to the distribution of their films.

We are also interested in contributing to a diversity of films, widening the range of choice for consumers.

⇒ *Our relation with the industry*

We do not have a mandate to protect or represent the Industry except when sitting on the Council of Europe. We are complementary to the actions of other funds such as national or regional funds. Being the last source of financing — ever more difficult to find in today's context — our support affords professionals better filmmaking conditions.

⇒ *The selection of projects*

Eurimages is a quality label. What we look at during the evaluation and decision processes is the quality of a proposal. A film's potential as a commercial success is not a criterion of decision, despite our interest in seeing films cross borders.

⇒ *Political pressure*

I have 36 governments on my back with different priorities, ways of managing funds and specific patterns. My solution: sticking to the rules. It works when they are precise enough and applied without exception.

There are some clear differences between countries due to the definitions and missions of the film bodies but also to the personalities of the Heads of funds and the people working within those organizations.

On one hand, the mission of national funds is to look at and support the Industry as a whole; regional funds are more interested in the economic impact. For producers, it can become a real puzzle to assemble the differing opinion pieces!

On the other hand, there is the Jeanne d'Arc category or "patronizing approach" used by film funders who want to protect their projects at all costs, even if they are not good, while others seek to support the best

projects from their own countries.

⇒ Conclusion

Eurimages has come a long way, and the decision process has been improved but it can't be perfect. We are trying to make sure that the best films are funded, and to please a maximum number of people. The number of Eurimages members is on the increase, and so too the number of coproductions, but it all falls under the same heading! The rules of the game are good, but they should be rethought over the next couple of years. In 2013, a study will be launched on the support systems of the member states and the current effectiveness of the role of Eurimages.

Questions to **Laufey Gudjonsdottir, Director — Icelandic Film Fund (national fund)**

Public money is crucial to the industry. No public money – no films. How can budget cuts be faced and a fund reorganized?

How can a small country, like Iceland for instance, face a 35% budget cut?

We decided to consult the producers subsequent to the financial crash and discuss solutions together. The strategy adopted is to not cut everything proportionally but:

- *To take a closer look at the projects, so as to maintain the quality but find other evaluation criteria. Selection is made more on the balance between the cost of film and its commercial possibilities: it can be a low budget, but shouldn't look cheap (i.e. look like a student film); it can be a simple story, but one that can travel. This represents a challenge, because distribution and sales are more difficult today.*
- *To support fewer projects: 2 or 3 films per year and about the same number of coproductions.*
- *To continue to consult closely with the industry.*
- *To bring professionals from abroad to workshops, to make sure our professionals are up-to-date on international connections and markets.*

Questions to **Katarina Krave, CFO — Film I Vast (regional fund)**

Film I Vast (FIV) has existed for over 20 years. It is one of the strongest regional funds. Today Film I Vast faces different challenges — above all, how can it at once support cultural projects and sustain an industry. How can it bridge the gap between cultural reality and economic reality? How does it cohabit with national funds?

What is the philosophy of the fund? Is it possible to coproduce jointly with national and regional funds? What kind of balance can be struck between the two?

The task is not easy, but it is possible. Collaboration is a necessity today, as opposed to the situation 15 years ago. This is due to growing regional funding for films, which today comes to 25% of the total of public funding in Europe (with 75% coming from the national funds)[European Audiovisual Observatory figures].

For FIV, the key element is getting to know each other better, so as to improve working together. This implies more understanding and knowledge of each other.

Is FIV economically or culturally driven?

For FIV, so far the accent has been on the cultural rather than the economic. But we cannot ignore that there is a film industry. For political and budgetary reasons, we need to use the argument that funding films does create jobs, and that it impacts economically on the region.

Is any prerequisite needed to foster a regional effect at FIV?

Yes, but the cultural takes over. When selecting projects, we have a choice between two main criteria: namely their high quality standard, or else their larger audience potential.

We are not concerned with the nationality of the film, and have no problem cooperating with any country.



Module 2 — Part 1 — 3 case studies

Questions to **Roland Teichmann, CEO — Austrian Film Institute (national fund)**

The Austrian Film Institute (OFI) sees itself as an “open house” for all people involved (producers, directors, writers, distributors...). What type of collaboration from funders would most benefit the industry? How do you position your fund: as a public service? As a facilitator? And/or as a leading organization — that is a policy maker — or as both?

⇒ *OFI as an open house*

We have to encourage not only producers, but also all professionals. Everybody is at the same level, treated the same way, both small and big producers.

A fund is in a tricky position. It is not a studio: it has to maintain a certain ethical stance and have the open-mindedness of someone in an advisory role. I rarely say something is impossible. I prefer saying "go for it," and if any problems arise, let's talk.

We are managing State money. Transparency is thus a big issue. We have to give clear answers and explain why a project has not earned support.

⇒ *Selection of projects*

Films will not come into being without the support of a national fund. Happily, the financial crisis has not yet hit us. We operate on cultural grounds, but we try to measure the economic and market outcomes. This is not easy because the national market—which is quite small — always has its ups and downs. To the contrary, the international market is doing quite well for our films.

Questions to **Jochen Coldewey, Head of Funding – nordmedia/Germany (regional fund)**

nordmedia is not only a provider of funding but a partner in all phases of realization of creative projects. What does that mean? How do they collaborate with the other German regional funds?

Introduction on the German market: about 200 German films theatrically released, 2 federal funding systems and 7 regional funds.

nordmedia was created in 2001. Its budget comes mostly from TV. Its website is very informative, including all the details about the film commission (location, production guides etc.)

All the events, services, and activities are set up on the fund's initiative, but we proceed to collect their feedback from the professionals at the end of the year. We do this in order to revise/change/improve our guidelines, practices and procedures for the coming year.

Questions to **Martin Smatlak, Executive Director — Slovak Audiovisual Fund (national fund)**

The industry is directly represented in all of the fund's bodies (board, selection committee...) and takes part directly in the fund's policies. Where do you draw the line? What kind of dialogue do you have with the film industry?

⇒ *Dialogue with the industry*

...Quite a lot. I spent 13 hours yesterday, including 9 with the Board, discussing with professionals!

The Slovak Audiovisual Center was established in 2009 further to a new law. It is a public institution with a Board and a director. The budget of the fund is 6.5 Mio € a year. It comes from both the State (60%) and the private sector, mostly TV (40%). The director is considered a civil servant and must maintain a neutral position.

We are an interface between the government and professionals who are involved at all levels:

On the Board: 9 members represent different categories of professionals.

On the selection committees: the decision-making process for projects involves professionals within the different committees (documentaries, feature films, distribution, festivals...). These committees meet about five times a year.

⇒ *Transparency*

The fund is fully transparent. All information is available on the website: applications, decisions with explanations and signed contracts!

Even the meetings of the Board are open to the public...

We have endless discussions, but in a real spirit of dialogue. We must understand each other.



Module 2 — Part 2 — One case study

Questions to **Ivar Kohn, Executive Director Development & Production — Norwegian Film Institute (national fund):**

How does a public fund see the role of Producer? What does it expect from them?

⇒ *Experience and knowledge*

There are more producers (10 to 15) producing about two films a year. The producer's experience is essential in our decision-making process. Sometimes we ask them to team up with another, stronger producer to

improve chances for good financing, a better distribution strategy etc. We are fully convinced that it is important to develop a generation of well-armed producers.

We need producers who are always willing to fight for their film to be the best one — persons who are ambitious, knowledgeable and skillful. We know that being a creative producer is a very difficult job, because they have to know a lot about the script, about how to work with talents and distribution. We want to encourage them.

We want producers we can trust to recognize talents, who know what added value means and how money is best spent. We need producers who have trust in us, and who understand the relationship between funders and professionals. We are not an enemy, but a friend.

Producers need the same from us: a fund that has ambitions, that deserves their trust, is transparent, has good rules and sticks to them.

⇒ In short: AMBITIONS, TRUST, TRANSPARENCY.

Nonetheless, we need to be careful. Producers have to please us because we are the customers. We serve you and you serve us...it can be a vicious circle. It is crucial that we take the audience into consideration one way or the other, in order to break out of the circle.



Module 3 – 3 case studies

Questions to **George van Bremmen, Head of Finance — Netherlands Film Fund (national fund)**

What sort of models could best serve the needs of the industry while, at the same time, taking on the responsibility and the accountability of public funding?

In the Netherlands, films are going to have a hard time due to budget cuts and a decrease in available funding: a cut of about 25% of the Film Fund budget, the disappearance of any tax scheme or regional fund (Rotterdam has disappeared), and art house films that are doing less and less well in theatres without any other source of revenue (like VOD etc).

We also need to find alternative solutions to our financial support to projects. The Netherlands Film Fund covers 30 to 35% of the budget of a film. This position is too strong; we feel it is unhealthy for us.

Thanks to our CEO, Doreen Boonekamp, the structure of the organization has been reorganized and its regulations revised (simplified by 20%). It is much more readable now, and concentrates on:

- *stimulating certain areas, such as coproductions;*
- *dedicating 30% of our development post to slate funding (this will serve as a test to see if better films are thus produced);*

- developing young talents, especially with broadcasters (in order to give them a platform);
- assigning 10 to 20% of our budget to development – i.e. 30.000 € per project, granted in three installments following the evolution of the project if a producer is involved (otherwise, up to 20.000 € with the possibility of an additional 10.000 € if the scriptwriter finds a producer);
- changing the selective scheme: less money for commercial films, more for art house films;
- changing our recoupment position into a revolving one. All horizontal, we are among the last ones to recoup. We want to give that money a chance to flow back to producers and directors, to be reinvested in future productions.

Questions to **Claus Ladegaard, Head of Production & Development — Danish Film Institute (national fund)**

The Danish Film Institute is very open and flexible. What are the core activities that would better serve the industry (scriptwriting, development, Production, distribution, promotion, professional development...)? How do you design guidelines best suited to the industry?

⇒ Our core activities

Decision-making in funding – guidelines in deciding what to fund. Take risks? Give chances? Or be more protective of public money?

We do not have a systematic approach. In our opinion there are two important issues:

- *What is the weakest link in the filmmaking process? It is marketing, which is predictable but not innovative. We involve marketing people too late in the process, and producers & directors have too much power over the marketing, even if they know nothing about it. We now provide a grant for marketing development, because it should be part of the process at an early stage.*
- *Where is it most important to increase skills? In development. We need much more development prior to pre-production. In 2006, 6% of the fund's annual budget went towards development, and 20% in 2011. We need to come up with new methods, to involve other people — actors, composers, costume designers etc. We should experiment more in this field.*
- *Development grants can go from 100 to 300.000 € depending on the film's budget. All the money should be spent before production.*
- *Resistance does not come from the directors' side: people like Susan Bier or Lars von Trier have always spent significant time in development.*
- *We have to create a culture of development. Danger: seeking to develop on all fronts.*

⇒ The challenges we are facing

The role of the producer versus the role of the fund: we have changed the role of the producers because we, the funders, have become more involved in the process. Producers have mixed feelings and opinions about our respective roles and this needs to be clarified.

The role of the commissioner: we need to create a new kind of commissioners — we have to find them or else teach them the job.

The projects: as of 2006, it became important to make our professionals understand that audiences no longer want the low budget, realistic stories they were in the habit of producing (the Dogma concept).

What about the political element? There is so much press coverage about money being badly spent. Nevertheless, our point of view is that the money spent on films represents but little compared to what is spent in other fields, such as medicine etc.

Questions to **Olivier Mueller, Head of selective programme/cinema — Federal Office of Culture (national fund)**

As a country with three different languages and cultures, how can a national fund better serve the production of national films and, at the same time, sustain a viable industry?

⇒ Financing available in Switzerland

OFC is the main funding institution with a selective and automatic scheme. 20 Mio. € are devoted to productions.

There are also regional funds such as Fonds Romand/Cineforum (6 Mio. €), Zurich (8 Mio. €), and investment from TV (about 8 Mio. €).

⇒ Cultural diversity

Switzerland is a micro EU with a number of states, a small population (8 Mio), three languages and many minorities. Cultural diversity is part of our identity.

This means different markets:

- *The German-speaking part: strong national films in local dialect (films that are not exported); and bigger budget films coproduced with Germany.*
- *French-speaking part: almost no market, no successful national films, many coproductions with France, Belgium and Quebec (French-speaking countries).*

⇒ The projects

Different problems in Switzerland:

- *The audiovisual professionals stay at home, refusing to travel. We want to encourage them to go out and cross language barriers.*
- *The selection committee (5 people) takes decisions on medium projects that satisfy the most, although they may not be the strongest. The real issue is comedies: these do well in the German-speaking part of Switzerland but, given the difference in sense of humor between the French and the German, they have little success with French-speaking audiences.*

Photos by **Daniel DePierre**



MEDICI – The Film Funding Journey

Reports Previous Workshops

First Workshop Report – 25 to 27 April, 2012 – Sigtuna (Sweden)

Module 5 – Introduction By Keynote Speaker Inga Von Staden

The question posed to Inga von Staden by the MEDICI program was:

New techniques, new forms of content, new distribution models, new screening devices, and new types of audiences... how do all these impact on the world of traditional media like film and television?

In her presentation, Inga von Staden provided several possible replies.

Introduction: Digital Technology

The advent of digital technology has fundamentally changed the media landscape. A new audiovisual format has been born - the **video game** - and, with it, a new industry. This interactive format family with its action-, serious-, casual-, social games and many other genres is as differentiated as the family film format, and successfully engages large audiences.

Production means such as cameras or editing software have become affordably cheap. We are seeing the **democratization of media production and distribution**. Today anyone, whether s/he is a professional producer or amateur media artist, can upload media content onto the Internet and distribute it directly to an audience. And new devices such as tablets and smartphones give viewers multiple access to any media - any time and anywhere.

The new range of engaging media formats, the proliferation of media content, the Internet and the multiple points of access have formally fragmented national and mass **audiences**. Hence, it has become increasingly difficult to target a large enough number of people to justify a professional production.

Transmedia

These developments are impacting the **value chains** in all media sectors. New business strategies are emerging calling for new methodologies in development, production and distribution. The most promising seems to be the convergence of formerly distinct media sectors such as print, film, music, games and others still, described variously as inter-, cross- or multi-platform media. The most prominent term - transmedia - was originally coined on the art scene and later popularized by the acclaimed media researcher Henry Jenkins, in his book "Convergence Culture".

Transmedia sees the creation of different media formats (film, game, mobile apps, social apps, exhibitions, radio shows, books and other) from a single content body. In other words, rather than begin by scripting for a pre-defined media format, a **pre-development** phase is introduced in which a content universe is established. The result is described and visualised as a so-called bible. This canon is then handed over or licensed out to the different creative teams.

The **content universe** can be a fictional one, as seen with star wars. In that case, it was designed. The content universe can also be a non-fictional one, like the War in Afghanistan, in which case it was explored. In whichever case, once the universe is established, stories derived from it can be translated into film scripts, into actions simulated in game design documents or into conversations transcribed into community strategies. If the universe is a non-fictional one, a story derived from it can be fictionalized into a film, as is already common practice in cinema and television.

The media formats and apps envisioned can be interlinked - emotionally, functionally and strategically - into what is termed a **media architecture**. Different designs of media architectures have emerged. Some are more open like THE MATRIX; these are called **transmedia worlds**. Here, the media formats are comparable to

different windows looking onto one and the same landscape. One does not have to have seen the film to understand the game, although the formats may reference each other. However, looking through more than one window allows for a better understanding of the content environment as a whole.

There are also more condensed media architectures: these are so called **transmedia storylines** as seen in the *THE TRUTH ABOUT MARIKA* (Swedish title: *SANNINGEN OM MARIKA*) aired in Sweden in 2007. The cross-media production by Sveriges Television (SVT) and *THE COMPANY P* was marketed as a “participation drama”, where viewers were invited by a young woman via a range of media channels to participate in the search for her lost friend. The media architecture included a TV-drama series, ongoing talk shows, radio discussions, Internet sites, game and mobile apps as well as live events. In a transmedia storyline the story plays out over a timeline on a range of different media platforms. The user must access several media formats to experience the whole story.

With the convergence of media, a whole range of new, often interactive formats making use of film footage has emerged. These **hybrid formats** are often of a documentary nature and derivatives of a film project. As it becomes increasingly difficult for documentary film makers to pre- and re-finance their productions, they have started looking for other means and channels to tell their stories. They are supported in doing so by the combination of broadcasting and online services as seen with the French-German public broadcast service ARTE or the National Film Board Canada.

Last but not least there are the **co-creative experiences**, where the user is integrated into the design of the content world and production of the professional media products. An example is *DARK SIDE OF THE MOON*, a world co-created by a Finnish team and its large fan-base from which a film, several games and graphic novels were derived. The community helped by crowd funding and -financing parts of the media products, partially crowd sourcing development and production and was instrumental for the viral marketing. The film *iron sky* premiered at the Berlin Film Festival in 2012.

Communities should be planned in pre-development as part of the media architecture; they should be built up during the development phase of the media formats, and managed during the production and distribution phases by the production studio (since only the production team is close enough to the content to manage the content specific conversations). Thus community managers should be involved in the team from the start, and a budget projected to finance them.



THE WONDERFUL WORLD OF TRANSMEDIA

Process

Though it is much too early in the evolution to precisely define Transmedia professions, we can identify a number of functions that need to be represented on a **Transmedia team**. A Transmedia production needs a supervising **Creative Producer** who not only brings together the team and controls the budget, but also helps design the media architecture in order to address the different media markets. Thus s/he needs to be involved in the content creation. A **Content Director** should supervise the research and design of the world, the formulation of the canon in a content bible, and the translation into different media formats. The **Art Director** is responsible for the audiovisual interpretation of the content. The **Technical Director** will recommend technical solutions and supervise the development of software and/or hardware to express the functionality embedded in the content. Finally the **Community Director** will plan the Community Strategy, build the fan-base and supervise its management. Together they create the content universe and media architecture; they also manage the communication on a transmedial meta-level in the form of collective leadership. Since members of the Transmedia team may be part of the team creating one or more of the format derivatives, they will also have to communicate on the specific level of production format. Experience shows it is advisable to create time and space for regular Transmedia **meetings** bringing together the Transmedia team with members from the format teams, where format-specific developments can be reviewed, production phases synchronized, and next steps planned.

Motivators

Transmedia enables a production studio to address different **media markets** with one body of content. The media architecture is the blueprint for how and when to address what market. All media formats have a market. They would not exist, did they not have a market. A producer must know the rules of a given market, how to approach it, how to design and what to produce for it. For instance, in the online games market of today the producer must understand the rules of embedded micro-payment systems. The art is not to lose sight of the original intent of the content while it is being forged into a media product or architecture.

Producers can make use of funds and financing instruments to **cross-finance** parts of a transmedial production that are otherwise difficult to pre-finance. For instance technology funding for the development, production and distribution of media technology can help finance the development of the respective content.

The creation of different media formats from one body of content allows for **synergies** in development and production. To produce a media product within a 360°-production will be more cost effective by the factor of x representing synergy than if it were to be produced on its own. This is how the foundation for the distribution of geographical knowledge, “National Geographic”, evolved into an international media corporation. The foundation invests into the research of a given topic, in other words development of a content world, and - already in the research planning phase - has a team of media experts project the cross-medial exploitation of the subject together with the researcher.

Buyers and commissioning editors have become increasingly interested in media packages. These allow them to **cross promote** one body of content and thus create synergies in marketing, and to address new **target groups** via new media channels and interactive formats using content formerly targeting a specific audience. As described above, this has proven successful in the documentary film business: here the film footage is enhanced by functionality, extra information and real-time data visualization, making it more accessible and attractive to an increasingly heterogeneous audience. It has been very successful for Disney’s content brands, and for HARRY POTTER.

As users have become accustomed to interact with and participate in media, they are increasingly willing to help finance a production meeting their personal interest. A number of platforms have emerged facilitating the **crowd-funding** of media products. This does not necessarily imply the production is cross-medial from the start, but a community may well suggest and even produce other media formats if they have been successfully engaged. Thus what was formerly designed to be just a film, may be transmedialized by the fan-base - something to be taken into consideration when directly addressing an audience.

Deterrents

Transmedia productions are by nature complex. They demand a high level of communication with a range of partners from different media sectors, are difficult to frame in legal terms and do not (yet) have many exemplary business models to go by. It is a challenge to balance the complexity of design by an interdisciplinary team against the creation of unique content with an engaging edge. Launching a Transmedia production may involve many hours of consultation with a number of different media experts at the least, if not actual visits to many different market venues to meet them.

Cross-Over to Workshop: Funding

Are national and regional film funds prepared to meet the developments described above? If so, what strategies could they project? What would it take to prepare them to take the initiative? What are the challenges they will be facing? What exactly is it that they would be funding? How could they evaluate which applicants to select, and which projects in what phase?

Some media funds have started implementing new frameworks to address the changes in the media landscape. How could funding bodies considering such steps benefit from their experience?

Illustrations by [Daniel DePierre](#)



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Module 5 – New Formats

Challenges, Priorities, Evaluation, Conclusions

The new range of engaging media formats, the proliferation of media content, the Internet and the multiple points of access have formally fragmented national and mass audiences. Hence, it has become increasingly difficult to target a large enough number of people to justify a professional production. This development is mirrored in the formats, teams, processes and value chains.

Or, in other words:

- Are national and regional film funds prepared to meet the developments described above?
 - If so: what strategies could they project?
 - What would it take to prepare them to take the initiative?
 - What are the challenges they will be facing?
 - What exactly is it they would be funding?
 - How could they evaluate which applicants to accept, and which projects in what phase?
- Some media funds have started implementing new frameworks to address the changes in the media landscape.
 - How could funding bodies considering such steps benefit from their experience?

1. Challenges

- The major difference between a traditional film and Interactive projects lies with the functionalities that render such projects more complex (software production) and entertaining.
- Transmedia project formats entail far more uncertainty compared to film: the timeline from development to distribution is longer, the unforeseen constantly threatens to disrupt such projects, and the budgets keep changing, due, for example, to crowd funding...
- Development, production and distribution phases of media formats within a 360°-production may overlap.
- It is difficult to set up criteria and synchronize funding decisions, mainly for production, because multi-platform projects can involve different support programs within a same fund and/or different funds.
- Financial tools (e.g. loans, grants...) must be adapted to such an unpredictable timeline.
- There is a lack of specific expertise within the funds.
- New legal challenges crop up for this kind of projects when incorporating social media and user-generated content.

2. Priority Intervention Areas

- The development phase (including a pre-development phase) requires support, since it is longer and more expensive, thus riskier for the producer. It is important for the projects to be more advanced in terms of team, audience, platforms etc. for evaluation.

3. Project Evaluation

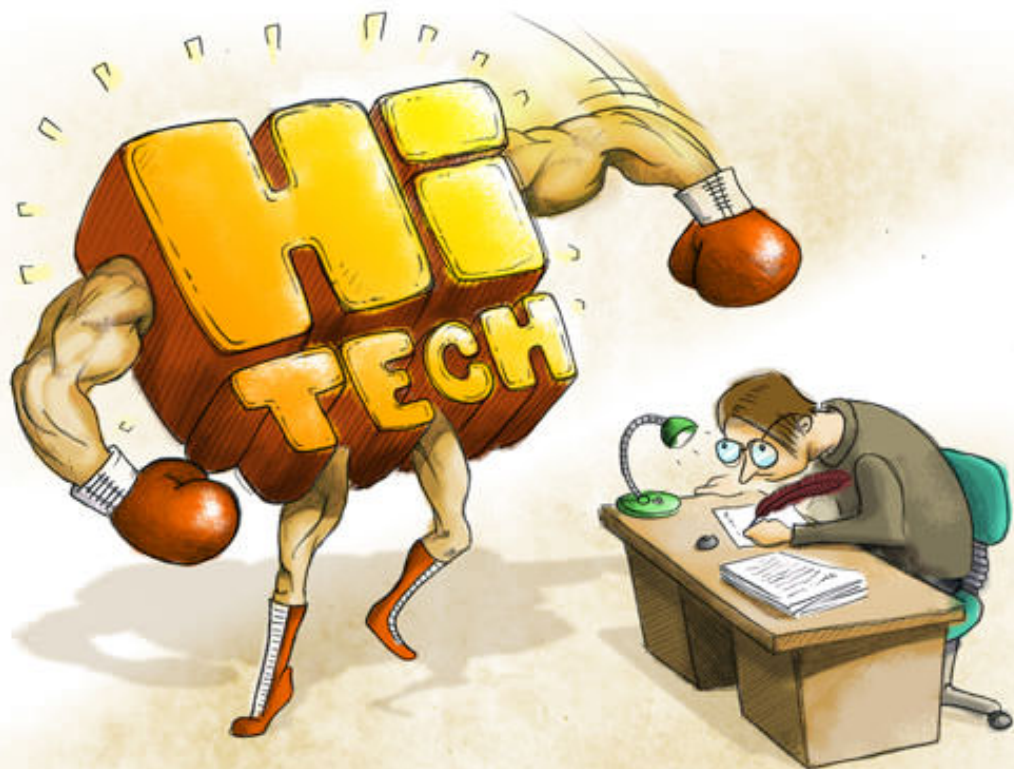
- Funds must have a flexible approach, given the challenges mentioned above.
- Financing multi-platform projects could seem risky, given that only 60% to 80% of project contents can be scripted.
- Funds should support projects of high quality and creative levels at each phase.
- The role of the producer should change: teams are often bigger with a new and wider range of professional profiles (e.g. technical director, community director; producers need to take a more creative lead, as only s/he can supervise the marketability of the content in the form of a media architecture.
- Projects should be considered more like an event than a film

4. Conclusion

- The funding bodies need to answer for themselves and their supporting governments whether trans- and new media projects are of cultural value in addition to economic value.
- Funds specifically addressing the film format must decide to either not participate in the change of media culture or broaden their expertise to incorporate the evaluation, funding and consultation of transmedial and new media projects. The latter option in turn entails training personnel or else hiring digital natives, handing out less money to former clients or consulting them through a new process (as well as meeting new clients), and attending more and new market venues.
- Some funds, e.g. the Digital Content Fund (Baden-Württemberg), have already adapted their strategies, to incorporate transmedial and new media projects in the stages of development and/or production. Here the question arises whether to fund a specific format or the development of a whole content universe. The latter option implies, in the case of a loan (economy-driven funding), a legal framework specifying when a world becomes profitable (i.e. the loan is to be repaid).
- New Media formats are often functional, in other word interactive. They thus need to be evaluated as to their usability. This implies that the funding bodies would have to include user-testing in their evaluation of the design and production. Transmedia projects are more complex, because they span a whole range of platforms. Different films, games or technology-driven funding bodies may become involved in one and the same project (e.g. “Farewell Comrades”). This implies a need for the funding bodies to communicate with each other.
- Furthermore, transmedia projects seem riskier due to their complexity, and the need to involve audiences at an early stage.

The Workshop made clear that there is a need to address the topic of digital technology and new media again at a subsequent meeting, in order to present different strategies regarding trans- or new media in action and to discuss such questions as:

- Is trans- or new media culture or not?
 - Is there a need for a new kind of funding body to address trans- or new media?
 - What will happen to film funding if funding of trans- and new media is done by other bodies?
 - Where would the money for funding trans- or new media come from and how could it be raised?
 - How could or should the phenomenon of crowd funding be integrated into funding schemes?
-



NEW TECHNOLOGY VERSUS DRAMATURGY

Illustrations by [Daniel DePierre](#)
