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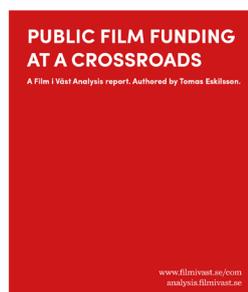
PUBLIC FILM FUNDING AT A CROSSROADS

Appendix: Greece and Cyprus

Authored by Lydia Papadimitriou.

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ABOUT PUBLIC FILM FUNDING AT A CROSSROADS

Public Film Funding at A Crossroads was launched in Brussels in March 2022. It can be downloaded at www.analysis.filmivast.se. Here you also find the ten territorial reports, executive summaries, with strong links to the main topics in *Public Film Funding at A Crossroads*. There you also find **Michael Gubbin's** report *Streaming Giants and Public Film Funding*. In May, during the Cannes Film Festival, Wendy Mitchell's study *Creative Overload*, will be published at the same web site.

Appendixes:

- Eastern Europe (Assistant Professor **Petar Mitric**)
- Flanders/Netherlands (Producer **Ilse Schooneknaep**)
- French speaking Europe (Senior consultant **Philippe Reynaert** in collaboration with Xanadu) - also in French
- German speaking Europe (Senior consultant **Manfred Schmidt**)
- Greece/Cyprus (Associate Professor **Lydia Papadimitriou**)
- Ireland (Dr **Mark Rainey** et al in collaboration with the WRAP Fund)
- Italy (Senior consultant **Rickard Olsson**)
- Spain/Portugal (**Belén Álvarez** et al in collaboration with Gabeiras& Asociados)
- The Nordics (**Tomas Eskilsson, Katarina Krave, Bengt Toll**)
- UK (MD **Leon Forde** et al in collaboration with OSPI)

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GREECE AND CYPRUS

Introduction

This report presents the current state-of-affairs and short-to-medium term projections regarding public film funding in the Greek-speaking territories of Greece and the Republic of Cyprus. It is based on 12 semi-structured interviews (8 from Greece, 4 from Cyprus) with representatives of the film funds, public broadcasters, producers, distributors, and a sales agent. Both Greece and Cyprus are small countries and small markets in the European, let alone the global, context – with Cyprus more appropriately described as a ‘micro’ country and market. They both faced severe financial crisis through most of the 2010s, but they also saw increased global recognition of their art cinema in this decade. While both Greek and, more recently, Cypriot art films have been visible in the international film festival circuit, mainstream content has very rarely travelled outside the two countries.

To-date, no global streamer has invested in original Greek-language content – whether film or series. As a result, the global streamers’ activity has not fully impacted the local audiovisual ecosystem. However, the increased global production, the exposure of Greek-speaking audiences to more and higher production value content, and, crucially, the introduction of very generous automatic funding schemes (in 2018 in Greece, and 2019 in Cyprus), have brought an unprecedented boost in production activity in both countries.

The automatic funding schemes (cash rebate, tax relief/tax credit) have benefitted global companies and national private or pay-tv channels the most. Disney+, Netflix, Apple TV, Paramount, and Amazon studios, among others, have been shooting in Greece throughout the pandemic taking advantage both of incentives and the appealing Mediterranean locations. Two visible consequences of such activity are, firstly, the expanded opportunities for service production, especi-



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ally for the largest independent production companies in Greece, and secondly, the rise in salary for the crew members working for these productions. While the immediate effect of both the above is welcome, especially after the financially challenging 2010s, it is already becoming obvious to smaller companies that local productions are facing bigger budgets (that they will likely not be able to cover) as well as an increased difficulty in securing skilled workers. In other words, problems of inflation and capacity are becoming to emerge.

The cash rebate scheme has also benefitted the production of series by private and pay-tv channels in Greece. Budgets for television series have traditionally been very modest and funded in-house by the channels, so the low threshold for minimum spend per episode has made it possible for these channels to tap on these funds. It is widely agreed that both the production values and the overall quality of recent (and anticipated) Greek-produced series has significantly increased – a result both of the financial incentives and of the increased expectations from the part of the audience for a higher quality product due to their familiarisation with better television. This improvement is also visible in some of the public television's productions, which are funded exclusively by the broadcaster.

In Greece, selective film funding is administered by the national film agency – the Greek Film Center (est. 1970). In Cyprus, the funds are allocated directly via the Ministry of Education, Culture, Sport and Youth, as there is no dedicated agency. In both cases, selective funding is reserved for feature-length and short films (not television or web series, nor games). The role and scope of the Greek Film Centre (which operates under the auspices of the Ministry of Culture and Sports) is dependent on national legislation. Any fundamental changes to its remit would require a new law that would offer a revised definition of 'film'. There are already some calls in favour of the need for a radical rehaul of the 2010 Law for the 'Support and Development of Cinematographic Art', but it is not anticipated that any such changes will happen soon.

In Greece, automatic funding - open to all audiovisual works including computer games - is administered by a different institution, EKOME (National Centre of Audiovisual Media and Communication), founded in 2015 and operating since 2017 under the auspices of the Ministry of Digital Governance. While automatic funding can reach up to 19 million Euros annually for all audiovisual works, the budget for selective public film funding in Greece is currently in the region of 3.5 million Euros (including operational costs for the agency). This significant discrepancy shows the privileging of automatic over selective funding, and, overall, an economic (rather than cultural) approach in

national audiovisual development. In Cyprus, automatic funding can reach 25 million Euros, while the current – and highest so far – annual budget for selective funding is 1.5 million Euros, suggesting a similarity in approach. Despite regular calls from the filmmaking community (especially in Greece), for more funds to be allocated for selective funding, there is no anticipation of any significant change. The current Greek Film Center administration hopes to achieve a stabilisation of its annual budget at a higher level (to include as regular the occasional top-ups it is rewarded) but, again, nothing is guaranteed.

Aiming to make its operational processes more transparent, as well as offer additional support to new directors and low budget films, in May 2021 the Greek Film Center updated and streamlined its funding guidelines. As before, it supports all film genres – fiction, documentary, animation – and offers programmes for writing, development, production, and distribution, while both mainstream and art films are eligible to apply. The new guidelines aim to facilitate support of the selected films through all stages – something that was difficult to achieve previously, partly because of lack of clarity in the regulations, and partly because the limited funds were spread among many projects. The latter has been an (unresolved) matter of debate for a long time with the current administration of the Greek Film Center arguing in favour of supporting fewer projects with more funds – an approach, however, that has not been evidenced in practice yet.

Legislation, generally, is very slow to change – even when it comes to a simple ratification of European treaties such as the revised Convention on Cinematographic co-production. Even though the revisions introduced would be highly beneficial for producers engaged in minority co-productions (reducing their participation from 10% to 5%), by the end of 2021 the Greek Parliament had still not ratified it. Sometimes laws are in place, but they are not fully enforced – such as the long-standing (but unresolved) matter of private television channels in Greece not paying their allocated levy (0.75% of their revenue) towards film production; only the public broadcaster supports cinema films with a 1.5% of its income (about 2.8 million annually) and is anticipated to continue doing so in the foreseeable future. Sometimes delays occur at the process of implementation, such as the law concerning a levy on global streamers. This has been made law in the summer of 2021 but has still not been put into practice. According to it, global streamers operating in Greece are obliged to reinvest 1.5% of their revenue to local production. This is positively anticipated among most interviewees, but it is not clear yet how it will materialise and who will benefit most.

The impact on independent producers of the increase of internatio-

nal production in Greece depends on the size and profile of the company, and the extent to which they service global productions. For those that do, part of the economic benefit can be channelled in developing new local products - including television series, with the hope that these could break into the global market. For smaller companies specialising in art house cinema and working predominantly with public funds and European co-productions, there is no change in their mode of operation so far, but some are alerted to the increased challenges in getting all the funding needed, partly because of rising costs. For some medium-sized producers also active in co-productions, the future lies in aiming for higher-budget projects, including English speaking ones with international stars; aside from the financial benefits, these can raise the profile of their company globally, and allow for enough margins to support smaller projects, including by newcomers, which can in turn also act as showreels for attracting foreign investments and collaborations.

While producers face both challenges and opportunities, traditional distributors are having a harder time. The larger distribution companies, which usually represent one or two studios for the local theatrical market (usually Greece and Cyprus jointly), have faced significant problems with finding audiences for their independent films partly because of the pandemic, and partly because of the competition with streamers. To survive most have

have already diversified into either production, or rights management (including music rights) too. The smaller distributors of art house films are strongly dependent on European programmes of support, without which they are not sustainable. The closure of cinemas during the pandemic left most distributors with films they could not release, and while audiences returned to open air cinemas in healthy numbers in the summer 2021, it was mostly exhibitors who benefited, as films were changed very quickly.

Some distributors created their own TVODs, but this is unlikely to be a long-term sustainable business model. A success story both for Greek art films and for cinephile audiences has been the creation of the first ever SVOD service in Greece, Cinobo. Founded during the pandemic by the daughter of one of the country's distributors that had stopped operating, the platform showcased both the (renamed) company's existing collection of international films as well as an ever-increasing catalogue of Greek art films. Since the opening of theatres, Cinobo has also been offering a hybrid form of distribution for a select few new films, releasing them both theatrically and online.

During the pandemic, the Greek public broadcaster launched its own free platform, ERT Flix which has been met with a lot of audience

support as it offers most of the broadcaster's programme on demand and with no restrictions – in some cases, globally too. The private television channels are currently developing their own platforms (together with plenty of new content) in a – rather belated – move towards an 'on-demand' digital economy.

To sum up, as the global streamers have not invested in Greek-language content (yet), the recent changes in the audiovisual ecosystem have been mainly the result of the introduction of generous automatic funding in the two countries. Combined with the potential to use the attractive locations studios and streamers have taken on board the new opportunities for shooting offered by these two Eastern Mediterranean countries. Current investment in filming studios in Greece hopes to further consolidate such inward investment. While the financial benefits for those servicing or working for international productions are palpable, the effects on local production are far more indirect, and as yet unclear. There are visible improvements in the quality of national television series, which, it is hoped by many, will lead to Greek-language series breaking through a global market in the not-too-distant future. Art house cinema remains very highly dependent on selective national and European funding – as well as on finding new audiences, potentially mainly online – and, by extension, on the policies and practices of public funders and regulators.

List of Interviewees:

Greece:

Markos Holevas, Greek Film Center (President of the Board of Directors)
Eleni Handrinou, Greek Film Center (Deputy president of the Board of Directors)
Vassiliki Diagouma and Eirini Andriopoulou, EKOME (National Center of Audiovisual Media and Communication)
Menos Deliotzakis, ERT (Greek Broadcasting Corporation)
Konstantinos Kontovrakis, Heretic (production company and sales agent)
Giorgos Tsourgiannis, Horsefly (production company)
Vassilis Sourapas, Filmtrade (distributor)
Sofia Angelidi, One from the Heart (distributor)

Cyprus:

Diomides Nikitas, Cultural services of Ministry of Education, Culture, Youth and Sport
Tonia Mishiali, Zipcode (producer)
Danae Stylianou (DOT.in.the.market)
Elena Alonefti (director, producer)