



EBU

OPERATING EUROVISION AND EURORADIO

DRAMA AND PUBLIC SERVICE TV

THE EBU DRAMA INITIATIVE

FEBRUARY 2021

ABOUT THE EBU

The European Broadcasting Union (EBU) is the world's foremost alliance of public service media (PSM). Our mission is to make PSM indispensable.

We represent 115 media organizations in 56 countries in Europe, the Middle East and Africa; and have an additional 34 Associates in Asia, Africa, Australasia and the Americas.

Our Members operate nearly 2,000 television and radio channels alongside numerous online platforms. Together, they reach audiences of more than one billion people around the world, broadcasting in almost 160 languages.

We strive to secure a sustainable future for public service media, provide our Members with world-class content from news to sports and music, and build on our founding ethos of solidarity and co-operation to create a centre for learning and sharing.

Our subsidiary, Eurovision Services, aims to be the first-choice media services provider, offering new, better and different ways to simply, efficiently and seamlessly access and deliver content and services.

We have offices in Brussels, Rome, Dubai, Moscow, New York, Washington DC, Singapore, Madrid and Beijing. Our headquarters are in Geneva.

Discover more about the EBU at www.ebu.ch

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FOREWORD

As we begin a new year, it is clear that 2020 has reshaped many aspects of our world.

However, in the midst of this global pandemic and ensuing economic crisis, Europe's public service broadcasters have played a central role in informing, educating and entertaining our audiences. We can be proud of the essential role we have played in bonding together our societies at a time of tremendous strain.

This strain has also been felt inside our industry. The pandemic has opened even wider the doors of home entertainment to companies like Netflix, Amazon Prime Video, Disney+ and HBO, who have dived head first into the international TV drama sector. They have now become a mainstay of the global digital economy as SVOD becomes more prevalent with our audiences.

Nevertheless, in this maelstrom of content, public service drama has shown just how it is distinct from its commercial competitors – exploring themes and offering powerful stories that connect profoundly with our audiences.

This latest report summarizes the work performed at strategic and practical levels and marks out a path for maintaining and highlighting our distinctiveness.

The question has, of course, been addressed at length in previous years by the EBU TV Unit's Television Committee, as well as within the expert Fiction Bureau, consisting of drama commissioners from across the membership.

A resolute, practical new approach has been adopted within the initiative in 2020, catalysed by the appointment of Elly Vervloet, international drama executive

at VRT (Belgium), to drive forward this project on behalf of the EBU. I hope you will find this summary of her thinking on the future of public-service drama useful, and that your organization will continue to engage with the Drama Initiative in the year ahead.



Delphine Ernotte Cunci
Chief Executive Officer,
France Télévisions
President, EBU



“

IN THIS MAELSTROM OF CONTENT,
PUBLIC SERVICE DRAMA
HAS SHOWN JUST HOW IT IS
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INTRODUCTION

Drama is a shared experience. It brings together audiences across all demographics and helps make sense of our world. In order to stay relevant and indispensable, not least to the digital-native generation, EBU Members need to offer high-quality drama on all of their platforms. Its power to entertain and to offer a momentary escape from reality makes TV drama today a more essential part of a public-service offer than ever before.

More than this, TV drama tells stories of relevance and importance for society; audiences are challenged to think about the world and their place in it, as individuals. For that reason, it is critical that public-service, value-driven drama series should form an important part of today's rich landscape. We all know competition is fierce. Global commercial SVOD platforms have for many years been disrupting European markets and have become an established and much-loved part of the audiences' viewing.

The EBU Drama Initiative sets out to address the existential question which arises: What is the new role of public-service TV within the evolving landscape?

The simple answer is that PSM must offer its audiences some of the best, most engaging drama content from the international marketplace. Public-service networks are today viewed by many

members of the public as 'subscription services'; if audiences are to continue paying license fees, they expect offers at least on a par with those from SVOD competitors.

This is increasingly difficult to achieve, considering that the production sector in many ways finds it advantageous to work directly with SVOD platforms, with their agile decision-making processes and substantial budgets. Over recent years PSM and SVOD platforms have started producing series together. Yet we have learnt that this comes at a cost, notably in the domain of rights: SVOD platforms tend to require significant access in this regard, thereby often reducing broadcasters' own rights to short domestic-exclusivity windows. This complicates access for other European PSM while also weakening the commissioning broadcaster's brand association with the series in the public sphere.

In 2020 the Drama Initiative has explored some practical solutions to this problem, the findings of which are presented in this report. First, we seek to understand the European drama landscape through a series of case studies and interviews which examine the structure of a co-production from different viewpoints. We report on conversations with EBU Members across Europe about their views and endeavours.

From there we present the outcomes and learnings from the first year of the EBU Drama Co-Production Network, launched as part of the Drama Initiative as an agile way to connect broadcasters around early-stage co-production and pre-sale opportunities.

As well as reporting on a year's work in European drama, this paper is also a strong appeal to all EBU Members to become **active partners** of the Drama Initiative. The more engaged Members are, the more valuable, rich and lively the Drama Initiative will become. Please, stay connected and stay engaged!

The Drama Initiative is sponsored by the EBU's governing top-level [Television Committee](#). Consultancy on the issues raised is provided by the [Fiction Bureau](#), a network of the EBU's closest collaborators in the fiction space.

Thanks for all the productive discussions this year. We look forward to continuing on this journey with you.

Elly VERVLOET,
Coordinator, Drama Initiative

Matthew TRUSTRAM,
Head of TV

UNDERSTANDING THE EUROPEAN TV DRAMA SECTOR



THE EVOLVING EUROPEAN MEDIA LANDSCAPE

To position public service media within the global drama offer, one has to first understand trends in audience behaviour.

The rise of subscription video-on-demand (SVOD) services is well documented, having been addressed in previous [EBU reports including Netflix and Amazon: PSM Friends or Foes? \(EBU, 2019\)](#) and more recently in the [SVOD Market Trends Report \(EBU, nov 2020\)](#).

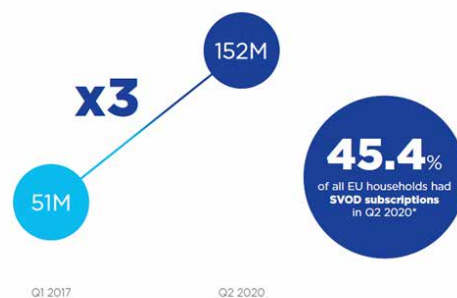
2020 has seen some major developments, notably resulting from the COVID-19 pandemic, with repercussions both on viewing habits and the production environment.

SVODs: Continued Growth, No Consolidation

SVOD subscriptions have seen sustained growth, reaching 137 million subscriptions in EU27 markets by the first quarter of 2020. Approximately 45.4% of EU households are SVOD subscribers.

SVOD SUBSCRIPTIONS SVOD SUBSCRIPTIONS TRIPLED BETWEEN 2017 AND 2020

Evolution of Number of SVOD Subscriptions in Europe
In millions of subscriptions



Between Q1 2017 and Q2 2020, the number of subscriptions in Europe tripled to 152 million.

In the second quarter of 2020, it was estimated that around 45% of European households were SVOD subscribers, showing that use of SVOD has become widespread in Europe.

*Note: Penetration rate provided by Ampere does not deduplicate subscriptions when one household has several OTT SVOD subscriptions. This rate over-estimates the actual SVOD penetration rate for households having at least one SVOD subscription.
Source: Ampere Analysis - number of SVOD subscriptions (customers - RIGUs) in Central and Eastern Europe and Western Europe

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EBU Media Intelligence Service - SVOD Market Trends

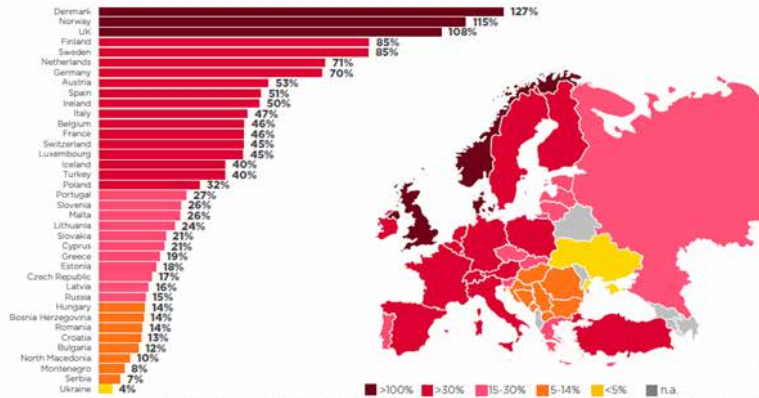
1 Source: EBU Media Intelligence Service

SVOD SUBSCRIPTIONS

SVOD PENETRATION IN EUROPEAN HOMES STILL INCREASING

SVOD OTT Penetration*

Sum of customers (RGUs) per 100 households - Q2 2020



SVOD penetration continues to increase throughout Europe.

The UK has seen the highest rise with an additional 12.7 percentage points between the first and the second quarter of 2020. This acceleration may be partly linked to the COVID-19 crisis.

Nordic countries are unsurprisingly at the forefront in terms of SVOD penetration, with Denmark and Norway above 110%, meaning that multi-subscriptions are more common in these countries. According to Ampere Analysis Consumer, more than half of Danish connected households have 2 or more SVOD services (as of Q3 2020).

*Note: Penetration rate provided by Ampere does not deduplicate subscriptions when one household has several OTT SVOD subscriptions. This rate over-estimates the actual SVOD penetration rate for households having at least one SVOD subscription.
Sources: Ampere Analysis - SVOD OTT penetration; Based on the sum of customers (or Subscriptions or Revenue Generating Units)

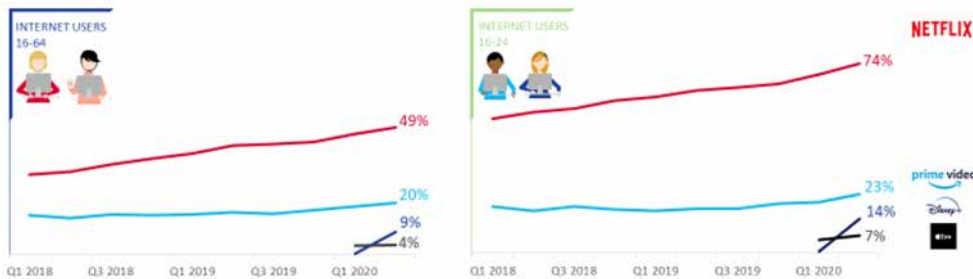


EBU Media Intelligence Service - SVOD Market Trends

MAIN PLAYERS' USAGE

74% OF YOUTH HAVE WATCHED NETFLIX IN THE LAST MONTH

Monthly Reach of Main International SVOD Platforms in Europe
In % of Internet Users



Source: GlobalWebIndex - countries: Netherlands, Belgium, France, Spain, Portugal, Ireland, Italy, Romania, Switzerland, Austria, UK, Denmark, Sweden, Poland, Germany, Russia, Turkey
Question: In the last month, which of these services have you used to watch / download TV shows, films or videos?



EBU Media Intelligence Service - SVOD Offer and Consumption in Europe

2 Source: EBU Media Intelligence Service

Part of this acceleration in SVOD penetration was driven by the first COVID-19 lockdown period, by the end of which Netflix was reaching 74% of the 16-24 audience segment. The launch of Disney+ in Europe was another significant development, and appears to have been perfectly timed, having emerged in the first half of the year, i.e. during the lockdown, chiefly in Nordic countries. It has enjoyed rapid uptake in those countries, with a large though relatively static catalogue of popular brands.

Disney+ and Netflix will certainly continue to challenge PSM audience reach. Amazon Prime Video's share of the market, while relatively stable, is backed by a large ecosystem extending well beyond its media offer.

- SVOD subscriptions have seen sustained growth: 45.4% of European households were SVOD subscribers in the second quarter of 2020.
- Part of the acceleration in SVOD penetration was driven by the first COVID-19 lockdown period, by the end of which Netflix was reaching 74% of the 16-24 audience segment.

The European Drama Production Environment

The costs associated with producing drama series in European markets have continued to face upward pressure during 2020, principally for reasons linked to the COVID-19 pandemic. The first wave of lockdowns halted many productions, and the resulting disruption to schedules created a bottleneck when filming resumed later in the year, with casts and crews juggling delayed productions with new ones they had previously committed to.

The mid-to-long-term impact of COVID-19 stems from the added costs of health-related measures (disinfection, PPE, distancing and more recently, quick testing) and the risks that key individuals will not be present because they have been infected or are isolating as a precaution. These costs can add around EUR 250,000-400,000 to the production budget of an average multi-part series.

It should be noted, however, that such challenges apply industry-wide and are not specific to public-service broadcasters.

Impact of Production Quotas

During 2020 the requirement for production quotas came into effect across EU markets.



The deadline for the 27 EU Member States to implement the requirement, according to which “Member States shall ensure that media service providers of on-demand audiovisual media services under their jurisdiction secure at least a 30% share of European works in their catalogues and ensure prominence of those works”¹, was in September 2020. The first reporting deadline is in 2021.

The net effect is that producers will find co-production deals with SVOD platforms even more achievable than previously, and that pressure on the top-end series will be greater than ever. Considered from a different perspective, one could argue that new opportunities will be created for PSM-SVOD co-productions.

- COVID-related costs can add around EUR 250,000-400,000 to the production budget of an average multi-part series.
- The effect of production quotas for global streamers in Europe might be that producers will turn even more to SVOD platforms.

1 - <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L1808&from=EN>

ASPECTS OF (CO-) PRODUCING HIGH-END DRAMA: FIVE PERSPECTIVES

Introduction: Funding a Drama Series

Public or commercial broadcasters who are still able to fully finance their drama productions by themselves are more the exception than the rule. The remaining funding can be raised in several different ways. Some territories allow for **tax-rebate** schemes to stimulate local creative industries; others have regional or national funds (cultural and economic) to achieve the same goal. But even then, additional funding is very often required.

One way to find additional funding has been to approach **international distributors**, e.g. BBC Studios or ZDF Enterprises, who will provide a minimum guarantee in exchange for the exclusive rights to sell the series to other broadcasters outside the originating territory. We see more and more distributors getting involved in projects as co-producers as well: they invest in a series to obtain a co-producer's share and then sell it.

Another option is selling rights to a **commercial VOD platform**, home-based or international (e.g. Netflix, HBO, Viaplay), or co-producing a series with such a platform. In this scenario the rights issue becomes very pertinent.

In exchange for funding, global platforms often join projects with ambitions which may include:

- securing SVOD rights in the production's originating territory

- obtaining these rights exclusively after a short holdback for the commissioning broadcaster and for a substantial period of time
- retaining the worldwide SVOD rights with a holdback on other rights (linear and non-linear)
- defining the origination of the series

When dealing with a global platform, it all comes down to how much they want a given series and to the negotiating skill and position of the producer and lead broadcaster.

If public-service broadcasting as a whole is to retain access to top drama series, some emphasis is needed on the alternative path to co-production, namely that of trying to co-produce a series with one or several broadcasters, eventually in combination with a minimum guarantee ("MG") from an international distributor.

The Difference Between a Pre-sale and a Co-production

If the rights are sold prior to production, we use the term **pre-sale**.

As soon as editorial rights are involved and a co-financier has a backend position, we talk of a **co-production**. Sometimes the line between the two becomes blurred; there is not, in practice, a significant difference between an 'enhanced pre-sale' and a 'co-production'. Much depends on the negotiations between partners, their vision

for a collaboration, and which advantages each co-financing partner seeks to emphasize. Sometimes branding is more important than having a backend (financial) position. Some co-producers do not ask for 'face recognition' (a recognizable local actor); others only want to co-produce provided that local actors and/or storylines are integrated. When co-producing in partnership with platforms, the impact on the resulting rights framework is significant – at every level.

- Financing a drama series with local funding is becoming more and more the exception.
- Collaborating with global streamers comes with a cost, especially in terms of rights.

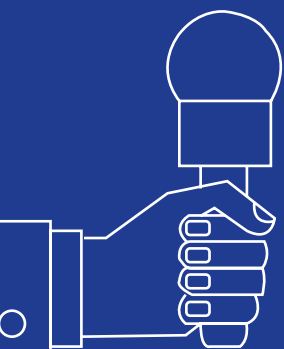
Perspective 1: PSM vs. SVOD Co-production Structures

INTERVIEW WITH
JEREMY GAWADE,
PARTNER, LEE &
THOMPSON (UK)



Elly Vervloet met Jeremy Gawade online during a webinar from MediaXchange entitled 'Streaming Platforms: Understanding Your Options', which took place in the autumn of 2020. Jeremy, who is a senior consultant at the leading entertainment law firm Lee & Thompson, spoke about 'TV Drama Deal-Making Structures'. He has over 30 years of experience working in the media industry and knows how to structure finance, distribution and production deals for drama projects.

She asked him how he views the different commissioning models, from a producer's perspective.



What are the different financing and commissioning models for TV drama and how have they evolved?

JG: There is a pre-SVOD and a post-SVOD period. We're lucky in that in the UK we have a buoyant TV drama production business.

If we wind back to the past, 20 years or so ago, the British government introduced new terms of trade in the relationship between broadcasters and producers whereby the main broadcasters, BBC, ITV, Channel 4, when they commissioned and financed programmes, including drama, only got a limited set of rights for the UK for a fixed licenced period. The producer retained ownership of the exploitation rights and of the copyright. That enabled producers to create value in their businesses and to attract investment. The result was and still is a large and successful TV production sector.

There is perhaps a threat to the independent production company sector these days in the form of consolidation, mergers and takeovers, but there is still a large and successful TV production sector in the UK and worldwide.

When the UK tax-credit system for TV drama was introduced a few years ago, we saw budgets rising to get productions over the '1 million pound per hour' production cost amount required to trigger the UK tax credit. We've seen, as a result of this and the production costs sums being paid by the SVOD platforms, inflation in the fees of actors, writers, directors and crew members.

Let's take a look at the traditional TV-drama financing model in the UK from a few years ago:

Example: production budget of EUR 1.5 million/hour

- Broadcaster: EUR 900,000
- Tax credit (20% of the budget) EUR 300,000
- MG distributor: deficit financing for worldwide rights: EUR 300,000
- + additional pre-sales in case the total budget is higher or the minimum guarantee distributor lower

Factoring in commissioning/finance from the SVOD platforms (Netflix, Disney, Amazon, Apple, Hulu, etc.), we are seeing three additional models:

- 1. SVOD as commissioner/ fully funding a series; i.e. the 'originals':** the platform takes all rights. Producer receives production fees and sometimes a buyout fee for the rights. The producer then often has to share that buyout money with the creative talent involved (writers, director, actors, etc.)
- 2. SVOD-broadcaster co-production/co-commission:** SVOD pays slightly more than the broadcaster (for example: BBC 900,000 - Netflix 1.1 million) The producer must negotiate on rights and windowing in its own territory and worldwide. There are different ways of structuring such deals
- 3. SVOD pre-sale: the platform pays a licence fee for territorial rights** (world, US, UK, Europe, etc.)

Not every SVOD platform applies the same business model. Some do a buyout upfront (like Netflix), while others work with points to define your backend position (like Apple).

What are the key features working, as a producer, with platforms versus broadcasters?

The different ways of structuring an SVOD deal are quite complicated. The producer needs to address different requirements when it comes to exploitation of rights, windowing, holdback, distribution, etcetera.

An upcoming problem with global platforms is that in the past they let independent production companies produce the series and they helped finance the show. But recently, we're seeing them create their own production arms and they are trying to produce more in-house. When an SVOD platform produces a show in-house, they hire individual executive producers who are well paid but don't necessarily manage the production any longer, and there may be no backend position.

As a production company you want to produce yourself: for creative reasons, to retain control, to retain the rights, for financial reasons.

So the big question is: how will those SVOD deals unfold?

As a producer, you need to negotiate a good backend position, whether in terms of buyout fees and/or rights retention, etcetera, as well as your producers' fees and IP fees. It's all about leverage: the more global streamers want your show, the more negotiation power you have.

But compared to drama series commissioned by the terrestrial broadcasters, the production budget is usually higher.

Are production budgets on the rise?

Generally, yes, but the SVOD platforms are now more cautious about higher levels of budgets – given their volume of production commissions – than they were a few years ago.

Due to COVID-19, production budgets are under pressure. At the same time, there are extra corona-costs. I'm very curious to see how this will unfold after COVID-19.

Did you know about the EBU Drama Initiative?

No, I didn't, but it sounds really interesting. What I do see is that UK producers are turning to Europe more and more. It's often cheaper to shoot in Slovakia, or Poland, or Italy, and most of those countries have an interesting tax-credit system.

UK broadcasters are also more open to invest in 'mixed language' series.

And this applies the other way round as well: European broadcasters are investing more in English-language drama.



**IT'S ALL ABOUT LEVERAGE:
THE MORE GLOBAL STREAMERS
WANT YOUR SHOW, THE MORE
NEGOTIATION POWER YOU
HAVE.”**

Jeremy GAWADE

Perspective 2: *Arcadia*, from a Producer's View

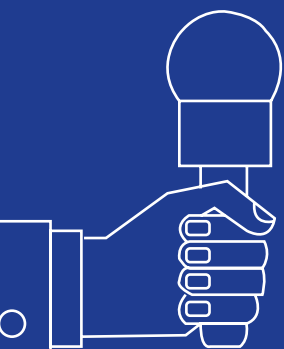
INTERVIEW WITH
HELEN PERQUY,
PRODUCER, JONNYDEPONY
(BELGIUM)



Short description of the series

Arcadia is a 'near-fi' series (8 x 48').

The world of *Arcadia* was invented in 2018. It is a world that is created after the outbreak of a deadly virus. Who would have thought that, while developing and writing the scripts, reality would sneak up on us in 2020?



The story of *Arcadia* focuses on the survivors, who have reorganized a secluded and secured world. Because resources in this new world are scarce, a citizen score is introduced. This determines your rights and entitlements, and people are forced to stay healthy, focused and efficient. You have to prove, day by day, that you are valuable, worthy of existing and of use to society. In *Arcadia*, we follow the life of a hard-working family that is able to enjoy a good life because of their high citizen score. Everything changes when the father of the family, Pieter, is deported to the Outer World because he has tricked the algorithm that determines the score by inflating artificially his daughter's scores to protect them. Because that is what families do, right? His wife and daughters are punished; their scores are lowered. Can they go back to their initial scores or has the downward spiral begun? Will they survive in this world without protection or will they face the same fate as their father and be expelled?

How did the different public broadcasters get involved in *Arcadia*?

We [Helen Perquy and showrunner Philippe De Schepper] thought this story, theme and the bold idea behind it would make a good match with the Flemish public broadcaster, so we presented it to VRT, which reacted quickly and positively. So we started developing the concept, which was an intense process. Most sci-fi or futuristic series are based on a book, but in the case of *Arcadia*, we had to create and invent a new world, involving several rounds of research.

As the producer I felt an immediate interest coming

from SVOD platforms and distributors as well. But VRT had pitched *Arcadia* to NPO (the umbrella PSM in the Netherlands) and they really liked the idea. So VRT and NPO decided to invest in the further development of the series and become 'equal' co-production partners. While we were developing the series, *Arcadia* was presented at an EBU Fiction Meeting last year by Elly (VRT) and Suzanne (NPO). This triggered SWR and WDR (both part of ARD) to step in as 'minor co-producers'.

What is your vision for producing a series like *Arcadia* with international partners?

We held several discussions in advance with many international partners. Some of them demanded to have leads or characters speaking their language. As long as this feels natural and organic, we don't mind working in different languages². However, when it doesn't feel natural, when it doesn't resonate with the core of the story, we refuse it.

In *Arcadia*, the focus is on a family living in a newly created world. It makes sense that two neighbouring countries come together in this way after a deadly virus has struck and that you hear different accents within the same family, which happens to be a newly blended family.

It would feel awkward, though, to have a German-speaking guard or other German characters in this story, since it is a family drama. Our German partners, Brigitte Dithard and Frank Toensmann, shared this vision. They totally understood and respected that, and that's why co-productions like this one can work!

2 - Flemish and Dutch are the same language, but the two dialects sound different.

If it feels forced, unnatural, then the audience will feel it as well. It should never become a financial construction; the story comes first, always!

What about the budget and financing?

The budget is within the EUR 6-10 million range, for an 8-part series.

VRT, NPO and ARD together cover 62.5% of the budget; the rest of the financing comes from the tax shelter (up to 25% in Belgium) and funding. So in terms of financing, we're in a really good position.

If we, as producers, would have decided to co-produce with a platform, the financing – and production – would have gone faster. But we realized that, by co-producing with two or three other broadcasters, the series would still be financed, and we would have the rights sell it on in the rest of the world.

Is there a distributor involved?

No, not yet. One of the upsides of this kind of co-production is that we don't need a distributor at this stage. We have seen in the past that we can actually sell our content to other countries where we have good contacts, or to Netflix. So it's really smarter to do it yourself at this stage, saving the 25-30% distributors' fee. And maybe retain a distributor in a later phase for countries where we don't have strong contacts ourselves. Since a lot of the marketing is done and the risks are already taken since the series is fully financed, they should bring down their fee as a percentage. You could also consider engaging different distributors: one who is strong in Asia, one for the US, etcetera.

How did you manage the rights?

When it comes to IP rights, for *Jonnydepony*, it's important to keep them: we own the format rights. As for the show itself, we totally understand that public broadcasters, in current times, want all the rights they need to reach their audience, and the audience will no longer want to wait eight weeks to watch it linear. So as long as the deal is fair, we don't have an issue with broadcasters claiming VOD rights for a certain time in a certain territory.

For us, everything is negotiable as long as it's a good, fair deal.

From an editorial viewpoint, working with three co-producing broadcasters sounds complicated.

With three partners it's not easy, but it never is!

When it comes to notes, it's trying to understand and interpret what the broadcaster is really trying to say without implementing everything, literally, in the scripts. You have to stay true to your story. The perfect script doesn't exist because everybody reads it in a different way. When fear hits the fan, you are in deep shit, because you'll end up with a collage of ideas and as the producer you need to avoid that. So working with notes, without fear, is a good thing because usually the end product will become better, as long as you stick to your characters and to the story you want to tell.

In the case of *Arcadia*, KRO-NCRV and VRT talked first; they discussed their notes between themselves, and then shared them with us, the creative team. The notes from WDR/SWR arrived at a

later phase, and we are trying to use them to optimize the series, not to make fundamental changes at this point.

It's good that broadcasters can tell the story they want to tell and for the reasons why they want to tell it – as long as we can define the 'how'. Find and shape 'our language' to do so.

What does the planning look like?

By the end of 2020, we will have four scripts and four treatments ready. Pre-production starts in March 2021 and we'll start shooting in September 2021. One year later, in late 2022, post-production will be finalized and the series will be delivered.

What are the challenges you face as producer?

Trust is key. And secondly, you need a shared vision about the series you want

to make. Of course, you can discover during the process that a partner is or isn't trustworthy, but if I already feel uneasy from the start, I would never step into that collaboration. Life is too short.

Next to that, as the producer, the money and having a production agreement is important.

As long as you're developing and not producing, you have to invest and combine developing several shows.

Once you have a production agreement, you can start building and getting people on board. Especially in high-end drama, you want to engage the best team, but so long as you don't have a contract, you can't really engage them.

We've quite a lot of money to produce the show, but in case of *Arcadia*, we need a strong vision and art direction to set this new 'futuristic' but at the same time recognizable world.

We have engaged an amazing director (Tim Oliehoek), so together with the head writer (Philippe De Schepper), I think we'll manage!

Of course, the biggest challenge at the moment is the COVID-19 pandemic and its implications.

Which differences do you, as producer, see in collaborating with a global platform compared to working with broadcasters?

There are no big differences if you stick to your 'trust rule'.

I feel the utmost respect towards myself, the producer, and the writers in both cases.



TRUST IS KEY. AND SECONDLY, YOU NEED A SHARED VISION ABOUT THE SERIES YOU WANT TO MAKE.”

Helen PERQUY

Content-wise, with a global SVOD player, the emphasis of the story would have been more on the survival; it needs to be quick, fast-moving, as they have always done. With PSM, the focus is more on European values and the family drama itself.

Platforms want you to produce quickly and they give fewer notes. As a result, you can end up with a fantastic show or with a big disaster. Because as soon as they greenlight a show, they want it tomorrow. Working with PSM is slower but that also means more time to develop and produce.

When it comes to financing, again, it would have gone faster with a platform, but by co-producing with ARD and NPO, only three territories are 'sold' so the worldwide territories are still available. And of course, a platform pays for the show and they take all the rights.

ARCADIA



Perspective 3: *Around the World In 80 Days, from a Broadcaster's View*

**NATHALIE BIANCOLLI,
HEAD OF DRAMA,
FRANCE TÉLÉVISIONS
(FRANCE)**

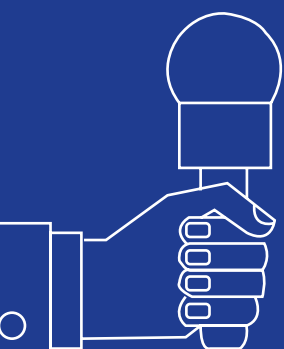


Short description of the series

Around the World in 80 Days is a historical adventure series inspired by the famous book of French writer Jules Verne. It is family-oriented, since children love to read Jules Verne.

This is the story of three people: an English gentleman, a French guy and an English girl, who want to travel around the world in 80 days. It contains adventure, thrills and touches on relationships: all we need to tell a strong story!

Episodes: 8 x 60'



Tell us about the development process of *Around the World in 80 Days*.

It was Simon Crawford Collins from Slim Film who came to France TV with the idea. Simon is a well-known English producer who produced series for BBC, amongst others. Simon and Ashley Pharoah, the head writer, had at that stage a two-page treatment ready.

As we were worried that Simon would turn to a platform for development, we signed a confidentiality letter that stipulated that FTV was going to develop the show together with him. And when we would be ready we would find the partners to finance and co-produce. He was very fair and accepted this, so they did the development within a year, confidentially. And as soon as we had one good script ready, we decided to find partners.

Why was it so important to make this a public-service co-production?

Well, Jules Verne is 'our' IP. It is also part of the public domain, so this is the kind of story we absolutely want to tell. But of course, since this is a very expensive series, we were aware that we needed extra partners to get it financed.

What about the budget and how is the series financed?

The total budget of the series is within the EUR 30-40 million range, for an 8-part series.

We first looked for a distributor.

We talked to almost everybody and finally engaged Federation Entertainment, who stepped in as distributor and co-producer.

Then, afterwards, we (FTV, ZDF and RAI) created the European Alliance, and that's how ZDF and RAI came on board as co-producers as well.

Federation Entertainment really wanted to be a co-producing partner – be part of the financing and part of the script development – since they saw the possibilities of this show internationally. Next to that, they paid an MG to sell the rights with a recoupment. So as co-producer they have a backend position; as distributor they recoup and they take their commission.

Federation Entertainment found an extra financier, an equity investor in South Africa. They invested a substantial share. Federation did a great job.

The equity investor recoups from the sales first. Federation Entertainment has sold the programme to almost the whole world, BBC, PBS.

Which rights do you, as commissioning broadcaster, want to retain?

We want to control the linear and non-linear rights, because we all have a player, so we need to have the preview rights and we need more than seven days of catch-up. In France, there's an agreement with the producers: we own the rights for 42 months, and after that period the producer can sell them. This means we can control the first windowing and the first set of (platform-neutral) rights completely.

Co-productions are different than domestic productions, so we need to take it case by case, but for *80 Days* we control all the rights. ZDF and RAI control their rights. The length of the various rights differs.



How does the editorial process within the European Alliance work?

The Alliance works in a very easy and transparent way. Every broadcaster – ZDF, RAI and France TV – pitches projects, and it’s up to the others to join in or not. The broadcaster that has pitched the project initially controls the development. This doesn’t mean we have the right to do what we want. It simply means that we’re the only one talking to the producer. So in case of *80 Days*, France TV gathered in and controlled the notes, and we talked to the producer. We send the scripts to ZDF and RAI, they give us their notes, and we call them to discuss. After that, we consolidate one single set of notes and send it to the producer, with each country on copy.

The day before the shooting, we set up a big breakfast or lunch meeting with everybody involved – the different broadcasters, producers, writers – and we can talk about the content

and we say what we have to say. I think it’s very scary for the producer, but it works, since in the end, we’re all in the same place. After this huge kick-off meeting, the production starts.

One of the reasons why we created the Alliance was to have access to talent and producers from the other countries. *80 Days* is a genuine co-production, with German, Italian and French actors.

What will be the main language in *80 Days*?

The series will be in English. The French and Italian actors have a coach and the German actress studied in London and speaks fluent English.

We decide on the language project by project. *Mirage*, for example, is a co-production with ZDF and there the use of language is organic. *80 Days* is a show from a British producer that we will dub in French for linear and subtitle for non-linear. ZDF and Rai will do the same.

What about the production process? Did corona throw a spanner in the works?

We were the last production to stop in the spring in South Africa. The actors went back to their homes.

The show was supposed to be shot in two countries: South Africa and Romania.

Due to COVID-19 we decided not to go back to South Africa at this stage, so we needed to rewrite the scripts to shoot more in Romania. Ashley did a great job. Again they sent us the new scripts, we discussed them, sent back notes. We started shooting in Romania in late October this year. We’ll decide later if we go back to South Africa or not. We need to and want to finish the production on time.

So corona had a huge impact. The producers had built a huge, expensive studio in South Africa and now we need to decide whether we’ll create another studio in Romania.

The scripts have changed quite a lot as well. For example, they were supposed to travel by train; now they are travelling by bus. We had to adapt a lot of scenes.

Initially, the three broadcasters wanted the show by Christmas 2020, but we decided to give the production one extra year, so it will be our Christmas show for 2021.

Each broadcaster offered financial support to cover the extra costs.

What do you need to make a co-production like *80 Days* work?

You need to have a good story, the talent and the IP! Apart from that, we need to be aware that it's all about relationships. If everybody keeps to his or her place, it works. If somebody wants to be first, take over, then it won't.

When we created the Alliance, we realized the competition was going to be fierce, but we had the same target. And we still have the right to take the project to other partners if the Alliance says no.

The Alliance is an opportunity to have priority in terms of access and market: to see how Germany works, to see how Italy works and to see how France works. We learn a lot about the kind of content everybody is looking for as well.

What about the obstacles and pitfalls?

These are hard but exciting times. There is COVID-19, but there is a big demand for content.

We need to have more and more content and that is a big challenge. The way the audience consumes content has changed as well, so we need to adapt.

But the EBU, the EU, is huge and we're all facing the same problem: content.

If we, as European public broadcasters, would work together more often and better, we could be very powerful.

The Nordics did it before us and they proved that it works! Have you, as France TV, ever co-produced with a global platform, like HBO or Netflix? Up to today, it has not been necessary to partner with them on our drama productions.

The French producers are very happy with the Alliance since we decide very fast: we answer right away. The producers can work with platforms, but they know they will lose rights that they don't lose if they work with a linear broadcaster.

We have a committee meeting every two months. We discuss the different projects and decide on the spot, so the producer gets an immediate answer. We don't discuss how much budget we will put in: each country discusses this with the producer directly. The rules are very transparent and simple.

We currently have seven projects on the go within the Alliance, and more are coming soon.



IF WE, AS EUROPEAN PUBLIC BROADCASTERS, WOULD WORK TOGETHER MORE OFTEN AND BETTER, WE COULD BE VERY POWERFUL.”

Nathalie BIANCOLLI



Perspective 4: *Freud*, from a Broadcaster's View

**KATHARINA SCHENK,
HEAD OF DRAMA,
ORF (AUSTRIA)**

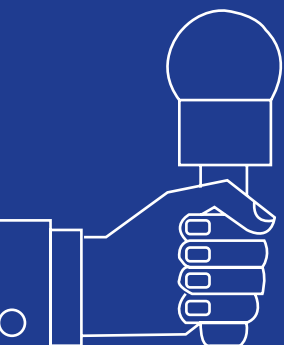


Short description of the series

Freud is a miniseries with the eponymous psychoanalyst at the centre of it; but it's not a biopic. It's a sort of rollercoaster ride, a vast psychological dreamland. It deals with Freud's own hidden feelings and his career, but also with his fascination for Fleur, a woman who is a psychic. All this blends into the historical background.

It's a journey through the underlying feelings and fantasies of Freud. This is the Freud before we get to know him, 'Freud before himself', so to speak. He's fascinated by hypnosis, he's always on the lookout for alternative ways to treat people, he's a rookie with wild theories. There aren't many records left from that period, so it's a sort of 'lost years' compilation with a lot of narrative space to fill in.

Freud is a mystery drama (8 x 45'-50').



Who came up with the idea to make a series on Freud's life?

The idea was brought to us by Satel, a production company based in Vienna and affiliated with Bavaria. They had Stefan Brunner, one of the authors, on board and soon after him Marvin Kren, a young director and writer, stepped in as well. He is best known for his series *4Blocks*, so we knew he would bring a very specific and exiting voice to the series. We developed it together with Satel. Netflix came on board later on, when we already had it in place.

They were drawn to it because of Marvin Kren – and because of the scripts.

You mention Netflix. Did they step in as co-producer?

Freud is indeed a co-production between ORF, Satel and Netflix, so Netflix stepped in as a co-production partner.

Have you ever considered finding co-producing partners within Europe? Other public broadcasters? Or commercial broadcasters?

The production company, Satel, tried to get other partners on board as well. ZDF, for example, didn't step in as co-producer, but ZDFE did. They invested in the series and acquired the sales rights.

Netflix has been the right partner as it is such an exceptional series, which gave the director a lot of artistic space and freedom.

What about the editorial role of Netflix?

It's a myth that, when you co-produce alongside Amazon or Netflix, you can do what you want. They give notes during editing and, in fact, they were fairly similar to ours.

And we both needed to deal with the age labelling. Netflix has an age-labelling policy that is fairly similar to a public broadcaster's. What it doesn't have is the challenge of fitting a show like *Freud* in the scheduling. We finally programmed *Freud* in packages of two episodes.

I can imagine *Freud* is an expensive series?

Let me put it this way: once every year we try to do something special, and therefore we spent more resources than for other series once every year we try to do something special, and therefore we spend more money than for other series. We usually have a lot of partners coming on board and that is how you try to get these special series financed. Which is quite...adventurous.

One of the biggest challenges collaborating with global streamers is retaining the rights you need in your own territory. Can you tell us a bit more on the rights and windowing of *Freud*?

Netflix was quite open on the rights and windowing since Austria is a small territory. They told us they had two release windows: one in April and one in November. Post-production was supposed to be finished by Christmas so we could launch *Freud* free to air and as a world premiere in January, so basically they gave us a window from January to March. But then we realized it was a bit difficult to get the programming done and they didn't mind giving us a longer window, which we appreciated a lot.

We had a 'three pillar strategy': a sneak-peek premiere during the Berlinale, followed by the free-to-air window at ORF and Netflix coming immediately after us. The Berlinale took place in late February, and we launched *Freud* on 15 March,



FOR US, HAVING THE PREMIERE IS THE MOST IMPORTANT CONDITION IN A COLLABORATION WITH A PLATFORM”.

Katharina SCHENK

which was unfortunately the day before the lockdown in Austria. We didn't reach the audience we would have liked to reach: everybody was in shock and was watching the news that night.

Netflix waited until we aired the complete series and then the day after they launched *Freud* worldwide, including in Austria.

For us, having the premiere is THE most important condition in a collaboration with platforms.

Didn't you want to negotiate a holdback in your territory?

All in all, we had a six-month window. Plus we're restricted to a seven-day catch-up online window.

How do you see the role of the distributor?

It depends on how the model is constructed; case by case.

If ORF is the sole financier and commissioning broadcaster, we retain the rights and do our own distribution.

In the case of a co-production, the rights remain with the production company, so they decide on the financing: it can be a broadcaster, a platform, state funding, a distributor...

You have co-produced with Netflix as well as with other PSM: what is your experience?

A co-production with a platform makes sense if you want to do something very special.

Usually we cooperate with European public broadcasters,

with which we have excellent long-term working relationships.

Communication is a bit trickier with platforms: press releases, release dates, and so on. There's a lot of secrecy, which is quite different than how we usually work.

But we managed, and I'm very happy we embarked on this adventure.

Thanks to *Freud*, ORF gets the image of being more daring and adventurous, and that is something I am really pleased with!



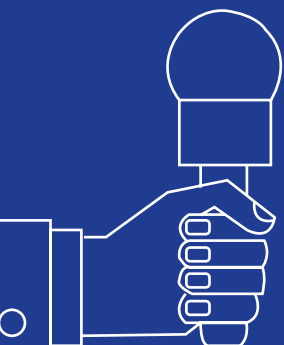
Perspective 5: A Distributor's View

**Robert Franke,
SVP ZDFE Drama (DE)**



Robert Franke is a production and development executive with over fifteen years of extensive experience in all facets of media, with a strong focus on content strategies, production and licensing from both sides of the negotiation table.

Since November 2015 Robert is heading the drama department at ZDF Enterprises. He is in charge of co-productions, content development, license and contractual negotiations, and international content financing.



Can you tell us a bit more on ZDFE and on how the company relates to ZDF?

ZDFE is a wholly owned subsidiary of ZDF. We are regulated by the German Media Act. ZDF is the only shareholder in the company, but we operate totally independently of ZDF. This means we participate and compete in distribution in the same way as every other distribution company in Europe or worldwide.

ZDFE does three things. The main goal is to monetize content that is produced by the parent company, ZDF. We pay for that content in the same way as any distributor would do. Secondly, we're Germany's biggest distribution company for third-party content. We are under no obligation regarding whom to sell to or whom to deal with in the market. And the third thing we do is financing and co-financing, producing and co-producing content alongside and without ZDF. We can decide by ourselves in which projects we want to invest. Basically we can do what we want.

How do you see the role of the distributor evolving? We see more and more distributors joining series as co-producers.

Producing drama is a risky business. Our revenue driver is the distribution of content, so what we basically do as co-producers is grant ourselves access to content which we then can sell. We see in the market a consolidation of the value chain. Big companies are basically covering the whole value chain nowadays to maximize the revenues they can generate: they develop, produce, distribute and exploit content.

Not only SVOD platforms do this but also big European players like Banijay and

Endemol Shine. Since a lot of content originates within these big groups, it becomes more and more difficult for distributors like ZDFE to get access to content. That's why we try to get hold of the rights early on.

Does this mean you want to be involved in the very-early-development phase?

We try to be flexible and we evaluate every project case by case. Our involvement as producer, co-producer or distributor depends on the kind of show, the international potential, and the margin we can get out of it. In general, there's a benefit in getting us involved early: we can bring our expertise to the table. We see quite a few producers lacking the knowledge to put together a co-production project. We can also help in shaping the project to



WE CAN PREVENT PRODUCERS FROM GOING ON A WILD GOOSE CHASE, PURSUING BROADCASTERS AND PLATFORMS WITH CONTENT THEY'RE NOT EVEN INTERESTED IN."

Robert FRANKE

maximize the chance that it will be picked up. It's not only about financing, but about how you format and package a project as well. We know what broadcasters and platforms are looking for.

What kind of series travels best?

Series in English, for the simple reason that the market is still biased. Crime always works, but there is a big trend for 'genre shows': horror, fantasy and science fiction. But those series need to be produced well. Local shows are hard to sell: either they are super local, or not local at all.

Fargo is always named as a good example, as well as *Broadchurch*. I see hundreds of projects of that kind coming in. You have all these *Broadchurch* kind of shows: a small town, rural Denmark, Scotland, Slovenia, but in the end of the day it all comes down to execution. They're interesting and there's a lot of passion behind them, but the reality of the market is that most of those shows will fail.

For us financing is crucial, as well as the expectations towards us. If somebody comes to us and they want us to pay EUR 500,000 per episode, they must have a damn good reason to justify that.

What we try to do is to come in at an early stage, minimize the investment from the financing parties involved and maximize the money you get from broadcasters and platforms.

What is your vision on European co-productions?

Financing is a very important factor. We see a trend where broadcasters try to minimize their investment and they believe that their show will be great and will be financed by other parties.



But it's hard to find co-producers for a local series. So you get a lot of series with two cops from two different countries and you get a 'Euro-pudding' that doesn't really work.

In a show I'm looking for a multinational angle or storyline. Does the story organically demand that more than one country is involved? If so, then you can build an organic European co-production.

If that show is more or less fully financed, we're then willing to take the risk.

Apart from that, we've our own development slate, so I'd rather invest in my own productions than in something that comes from a third party. It's what we talked about earlier and what big companies do: invest in your own development and your own production companies.

And what about co-productions with global platforms?

Amazon and Netflix are active in local markets. Disney+ and Apple are not there yet.

For Netflix and Amazon, it's hard to co-produce with local broadcasters since they are snapping up substantial market share in those local markets. I see more opportunities in co-producing with local platforms like Viaplay (Nordics) and Telenet (Belgium), for example, since they don't cannibalize the value chain of a product. For us, as distributor, these shows are easier to sell than co-productions with global streamers.

So, in general, what are the pros and cons between these different partners?

If you have a broadcaster involved, you have a lot of value and perspective on the rights. When we work with RAI, FTV or ZDF, for example, they only take the local rights and they contribute a substantial budget. They leave a lot of territories open for the distributor.

But they work quite 'old school': the decision-making processes are sometimes long and painstaking. They usually have a strong editorial voice as well, which makes it more challenging for the producer.

Overall they offer solid funding and you get a lot of value for that.

The platforms, on the other hand, when it comes to co-production, they are more 'forgiving'. They are not so much involved in the editorial process.

They co-produce because they need new material for their pipelines, but the economics can be terrible. If we want to co-produce with them, they want us to come with at least 40% of the budget financed. If I only have one channel involved, there isn't a lot of benefit anymore for me to work with a platform. They will not put more than 30% of the production budget on the table. So you have 30% or 40% from the broadcaster, 30% from Netflix, and they expect you to plug the gap with a MG and soft money.

So you end up with a project that is fully financed but basically is unsellable. Not only because of the fact that broadcasters want non-linear rights these days, but it also has to do with the branding: when a show is Netflix branded, it is almost



WE SEE IN THE MARKET A CONSOLIDATION OF THE VALUE CHAIN. BIG COMPANIES ARE BASICALLY COVERING THE WHOLE VALUE CHAIN NOWADAYS TO MAXIMIZE THE REVENUES THEY CAN GENERATE: THEY DEVELOP, PRODUCE, DISTRIBUTE AND EXPLOIT CONTENT.”

Robert FRANKE

unsellable. The traditional linear broadcasters are not keen to take on 'Netflix content', even when we explain that the series is not a real Netflix co-production. It's a reaction to their initial policy in a way.

Nowadays Netflix invests more in local shows and they won't necessarily take the worldwide rights, but they sometimes take a couple of territories.

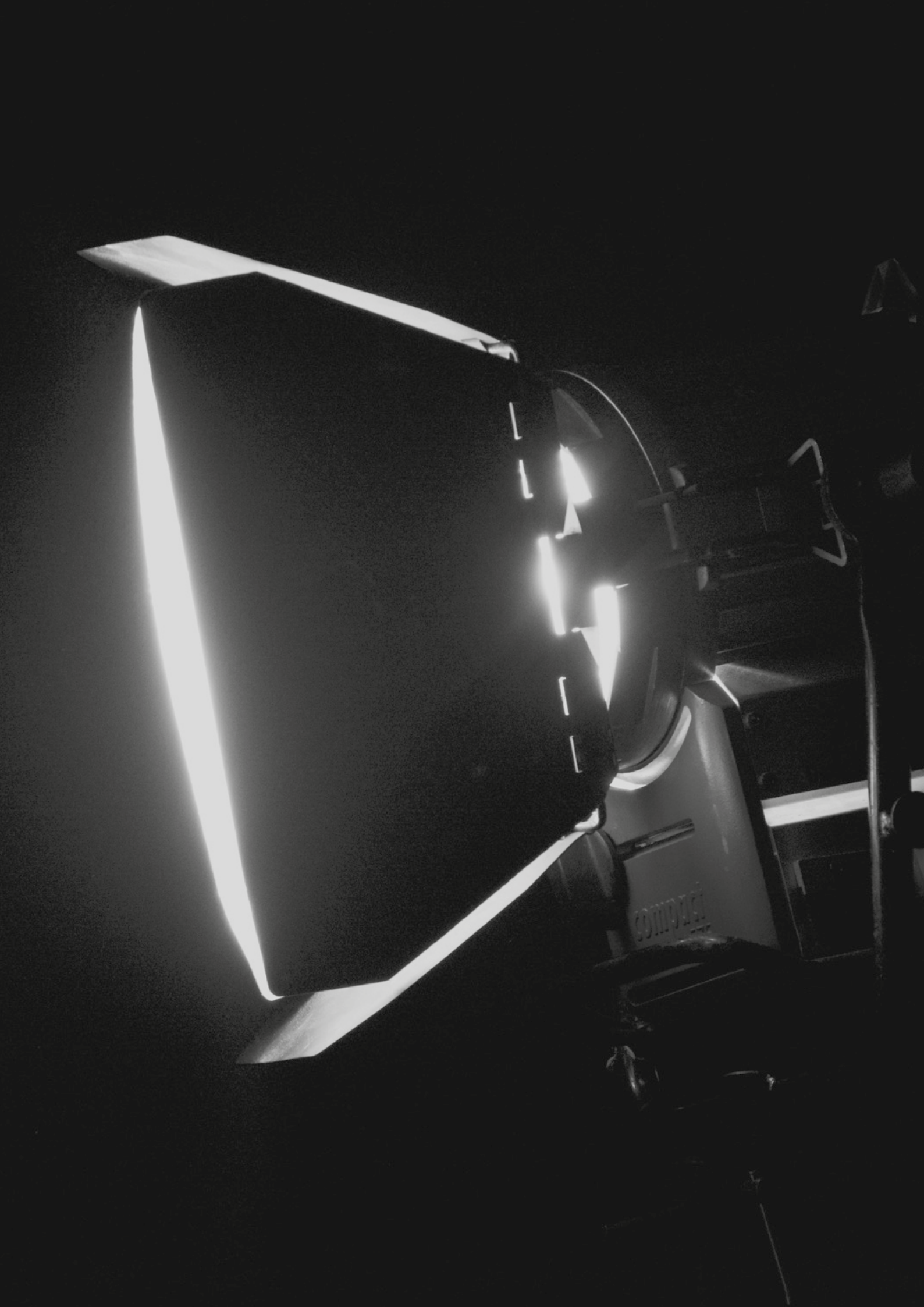
So you really have to be very careful and steer your value chain in the right direction.

Did you know about the Drama Initiative?

Yes, I've heard about it. It sounds like an interesting initiative, although I think it's a challenge bridging the gap between all those different demands and interests. You need to understand the needs of the different broadcasters and their audiences. I wouldn't make it too complex: keep it simple, not building big co-productions with a lot of partners.

As a distributor I don't see the benefit of putting projects in your pipeline since we're talking to buyers and channels directly. That's basically the purpose of our business. I think the EBU co-production network is interesting for smaller, independent producers who don't have the resources to go to all the festivals and markets to meet up with the buyers - the channels and platforms - and who don't have that kind of network themselves.

My advice would be not to take on too many projects, be very selective. I would go for quality. That would be my core advice to you. And you can take it from there, broadening the pipeline along the way. Next to that, I think for smaller broadcasters, the Nordic-12 model might be very effective and something to explore.



REGIONAL COLLABORATION

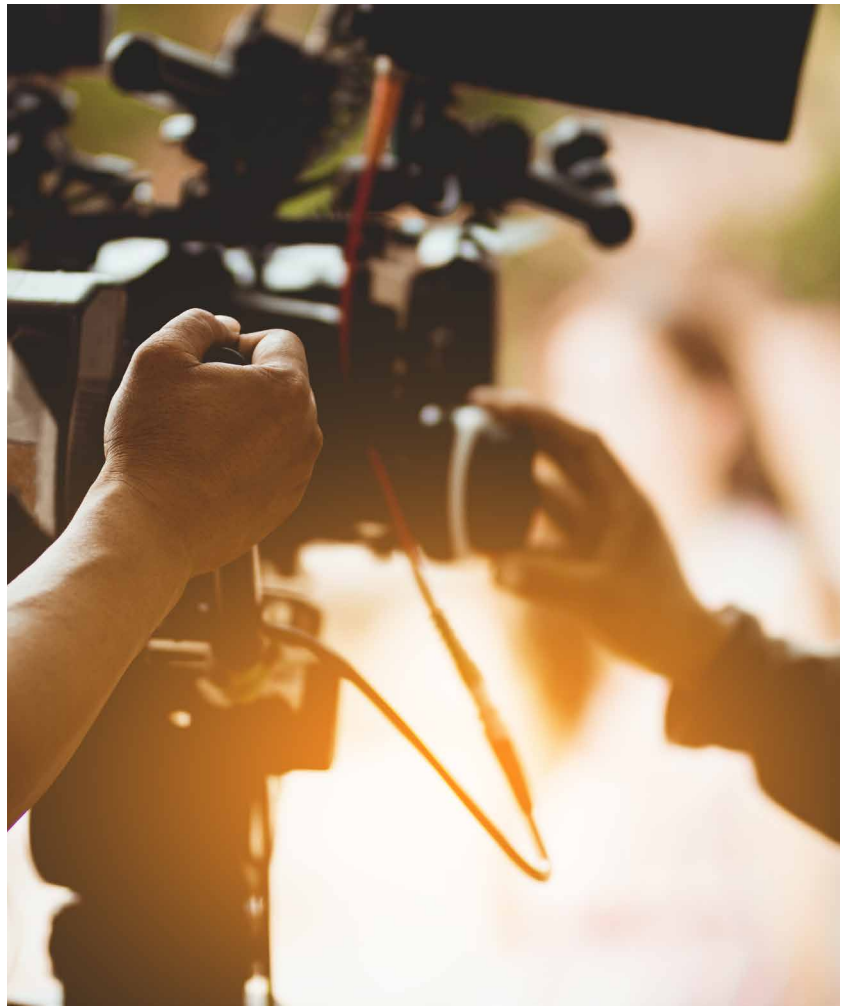
The most successful networks of public-service-drama co-producers are built upon two key ingredients: strong cultural connections and matching financial resources. These two ingredients often – but not always – go hand in hand with geographical proximity.

It is for this reason that in October 2020, the EBU organized five online workshops all over Europe to explore regional cooperation by grouping Members in clusters. As well as providing an opportunity to connect with drama contacts from across the membership in a more informal setting, this forum was used to discuss the co-production potential in each region.

In each meeting we began by showing how the two most successful networks, **Nordic 12 and The European Alliance**, operate.

Nordic 12

The Nordic 12 (N12) is a package of 12 strong A-drama series per year that all the Nordic PSM broadcasters are committed to co-produce together: DR – 3 series, NRK – 3 series, SVT – 3 series, YLE – 2 series and RUV – 1 series. By doing so, the Nordic audience can enjoy 1 new Nordic drama series each month. The broadcasters pay a fixed fee per hour for every series that is produced within N12 and receive one year of exclusive platform-neutral rights in return. This is a ‘reciprocal model’: the budget you spend to acquire the series reverts to you as financing for your own series.



In 2020, the following series have been produced within N12:

- *A Family Matter* (DR)
- *22 July* (NRK)
- *For Life* (NRK)
- *The Minister* (RUV)
- *Black Port* (RUV)
- *The Haijby Case* (SVT)
- *Peacemaker* (YLE)
- *Countrymen* (NRK)
- *The Thin Blue Line* (SVT)
- *When the Dust Settles* (DR).

Following the success of N12, other initiatives are being established: Y12 (young adult content), D12 (documentaries) and A12 (acquisitions).

Tone Rønning, executive producer for NRK Drama and chair of the EBU Fiction Bureau, is a supportive and passionate ambassador for N12 and for European PSM collaboration.

“*Together we’re stronger*” is her motto.

We are privileged to be working for public broadcasters, earning our living by serving the public with inspiring stories that touch their hearts. Getting the audience’s attention is challenging with so many clever competitors around. We need to work harder to earn our audience’s trust and respect.

We’re under pressure and need to solve the challenges together.

We need to help each other get access to the best and most relevant content, the best ideas, best talent, best resources. We need to dialogue with our audience so at all times we know what is right and relevant in their eyes. Europeans have a different definition of

what good TV drama is. This depends on their cultural context as well.

There are efficient and productive clusters today like the Alliance, the Big 5, the Sauna Club (buyers) and the Nordvision/Nordic 12. These clusters know their audiences. They co-produce and pre-buy, they collaborate and inspire each other on branding, rights and publishing and never hesitate to challenge each other. The clusters are not closed fora. We need more clusters to act in a fast and precise manner, and we are collaborating across the clusters within the EBU.

Through our collaboration we have access to more high-quality drama series that consequently do not fall into the hands of our competitors.

We will continue and strengthen collaboration on storytelling, rights, financing, publishing, branding and much more.

The General Assembly has approved the Drama Initiative. Our responsibility is to set it into action and address the problems we need to solve as we move ahead. We depend on each enthusiastic broadcaster to take the Drama Initiative to the next level.

The dividing lines between many groups of people in Europe have grown wider in recent years. COVID-19 stops us from travelling and meeting up with our fellow Europeans. Imagine what we can achieve through the EBU: we can bridge these gaps. TV drama is a window on the world, where our viewing publics can connect. It is a fact that stories move people, people move cultures and cultures move civilizations.



TV DRAMA IS A WINDOW ON THE WORLD, WHERE OUR VIEWING PUBLICS CAN CONNECT. IT IS A FACT THAT STORIES MOVE PEOPLE, PEOPLE MOVE CULTURES AND CULTURES MOVE CIVILIZATIONS”.

Tone RØNNING, Executive Producer NRK
Drama, Chair EBU Fiction Bureau

The European Alliance

The European Alliance is a drama alliance between ZDF, RAI and France TV, set up to co-produce high-end dramas and, by doing so, counter the influence of the global streamers entering European markets.

Every 2 months the Heads of Drama meet to discuss ongoing fiction projects and potential new drama series to be co-produced. The alliance is lean and flexible; collaboration is on a case-by-case basis. A broadcaster who brings a project to the table remains in charge, while creative input is expected from the co-producers.

ZDF, RAI and France TV retain all rights they need for their 'language' territories. Most of the time, they bring in a distributor at an early stage as a co-producer and distribution partner.

The Alliance is open for projects/pitches coming from other European broadcasters as well, with one of the three founding broadcasters

becoming the 'godmother' of that series within the Alliance.

Seven series are currently in production: *Around the World in 80 Days* (Alliance), *Mirage* (FTV+ZDF), *Survivors* (Alliance), *Germinal* (FTV+RAI), *Leonardo* (RAI+FTV), *The Swarm* (Alliance) and *The Reunions* (Alliance)

Regional Meetings of EBU Members

In preparation for the regional meetings, a questionnaire was sent out to the participants in order to get a view on existing formal and informal collaboration.

The results showed a mixed picture of co-production habits. The likelihood of working in co-production structures appears to be linked to geography: in Western European territories, all respondents confirmed that collaboration takes place, sometimes formal, sometimes informal. In Central Europe, only half of the participants responded affirmatively, while in Eastern Europe, participants said that currently no collaboration on drama takes place.

Story, language, proximity and cultural similarities are important 'drivers' to work together on drama. Notably, ZDF and ARTE are important co-production partners for many European public-sector broadcasters.

Members see an important role for the EBU in sharing expertise and knowledge, in networking, and in playing an active role in putting together co-productions and other initiatives for collaboration.

Cluster – Mediterranean Europe

Participants: RTP (Portugal), RTVE (Spain), ERT (Greece), SMRTV (San Marino), KAN (Israel)

These broadcasters identified historical ties as being important (not only modern-day cultural commonalities), as shared stories and history resonate with audiences. For example: RTP (Portugal) has collaborations with Brazil and some African countries, while RTVE (Spain) co-produces with South American broadcasters.

However, it was noted that contributing significant investments towards productions led in other territories is often problematic due to PSM obligations towards their own local production industry. That is why co-productions work best when they are reciprocal: investing in another ecosystem requires a similar investment in the local ecosystem (by other countries) as well.

Ownership of the international rights is crucial; very often it is the producer who owns the rights. In that case the broadcaster cannot have any sway on the model used.

Cluster – Central Europe

Participants: CTV (Czech Republic), HRT (Croatia), RTCG (Montenegro), TVP (Poland)

Two reasons for pursuing co-production arose during recent discussions: 'editorial ROI' (where the co-producers seek editorial input in return for the co-production investment) versus 'economic ROI' (where financial returns are expected).

For some, the integration of characters/actors and storylines are conditional for joining an international co-production. For others, the reinforcement of the local ecosystem and a financial ROI are important. Still others need both to be in place. The biggest challenges are finding common topics of interest and clearly establishing the production values.

Cluster – Western Europe (mid-sized countries)

Participants: DR (Denmark), NPO (Netherlands), KRO-NCRV (Netherlands), EO (Netherlands), BBC Scotland/Alba (UK), SRG SSR (RTS, RSI, SRF) (Switzerland), VRT (Belgium)

Since this cluster already met twice in 2019 (during the Berlinale and after the annual Fiction Experts meeting in Prague), they have already shared a lot of information and insights. Most of the participants know each other well, with several initiatives already in place.

A concrete idea for co-producing a drama series was discussed. The model behind it is a reciprocal one: five or six broadcasters working together to make a police procedural, each country 'producing' two episodes and acquiring the episodes produced by the other countries. It is comparable to the Nordic-12 model, but on the episode level instead of the series level.

Most participants thought this kind of concept might work and want to discuss this further. A briefing may be sent out to producers, since identifying the most suitable concept to develop through this model is crucial.

Cluster – North-eastern Europe

Participants: ERR (Estonia), LRT (Lithuania), LT (Latvia),

None of the broadcasters present had a dedicated drama department, and no collaboration within this cluster has been identified to date.

This is an example of a geographical cluster where co-production based on shared cultural characteristics might not work, since the territories are highly different from one other.

Estonia, for example, relates much more to the Nordic countries, especially Finland, than to Lithuania or Latvia. These countries have the feeling they don't stand a chance in European collaboration because of their small drama budgets. The overall feel is that pre-sale or exchanging drama series might fit better than co-production.

Cluster – South-eastern and Asian Europe

Participants: TRM (Moldova), TVR (Romania), GPB (Georgia), TRT (Turkey), Khaber Agency (Kazakhstan) Overall this group is hungry for European content and regional collaboration, especially for countries that have launched a digital platform. The trend towards local drama productions is growing in some countries (Turkey, Georgia and Kazakhstan) but there have been no European co-productions yet.

There appear to be some unique audience characteristics in this region, such as a strong taste for

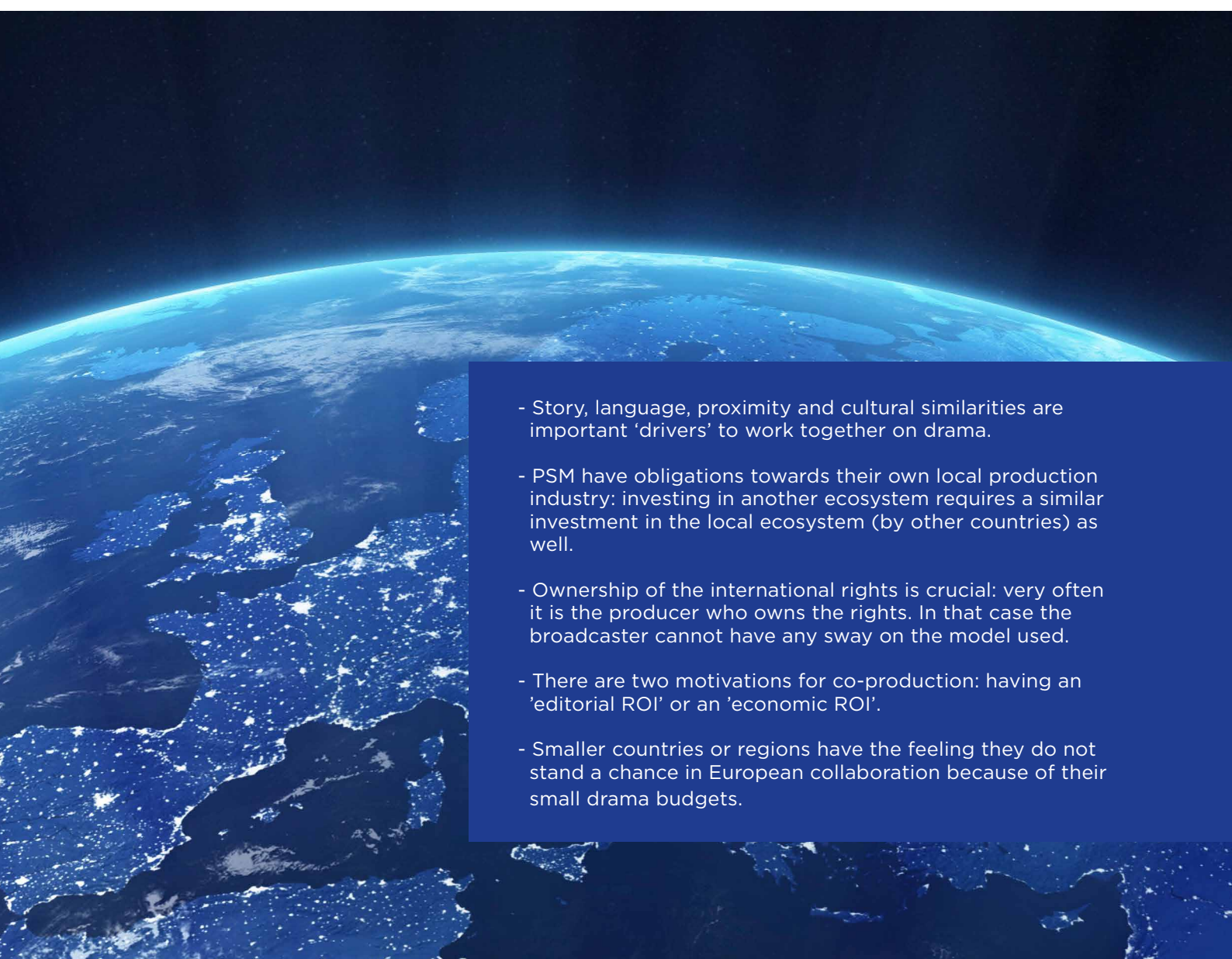
historical drama. Links with other countries would be possible. Moldova, Romania, Italy and France have common linguistic roots. Most countries lack a strong local industry.

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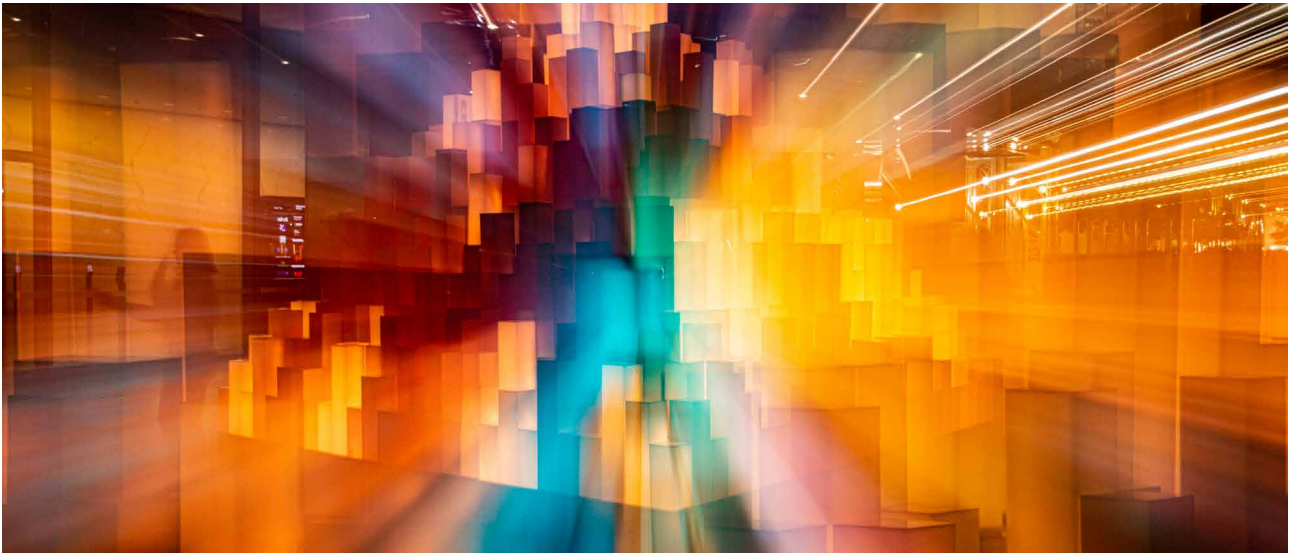
Overall this group is hungry for European content and regional collaboration, especially for countries that have launched a digital platform. The trend towards local drama productions is growing in some countries (Turkey, Georgia and Kazakhstan) but there have been no European co-

productions yet. There appear to be some unique audience characteristics in this region, such as a strong taste for historical drama. Links with other countries would be possible. Moldova, Romania, Italy and France have common linguistic roots. Most countries lack a strong local industry.



- Story, language, proximity and cultural similarities are important 'drivers' to work together on drama.
- PSM have obligations towards their own local production industry: investing in another ecosystem requires a similar investment in the local ecosystem (by other countries) as well.
- Ownership of the international rights is crucial: very often it is the producer who owns the rights. In that case the broadcaster cannot have any sway on the model used.
- There are two motivations for co-production: having an 'editorial ROI' or an 'economic ROI'.
- Smaller countries or regions have the feeling they do not stand a chance in European collaboration because of their small drama budgets.

LAUNCHING AN EBU CO-PRODUCTION NETWORK



The EBU Drama Co-production Network is about enabling early access to high-quality drama content, allowing European PSM executives a first look at projects in the development phase and giving them the opportunity to co-produce, co-develop and/or pre-buy a series. For this purpose, the EBU has designed and launched a toolkit to work in an agile and transparent way.

HOW DOES IT WORK?

When a European broadcaster (EBU Member) receives a drama proposal with strong European potential that needs international financing, it can propose the project to the EBU Drama Co-production Network.

It is important that the project be greenlighted by the leading broadcaster, although this can be the case in very different stages: early development, script development, (pre-)production, etc.

What is 'European potential'? We could probably discuss this topic for hours. It can be a big, ambitious pan-European project, but also a very local, particular story

that has the potential to travel, as long as these are relevant and recognizable for a broad European audience. Let's say we agree on one thing: "Euro-pudding" is something we all want to avoid!

The broadcaster, the producer and the EBU coordinator will prepare an online pitching session for the broadcasters contacted who have shown interest in the project.

First of all, EBU will send out an email to the designated EBU Drama Contacts (the **Drama Pitch Alert**).

This email will contain the basic information on the project: logline, description, production budget, financing gap, EBU access window, offer type (open for co-production/pre-sale/co-development). The leading

broadcaster can decide on who it wants to address: every Member (an open call) or specific territories for co-production and/or specific territories for pre-sale. In the Drama Pitch Alert, an invitation to join the online pitching session will be included, as well as a link to the **EBU Showcase Drama Offers**, which contains the complete development dossier for the project. Finally, during the **online pitch**, interested participants (commissioners and/or acquisitions) can listen to the presentation, share comments and ask the leading broadcaster and producer questions.

The broadcaster and EBU will agree upon a short 'EBU access window'.

During this exclusive 30-day window, the leading broadcaster and producer will agree not to sell the international rights to another party (such as a distributor or a platform). After this window has expired, as long as the rights within Europe have not been sold, the offer will stand on a non-exclusive basis. From the moment the rights have been sold, the project will be removed from the network.

We are aware that 30 days is a very short period for engaging, but as mentioned previously, PSM tend to be slow in decision-making. We must become nimbler and dare to take more risks if we want to compete with commercial platforms.

EBU, a Facilitator and Matchmaker

As soon as concrete negotiations about a collaboration have begun, the EBU coordinator will exit the process.

Incentives to go through the EBU Drama Co-production Network

There are plenty of advantages:

- As a leading broadcaster, you safeguard your rights in your own territory.
- There is no discussion on or fighting for your branding. You can claim the content as the PSM organization, with respect for every co-producer. If you find one or more parties to co-finance through this network, you retain the rights and still have many territories to sell into afterwards. By doing so, you create a ROI: money you can reinvest in content.
- This is direct collaboration: no fees or costs to be paid.
- If one or more broadcasters have already engaged with a series, this shows sales potential, signalling confidence with regard to potential distributors.
- You can access local funding as well as the Creative Europe Media Fund.
- Last but not least, PSM collaboration means sharing skills, talents and creativity!

Case studies from the EBU Drama Co-production Network

Winter Palace (RTS / Point Prod) – co-production/pre-sale offer April 2020

The first project to be launched within the EBU Drama Co-production Network was Switzerland's Swiss *Winter Palace*, submitted by commissioning editor Patrick Sühner. This 8-part series tells the story of an ambitious Swiss hotelier with a daring vision: build a 5-star hotel that will stay open throughout the winter season. And that was how the snow-decked winter holiday came about.

This is the first series for RTS to be written in English – by the award-winning script writer Lindsay Shapero.

- Invited broadcasters: **20**
- Participants: **7**

Fredrik Luihn, Head of Acquisitions of the Norwegian broadcasting corporation NRK, strongly believed in the series and convinced three other Nordic colleagues to make a pre-sale offer (DR, SVT and YLE). The offer has been accepted by producer Jean-Marc Frohle. But since they are still looking for one or more co-production partners to make up 40% of the financing, the pre-sale deal has not been signed yet.

Convoy (NRK / Filmkameratene AS) – co-production/pre-sale offer April 2020

Convoy is a Norwegian historical drama about a young boy who chases his dream to work on a merchant ship but ends up in the middle of World War II.

- Invited broadcasters: **27**
- Participants: **6**

***Blood of the Firstborn* (CTV / KFS Production) – co-production/pre-sale offer
May 2020**

Blood of the Firstborn is a 6-part murder mystery that takes place in Prague during the 16th century. The story, full of action and suspense, takes place against the common historical backdrop in Europe at that time.

- Invited broadcasters: **54**

- Participants: **6**

***Dr Garcia's Patients* (RTVE / DeAPLaneta / Diagonal) – co-production/pre-sale offer
June 2020**

A period thriller (9 episodes) about two men who want to unravel a clandestine network of Nazi war criminals fleeing to Argentina. To do so, they have to befriend those they are pursuing while bidding farewell to their loved ones.

- Invited broadcasters: **18**

- Participants: **3**

***Bonn* (WDR / Odeon Fiction) – co-production offer
September 2020**

Bonn is a 6-part political thriller that recounts the rise of the young Federal Republic between the terror of World War II and the return to everyday life, focusing on two rival German intelligence agencies. At the same time, the series tells the exciting story of a young woman fighting for her place in a society dominated by men in the zeitgeist of the 1950s who, in doing so, discovers terrifying details about her own family and the man she loves.

- Invited broadcasters: **54**

- Participants: **6**

***Lost Luggage* (VRT / de Mensen) – co-production/pre-sale offer
September 2020**

After the terrorist attacks on Brussels Airport, Samira Laroussa, a strong-hearted, half-Moroccan policewoman, is commissioned to handle and return all baggage and personal belongings that were left behind in the departure hall that day. Every new encounter with a victim or relative will unbalance the seemingly strong Samira, who is far from ready to deal with the pains of her own troubled past.

- Invited broadcasters: **54**

- Participants: **6**

Arcadia (VRT) – pitched at the Annual Fiction Experts Meeting in Prague and the pitch meeting of EBU Commissioners and Heads of Acquisitions at C21 in London, both in 2019

Arcadia is the first PSM series to be realized as a co-production through the EBU network. The network not only encouraged VRT (B) and producer jonnydepony (B) to engage NPO/KRO-NCRV (NL) at an early stage instead of co-producing the series with a commercial platform, but helped bring ARD (DE) on board as well!

Read more about the *Arcadia* case study under Aspects of (Co-)Producing High-End Drama (page x).

For more details about these projects, visit the EBU Drama Offers Showcase webpage: <https://showcase.ebu.ch/gallery/projects-in-development>



TASK



LEAVE NO.

C.

CONCLUSIONS AND NEXT STEPS



As 2021 begins, the EBU - together with the TV Committee and Fiction Bureau - will evaluate the learnings from this year's work on the Drama Initiative and plan the next steps.

Below is a summary of the learnings that will be taken into account. But as ever, we are interested to hear from any of you who would like to steer the next steps.

EBU CO-PRODUCTION NETWORK

It is too soon to say whether the framework of the co-production network is the right one to foster collaboration among EBU Members.

While we have not seen significant co-production investments put forward through the network, we have seen some interest in pre-sales. However, projects which received this interest (such as *Winter Palace*) were not sufficiently financed in order that the pre-sale offer could bring the project into production.

Jan Maxa,

Head of Development and Content Czech TV describes it as follows:

"I believe we're on the right path, and it's necessary to help match supply and demand for drama among the EBU Members, to allow more European-based, high-quality drama to come not just from the few big, well-financed markets, but also from clusters of smaller countries.

The obvious issues are trust (we all know how long it takes to build a relationship between broadcasters so that collaboration on difficult and expensive projects, such as drama series, can really flourish) and momentum (until we get EBU-wide drama co-productions working, there will always be a simpler path to acquire ready-made, proven content, rather than spend more on an inherently riskier pre-sale or co-production).

I feel we still have some way to go to overcome these issues, but I am sure it's worth trying."

DIRECTIONS TO BE EXPLORED IN 2021:



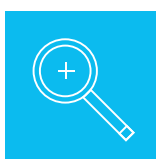
Promoting and publicizing the network within the industry to ensure we are attracting top-end productions at the right stage of development.



Underlining the importance of the EDCN as an opportunity for pre-sales, perhaps setting a minimum financing requirement for projects to be eligible.



Considering using the network to offer first-access opportunities for acquisitions of PSM-led projects (e.g. European Alliance projects).



Exploring whether producers should be able to offer selected projects through the network without having a lead PSM broadcaster in place. This could give PSM organizations some opportunities to work on weighty productions where an SVOD or commercial network is already on board.

REGIONAL COLLABORATION

While the regional workshops presented a mixed picture of co-production across Europe, several avenues for further discussion were identified:

- Can a reciprocal model such as the Nordic 12 be recreated elsewhere in Europe, by grouping broadcasters with shared cultural characteristics around a common output agreement (including an agreed per-hour fee)?
- Could such a reciprocal model be trialed within the context of a lower-risk episode-based (rather than a series-based) output deal? If so, how can the right creative concept be identified?
- Can a tailor-made approach be adopted and applied to the co-production network, applying what we have learnt about co-production preferences

(for example, economic vs. editorial return on investment, reciprocal vs. occasional co-production)?

- Can connections be forged within existing alliances?

MAKING THE CASE FOR PUBLIC-SERVICE DRAMA

What is public-service drama? What is its purpose, what values does it represent, and how do we distinguish it clearly from the drama offer of commercial competitors? These questions are key to securing a strong role for public-service drama in the future, and follow-up work on the Drama Initiative must include some reflection on them.

ANNEXES

EBU DRAMA INITIATIVE – TIMELINE 2020



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