

## 3rd Newsletter Cine-Regio - CANNES FILM FESTIVAL 2004

### IDEAL PLATFORM TO MEET PRODUCERS

This year, the Festival de Cannes and the Marché du Film are having their first outing with a new venture called the Producers Network (<http://www.cannesmarket.com/pn>) which looks set to be an ideal launch platform for Cine-Regio.

"The Market contacted Wallimage about becoming a sponsor and this was an example of the power of the Cine-Regio coordination," recalls Philippe Reynaert. "Being a sponsor would have been financially prohibitive for Wallimage itself, but it made sense for the coordination and the five founding members to put up the money together. We are really happy that Cine-Regio's first official appearance can be linked with the Network."

"The response to this new initiative is very good, more than 450 producers have registered coming from 40 countries!," Marché du Film executive director Jérôme Paillard told the Newsletter. "The Plage des Palmes will definitely be THE meeting place for producers every morning. We are giving them, thanks to our presenting partners, the opportunity to meet and share experiences with some of the top players of the international film industry including financiers, sales companies, distributors, festivals and many more."

Representatives of Cine-Regio's founding members will attend the Daily Producer Breakfast events to explain the workings of the coordination and Cine-Regio will be the official host for the breakfast event on Friday, May 21.

"It is a perfect place for us to become known by the producers and it will give us a more precise idea of what people expect from such a network of regional funds," Reynaert explains.

Earlier in the year, in Rotterdam, the Cine-region founding members invited five producers - Austria's Gabriele Kranzelbinder and Antonin Svoboda (producer of *The Edukators* and *Hotel*), Belgium's Sébastien Delloye and Joseph Roeschop, Italy's Edoardo Winspeare, Germany's Martin Hagemann and The Netherlands' Kees Kasander - to attend their third strategic meeting to discuss their experiences of working with regional funds and their expectations of such a Coordination.



**Marché du Film  
executive director  
Jérôme Paillard**

### EC IMPACT STUDY ON AID SCHEMES

*The European Commission plans to conduct a cultural and economic impact study on the existing aid schemes during the three-year extension to the 2001 regime on national support schemes, which now runs to 30 June, 2007.*

*In a Communication on European Cinema issued in March, the EC said it wanted "to examine whether the current regime can fully cope with the future challenges facing the European audiovisual market. As part of this work, it intends the check whether disproportionate territorialisation requirements cause undue fragmentation of the European audiovisual market, for example by creating obstacles to pan-European co-productions." Cine-Regio definitely has some work to do!*

### AGENDA

*Cine-Regio will hold its **European Seminar** in Lecce (Puglia, Italy) on October 23rd – 25th, 2004.*

*The Cine-Regio database developed in cooperation with the European Audiovisual Observatory will be officially launched at this occasion.*

*More than 60 representatives of Regional investment funds and other professionals will get together in Lecce.*

### SUMMARY

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## WALLIMAGE



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*Jeux d'Enfants : a naughty way to discover the hidden aspects of Wallimage*

### THE LOWDOWN ON WALLIMAGE

**Volume and origin of the financing :**  
€ 3.3 m from the regional government

**Number of funding programmes: 2**  
Financing of audiovisual works presented by Walloon production companies : € 2.5m;  
Financing of services companies of the Walloon audiovisual industry : € 800,000

**Type of productions supported:**  
Feature film, documentaries, animation

**Type of assistance:**  
Selective, economic aid

**Level of Regional Effect:**  
Production company must undertake to spend 100% of at least € 250,000 within the region of Wallonia

#### Examples of films supported by Wallimage:

- > 2004 (Shooting) Le Couperet, dir: Costa Gavras, with José Garcia, Olivier Gourmet, prod cos : Les Films du Fleuve/KG Prod
- > 2004 Folle Embellie, dir: Dominique Cabrera, with Miou-Miou, Jean-Pierre Léaud, Olivier Gourmet, prod cos: Tarentula/Les Films de la Croisade
- > 2003 Jeux d'Enfants, dir: Yann Samuell, with Guillaume Canet, Marion Cotillard, prod cos: Artemis Production/Média Services/Nord Ouest Production
- > 2003 Le Mystère de la Chambre jaune, dir: Bruno Podalydes, with Pierre Arditi, Olivier Gourmet, Sabine Azema, Julos Beaucarne, prod cos: Les Films du Fleuve/Why Not
- > 2002 Le Fils, dirs: Luc & Jean-Pierre Dardenne, with Olivier Gourmet, Morgan Marinne, prod cos: Les Films du Fleuve/Archipel 35

### WALLIMAGE'S DIRECTOR PHILIPPE REYNAERT HAS REASONS TO BE CHEERFUL



Philippe Reynaert

After the fund's three-year test period which had seen it supporting the production of 14 feature films, three documentaries and a video game, the Walloon Government decided to make the funding mechanism permanent. It confirmed that € 2.5m will be allocated this year for the production of audiovisual works, and the investment in service companies will also be continued and expanded.

This year has seen a number of modifications to Wallimage's regulations such as the scrapping of the accelerated repayment mechanism and the lowering of the minimum amount of eligible expenditure that the beneficiary of a loan must spend within the region from 150% to 100%.

Part of Wallimage's participation will now take the form of a compulsory repayable loan and the other in equity, i.e. capital participation in the financing of the film. "Thus, Wallimage is like an investor tax shelter! Except that we are not acting for tax purposes, but rather to support the development of a regional cultural industry."

## FILM FONDS WIEN



*Stipe Erceg, Daniel Brühl and Julia Jentsch in the Edukators*



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### THE LOWDOWN ON VIENNA FILM FUND

**Volume and origin of the financing:**

€ 8m from the City of Vienna

**Number of funding programmes: 4**

Project development  
Production  
Distribution  
Promotion

**Type of supported productions:**

Feature film, TV fiction, documentaries, animation

**Type of assistance:**

Automatic, selective

**Level of Regional Effect:** 100%

**Examples of films supported by Vienna Film Fund:**

- > 2004 *Ma Mère*, dir: Christophe Honoré, with Isabelle Huppert, Richard Rousseau, prod cos: Amour Fou Filmproduktion/Gemini Films
- > 2004 *Hotel*, dir: Jessica Hausner, with Franziska Weiss, Birgit Minichmayr, Regina Fritsch, prod cos: coop 99 filmproduktion/Essential Filmproduktion
- > 2004 *The Edukators (Die fetten Jahre sind vorbei)*, dir: Hans Weingartner, with Daniel Brühl, Julia Jentsch, Stipe Erceg, prod cos: y3 Filmproduktion/coop 99 filmproduktion
- > 2004 *Dallas*, dir: Robert Pejo, with Zsolt Bogdan, Dorka Gryllus, prod cos: Allegro Film/Uj Budapest Filmstudio/MTM Filmproduktion
- > 2003 *Welcome Home*, dir: Andreas Gruber, with Georg Friedrich, Rainer Egger, Abdul Salis, prod cos: Wega-Film / Colonia Media

### INTERNATIONAL DIMENSION



Peter Zawrel

The enlargement of the European Union eastwards on May 1 with the arrival of ten new Member States will have brought several advantages for the work of the Vienna Film Fund (VFF), says director Peter Zawrel. "It will now be easier to intensify existing contacts and establish new cooperative ventures, and the competition with third parties will be reduced," he explains.

While one of the key objectives of the VFF's work is naturally to strengthen and promote the location of Vienna and the film and TV industry based there, Zawrel has equally been interested in the international dimension. "The number of co-productions have grown particularly in recent years to the point where we are involved in more than the national Austrian Film Institute," he explains.

"At the same time, there are proportionally fewer with Germany: we had 32 in the last four years compared to 45 with other countries, including the USA. Indeed, there is a new generation of producers coming through who have built up networks through involvement in European training programmes. And it's important for a small country like ours to look past the linguistic borders."

## REGIONAL EFFECTS - THE TERRITORIALITY EXPENDITURE RULES IN QUESTION

Less than a month before the European Commission adopted a new communication on European cinema extending its regime on national support schemes until 30 June 2007, the Mons conference addressed the issue of rules for territoriality expenditure.

As expert Gaetano Stucchi noted at the beginning, "some idea of territorialisation can help convince the managers of public funding to donate to this field" and explained that "a point of identity" was important since "it is impossible to defend the idea that a regional fund should exist if we don't defend in some way the existence of regional contents".

Thirdly, he argued, territorialisation was part of a structural effect "which can be very different from region to region. In some regions, you have a serious attempt to establish a real industrial line of production. But that is not the case for all the regions in Europe."

In an analysis of the Commission discussion document on its policy vis-a-vis support schemes, Peter Zawrel suggested that if the option was taken to extend the status quo, "we will have a more and more confusing and contradictory European wood full of mushrooms. Every one of them is edible, but a ragout of some of them may be a danger to life. The life of the people who are persuaded to eat this ragout because they can find no other way to get the strength to make their films in Europe."

He explained that "many problems can arise for the producers in the case of an international co-production when they have different regional funds with differently defined territorial effects onboard. Some of them are asking for more than 100% of the given subsidy, or for a certain percentage of the total production costs."

"I think that we will have new problems with the entry of the new Member States. In Hungary, for example, they have, this year for the first time, around €25m in their national fund, but they are asking for a 200% territorial effect in Hungary - 'Hungary' being defined as a national territory, as a national region."

Meanwhile, the UK Film Council's Chris Chandler added that "the notion of territorialisation above the limit of the level of intensity of aid, so that you can put 50% state aid into a film and insist on a higher proportion of territorialisation, is quite important in terms of those states that have tax breaks as a large part of the funding pattern."

At the same time, he welcomed the line of argument where regional and national funds agreed to set aside territorial requirements, "that we can voluntarily agree to work together whilst keeping the benefits at the national level of territorialisation."



*The European Commission's André Weissenberg in the hot seat on the issue of territoriality*

## FOCUS ON... GALICIA

Founded in November 2002, the Consorcio Audiovisual de Galicia has as its main goal the development and consolidation of the Galician audiovisual industry. In addition, the fund, which also houses the Galicia Film Commission, promotes the Galician language within the audiovisual media and supports the screening of Galician productions throughout the rest of Spain and abroad.

Among the projects currently being developed by the Consorcio are financial support for the release of Galician films abroad; financial support for companies to promote audiovisual productions via the Internet; the Au2003 film education initiative for schools; the Docs Galicia 04 promotional programme for documentaries; the Curtas 03 promotion for Galician shorts at festivals and markets; and training grants for students and media professionals.

In addition, the Consorcio is a local partner of MEDIA's Cartoon initiative for the Cartoon Master of New Technologies courses and this year's Cartoon Forum which will be held in Santiago di Compostela in September.

The Consorcio is also a co-signatory of the Raices Programme with Argentina's INCAA and Spain's ICAA to develop closer links between the two countries, and the body has also participated in the Audiovisual Coproduction Meeting between Puerto Rico and Spain and the Malaga Film Festival/Documentary Market. Moreover, it is preparing to organise a Galician Film Week in Brazil. More information on: +34 981 957 182

### Lead Partner:

### Founding members:

### General Coordination and contact

- Wallimage, Fonds Régional Wallon de l'Audiovisuel (Belgium)
- FilmFonds Wien (Austria)
- MFG Filmförderung Baden- Württemberg (Germany)
- Provincia di Lecce (Italy)
- Rotterdams Fonds voor de Film en Audiovisuele media (The Netherlands)
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