

**Contribution to the public consultation on the issues paper on
“Assessing State aid for films and other audiovisual works”**

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1. Introduction

The European network of regional film funds Cine-Regio highly welcomes the Commission's initiative to launch a debate on "State aid for films and other audiovisual works". We welcome the Commission's Issues Paper which recognises on its first page the regional dimension of film culture and opens a debate on the current framework for State aid to cinema and on the forthcoming revision of the Cinema Communication establishing specific criteria to assess State aid to cinema. As suggested by the Commission, the communication criteria must be adapted to new trends, among them the creation of more regional film support schemes, and be fine-tuned according to the specificities of the cinema sector.

Cine-Regio gathers 36 regional film funds from 16 countries in Europe. The members run a range of support schemes to support cinema and to encourage cross-border and international cooperation across Europe. The network facilitates the exchange of good practices among regional film funds and it works to strengthen the co-development and co-production of audiovisual products.¹ The regional film fund agencies, members of Cine-Regio, are focussing more and more on developing sector talent, more challenging films, documentaries and children's film. To demonstrate this further – at this year's Cannes Film Festival 22 films in the Official Programme were supported by Cine-Regio members. We are therefore pleased that the Commission has been able to approve these schemes in the past, which illustrate the extent to which those regions take pride in their rich cultural heritage and help to preserve Europe's cultural diversity.

In a nutshell, the film production schemes made available by members of Cine-Regio today share the following features: selective schemes where respect for artistic integrity is a key element; aid invested per film during the last five years has not exceeded €1m and those few funds which has had such support opportunities is limited to 2-3 times over the last five years; 98% of the films supported by Cine-Regio members are below a total budget of €25m; and on average 100% of the aid/public investment has to be spent in the region².

2. Why regional funding for audiovisual works?

2.1 Cine-Regio members' motivation for investing in cinema

The 36 regional film funds share a common understanding on the role and contribution of films and audiovisual works to our society. They share a common motivation to support culture and creative industries, enhance talent development and curb brain-drain, promote cultural diversity and contribute to the reinforcement of European regional identities, foster

¹ More info on <http://www.cine-regio.org>.

² In order to ensure flexibility between the various genres (shorts, docs, feature film) the span is between 70-175%.

social inclusion, ensure the viability, sustainability and competitiveness of the European film sector, preserve diversity in a globalised world and encourage circulation of European films.

- Support culture and creative industries. Investment in cinema is primarily motivated by the political will to support cinema and filmmaking in the region: to support the development of quality films and art-house cinema, to provide local talents (film directors, actors, technicians) an opportunity to use their skills, to give local broadcasters access to facilities capable of producing original content and to nurture locally based creative production companies and technical industries.
- Promote cultural diversity and contribute to the reinforcement of European regional identities. The expression of local identities or minority languages through films is a strong catalyst of regional identity. Regional film funds are at the forefront of the implementation of the principles enshrined in the European Treaties as well as the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions ratified by the European Union. Regional investment in culture is highly relevant to this ambition of nurturing diversity, enabling its expression (including so-called minority languages) whilst at the same time stimulating cultural exchanges and collaborative projects across borders. Films reflecting the culture of European regions such as Andalusia, Wallonia, Hamburg-Schleswig Holstein, Südtirol, etc. would most probably not be sufficiently commercial to be made or distributed without public support.
- Enhance talent development and curb brain-drain. A majority of regional film funds fulfill an important role in enhancing regional film production and talent development. As for talent, we must continue to support the extensive talent base that we have in Europe – both when it comes to live action film and animation - including new graduates, many of whom – especially in respect of animation - are migrating to North America. Regional funds contribute to retain European talent and to foster creative ecosystems, to form the creative clash - creative people that, once gathered in a specific place, create synergies and fruitful collaborations, thereby fostering further creativity.
- Foster social inclusion. Films make a substantial contribution to social cohesion by promoting regional identity, but also through the sense of pride and increased self-esteem that result from the link between a region and a film. Films also help the social integration of marginalised groups such as individuals and communities of different ethnic and national origins and at-risk youths. Regional film support fosters local identities, media literacy and democratic empowerment.
- Ensure the viability, sustainability and competitiveness of the European film sector. Investment in the audiovisual sector is a way to improve the innovation capabilities of the European regional film and related industries, to build a regional audiovisual infrastructure, to develop creative clusters, to stimulate entrepreneurship amongst young people, to attract private investment as well as to encourage tourism and branding in Europe.
- Preserve diversity in a globalised world. Local and regional territories increasingly play a crucial role in sustaining Europe's culture. In a world that is becoming more and more global and complex, the threat of losing the regional identity to a uniform and grey world is constantly present. Supporting film culture is therefore increasingly important and it contributes to preserving a heterogeneous society.
- Encourage circulation of European films. Films catering to a highly localised, niche audience, and/or in a lesser known language have very limited options for commercial theatrical distribution. Distributors often concentrate on films with a wide audience appeal. Alternative screening opportunities are necessary to give niche films a chance to reach an audience. Almost 60% of the regional funds have dedicated funding streams for supporting distribution and exhibition of material, helping smaller films make it to festivals and offering support for screening films for various audiences. Overall this contributes to cultural goals of increasing on-screen diversity.

2.2 Nature and specificities of the cinema industry

Public funding is needed because of the specific nature and structural characteristics of the European audiovisual sector. Without State aid, many European films would not have been made. The following points briefly sum up the economics of the film industry and the role played by public support to adjust its inefficiencies and complete the overview given by the Commission in the Issues Paper³.

- The film industry is a capital intensive and high risk industry in part because films are considered as “experience” goods and therefore characterised by an unpredictable demand. As a result, access to finance is increasingly reduced to those projects able to secure access to commercial financing methods. Commercial funding strategies tend to eliminate stories with a limited audience range since this has implications on financial returns on investment. Therefore supporting production of local films enables stories for niche audiences to be made. This in turn can contribute to the building of a crew base.
- In addition, TV commissioning editors - in particular public broadcasters - have significantly reduced their investment in the development and production of original European content. Consequently there is an increasing trend for broadcasters to buy completed film and TV projects which has had a major impact on the sustainability and continued innovation of European film companies across Europe. This tendency and cultural budget cuts in general have led to increased pressure on the public funding systems during the last 1-2 years – in particular funding with a cultural strategy / selective schemes.
- Co-production has become a necessity these days as regards the majority of European feature films that now need to seek multinational financing in order to actually be made. Moreover, coproduction projects increase the chances of distribution of coproduced films in the partner countries and over time help to consolidate business alliances and contribute to the sustainability of the sector. Co-production projects can be developed with the support of quite small amounts of money from regional film agencies.
- Linguistic and cultural diversity in Europe has shaped a rich although fragmented audiovisual market. National or regional films hardly circulate throughout Europe since big marketing investments in each European language zone/Member State are required to distribute national films in other European countries. Regional films funds support distribution and exhibition activities to spread the regional culture.
- The real competitor of national and regional cinematography in Europe is a non-European adversary: the US industry. Today, approximately 75% of market shares in Europe belong to US majors. In 2010 less than a quarter of all money spent in European cinemas went to European films, the lowest level in 5 years.⁴ The strong market dominance of the American majors impedes real competition with the European sector mainly formed by SMEs. Geographically-focused film supports in Europe should thus be considered as a remedy to correct market failure and not as its cause.
- The unique structural characteristics of the European cinema industry and of cultural companies must be taken into the account by competition authorities when assessing the legality of public support schemes. European

³ See Issues Papers, section 2.1, par. 11-15. Also the Commission’s Green Paper on the online distribution of audiovisual works in the European Union: opportunities and challenges towards a digital single market, COM(2011)427/4, in particular section 2.4. As stated by the Green Paper: “the European cinematographic industry is confronted with some unique structural characteristics including the language and cultural specificities and preferences of national markets and the limited availability of financial sources. The European audiovisual sector is deeply fragmented, consisting of a large number of small- and medium-sized enterprises (SME’s). Europe has not been in a position to develop a studio system of the nature developed by the Hollywood majors. It suffers from underinvestment in comparison with other countries and the average film budget is a fraction of that of the major studios. European films often enjoy success in their home territory, but, as the figures above demonstrate, tend to have limited distribution and appeal outside the territory of their production. Given the structural challenges for European cinema, the development of this sector has not been left solely to market forces. Pluralism, cultural and linguistic diversity and protection of minors are some of the objectives of general interest safeguarded by EU legislation.....The Communication on state aid to the cinema sector, currently under review, provides an appropriate framework allowing Member States to provide financial support for the distribution and production of films whilst maintaining a level playing field in the internal market...The European Commission recognizes that national funding systems are vital to maintain investment in local productions...”.

⁴ EAO Press Release, “3D drives EU gross box office to record high in 2010 as market share for European films drops” Strasbourg, 9 May 2011 on http://www.obs.coe.int/about/oea/pr/mif2011_cinema.html.

cultural companies do not operate like manufacturers of conventional non-cultural products. Thus, in order to support the creation and dissemination of European culture, Europe needs to support the needs of cultural companies and of the cultural sector.

2.3 Cine-Regio contribution to European policies

Film funding schemes and facilitation provided by Cine-Regio members contribute to EU major values and policy goals notably by:

- promoting cultural diversity. Regional investment in culture is highly relevant to this ambition of nurturing diversity, enabling its expression (including so-called minority languages) whilst at the same time stimulating cultural exchanges and collaborative projects across borders. Regional film funds are at the forefront of the implementation of the principles enshrined in the European Treaties as well as the UNESCO Convention.
- supporting the implementation of EU audiovisual policy and cultural policies. Regional investment supports the making of pan-European films through co-productions, pan-European distribution, digitisation, the preservation of audiovisual heritage and media literacy. The involvement of regions in the development of the audiovisual sector is significant for Europe's film industry. By encouraging co-productions⁵ across regional borders, Cine-Regio and its members contribute significantly to EU audiovisual policy goals. In fact, many European films would not have been made had it not been for the existence of regional support. Co-productions between production companies settled in different regions contribute to enable the existence of a European art-house cinema⁶.
- contributing to the goals of the EU 2020 strategy by fostering innovation in and through the culture and creative sectors⁷. Also, creating a viable local audiovisual industry and stimulating the creative potential of a region clearly contributes to aims outlined in the *2007-2013 Cohesion policy*⁸.

3. Key questions in the Issues Paper

3.1 Territorialisation assists in creating a cultural output

One of the main concerns raised by the Commission in the Issues Paper relates to the territorialisation threshold and the potential conflict with the Internal Market fundamental freedoms. However the Commission fails to explain what the negative effects of territorialisation levels are. Cine-Regio firmly believes that territorialisation clauses have positive effects, particularly as regards the preservation of cultural identities, the creation of a critical mass of audiovisual activities and the solidarity between regions, mainly through the facilitation of coproduction projects.

- Territorialisation helps to preserve cultural identity. Without significant audiovisual industries at the local and regional levels in Europe, it is likely that representation of unique regional cultures in audiovisual products would be sorely inadequate since Europe's regions would be obliged to import crews, skills, facilities and talent.

⁵ In September 2008, the European Audiovisual Observatory (EAO) published a study, "The circulation of European co-productions and entirely national films in Europe – 2001 to 2007", which stresses that European co-productions are released in more EU countries and earn more admissions than national productions. "On average, co-productions get released in more than twice as many markets as national films, with 77% shown in at least one non-national market compared to 33% for entirely national films." In addition, revenues are also higher for co-produced films. Indeed, European co-productions attract an average of 207 times as many viewers as national films. Co-productions are also seen by more people outside of the countries involved. The EAO observed that "non-national admissions account for 41% of total admissions to co-productions compared to 15% for entirely national films".

⁶ Villevet C. : *La France des Régions à l'heure de la maturité*. In : Le Film Français N° 3290 of 28 November 2008.

⁷ See the Communications from the Commission: Europe 2020 A strategy for smart, sustainable and inclusive growth, COM(2010) 2020 final, A digital Agenda for Europe, COM(2010)245, An Integrated Industrial Policy for the Globalisation Era Putting Competitiveness and Sustainability at Centre Stage, COM(2010)614 final, and the accompanying Competitiveness Report.

⁸ Council Decision on Community strategy guidelines on cohesion (2006/702/EC).

Changes in territorialisation therefore represent a real threat to the diversity of Europe's audiovisual production. This threat is particularly felt at the local and regional level.

- Territorialisation builds critical mass. Territorialisation requirements help regional audiovisual support agencies to ensure that a critical mass of audiovisual activity takes place in the region. A critical mass of audiovisual activity provides a guarantee that the region retains the skills and infrastructure necessary to produce audiovisual works that reflect its unique cultural identity.
- Territorialisation facilitates co-productions and talent development. Territorialisation assists not only those regions who enforce territoriality requirements in reaching critical mass, but also those regions who may have no territoriality requirements of their own, yet depend on co-productions with neighbouring regions who do. In order to finance a film today, co-production seems to be the only way to gather the necessary funds, by bringing together the funding possibilities of a number of different countries. Given the networked nature of the European film sector, it is likely that the consequences of changes to territorialisation for one fund will have ramifications on its neighbours. Because of current territorialisation thresholds it is a priority and possibility to make more interesting and smaller budget films and encourage talent development. Without territorialisation the selection criteria would very likely become tougher and bigger budget films would dominate. The guarantee of a certain level of effect on culture, creativity, social cohesion and economic growth are at the forefront of many regional film bodies' minds. In this respect, current levels of territorialisation provision secure the current level of regional funding available to European film. Instability in funding in one region has the potential to affect several regions, through increased pressure on resources. 20% of Europe's audiovisual public funding (tax incentives not included) comes from the regions. Changes to territorialisation mean that less funding will be available for the creation of cultural products, not only in the region where direct sources of finance are affected, but throughout Europe.

As stated by the Commission prior to the launch of the "Study on the economic and cultural impact, notably on co-productions, of territorialisation clauses of State aid schemes for films and audio-visual productions" the outcome of the study would be key in identifying the appropriate level of territorialisation for the new Cinema Communication. We share the conclusions of this Study and encourage the Commission taking them into consideration when drafting the new Cinema Communication:

- territorialisation clauses are not the cause of economic inefficiencies or trade distortions affecting competition significantly;
- removal or modification of territorialisation will lead to significant reduction in public film funding in Europe. It will threaten the stability and clarity of funding rules, lead to less co-productions and less circulation of films in Europe. Cultural integration, exchange and diversity within Europe will be at risk.

The Commission challenges the current territorialisation thresholds. However, there is no evidence regarding any positive impacts of lower territorialisation clauses for the European film sector. On the contrary, Cine-Regio believes that territorialisation is beneficial for the sector⁹. From our experience as a network of regional film funds, there are an increasing number of co-productions which take place at the interregional level, resulting in an increasing artistic and creative exchange in Europe.

3.2 A Cinema Communication for the whole value chain.

The 2001 Communication only applies to production activities. However, as suggested by the Commission, the forthcoming communication should be extended to include all aspects, from the conception of the idea to delivery to the audience. The new text should embrace the entire film value chain: from script development to post-production, from

⁹ The example of the French/Swedish co-production "Captain Achab" demonstrates how funding schemes that imply a certain level of territorialisation foster cooperation rather than impede it. "Capitaine Achab" is the first French/ Swedish co-production in 20 years. The production was project driven and realised on the initiative of a French and a Swedish producer. However, the three regional film funds that supported the production all asked for a certain level of regional spend. In fact, it is likely that the regional support would not have been granted if such spend requirements could not have been applied.

production to exhibition, from distribution to promotion. The new scope should discriminate neither as regards the kind of activity nor as regards the kind of support (incl. the creation of new business models, research & innovation activities or training).

3.3 Digital content and sustainability

Digital technologies have enabled and supported changed consumer patterns regarding audiovisual content. Digital technologies have created a demand culture – an expectation of immediate access to content and one in which opinion is instantly shared across networks. Mechanisms for engaging audiences, cross-media, digital online distribution, digital projection, etc. are areas that are not specifically mentioned in the current Cinema Communication. As pointed out by the Commission, stakeholders and the Conclusion Paper of the 2010 Mons conference on Film State Aid, we need to ensure the viability of the European film sector, and hence, new support mechanisms and tools are expected to be introduced over the coming years¹⁰.

The current economic climate makes it hard for SMEs in the fragmented European AV industry to take risks and direct investment towards trying out new approaches in areas seeking to create new forms of interactive engagement with audiences. In general, most Cine-Regio members have had limited experience in supporting such activities, in addition to new business models or cross media initiatives. However, the regional film agencies members of Cine-Regio are currently looking into how to provide support in these emerging areas with results shared through some form of central database to aggregate knowledge. We therefore welcome the Commission's plan to include these areas in a new Cinema Communication and invite the Commission to clarify how these schemes would fit into the legality of European state aid rules and in the new communication. Those topics are of great importance in creating a thriving and balanced film sector, a film sector that delivers great European films for audiences at home and abroad. We need to ensure that public support mechanisms will lead to a healthy expansion of film sector activity across Europe, and for the benefit of all – European citizens and film professionals alike.

The switch to the digital world should not lead to the marginalisation of the European film industry, on the contrary Europe should take advantage of the opportunities brought by new technologies and make the best of them. In this context it is also important to note that linguistic differences between EU Member States still represent one of the biggest hurdles on the road to creating a genuine single market for cultural products in Europe.

While new technologies create great opportunities for the cinema sector they pose serious challenges for the transition from analogue to digital in particular as regards small and independent cinemas that do not benefit from the VPF financing model and the projection of digital masters of European films. Competition authorities should echo the voice of other Commission services¹¹ and the European Parliament¹² that recognise the urgent need of public and private support to digital cinema.

3.4 Film heritage and other measures to promote educational access to audiovisual works

Cine-Regio recognise the importance of making film heritage an important aspect of education, e.g. screenings made in schools and we also support that European citizens should be given the opportunity to watch this type of film. Cine-Regio devotes great efforts to media literacy and educational activities. However, regional film production support is often only a small part over the overall budget of a feature film and we find it would be unfair to the independent audiovisual sector if a criterion for receiving funding today is that the cinematographic work is made available “free of charge” for cultural and educational screenings many decades later. Also, the present business model in the European film industry is a mix between public and private money and the need for a “return on investment” in the different windows. Without the return on investment – there will be no private money. However, if other public funding agencies of

¹⁰ http://www.audiovisuel.cfwb.be/fileadmin/sites/avm/upload/avm_super_editor/avm_editor/Presidence_belge/Mons_2010_-_general_conclusions.pdf

¹¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 24 September 2010 on opportunities and challenges for European cinema in the digital era [COM(2010) 487 final.

¹² Draft Report on European cinema in the digital era (2010/2306(INI)).

audiovisual content in the Member States have brought forward measures encouraging a link between the receiving of public production support (incl. tax incentives) to free screenings of films defined as film heritage, we would be pleased to take part in the further discussions. Indeed we are open for suggestions and recommendations which can lead to securing the survival of our film heritage.

One area where we can play a role is encouraging that each feature film receiving production support today, also has a digital source master (DSM) produced. In the same vein, Cine-Regio acknowledges the contribution of the Creative Commons initiative to promote access to culture and to knowledge, but imposing the releasing of publicly funded works under Creative Commons Attribution-Share Alike licences must be carefully assessed by those involved in the creation and financing of audiovisual works. We are not in a position to evaluate the impact of such a mandatory measure on the sector.

3.5 The subsidy race to attract major film production

The Issues Paper refers in section 3.3 to the competition among Member States to use State aid to attract major film productions. Although Cine-Regio understands the Commission's concerns, it must also be acknowledged that European territories greatly benefit from inwards investment. We appreciate the Commission's effort to find a way to control the subsidy race and in this respect also will take into consideration that films today are financed on an international market place, where European countries compete with other states, such as Canada, New Zealand, US, Caribbean countries etc. To limit the ability for Europe to compete in this market, will truly be harmful both to the sector and to European taxpayers.

As suggested in the Issues Paper, one possibility would be to agree on specific rules for non European films: limit aid for a single production to a certain amount or/and to apply that aid beyond a certain threshold is granted on condition that it is reinvested or reimbursed in case the production makes a profit. Specific rules for non European films would also allow for some flexibility as regards the criteria to be applied to European films (see below).

4. A better legal framework for regional film support

To balance the need to ensure cultural diversity, a strong industry and engaging audiences we suggest that all perspectives are taken into consideration when drafting the new Cinema Communication. We need to broaden audience choice, ensure talent development and support a fair and sustainable transition to digital - a transition where Europe's regional and national culture and creative potential are expressed. Public intervention in the audiovisual sector – both at regional, national and European level – is more necessary than ever to respond to the increasing demands of a digital globalised world.

Cine-Regio would welcome a better legal framework for regional film support schemes in a future Cinema Communication. As for members of Cine-Regio the objectives of public funding for films and audiovisual works are as listed in section 2 above. And in this context we share with the Commission the recognition of "ensuring that Europe's national and regional culture and creative potential are expressed in the audiovisual media of film and television".¹³

Eight reflection points for a new Cinema Communication:

1. A new Cinema Communication based on the cultural exception. The new text must be based on the derogation provided by art. 107.3.(d) TFEU and be consistent with the international obligations assumed by the European Union as well as with the European audiovisual and cultural policies.
2. Explicit reference to the regional culture. It should explicitly refer to culture and regional diversity as article 167 TFEU already does. The 2001 text only refers to national cultural criteria and Member States without taking

¹³ Commissioners Kroes and Reding, Joint Communication of 22 May 2008, Memo 08/389.

into account the role of regional funds as well as their competences in the field. Any reference to national criteria or national territories should also be extended to regional criteria or regional territories.

3. Aid must benefit all audiovisual projects. Eligible products are all screen-based content ensuring a cultural merit. This excludes porn, commercials, etc. as also stated in the Commission's MEDIA Programme guidelines under which film are eligible for support.
4. No discrimination as regards the value chain and eligible activities so far they relate to the film sector. Development (script, marketing tools and audience engagement); production (Pre-production - up to digital master print); distribution (all platforms to build audiences); promotion, exhibition, etc..
5. No discrimination as regards the support scheme. The new Cinema Communication should apply to any kind of support scheme, no matter if other European State aid rules (e.g. on research and development, SMEs, risk capitals) do exist.
6. Clarification on how support schemes to activities concerning new business models (incl. legal/technical/social media advice), technical/social media training, 3D production, digital post-production, digital cinema, etc. would fit in the new rules.
7. Territorialisation requirements should be maintained as they stand now. There are no indications neither from the EC Film Study on territorialisation, the Commission nor other stakeholders that territorialisation causes a distortion of competition, on the contrary it seems that lower levels of territorialisation either increase implicit territorialisation clauses and decrease available funding (see section 3 above).
8. The current aid intensity of 50% of the production budget, with higher aid intensities for difficult and low budget films should be maintained as it stands now.

5. Conclusion

In conclusion, the European audiovisual industry is facing new challenges in the digital world. We must turn these challenges into opportunities. European Cinema is one of the cornerstones of European cultural expression. Its importance has for many years been recognised by the EU's competition rules and by State aid control in particular. However, new trends and the role that culture has in European law justify a revision of the existing rules that capture the specificities of the audiovisual industry and apply to the whole value chain (from inspiration to access). New rules would allow European cinema and the European citizens to seize the opportunities offered by the new technologies.

For us a culturally diverse Europe is not a Europe where cultural life is centralised around a handful of major cities and capitals, but is a part of the lives of as many communities as possible. Territories are well suited to foster film creativity and culture. Among others because cultural products such as film are influenced by local customs and language. Cine-Regio would therefore welcome a simplified and better legal framework for regional film support schemes in a future Cinema Communication.

The TFEU contains a specific provision on State aid to culture. It considers compatible with the internal market "State aid to promote culture and heritage conservation where such aid does not affect trading conditions and competition in the Union to an extent that is contrary to the common interest". The forthcoming communication must be based on this cultural derogation. State aid to cinema - whatever the activity or the kind of support - is State aid to culture. The criteria to be established in the new communication should clearly respond to cultural grounds and should not discriminate on the basis of the kind of activities to be funded: production, distribution, exploitation, promotion. Culture must also be taken into consideration when assessing territorialisation thresholds. We would like, in this context, to remind the European Commission of its commitments in ratifying the UNESCO convention on cultural diversity which reaffirms Member States' sovereignty to implement support policies for culture as they see fit "to protect and promote the diversity of cultural expressions" (article 1). Such commitment, together with the respect of article 167 TFEU Treaty must be taken

into account by the Commission when adopting competition rules i.e. respect cultural imperatives and Member States' freedom.

The UNESCO Convention on cultural diversity also seeks to promote culture as a factor in socio-economic development. It notes that "parties shall endeavour to strengthen their bilateral, regional and international cooperation for the creation of conditions conducive to the promotion of the diversity of cultural expressions." UNESCO therefore explicitly recognises the role of the regions in creating and promoting cultural diversity. The Convention also notably recognises both the economic and cultural dimensions of the creative industries in the preamble, stating that UNESCO is "convinced that cultural activities, goods and services have both an economic and a cultural nature."

We would like to thank you for this opportunity to communicate our standpoints in writing. If we can be of any assistance in taking matters further, please do not hesitate in contacting: Cine-Regio, Filmbyen 23, 8000 Aarhus C, Denmark. Attn.: Charlotte Appelgren, Secretary-General.

Cine-Regio Members:

Apulia Film Fund, Italy
BLS Südtirol Alto Adige, Italy
Centre Images, France
City of Belgrade Film Fund, Serbia
Consejería de Cultura Andalusia, Spain
Consortio Audiovisual de Galicia, Spain
CRRAV – Région Nord-Pas de Calais, France
FILAS Audiovisual Fund Lazio Region, Italy
Film Agency for Wales, UK
Film Fund FUZZ, Norway
Film I Skåne, Sweden
Film I Väst, Sweden
Film London, UK
Film3, Norway
FilmCamp, Norway
Filmfonds-Wien, Austria
Filmförderung Baden-Württemberg, Germany
Filmförderung Hamburg Schleswig-Holstein, Germany
FilmFyn, Denmark
Filmkraft Rogaland, Norway
Filmpool Nord, Sweden
Filmregion Stockholm Mälardalen, Sweden
Flanders Audiovisual Fund, Belgium
Friuli Venezia Giulia Audiovisual Fund, Italy
Ile-de-France Film Fund, France
Institut Català de les Indústries Culturals, Spain
Krakow Regional Film Fund, Poland
Mitteldeutsche Medienförderung, Germany
PACA - Région Provence-Alpes-Côte d'Azur, France
POEM, Finland
Rhône-Alpes Cinéma, France
Rotterdam Media Fund, The Netherlands
Screen South, United Kingdom
Southern Transdanubia Film Fund, Hungary
Wallimage, Belgium
West Danish Film Fund, Denmark
Zürcher Filmstiftung, Switzerland